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ANNUAL REPORT

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LICENSEE ATLANTIC CITY SHOWBOAT, INC.

ADDRESS PO BOX 500

ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

REPORT TO THE
CASINO CONTROL COMMISSION

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL REPORT VICE PRESIDENT/FINANCE

OFFICIAL TITLE VICE PRESIDENT/FINANCE

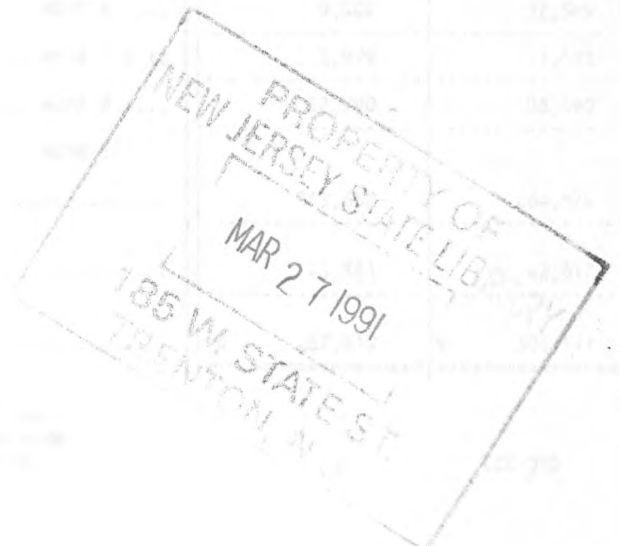
ADDRESS PO BOX 500
ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

LIST OF FORMS — ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1990

<u>TITLE</u>	<u>FORM NO.</u>
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Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
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BALANCE SHEET

DECEMBER 31, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 90	(d) 19 89
ASSETS			
	Current Assets:		
1	Cash .....NOTE 1.....	\$ 32,300	\$ 39,964
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowances for doubtful accounts - 19_90_ \$ 4,974 ; 19_89_ \$ 5,263 ) .....NOTE 3.....	6,684	10,168
4	Inventories .....NOTE 1.....	2,210	2,508
5	Prepaid expenses and other current assets.....	2,495	2,058
6	Total current assets	43,689	54,698
7	Investments, Advances, And Receivables .....NOTE 2 & 15	20,368	24,849
8	Property And Equipment - Net .....NOTE 4.....	213,884	215,882
9	Other Assets	9,878	10,762
10	Total Assets	\$ 287,819	\$ 306,191
LIABILITIES AND EQUITY			
	Current Liabilities:		
11	Accounts payable	\$ 5,227	\$ 7,686
12	Notes payable	0	0
13	Current portion of long-term debt: Due to affiliates	0	0
14	Other .....NOTE 8.....	2,930	2,731
15	Income taxes payable and accrued.....	2,987	0
16	Other accrued expenses .....NOTE 5.....	12,288	13,551
17	Other current liabilities .....NOTE 6.....	12,215	8,164
18	Total current liabilities	35,647	32,132
	Long-Term Debt:		
19	Due to affiliates .....NOTE 7 & 17	161,540	180,000
20	Other .....NOTE 8.....	9,502	12,369
21	Deferred Credits .....NOTE 1 & 12	3,979	1,183
22	Other Liabilities .....NOTE 2.....	32,990	38,490
23	Commitments And Contingencies .....NOTE 16		
24	Total Liabilities	243,658	264,174
25	Stockholders', Partners, Or Proprietor's Equit.....	44,161	42,017
26	Total Liabilities And Equity	\$ 287,819	\$ 306,191

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 TWELVE MONTHS ENDED DECEMBER 31, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 90	(d) 19 89
	Revenues:	\$	\$
1	Casino .....NOTE 1	248,376	258,357
2	Rooms	10,667	13,843
3	Food and beverage	37,854	43,841
4	Other	4,655	6,872
5	Total revenue	301,552	322,913
6	Less: Promotional allowances .....NOTE 1 & 13.	26,316	34,082
7	Net revenues	275,236	288,831
	Costs and Expenses:		
8	Costs of goods and services	170,333	171,543
9	Selling, general, and administrative	52,712	65,569
10	Provision for doubtful accounts	2,645	5,321
11	Depreciation and amortization .....NOTE 1	18,934	16,520
	Charges from affiliates other than interest:		
12	Management fees .....NOTE 2	0	16,101
13	Other	0	0
14	Total costs and expenses	244,624	275,054
15	Income (Loss) From Operations	30,612	13,777
	Other Income (Expenses):		
16	Interest (expense) - affiliates .....NOTE 7	(20,204)	(20,475)
17	Interest (expense) - external	(2,070)	(2,541)
18	Investment alternative tax and related income (expense) - net	(1,043)	(1,004)
19	Nonoperating income (expense) - net .....NOTE 10	1,617	1,961
20	Total other income (expenses) - net	(21,700)	(22,059)
21	Income (Loss) before Income Taxes and Extraordinary Items	8,912	(8,282)
22	Provision (credit) for income taxes .....NOTE 1 & 12	3,532	(2,539)
23	Income (Loss) Before Extraordinary Items	5,380	(5,743)
24	Extraordinary items (net of income taxes - 19 90, \$ 2,045 ; 19 89, \$ - 0 -)NOTE 17	3,970	
25	Net Income (Loss)	\$ 9,350	\$ (5,743)

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 DECEMBER 31, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 90	(d) 19 89
	Revenues:	\$	\$
1	Casino	56,302	58,462
2	Rooms	2,527	2,510
3	Food and beverage	7,662	9,380
4	Other	943	657
5	Total revenue	67,434	71,009
6	Less: Promotional allowances .....NOTE 13.....	5,468	7,015
7	Net revenues	61,966	63,994
	Costs and Expenses:		
8	Costs of goods and services	37,867	42,902
9	Selling, general, and administrative	11,285	13,585
10	Provision for doubtful accounts	954	2,661
11	Depreciation and amortization	5,046	4,110
	Charges from affiliates other than interest:		
12	Management fees	(11,940)	3,672
13	Other	0	0
14	Total costs and expenses	43,212	66,930
15	Income (Loss) From Operations	18,754	(2,936)
	Other Income (Expenses):		
16	Interest (expense) - affiliates	(4,848)	(5,119)
17	Interest (expense) - external	(335)	(611)
18	Investment alternative tax and related income (expense) - net	(217)	(140)
19	Nonoperating income (expense) - net	238	111
20	Total other income (expenses) - net	(5,162)	(5,759)
21	Income (Loss) before Income Taxes and Extraordinary Items	13,592	(8,695)
22	Provision (credit) for income taxes	4,903	(2,613)
23	Income (Loss) Before Extraordinary Items	8,689	(6,082)
24	Extraordinary items (net of income taxes - 19 90, \$ 2,045 ; 19 89, \$ - 0 -)	3,970	0
25	Net Income (Loss)	\$ 12,659	\$ (6,082)

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.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 12 MONTHS ENDED DECEMBER 31, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
1	Common Stock: 2500 AUTHORIZED SHARES 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
5	Preferred Stock: Beginning balance (January 1)				
6	Sale of stock				
7	_____				
8	Ending balance				
9	Additional Paid-in Capital: Beginning balance (January 1)	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
10	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
11	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
12	Ending balance	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
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)	XXXXXXXXXXXXXXXXXX	()	XXXXXXXXXXXXXXXXXX	()
22	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
23	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
24	Ending balance	XXXXXXXXXXXXXXXXXX	()	XXXXXXXXXXXXXXXXXX	()
25	Retained Earnings: Beginning balance (January 1)	XXXXXXXXXXXXXXXXXX	(34,892)	XXXXXXXXXXXXXXXXXX	(29,149)
26	Prior period adjustments	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
27	Net income (loss)	XXXXXXXXXXXXXXXXXX	9,350	XXXXXXXXXXXXXXXXXX	(5,743)
28	Dividends	XXXXXXXXXXXXXXXXXX	(7,206)	XXXXXXXXXXXXXXXXXX	
29	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
30	_____	XXXXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXXXX	
31	Ending balance	XXXXXXXXXXXXXXXXXX	(32,748)	XXXXXXXXXXXXXXXXXX	(34,892)
32	Ending Stockholder' Equity	XXXXXXXXXXXXXXXXXX	44,161	XXXXXXXXXXXXXXXXXX	42,017

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

DOES NOT APPLY

FOR THE YEARS ENDED DECEMBER 31, 19 90 and 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	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.

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 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	\$ 28,717	\$ 34,616
	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	(17,873)	(14,373)
5	Proceeds from disposal of property and equipment	134	1,231
6	Purchase of casino reinvestment obligatons	(3,051)	(3,163)
7	Purchase of other investments and loans/advances made	(230)	(7,248)
8	Proceeds from disposal of investments and collection of advances and long-term receivables		
9	Cash outflows to acquire business entities		
10	INVESTMENT IN SHOWBOAT, INC.	(435)	
11	.....	
12	Net Cash Provided (Used) By Investing Activities	(21,455)	(23,553)
	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	Cost of issuing debt		
17	Payments to settle long-term debt	(2,668)	(2,308)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21	EARLY EXTINGUISHMENT OF DEBT .....NOTE 17....	(12,258)	
22	.....	
23	Net Cash Provided (Used) by Financing Activities	(14,926)	(2,308)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(7,664)	8,755
25	Cash And Cash Equivalents At Beginning Of Period	39,964	31,209
26	Cash And Cash Equivalents At End Of Period	\$ 32,300	\$ 39,964

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For: Interest (net of amount capitalized)	\$ 22,349	\$ 20,475
28	Income taxes	\$ 0	\$ (2,832)

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 TWELVE MONTHS ENDED DECEMBER 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)	\$ 9,350	\$ (5,743)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	18,934	16,520
31	Amortization of other assets	543	546
32	Amortization of debt discount or premium		
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent	2,815	2,970
35	(Gain) loss on disposition of property and equipment	1,136	859
36	(Gain) loss on casino reinvestment obligations	1,043	1,005
37	(Gain) loss from other investment activities		
38	Net (increase) decrease in receivables and patrons' checks	3,278	(244)
39	Net (increase) decrease in inventories	298	(107)
40	Net (increase) decrease in other current assets	(318)	172
41	Net (increase) decrease in other assets	154	(1,507)
42	Net increase (decrease) in accounts payables	(2,757)	61
43	Net increase (decrease) in other current liabilities excluding debt.....	5,775	4,503
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(5,519)	16,739
45	RECLASS ASSET TO NONCURRENT LIABILITY		(1,158)
46	GAIN ON RETIREMENT OF DEBT .....NOTE 17.	(6,015)	
47	Net Cash Provided (Used) By Operating Activities	\$ 28,717	\$ 34,616

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment: Additions to property and equipment	\$ 17,873	\$ 14,373
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	\$ 17,873	\$ 14,373
51	Acquisition Of Business Entries: 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 Entries	\$	\$
57	Stock Issued Or Capital Contributions: 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	\$	\$
	Non cash dividends	7,206	

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 wholly-owned subsidiary of Showboat, Inc. (SBI). Additionally, OSI owns all of the stock of Ocean Showboat Finance Corporation (OSF). ACS conducts casino gaming operations, and operates full supportive services of hotel, food, beverage, bowling and convention facilities.

Casino Revenue

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

Promotional Allowance & Expense

Promotional Allowance consist of rooms, food, beverage, and other services furnished gratuitously to customers. The sales value of such services are included in the respective revenue classifications and are then deducted as promotional allowances.

Promotional expenses consist of non-revenue producing items furnished gratuitously to patrons, such as, coin coupons and reimbursement of travel expenses. These charges are included in selling, general and administrative expense.

Cash and Cash Equivalents

Included in cash are cash equivalents of \$22,020,000 and \$28,822,000 as of December 31, 1990 and 1989, respectively.

For financial statement purposes, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

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 expense 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 (FASB) in December 1987 and adopted by the Company in 1988. 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 on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

The FASB is currently considering potential amendments to FAS 96. The Company has not determined what effect, if any, those potential amendments may have on its financial statements if the FASB ultimately concludes to amend FAS 96.

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 modified 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. For tax reporting purposes, SBI has elected to continue its fiscal year ending June 30.

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 indenture governing the bonds (the Indenture).

2. RELATED PARTY TRANSACTIONS

In November 1985, ACS and SBI entered into a Parent Services Agreement whereby SBI agrees 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 Indenture of OSF provides that this management fee may not be paid during any period in which certain tests are not met.

In December 1990, SBI and ACS agreed effective January 1, 1990 to terminate ACS's obligation to pay management fees to SBI, which is subject to the Casino Control Commission approval (the CCC), period from January 1, 1990 until the fees accrued prior to January 1, 1990 (approximately \$24,678,000 net of federal income taxes) are paid in full to SBI. The Company expects to receive the CCC approval on or before March 31, 1991.

Currently, accrued management fees can be paid once earnings before interest expense and income taxes, (EBIT), on a rolling twelve months basis is 1.5 times the interest expense for the next twelve months (Threshold). As a result of ACS's 1990 operating results, ACS's bond repurchase which resulted in a \$6,015,000 pre-tax gain (Note 17), and a \$2,100,000 reduction in interest expense in the next twelve months, ACS met the Threshold and paid \$5,000,000 (net of federal income taxes) in management fees to SBI in January 1991.

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

2. RELATED PARTY TRANSACTIONS, continued

A summary of the transactions with SBI under the above agreement the tax sharing agreement and the provisions of the Indenture are as follows:

	<u>Management fee payable</u>	Income taxes receivable <u>(payable)</u>	<u>Noncurrent receivable</u>
		(In Thousands)	
Balance at 12/31/88	(\$22,889)	\$ 2,701	\$14,091
Management fees accrued for the year ended December 31, 1989	(16,101)		
Income tax allocation under the tax sharing agreement for the year ended December 31, 1989		(1,896)	(7,248)
Mngmnt. Fee Payable, Cur.	<u>500</u>	<u>--</u>	<u>--</u>
Balance at 12/31/89	(\$ 38,490)	\$ 805 (See Note 3)	\$21,339
Management fees accrued for the nine months ended 9/30/90	11,940	--	--
Cancellation of Mgmnt. fees 12/31/90	(11,940)		
Income Tax. Alloc. under the tax sharing agreement for the year ended 12/31/90	--	(3,792)	230
Non-cash dividend to Showboat, Inc.	--	--	(7,000)
Mgmnt. Fee Payable, Curr.	<u>5,500</u>	<u>--</u>	<u>--</u>
Balance at 12/31/90	(\$32,990) =====	(\$2,987) =====	\$14,569 =====

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

3. RECEIVABLES

Receivables consist of the following:

	<u>DEC 31</u>	<u>DEC 31</u>
	<u>1990</u>	<u>1989</u>
Casino	\$10,446,000	\$13,163,000
Hotel	688,000	724,000
Income Tax Receivable	0	805,000
Other	524,000	739,000
	11,658,000	15,569,000
Less allowance for doubtful accounts	4,974,000	5,263,000
	\$6,684,000	\$10,168,000

4. PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	<u>Dec. 31</u>	<u>Dec. 31</u>
	<u>1990</u>	<u>1989</u>
Building and Improvements	\$195,226,000	\$188,628,000
Furniture, Fixtures & Equipment	53,527,000	39,480,000
Vehicles	153,000	403,000
Properties under capital lease		
Building	2,050,000	2,050,000
Furniture, Fixtures & Equipment	20,017,000	20,249,000
Construction in Progress	1,259,000	7,207,000
	272,232,000	258,017,000
Less accumulated depreciation and amortization	58,348,000	42,135,000
	\$213,884,000	\$215,882,000

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

5. OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following:

	Dec 31	Dec 31
	1990	1989
Salaries and Wages	\$ 4,052,000	\$ 3,399,000
Progressive Slot Liability	1,875,000	2,440,000
Payroll Taxes	911,000	1,654,000
Advertising	692,000	1,104,000
Medical Claims-Employee	1,272,000	1,087,000
Settlement Claims	823,000	1,063,000
Officers Club Redemption	1,215,000	750,000
DGE/CCC Charges	630,000	748,000
Taxes-Other	373,000	638,000
Legal Fees	80,000	249,000
Union Benefits	237,000	64,000
Other	128,000	355,000
	\$ 12,288,000	\$13,551,000

6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	Dec 31	Dec 31
	1990	1989
Due to Affiliates - Interest	\$ 5,354,000	\$ 5,972,000
Due to Affiliates - Management Fees	6,000,000	500,000
Other	861,000	1,296,000
	\$ 12,215,000	\$ 8,164,000

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:

	Dec 31	Dec 31
	1990	1989
Promissory Note to OFI (11.375%)	\$161,540,000	\$180,000,000
	=====	=====

On March 18, 1987, ACS incurred Promissory Note to OFI 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 the site

During the year ended December 31, 1990, the Company purchased \$18,460,000 face value of the OFI's Bonds, (the Bonds), (Note 17). The Company can apply these purchased bonds towards the required redemptions which, if applied, would satisfy the requirement through March 15, 1994.

The Bonds are unconditionally guaranteed by OSI. The Indenture places significant restrictions on the payment of dividends except for an aggregate amount not to exceed the lesser of \$7,000,000 and the value of federal income tax benefits for the period ending June 30, 1987 which is permitted under the Indenture by ASC to its shareholder the making of loans and advances by the Company to SBI and its Las Vegas subsidiaries, the payment of management fees to SBI, the incurrence of additional indebtedness by the Company except for up to \$15,000,000 of short-term borrowings and the Company's investment activities. At December 31, 1990, there was no portion of ACS' retained earnings available for dividends.

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

8. LONG-TERM DEBT, OTHER

Long-term debt, other consist of the following:

	<u>Dec 31</u>	<u>Dec 31</u>
	<u>1990</u>	<u>1989</u>
Capitalized lease obligations (Note 9)	\$ 12,432,000	\$15,100,000
Less current maturities	<u>2,930,000</u>	<u>2,731,000</u>
	<u>\$ 9,502,000</u>	<u>\$12,369,000</u>

Maturities of Company's long term debt are as follows:

<u>Year Ended</u> <u>December 31</u>			
1991	\$	2,930,000	
1992		3,041,000	
1993		2,250,000	
1994		2,283,000	
1995		17,540,000	
Thereafter		<u>145,928,000</u>	
		\$173,972,000	
		=====	

At December 31, 1990, the Company had available an unsecured short-term line of credit totaling \$7.5 million for general corporate purposes. The line has an interest rate of the bank's prime rate plus one-half percent and expires April 30, 1991. As of December 31, 1990 the Company has not utilized any of the available line of credit.

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 expire through 1994, and a warehouse which expires in 2001, are classified as capital leases. The Company re-negotiated the warehouse lease to extend the purchase option date, reduce the lease payments and remove the SBI guarantee. Under the terms of the new lease, the option date is extended to 1996 at which time the Company may exercise its option to purchase the warehouse anytime from 1996 through March 31, 2001 at the original option price of \$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, which are payable monthly, commenced upon opening of the Atlantic City Showboat. The rent will be adjusted annually based upon increases or decreases in the Consumer Price Index, not to exceed 10% per year during the second through the sixth lease years. In April 1990, the annual rent increased \$317,000 to \$7,276,000. ACS is responsible for taxes, assessments, insurance and utilities.

Property and equipment includes the following leased property

	<u>Dec. 31, 1990</u>	<u>Dec. 31, 1989</u>
Building-Warehouse	\$ 2,050,000	\$ 2,050,000
Furn. and Equip.	<u>20,017,000</u>	<u>20,249,000</u>
	22,067,000	22,299,000
Less: Accumulated Amortization	<u>(13,919,000)</u>	<u>(8,442,000)</u>
	\$ 8,148,000	\$13,857,000
	=====	=====

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

9. LEASES CONTINUED

The following is a schedule of future minimum lease payments for capital leases and operating leases (with initial or remaining terms in excess of one year) as of December 31, 1990:

<u>Year Ending</u> <u>December 31</u>	<u>Capital</u> <u>Leases</u>	<u>Operating</u> <u>Leases</u>
1991	\$ 4,163,000	\$7,746,000
1992	3,932,000	7,711,000
1993	2,885,000	7,646,000
1994	2,655,000	7,640,000
1995	253,000	7,640,000
Thereafter	<u>1,928,000</u>	<u>662,789,000</u>
	\$ 15,816,000	\$701,172,000 =====

Less Amount
 Repr. interest
 (10.4% to 11.25%) 3,384,000
 Present Value of
 net minimum
 lease payments \$ 12,432,000
 =====

Rent expense for all operating leases (except those with terms of a month or less that were not renewed) was \$7,058,000 and \$7,739,000 for the twelve months ended December 31, 1990 and 1989, respectively.

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

10. NON-OPERATING INCOME (EXPENSE)

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

	<u>Dec 31</u>	<u>Dec 31</u>
	<u>1990</u>	<u>1989</u>
Interest Income	\$2,753,000	\$ 2,820,000
Loss on Property and Equip.	(1,136,000)	(859,000)
	\$1,617,000 =====	\$ 1,961,000 =====

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 \$300,000 during the year ended December 31, 1989.

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 defer additional 12 percent of their salary which will not be matched by the Company. The Company contributed \$699,000 and \$99,000 to this plan for the year ended December 31, 1990 and 1989, respectively.

The Company's union employees are covered by union-sponsored, collective bargained, multi-employer pension plans. Contributions are determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of man-hours worked. Contributions to these plans were \$334,000 and \$419,000 during the years ended December 31, 1990 and 1989, respectively.

ATLANTIC CITY SHOWBOAT
NOTES TO FINANCIAL STATEMENTS
(continued)

11. EMPLOYEE BENEFIT PLANS continued

On May 17, 1990, the shareholders of SBI approved a long-term incentive plan in which officers and key employees of the Company participate. Up to 600,000 shares of SBI common stock may be awarded to plan participants as either restricted shares or stock options. Restricted shares and options vest over a 5 year period. The options are exercisable, subject to vesting, over ten years at option prices determined by the Compensation Committee and subject to the approval of the Board of Directors provided that the option price is not less than 75% of the fair market value of SBI's common stock determined on the date of grant. As of December 31, 1990, 226,250 stock options have been granted at fair market value and 99,200 restricted shares have been issued from SBI shares purchased by the Company to its officers and key employees. During the year ended December 31, 1990, 15,800 options vested and no options were exercised. Unearned compensation representing restricted stock issued for future services was recorded on the date of shareholder approval at the market value of SBI's common stock of \$7.625 and is being amortized ratably from the date of grant over the five-year vesting period as it is earned. Compensation expense of \$361,000 was recognized for the year ended December 31, 1990. Included in other assets is unearned compensation of \$395,000 at December 31, 1990.

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

12. INCOME TAXES

Income tax expense (benefit) consists of the following:

	Dec. 31	Dec. 31
	1990	1989
Current	\$ 717,000	(\$ 5,509,000)
Deferred	2,815,000	2,970,000
	\$ 3,532,000	(\$ 2,539,000)
State Taxes	0	0
	\$ 3,532,000	(\$ 2,539,000)
	=====	=====

Total income tax expense (benefit) differed from the amounts computed by applying the U.S. federal income tax rates of 34% for the years ended December 31, 1990 and 1989 to income (loss) before income taxes (benefit and extraordinary gain from extinguishment of debt as a result of the following:

	Dec. 31	Dec. 31
	1990	1989
Computed "expected" tax expense benefit at statutory rates	\$2,975,000	(\$2,823,000)
Investment tax credit basis reduction	151,000	--
Targeted jobs credit	(48,000)	(104,000)
Provision for loss on CRDA bonds	284,000	342,000
Disallowance of 20% of certain employee meals	164,000	12,000
Other	6,000	34,000
	\$3,532,000	(\$2,539,000)
	=====	=====

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

12. INCOME TAXES (continued)

Temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities that give rise to significant portions of the deferred tax liability at December 31, 1990 and 1989 included in deferred credits, relate to the following:

	<u>Dec. 31</u>	<u>Dec. 31</u>
	<u>1990</u>	<u>1989</u>
Depreciation	\$(11,039,000)	\$(9,338,000)
Utilization of Bus. Credit Carry Forwards (Expires 2002)	2,413,000	2,377,000
Pre-Opening Costs	1,880,000	3,392,000
Accrued Vacation Pay	649,000	534,000
A/R Primarily Allow. for Doubtful Accounts.	1,684,000	1,768,000
Other, net	<u>440,000</u>	<u>109,000</u>

Twelve Months Ending Dec. 31, 1990	\$ (3,973,000)	Three Months Ending Dec. 31, 1989	\$ (1,158,000)
Revolutions	=====	Revolutions	=====

Depreciation	3,475,000	318,255,000	278,000	84,127,000
Other	18,000	2,364,000	3,000	44,000
Other	<u>107,000</u>	<u>337,000</u>	<u>13,000</u>	<u>141,000</u>
	1,797,000	21,742,000	394,000	84,771,000

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

13. COMPLIMENTARIES

Promotional Allowances

	Twelve Months		Three Months	
	Ending Dec. 31, 1990		Ending Dec. 31, 1990	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Rooms	57,000	\$ 6,274,000	13,000	\$1,471,000
Food	1,284,000	12,508,000	243,000	2,364,000
Beverage	3,002,000	6,878,000	679,000	1,515,000
Showroom	<u>59,000</u>	<u>656,000</u>	<u>12,000</u>	<u>118,000</u>
	4,402,000	\$ 26,316,000	947,000	\$5,468,000
	=====	=====	=====	=====

Promotional Expenses

	Twelve Months		Three Months	
	Ending Dec. 31, 1990		Ending Dec. 31, 1990	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Coin	1,675,000	\$18,255,000	296,000	\$4,122,000
Travel	15,000	2,584,000	3,000	444,000
Other	<u>107,000</u>	<u>933,000</u>	<u>19,000</u>	<u>164,000</u>
	1,797,000	\$ 21,772,000	308,000	\$ 4,730,000
	=====	=====	=====	=====

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

14. SETTLEMENT OF LITIGATION

In 1988, the Company filed an arbitration claim against the architect of the Company's Atlantic City casino hotel facility alleging that the architect was liable to the Company for additional costs incurred in construction of that facility. In September 1989, the Company and the architect settled the arbitration for \$2.4 million. This sum represents a recovery of operating costs incurred since opening and costs incurred to settle the arbitration. This amount has been included in Other Revenue.

15. NEW JERSEY INVESTMENT OBLIGATION

The New Jersey Casino Control Act (the Act) provides, among other things, for an assessment on a gaming license based upon its 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 Reinvestment Development Authority, (CRDA), or paying an "alternative tax". In order for direct investments to be eligible, they must be approved by the CRDA.

At December 31, 1990 and 1989, investments, advances and receivables include \$5,364,000 and \$3,510,000, respectively representing the Company's obligation to the CRDA of \$8,020,000 at December 30, 1990 and \$5,238,000 at December 31, 1989 net of an allowance for the interest rate differential of \$2,656,000 and \$1,728,000, respectively.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

PERIOD ENDING 12/31/90

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

16. COMMITMENTS AND CONTINGENCIES

The Company is involved in various claims and legal actions arising in the ordinary course of business. Additionally, the Company is presently undergoing an audit by the Internal Revenue Service of tax years ending June 30, 1988, 1987, and 1986. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position.

17. EXTRAORDINARY GAIN

During the year ended December 31, 1990, the Company purchased \$18,460,000 face value of OFI's 11-3/8% Mortgage-Backed Bonds due 2002 for \$12,258,000. Accordingly, after a charge of \$187,000 for bond issuance costs, the Company realized an extraordinary gain of \$6,015,000 before income taxes of approximately \$2,045,000, resulting in an after-tax gain of \$3,970,000. The purchase of the Bonds will reduce the Company's interest expense by approximately \$2,100,000 annually.

171.97
 8

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Patrons' Checks:	\$ 4,608		
	Undeposited patrons' checks			
2	Returned patrons' checks	5,838		
3	Total patrons' checks	10,446	\$ 4,873	\$ 5,573
4	Hotel Receivables	688	101	587
5	Other Receivables:			
	Receivables due from officers and employees.....			
6	Receivables due from affiliates			
7	Other accounts and notes receivables			
8	Total other receivables	524		524
9	Totals (Form 305).....	\$ 11,658	\$ 4,974	\$ 6,684

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)	171,697
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)	(121,495)
13	Checks collected through deposits	(8,979)
14	Checks transferred to returned checks	(43,455)
15	Other adjustments	
16	Ending Balance	\$ 4,608
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 2,580
19	Provision As A Percent Of Counter Checks Issued	1.5

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	Revenue:	\$	\$	%	
1	Blackjack	39,719	287,904	13.8	66
2	Craps	32,944	222,682	14.8	19
3	Roulette	8,706	32,498	26.8	10
4	Big Six	1,432	3,292	43.5	2
5	Baccarat	8,951	71,228	12.6	6
6	Other table games				
7	Total table games revenue	91,752	\$ 617,604	14.9 %	104
			HANDLE		
			\$	%	
8	\$.05 slot machines	3,683	25,029	14.7	88
9	\$.25 slot machines	97,458	957,247	10.2	1,079
10	\$1.00 slot machines	35,432	355,911	10.0	276
11	Other slot machines	19,486	300,323	6.5	236
12	Total coin-operated devices revenue	156,059	\$1,638,510	9.5 %	1,679
13	Progressive jackpot adjustment	565			
14	Total coin-operated devices revenue after adjustment	156,624			
15	Other income				
16	Total revenue	248,376			
	Expenses:				
17	Payroll and payroll related expenses	42,430			
18	Licenses and taxes	20,621			
19	Provision for uncollectible patrons' checks	2,580			
20	Other	12,408			
21	Total	78,039			
22	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	170,337			
	Complimentary services and casino management fees:				
23	Complimentary services	53,400			
24	Casino management fees				
25	Total	53,400			
26	Departmental Income (Loss)	\$116,937			

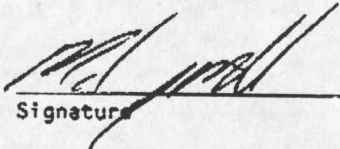
STATEMENT OF CONFORMITY AND ACCURACY

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

MARK J. MILLER, 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.

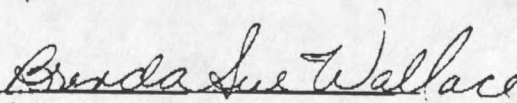

Signature

VICE PRESIDENT/FINANCE
Title

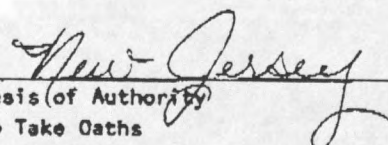
3587-11
License Number

Subscribed and sworn to
before me this 20th day
of March, 19 91

On Behalf Of:


Signature

Atlantic City Showboat, Inc.
Casino Licensee


Basis of Authority
to Take Oaths

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

GROSS REVENUE ANNUAL TAX RETURN

LICENSEE ATLANTIC CITY SHOWBOAT, INC.

ADDRESS PO BOX 840
ATLANTIC CITY, NJ 08404

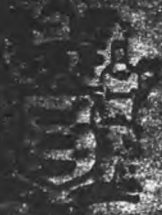
FOR THE YEAR ENDED DECEMBER 31, 1959

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL TAX RETURN

OFFICIAL TITLE

ADDRESS

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 91,752	
2	Coin-operated devices revenue	<u>156,059</u>	
3	Total revenues		\$ 247,811
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 2,580	
5	Maximum adjustment (4% of line 3)	\$ 9,912	
6	Adjustment (the lesser of line 4 or line 5)		<u>2,580</u>
7	Gross revenues (line 3 less line 6)		\$ 245,231
8	Tax on gross revenues - current year (8% of line 7)		\$ 19,618
9	Audit or other adjustments to tax on gross revenues in prior years		5 (1)
10	Total tax on gross revenues (line 8 plus or minus line 9)		<u>19,623</u>
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 1,341	
12	February	1,485	
13	March	1,488	
14	April	1,941	
15	May	1,489	
16	June	1,517	
17	July	2,073	
18	August	1,662	
19	September	1,609	
20	October	1,908	
21	November	1,449	
22	December	1,400	
23	January	256	
24	Total deposits made for tax on current year's gross revenues		(19,618)
	Settlement of prior years' tax on gross revenues		
25	resulting from audit or other adjustments - (deposits) credits		(5)
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ <u>NONE</u>

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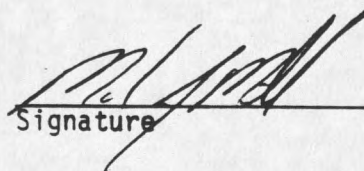
STATEMENT OF CONFORMITY AND ACCURACY

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

MARK J. MILLER, being duly sworn according
Name

to law upon my oath deposes and says:

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


Signature


VICE-PRESIDENT FINANCE
Title

License Number

On Behalf Of:

Casino Licensee

Subscribed and sworn to
before me this 15th day
of March, 1991.


SIGNATURE OF BERENOTTO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 23, 1993

Basis of Authority
to Take Oaths

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE ATLANTIC CITY SHOWBOAT, INC.

ADDRESS 25 1ST ST

ATLANTIC CITY, NJ 08404

FOR THE YEAR ENDED DECEMBER 31, 1980

THE
CASINO CONTROL COMMISSION

OF THE
STATE OF NEW JERSEY



NAME OF
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AND PAYRO

OFFICIAL TITLE

ADDRESS

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1990
(\$ in Thousands)


LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
CASINO					
1	Administration	33			
2	Gaming	845			
3	Slots	112			
4	Casino accounting	395			
5	Other	162	\$	\$	\$
6	Total-casino	1,547	31,829	766	32,595
7	ROOMS	244	4,127	128	4,255
8	FOOD AND BEVERAGE	978	14,789	84	14,873
OTHER OPERATED DEPARTMENTS					
9	Bowling	23	514		514
10	Telephone/PBX	17	319		319
11	Parking				
12					
13					
14					
15					
16					
17					
18					
19					
ADMINISTRATIVE AND GENERAL					
20	Executive office	8	1,689	740	2,429
21	Accounting and auditing	88	2,033	124	2,157
22	Security	244	5,439	68	5,507
23	Other administrative and general department ..	160	4,213	248	4,462
24	MARKETING	21	560	161	721
25	GUEST ENTERTAINMENT	85	1,212		1,212
26	PROPERTY OPERATION AND MAINTENANCE	253	6,266		6,266
27	TOTALS - ALL DEPARTMENTS	3,668	\$ 72,990	\$ 2,320	\$ 75,310

Trading Name of Licensee ATLANTIC CITY SHOWBOAT, INC.

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1990

March 15, 1991
Date


Signature

VICE PRESIDENT/FINANCE
Title

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	15,265	11,009	\$ 67	65.2%	22,018	\$ 33.91
FEBRUARY	516	14,750	11,287	\$ 68	76.5%	23,000	\$ 30.02
MARCH	516	15,598	11,989	\$ 68	75.0%	23,000	\$ 32.71
1ST QUARTER TOTALS		47,613	34,286	\$ 68	72.0%	71,000	\$ 32.99
APRIL	516	15,961	13,025	\$ 69.54	85.1%	22,000	\$ 34.77
MAY	516	15,858	12,850	\$ 71.44	81.1%	22,000	\$ 37.22
JUNE	516	15,429	13,068	\$ 73	84.7%	22,000	\$ 36.62
2ND QUARTER TOTALS		46,584	38,943	\$ 72	83.6%	71,000	\$ 36.20
JULY	516	15,929	14,055	\$ 73	88.2%	22,000	\$ 37.10
AUGUST	516	15,915	14,137	\$ 73	88.8%	22,000	\$ 37.65
SEPTEMBER	516	15,290	12,620	\$ 73	82.5%	22,000	\$ 32.87
3RD QUARTER TOTALS		47,134	40,862	\$ 75	86.7%	61,724	\$ 32.32
OCTOBER	516	15,266	12,790	\$ 72.35	81.3%	25,560	\$ 36.47
NOVEMBER	516	15,423	12,641	\$ 70.72	82.0%	19,875	\$ 45.11
DECEMBER	516	15,928	9,867	\$ 70.76	62.1%	13,460	\$ 51.90
4TH QUARTER TOTALS		47,115	35,118	\$ 71.61	75.0%	58,915	\$ 42.93
ANNUAL TOTALS		188,448	147,461	\$ 72.51	74.1%	288,563	\$ 37.03

TRADING NAME OF LICENSEE SHOWBOAT HOTEL & CASINO

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 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	516	15,301	13,025	\$ 69.54	85.1%	26,050	\$ 34.77
MAY	516	15,854	12,850	\$ 74.44	81.1%	25,700	\$ 37.22
JUNE	516	15,429	13,068	\$ 73.24	84.7%	26,136	\$ 36.62
2ND QUARTER TOTALS		46,584	38,943	\$ 72.40	83.6%	77,886	\$ 36.20
JULY	516	15,929	14,055	\$ 74.19	88.2%	28,110	\$ 37.10
AUGUST	516	15,915	14,137	\$ 75.31	88.8%	28,274	\$ 37.65
SEPTEMBER	516	15,294	12,670	\$ 75.75	82.8%	25,340	\$ 37.87
3RD QUARTER TOTALS		47,138	40,862	\$ 75.06	86.7%	81,724	\$ 37.53
OCTOBER	516	15,766	12,790	\$ 72.95	81.1%	25,580	\$ 36.47
NOVEMBER	516	15,421	12,641	\$ 70.92	82.0%	19,875	\$ 45.11
DECEMBER	516	15,928	9,887	\$ 70.76	62.1%	13,460	\$ 51.98
4TH QUARTER TOTALS		47,115	35,318	\$ 71.61	75.0%	58,915	\$ 42.93
ANNUAL TOTALS		188,448	149,403	\$ 71.51	79.3%	288,543	\$ 37.03



ANNUAL REPORT

974-901
C193

LICENSEE GNOC, CORP. (BALLY'S GRAND)
ADDRESS P. O. BOX 1737 - BOSTON & PACIFIC AVENUES
ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 19⁹⁰

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

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 27 1991
185 W. STATE ST.
TRENTON, N.J.



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT** DONNA M. GRAHAM
OFFICIAL TITLE CONTROLLER
ADDRESS P. O. BOX 1737 - BOSTON & PACIFIC AVENUES
ATLANTIC CITY, NEW JERSEY 08401

BALANCE SHEETS

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

LIST OF FORMS - ANNUAL REPORT

LINE NO.	TITLE	1990	1989	FORM NO.
ASSETS				
FOR THE YEAR ENDED DECEMBER 31, 19<u>90</u>				
1	Cash	7,399	6,873	
2	Marketable securities	7,375	1,375	
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$14,063; 1989, \$15,121)	5,309	5,248	
4	Inventories	2,059	1,727	
5	Prepaid expenses and other current assets	13,201		
6	Balance Sheets	35,993	25,226	CCC-305
7	Statements of Income (Year)	4,792		CCC-310
8	Statements of Income (Three Months)	257,209		CCC-310
9	Statements of Changes in Stockholders' Equity	118,967		CCC-315
10	Statements of Changes in Partners' or Proprietor's Equity	413,371		CCC-320
11	Statements of Cash Flows			CCC-325
12	Notes to Financial Statements			CCC-335
13	Schedule of Receivables and Patrons' Checks	3,849		CCC-340
14	Casino Departmental Schedule	22,873		CCC-345
15	Statement of Conformity and Accuracy	4,450		CCC-350
16	Due to affiliates	36,507		CCC-355
17	Other			
18	Deferred Credits	267,317	268,137	
19	Other Liabilities	9,413	8,538	
20	Commitments And Contingencies	29,983	32,835	
21	Total Liabilities	342,950	341,508	
22	Stockholders', Partners', Or Proprietor's Equity	69,421	72,701	
23	Total Liabilities And Equity	\$ 412,371	\$ 414,209	

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

DECEMBER 31, 1990 AND 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:	\$	\$
1	Cash	7,559	8,873
2	Marketable securities NOTE 3	7,275	1,375
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$14,093; 1989, \$15,121)	5,809	5,248
4	Inventories	2,059	1,727
5	Prepaid expenses and other current assets NOTE 4	13,201	10,756
6	Total current assets	35,903	27,979
7	Investments, Advances, and Receivables NOTE 5	4,792	8,962 *
8	Property And Equipment - Net NOTE 6	253,209	259,110
9	Other Assets NOTE 7	118,467	117,376 *
10	Total Assets	\$ 412,371	\$ 413,427
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable	\$ 2,595	\$ 3,366
12	Notes payable	2,700	2,000
	Current portion of long-term debt		
13	Due to affiliates	-	-
14	Other	-	-
15	Income taxes payable and accrued	3,889	-
16	Other accrued expenses NOTE 8	22,873	20,762
17	Other current liabilities NOTE 9	4,450	4,796
18	Total current liabilities	36,507	30,924
	Long-Term Debt:		
19	Due to affiliates NOTE 10	267,517	268,837
20	Other	-	-
21	Deferred Credits NOTE 11	9,443	8,508
22	Other Liabilities NOTE 12	29,483	32,855
23	Commitments And Contingencies NOTES 18,19 and 20	-	-
24	Total Liabilities	342,950	341,124
25	Stockholders', Partners', Or Proprietor's Equity NOTE 13	69,421	72,303
26	Total Liabilities And Equity	\$ 412,371	\$ 413,427

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 YEARS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino	197,293	211,082
2	Rooms	17,702	18,098
3	Food and beverage	27,364	28,041
4	Other	9,407	11,498
5	Total revenue	251,766	268,719
6	Less: Promotional allowances NOTE 14 .	29,193	31,065
7	Net revenue	222,573	237,654
	Costs And Expenses:		
8	Cost of goods and services	103,178	104,130
9	Selling, general, and administrative	67,362	77,643
10	Provision for doubtful accounts	1,089	969
11	Depreciation and amortization	16,755	13,497
	Charges from affiliates other than interest:		
12	Management fees	-	-
13	Other NOTE 15 .	1,353	4,367
14	Total costs and expenses	189,737	200,606
15	Income (Loss) From Operations	32,836	37,048
	Other Income (Expenses):		
16	Interest (expense)-affiliates NOTE 15 .	(33,012)	(36,110)
17	Interest (expense)-external	(1,113)	(338)
18	Investment alternative tax and related income (expense) - net NOTE 20 .	(1,747)	(1,311)
19	Nonoperating income (expense)-net NOTE 16 .	779	2,641
20	Total other income (expenses)	(35,093)	(35,118)
21	Income (Loss) Before Income Taxes And Extraordinary Items	(2,257)	1,930
22	Provision (credit) for income taxes NOTE 17 .	625	(43)
23	Income (Loss) Before Extraordinary Items	(2,882)	1,973
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -)	-	-
25	Net Income (Loss)	\$ (2,882)	\$ 1,973

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 DECEMBER 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino	45,288	46,354
2	Rooms	3,924	4,217
3	Food and beverage	6,377	6,438
4	Other	2,129	2,074
5	Total revenue	57,718	59,083
6	Less: Promotional allowances NOTE 14 .	6,931	6,508
7	Net revenue	50,787	52,575
	Costs And Expenses:		
8	Cost of goods and services	24,544	24,522
9	Selling, general, and administrative	17,608	18,586
10	Provision for doubtful accounts	310	201
11	Depreciation and amortization	5,711	866
	Charges from affiliates other than interest:		
12	Management fees	-	-
13	Other	321	918
14	Total costs and expenses	48,494	45,093
15	Income (Loss) From Operations	2,293	7,482
	Other Income (Expenses):		
16	Interest (expense)-affiliates	(8,260)	(8,337)
17	Interest (expense)-external	(617)	(235)
18	Investment alternative tax and related income (expense) - net	(795)	(289)
19	Nonoperating income (expense)-net	149	916
20	Total other income (expenses)	(9,523)	(7,945)
21	Income (Loss) Before Income Taxes And Extraordinary Items	(7,230)	(463)
22	Provision (credit) for income taxes	(2,481)	(1,561)
23	Income (Loss) Before Extraordinary Items	(4,749)	1,098
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -)	-	-
25	Net Income (Loss)	\$ (4,749)	\$ 1,098

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

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

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(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	Capital contribution				30,000
11	_____				
12	Ending balance		65,712		65,712
	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)		(2,882)		1,973
28	Dividends		()		()
29	_____				
30	_____				
31	Ending balance		3,679		6,561
32	Ending Stockholders' Equity		\$ 69,421		\$ 72,303

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 YEARS ENDED DECEMBER 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)		
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 YEARS ENDED DECEMBER 31, 1990 AND 1989

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.	\$ 11,630	\$ 2,714 *
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.	(5,900)	-
3	Proceeds from the sale of short-term investment securities.	-	6,375
4	Cash outflows for property and equipment	(5,979)	(13,355)
5	Proceeds from disposition of property and equipment	43	177
6	Purchase of casino reinvestment obligations	(569)	(2,622)
7	Purchase of other investments and loans/advances made	(46)	-
8	Proceeds from disposal of investment and collection of advances and long-term receivables.	3,038	5,540 *
9	Cash outflows to acquire business entities.	-	-
10	Purchase price adjustment - GNI	(4,231)	-
11	_____	-	-
12	Net Cash Provided (Used) By Investing Activities.	(13,644)	(3,885) *
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	2,700	2,000
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.	-	(30,000)
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock	-	-
20	Payments of dividends or capital withdrawals.	-	-
21	Debt premium related to repurchase (written off)	-	(612)
22	Additional paid-in capital	-	30,000
23	Net Cash Provided (Used) By Financing Activities	700	1,388
24	Net Increase (Decrease) In Cash And Cash Equivalents	(1,314)	217
25	Cash And Cash Equivalents At Beginning Of Year.	8,873	8,656
26	Cash And Cash Equivalents At End Of Year.	\$ 7,559	\$ 8,873

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	\$ 34,398	\$ 36,408
28	Income taxes.	\$ -	\$ 2,381

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 YEARS ENDED DECEMBER 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)	\$ (2,882)	\$ 1,973
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.	11,837	10,749
31	Amortization of other assets.	4,918	2,748
32	Amortization of debt discount or premium.	(1,320)	(1,158)
33	Deferred income taxes - current.	-	-
34	Deferred income taxes - noncurrent.	935	3,103
35	(Gain) loss on disposition of property and equipment.	-	-
36	(Gain) loss on casino reinvestment obligations.	1,747	1,311
37	(Gain) loss from other investment activities.	-	-
38	Net (increase) decrease in receivables and patrons' checks.	(561)	(10)
39	Net (increase) decrease in inventories.	(332)	910
40	Net (increase) decrease in other current assets.	(2,445)	(4,650)
41	Net (increase) decrease in other assets.	(1,778)	(5,418) *
42	Net increase (decrease) in accounts payables.	(771)	(652)
43	Net increase (decrease) in other current liabilities excluding debt.	5,654	(7,460)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.	(3,372)	1,268
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities.	\$ 11,630	\$ 2,714 *

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.	\$ 5,979	\$ 13,355
49	Less: Capital lease obligations incurred.	-	-
50	Cash Outflows For Property And Equipment.	\$ 5,979	\$ 13,355
	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.	\$ -	\$ -

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") (See Note 2). The accompanying financial statements should be read in conjunction with the consolidated financial statements included in Bally's Form 10-K for the year ended December 31, 1990.

a) Casino Revenue and Promotional Allowances

In accordance with industry practice, the Company recognizes as casino revenue the net win from gaming activities, which is the difference between gaming wins and losses. Net revenue in the accompanying statements of income excludes the retail value of rooms, food, beverage and other promotional allowances provided to customers without charge.

(b) Marketable Securities

Marketable securities are carried at the lower of aggregate cost or market value.

(c) Property and Equipment

All property and equipment are depreciated over their estimated useful lives using the straight line method for financial statement purposes and accelerated methods for income tax purposes.

Effective January 1, 1989, the Company extended the estimated useful lives of certain furniture, fixtures, and equipment. This change decreased depreciation expense in 1989 by approximately \$3,760,000.

(d) Debt Premium

Debt premium is amortized by the bonds outstanding method over the term of the issue.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(e) Income Taxes

Taxable income or loss of the Company is included in the consolidated Federal income tax return of Bally. As more fully disclosed in Bally's Form 10-K for the period ended December 31, 1990, the Internal Revenue Service ("IRS") has raised certain issues pertaining to accounting methods of other subsidiaries of Bally. If the IRS were to prevail on these issues, the estimated amount due as of December 31, 1990, including interest (net of income tax benefit) and penalties, less net operating loss and credit carryforwards available to Bally is approximately \$250 million.

Bally intends to vigorously oppose and, if necessary, litigate the IRS's proposed deficiencies with respect to these issues. Bally estimates that if the proposed deficiencies are fully litigated, the ultimate resolution of these issues is not likely to occur for approximately three to five years.

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 an allocation of the purchase price (See Note 21). 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 December 31, 1990 and 1989 consisted of repurchase agreements, at cost which approximates market.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 4 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	1990	1989
Prepaid State gaming taxes and licenses	\$ 700,000	\$ 510,000
Prepaid operating expenses	338,000	732,000
Prepaid State income tax	-	207,000
Deferred Federal and State income tax	9,855,000	4,648,000
Prepaid Federal income tax	1,634,000	4,650,000
Prepaid insurance expenses	662,000	-
Prepaid trustees fees	12,000	9,000
	\$13,201,000	\$10,756,000

NOTE 5 - INVESTMENTS, ADVANCES AND RECEIVABLES

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

	1990	1989
New Jersey Casino Reinvestment related assets (net of discount)	\$4,792,000	\$8,962,000
	\$4,792,000	\$8,962,000

In 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 of \$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 in total, \$11.6 million in "credits" against future CRDA obligations and "credits" receivable from Bally's Park Place.

During 1990, the Company donated \$832,000 to the CRDA, reducing the Company's obligations on deposit at the CRDA by such amount. The Company received \$424,000 in "credits" against future CRDA obligations.

Credits against future CRDA obligations as of December 31, 1990 and 1989 have been reclassified to Other Assets (See Note 7).

See Note 20 for further discussion of CRDA investments.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 6 - PROPERTY AND EQUIPMENT

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

	1990	1989
Land and improvements	\$ 51,776,000	\$ 51,776,000
Buildings and leasehold improvements	186,720,000	184,520,000
Furniture, fixtures and equipment	59,827,000	53,418,000
Construction in progress	<u>2,945,000</u>	<u>5,629,000</u>
	301,268,000	295,343,000
Less accumulated depreciation and amortization	<u>(48,059,000)</u>	<u>(36,233,000)</u>
	<u>\$253,209,000</u>	<u>\$259,110,000</u>
	=====	=====

NOTE 7 - OTHER ASSETS

Other assets as of December 31 consisted of the following:

	1990	1989
Costs in excess of acquired assets, net	\$114,846,000	\$111,631,000
CRDA credits receivable	3,611,000	5,540,000
Other	<u>10,000</u>	<u>205,000</u>
	<u>\$118,467,000</u>	<u>\$117,376,000</u>
	=====	=====

See Note 2 and Note 21 for discussion of purchase price accounting.

For the year ended December 31, 1990, the Company recorded an expense of \$1,863,000 which represents amortization of CRDA credits.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 8 - OTHER ACCRUED EXPENSES

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

	<u>1990</u>	<u>1989</u>
Accrued payroll	\$ 8,858,000	\$ 8,063,000
Accrued progressive jackpot liability	4,402,000	2,084,000
Accrued interest	2,860,000	2,875,000
Accrued New Jersey casino reinvestment liability	132,000	578,000
Accrued sales, use and luxury taxes	355,000	331,000
Accrued Casino Control Commission and Division of Gaming Enforcement fees	321,000	350,000
Accrued casino license fee	240,000	678,000
Accrued self insurance claims	1,427,000	1,427,000
Accrued casino win tax	230,000	287,000
Accrued legal fees	325,000	483,000
Accrued insurance	50,000	50,000
Accrued real estate tax	160,000	160,000
Other	3,513,000	3,396,000
	<u>\$22,873,000</u>	<u>\$20,762,000</u>
	=====	=====

NOTE 9 - OTHER CURRENT LIABILITIES

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

	<u>1990</u>	<u>1989</u>
Unredeemed gaming chips and tokens	\$1,423,000	\$1,542,000
Advance room deposits	20,000	48,000
Customer deposits	199,000	267,000
Bally's Park Place, Inc.	2,669,000	1,334,000
Bally Manufacturing Corp.	139,000	1,523,000
Bally's Las Vegas	-	66,000
Other	-	16,000
	<u>\$4,450,000</u>	<u>\$4,796,000</u>
	=====	=====

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 10 - LONG TERM DEBT-DUE TO AFFILIATES

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

	1990	1989
13 1/4% (effective rate of 13.3%) Mortgage-Backed Notes of \$259,000,000 principal amount, interest payable semi-annually, maturing in 1995 (including unamortized premium of \$8,517,000 at December 31, 1990 and \$9,837,000 at December 31, 1989) (See Note 2).	\$267,517,000 =====	\$268,837,000 =====

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.

The Company has acquired the following principal amounts of the Notes to satisfy future sinking fund requirements; \$10 million in 1987 and \$30 million in 1989.

Remaining sinking fund payments are \$4,850,000 in 1993, and \$14,950,000 in 1994.

NOTE 11 - DEFERRED CREDITS

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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 12 - OTHER LIABILITIES

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

	<u>1990</u>	<u>1989</u>
GNAC, Corp.	\$29,483,000	\$26,711,000
Bally's Grand Transportation Corp.	-	1,900,000
Self insurance claim	-	4,244,000
	<u>\$29,483,000</u>	<u>\$32,855,000</u>
	=====	=====

NOTE 13 - STOCKHOLDER'S EQUITY

At December 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 year ended December 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	131,688	\$10,181,000	-	\$ -
Food	796,776	11,029,000	-	-
Beverage	2,388,140	4,657,000	-	-
Travel	-	-	31,068	5,041,000
Other				
Coin	-	-	1,443,239	16,456,000
Entertainment	17,785	791,000	1,817	222,000
Parking	112,582	900,000	-	-
Retail	28,807	1,491,000	-	-
Gifts	-	-	153,849	1,445,000
Other	5,387	144,000	784	444,000
Total Other	<u>164,561</u>	<u>3,326,000</u>	<u>1,599,689</u>	<u>18,567,000</u>
TOTAL	<u>3,481,165</u>	<u>\$29,193,000</u>	<u>1,630,757</u>	<u>\$23,608,000</u>
	=====	=====	=====	=====

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 14 - PROMOTIONAL EXPENSES AND ALLOWANCES(cont.)

Promotional expenses and allowances and number of recipients for the three months ended December 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	32,373	\$2,325,000	-	\$ -
Food	215,150	2,768,000	-	-
Beverage	570,705	1,113,000	-	-
Travel	-	-	5,976	1,126,000
Other				
Coin	-	-	371,002	4,068,000
Entertainment	3,310	141,000	631	77,000
Parking	16,533	132,000	-	-
Retail	11,013	415,000	-	-
Gifts	-	-	42,527	666,000
Other	1,514	37,000	270	145,000
Total Other	<u>32,370</u>	<u>725,000</u>	<u>414,430</u>	<u>4,956,000</u>
TOTAL	<u>850,598</u>	<u>\$6,931,000</u>	<u>420,406</u>	<u>\$6,082,000</u>

NOTE 15 - CHARGES FROM AFFILIATES

The charges from affiliates for the year ended December 31 consisted of the following:

<u>Nature of Charge From Affiliate</u>	<u>1990</u>	<u>1989</u>
Interest	\$33,012,000	\$36,110,000
Other (a)	1,353,000	4,367,000

(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.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

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

Non-operating income (expense) - net for the year ended December 31 consisted of the following:

	1990	1989
Interest and dividend income	\$ 1,034,000	\$ 2,491,000
Gain on repurchase of Mortgage-Backed Notes	-	144,000
Other non-operating income (expense)	(255,000)	6,000
	\$ <u>779,000</u>	\$ <u>2,641,000</u>
	=====	=====
		360,000
		\$ <u>623,000</u>
		=====

NOTE 17 - INCOME TAXES

The income tax provision for the year ended December 31 consisted of the following:

	1990	1989
Current:		
Federal	\$3,987,000	\$(2,032,000)
State	987,000	(1,023,000)
	<u>4,974,000</u>	<u>(3,055,000)</u>
Deferred:		
Federal	(3,514,000)	\$ 1,836,000
State	(835,000)	1,176,000
	<u>(4,349,000)</u>	<u>3,012,000</u>
	\$ <u>625,000</u>	\$ <u>(43,000)</u>
	=====	=====

The Company made payments of \$338,000 in 1990 and \$478,000 in 1989 under the terms of various collective bargaining agreements to provide welfare benefits, including pension benefits, for covered employees. It is not practical to determine the amount of these payments ultimately used to fund pension benefit plans or the current financial condition of these plans.

On December 1, 1985, the Company adopted a Voluntary Retirement Savings Plan ("RSVP") for its non-union employees (as defined). Eligible participating employees may elect to contribute up to 11% of their pre-tax earnings to RSVP. The Company matched employee contributions not exceeding 50% of the first 5% of the employees salary. The Company's contributions amounted to \$224,000 in 1990 and \$214,000 in 1989.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 17 - INCOME TAXES (cont.)

Components of the differences between a provision for income taxes computed at the Federal income tax statutory rate and the Company's provision for income taxes for the year ended December 31, 1990 are as follows:

Amount computed at 34%	\$(767,000)
Permanent differences:	
Amortization of costs in excess of acquired assets	1,028,000
Interest expense and fees	(847,000)
Purchase price depreciation	1,067,000
Other	65,000
State income taxes, net of Federal tax benefits	(281,000)
Amounts relating to prior year's taxes	360,000
	\$ 625,000
	=====

Sources of deferred income taxes and the tax effect of each for the year ended December 31, 1990 are as follows:

Depreciation	\$ 712,000
Bad Debt Reserve	(1,634,000)
CRDA Donation	(776,000)
CRDA Reserve	(678,000)
Progressive Slots Reserve	(606,000)
Vacation Reserve	(491,000)
Other	(876,000)
	\$(4,349,000)
	=====

NOTE 18 - PENSION COSTS

The Company made payments of \$358,000 in 1990 and \$438,000 in 1989 under the terms of various collective bargaining agreements to provide welfare benefits, including pension benefits, for covered employees. It is not practical to determine the amount of these payments ultimately used to fund pension benefit plans or the current financial condition of these plans.

On December 1, 1985, the Company adopted a Voluntary Retirement Savings Plan ("RSVP") for its non-union employees (as defined). Eligible participating employees may elect to contribute up to 12% of their pre-tax earnings to RSVP. The Company matched employee contributions not exceeding 50% of the first 6% of the employees salary. The Company's contribution amounted to \$814,000 in 1990 and \$914,000 in 1989.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 19 - LEASE COMMITMENTS

The Company leases real estate and various equipment under cancellable and non-cancellable operating lease agreements.

Minimum lease commitments in effect at December 31, 1990 are as follows:

1990.....	\$ 536,000
1991.....	455,000
1992.....	455,000
1993.....	455,000
1994.....	278,000
Thereafter.....	20,000
	<u>\$2,199,000</u>
	=====

Aggregate rent expense was \$281,000 and \$1,150,000 for the three and twelve months ended December 31, 1990 and \$241,000 and \$1,184,000 for the three and twelve months ended December 31, 1989, respectively.

NOTE 20 - OTHER COMMITMENTS

The Company recorded an expense of \$62,000 and \$1,311,000 in 1990 and 1989 respectively, which represented the cost to the Company of complying with a "reinvestment" requirement contained in the New Jersey Casino Control Act (the "ACT"). Under the ACT, Atlantic City casinos are required to make qualified investments, as specified by the New Jersey State Legislature, or become liable for an "alternate tax". The amount of the required investment or alternate tax is calculated based on a licensee's gross casino revenues less its annual provision for uncollectable casino receivables.

In addition, the Company has determined that the future realization of an investment in a certain CRDA project is impaired and accordingly, has fully reserved the \$3,369,000 investment. Of that amount, \$1,685,000 was charged to expense in 1990.

NOTE 21 - LITIGATION

Pursuant to the 1987 Purchase Agreement (the "Agreement") between Bally and GNI, an amount was due to either party depending on the difference in value between certain assets and liabilities as defined in the Agreement. During the second quarter of 1990, the parties settled a dispute over such amounts and the Company paid GNI approximately \$4.2 million which represented an increase in the final purchase price of the Company paid by Bally. Accordingly, the \$4.2 million was recorded as additional costs in excess of acquired assets (See Note 7).

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-NET OF ALLOWANCE (e)
	Patrons' Checks:	\$		
1	Undeposited patrons' checks	4,245		
2	Returned patrons' checks	14,282	\$	\$
3	Total patrons' checks	18,527	14,003	4,524
4	Hotel Receivables	977	90	887
	Other Receivables:			
5	Receivables due from officers and employees.....	15		
6	Receivables due from affiliates	-		
7	Other accounts and notes receivables	383		
8	Total other receivables	398	-	398
9	Totals (Form 305	\$ 19,902	\$ 14,093	\$ 5,809

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
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)	148,820
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)	(105,794)
13	Checks collected through deposits	(37,163)
14	Checks transferred to returned checks	(6,544)
15	Other adjustments	-
16	Ending Balance	\$ 4,245
17	"Hold" Checks Included In Balance On Line 16	\$ -
18	Provision For Uncollectible Patrons' Checks	\$ 1,089
19	Provision As A Percent Of Counter Checks Issued .....	.73

STATEMENT OF CONFORMITY AND ACCURACY

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

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	Revenue:	\$	\$		
1	Blackjack	41,079	289,335	14.20	61
2	Craps	29,737	171,929	17.30	18
3	Roulette	9,882	39,088	25.28	10
4	Big Six	1,624	3,402	47.74	4
5	Baccarat	5,450	40,037	13.61	3
6	Other table games	-	-	-	-
7	Total table games revenue	87,772	\$ 543,791	16.14%	96
			HANDLE		
8	\$.05 slot machines	2,638	18,658	14.14	69
9	\$.25 slot machines	33,706	256,690	13.13	546
10	\$1.00 slot machines	19,970	187,201	10.67	160
11	Other slot machines	55,525	609,973	9.10	570
12	Total coin-operated devices revenue	111,839	\$1,072,522	10.43%	1,345
13	Progressive jackpot adjustment	(2,318)			
14	Total coin-operated devices revenue after adjustment	109,521			
15	Other income	-			
16	Total revenue	197,293			
	Expenses:				
17	Payroll and payroll related expenses	36,680			
18	Licenses and taxes	16,518			
19	Provision for uncollectible patrons' checks	1,089			
20	Other	4,082			
21	Total	58,369			
22	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	138,924			
	Complimentary services and casino management fees:				
23	Complimentary services	48,485			
24	Casino management fees	-			
25	Total	48,485			
26	Departmental Income (Loss)	\$ 90,439			

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC :ss.

DONNA M. GRAHAM, 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.

CASINO CONTROL COM

McGraw
Signature

Controller
Title

03723-11
License Number

Subscribed and sworn to
before me this 15th day
of March, 1991

On Behalf Of:

Gloria Dean
Signature

GNOC CORP.
Casino Licensee

GLORIA DEAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 17, 1991

Basis of Authority
to Take Oaths

**GROSS REVENUE
ANNUAL TAX RETURN**

LICENSEE GNOC, CORP. (BALLY'S GRAND)

ADDRESS P.O. BOX 1737 Boston & Pacific Ave.

Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1981

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL TAX RETURN**

DONNA GRAHAM

OFFICIAL TITLE

Controller

ADDRESS

P.O. BOX 1737 Boston & Pacific Ave.

Atlantic City, New Jersey 08401

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 87,772	
2	Coin-operated devices revenue	111,839	
3	Total revenues		\$ 199,611
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 1,089	
5	Maximum adjustment (4% of line 3)	\$ 7,984	
6	Adjustment (the lesser of line 4 or line 5)		1,089
7	Gross revenues (line 3 less line 6)		\$ 198,522
8	Tax on gross revenues - current year (8% of line 7)		\$ 15,882
9	Audit or other adjustments to tax on gross revenues in prior years		-
10	Total tax on gross revenues (line 8 plus or minus line 9)		15,882
	Deposits made for tax on current year's gross revenues:		
11	January	\$ -	
12	February	1,263	
13	March	1,209	
14	April	1,334	
15	May	1,254	
16	June	1,389	
17	July	1,367	
18	August	1,443	
19	September	1,618	
20	October	1,361	
21	November	1,290	
22	December	1,226	
23	January	1,128	
24	Total deposits made for tax on current year's gross revenues		(15,882)
	Settlement of prior years' tax on gross revenues		
25	resulting from audit or other adjustments - (deposits) credits		-
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ -

STATEMENT OF CONFORMITY AND ACCURACY

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

DONNA M. GRAHAM, being duly sworn according
Name

to law upon my oath deposes and says:

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

Donna M. Graham
Signature

Controller
Title

03 723-11
License Number

On Behalf Of:
GNOC, CORP.
Casino Licensee

Subscribed and sworn to
before me this 15th day
of March, 1991.

Gloria Dean
Signature

GLORIA DEAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 17, 1991

Basis of Authority
to Take Oaths



DONNA GRAHAM
Controller
P.O. Box 1797, Boston & Pacific Ave.
Atlantic City, New Jersey 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE GNOC, CORP. (BALLY'S GRAND)

ADDRESS P.O. BOX 1737 Boston & Pacific Ave.
Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL EMPLOYMENT
AND PAYROLL REPORT.....**

DONNA GRAHAM

OFFICIAL TITLE.....

Controller

ADDRESS.....

P.O. Box 1737 Boston & Pacific Ave.
Atlantic City, New Jersey 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1990
(\$ In Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
	CASINO				
1	Administration	21			
2	Gaming	819			
3	Slots	106			
4	Casino accounting	284			
5	Other	113	\$ 24,651	\$ -	\$ 24,651
6	Total-casino	1,343			
7	ROOMS	218	3,619	-	3,619
8	FOOD AND BEVERAGE	818	11,690	-	11,690
	OTHER OPERATED DEPARTMENTS				
9	Parking	50	645	-	645
10	Retail	44	742	-	742
11	Health Club/Pool Service	12	158	-	158
12	Beauty Salon	11	185	-	185
13	Gas Station	6	83	-	83
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	14	165	679	844
21	Accounting and auditing	73	1,371	-	1,371
22	Security	184	3,855	-	3,855
23	Other administrative and general department	84	1,846	-	1,846
24	MARKETING	107	2,848	-	2,848
25	GUEST ENTERTAINMENT	38	825	-	825
26	PROPERTY OPERATION AND MAINTENANCE	267	5,693	-	5,693
27	TOTALS - ALL DEPARTMENTS	3,269	\$ 58,376	\$ 679	\$ 59,055

Trading Name of Licensee GNOC, CORP. (BALLY'S GRAND)

**ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE**

For the Year Ended December 31, 1990

March 14, 1991
Date

[Signature]
Signature

Controller
Title

PERIOD	NUMBER OF ADULT ROOMS AVAILABLE IN PROPERTY	NUMBER OF OCCUPIED ROOMS	NUMBER OF ADULTS PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	518	6,976	\$ 118.50	55.4%	15,522	\$ 65.31
FEBRUARY	518	10,681	\$ 109.60	71.8%	19,104	\$ 61.41
MARCH	518	11,174	\$ 131.00	83.9%	950	\$ 64.18
1ST QUARTER TOTALS		28,731	\$ 119.70	74.3%	36	\$ 63.94
APRIL	518	17,816	\$ 113.60	84.6%	24	\$ 59.21
MAY	518	11,029	\$ 129.80	82.0%	202	\$ 69.67
JUNE	518	12,944	\$ 143.77	84.1%	92	\$ 72.39
2ND QUARTER TOTALS		38,353	\$ 134.60	81.9%	37	\$ 67.08
JULY	518	12,853	\$ 131.00	80.1%	10	\$ 64.89
AUGUST	518	14,275	\$ 127.50	82.5%	25	\$ 64.89
SEPTEMBER	518	13,289	\$ 131.00	85.9%	157	\$ 61.07
3RD QUARTER TOTALS		40,356	\$ 132.00	85.0%	177	\$ 61.28
OCTOBER	518	13,928	\$ 119.00	86.7%	26,421	\$ 63.85
NOVEMBER	518	11,049	\$ 115.40	71.3%	20,959	\$ 60.82
DECEMBER	518	10,071	\$ 96.60	82.7%	19,958	\$ 51.16
4TH QUARTER TOTALS		35,043	\$ 111.60	73.3%	36,383	\$ 55.95
YEAR TOTALS		142,223	\$ 119.20	78.5%	170,217	\$ 61.55

TRADING NAME OF LICENSEE BALLY'S GRAND HOTEL & CASINO

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 19 90

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	518	15,284	12,936	\$ 111.00	84.6%	24,249	\$ 59.21
MAY	518	15,735	13,029	\$ 122.02	82.8%	23,202	\$ 68.52
JUNE	518	15,409	12,993	\$ 140.77	84.3%	24,921	\$ 73.39
2ND QUARTER TOTALS		46,428	38,958	\$ 124.61	83.9%	72,372	\$ 67.08
JULY	518	16,058	12,893	\$ 143.18	80.3%	28,487	\$ 64.80
AUGUST	518	16,058	14,275	\$ 127.59	88.9%	27,234	\$ 66.88
SEPTEMBER	518	16,058	13,788	\$ 113.93	85.9%	26,152	\$ 60.07
3RD QUARTER TOTALS		48,174	40,956	\$ 127.90	85.0%	81,873	\$ 63.98
OCTOBER	518	16,058	13,928	\$ 119.66	86.7%	26,421	\$ 63.08
NOVEMBER	518	15,540	11,044	\$ 115.42	71.1%	20,959	\$ 60.82
DECEMBER	518	16,058	10,071	\$ 96.56	62.7%	19,008	\$ 51.16
4TH QUARTER TOTALS		47,656	35,043	\$ 111.68	73.5%	66,388	\$ 58.95
ANNUAL TOTALS		187,564	147,723	\$ 119.70	78.8%	278,217	\$ 63.55

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ANNUAL REPORT

LICENSED Bally's Park Place, Inc. New Jersey
ADDRESS Park Place & the Boardwalk
Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



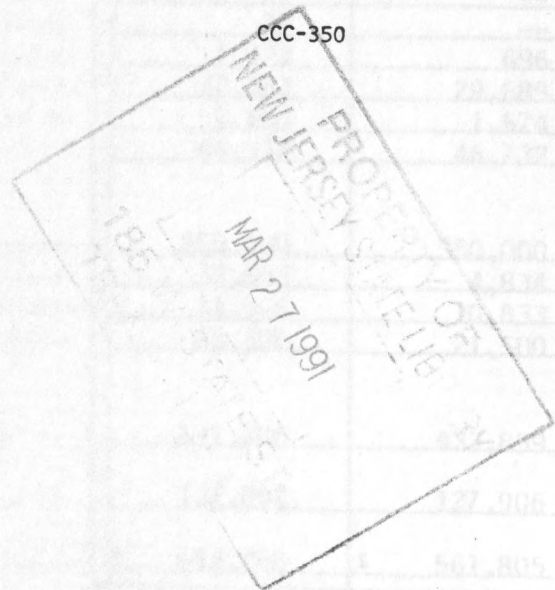
NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL REPORT Joseph A. D'Amato
OFFICIAL TITLE Vice President & Treasurer
ADDRESS Park Place and the Boardwalk
Atlantic City, New Jersey 08401

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

LIST OF FORMS — ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1990

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Cash Flows	CCC-335
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350



BALANCE SHEETS

DECEMBER 31, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	ASSETS		
	Current Assets:	\$	\$
1	Cash and Cash Equivalents	10,394	15,069
2	Marketable securities	--	--
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>90</u> , \$7,150 ; 19 <u>89</u> , \$ 5,400)	9,607	10,391
4	Inventories	4,928	3,784
5	Prepaid expenses and other current assets NOTE.2.....	4,672	2,627
6	Total current assets	29,601	31,871
7	Investments, Advances, And Receivables NOTE.11.....	85,958	32,191
8	Property And Equipment - Net NOTE.3.....	511,440	481,076
9	Other Assets	16,269	16,667
10	Total Assets	\$ 643,268	\$ 561,805
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
11	Accounts payable	9,936	14,773
12	Notes payable	--	--
	Current portion of long-term debt:		
13	Due to affiliates	--	--
14	Other	37	--
15	Income taxes payable and accrued	1,073	696
16	Other accrued expenses NOTE.12.....	32,363	29,689
17	Other current liabilities	1,508	1,574
18	Total current liabilities	44,917	46,732
	Long-Term Debt:		
19	Due to affiliates NOTE.4.....	350,000	350,000
20	Other NOTE.4.....	78,863	4,834
21	Deferred Credits NOTE.5.....	11,926	10,833
22	Other Liabilities NOTE.7.....	25,500	21,500
23	Commitments And Contingencies		
24	Total Liabilities	511,206	433,899
25	Stockholders', Partners', Or Proprietor's Equity	132,062	127,906
26	Total Liabilities And Equity	\$ 643,268	\$ 561,805

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 YEARS ENDED December, 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	\$ 266,881	\$ 279,690
2	Rooms	34,723	29,504
3	Food and beverage	36,517	36,493
4	Other	11,788	10,712
5	Total revenue	349,909	356,399
6	Less: Promotional allowances NOTE. 8	32,512	31,561
7	Net revenue	317,397	324,838
	Costs And Expenses:		
8	Cost of goods and services	170,224	161,000
9	Selling, general, and administrative	62,003	67,576
10	Provision for doubtful accounts	2,754	863
11	Depreciation and amortization	27,087	25,303
12	Charges from affiliates other than interest:		
13	Management fees	--	--
14	Other NOTE. 6	--	300
15	Total costs and expenses	262,068	255,542
	Income (Loss) From Operations	55,329	69,296
	Other Income (Expenses):		
16	Interest (expense) - affiliates NOTE. 9	<39,776>	<17,676>
17	Interest (expense) - external NOTE. 9	<4,739>	<3,590>
18	Investment alternative tax and related income (expense) - net...*	<1,471>	<1,948>
19	Nonoperating income (expense) - net NOTE. 14	5,189	2,292
20	Total other income (expenses).....	<40,797>	<20,922>
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	14,532	48,374
22	Provision (credit) for income taxes NOTE. 10	6,476	19,753
23	Income (Loss) Before Extraordinary Items	8,056	28,621
24	Extraordinary items (net of income taxes - 19 <u>90</u> \$ -0- ; 19 <u>89</u> \$ 5,600)	--	<8,411>
25	Net Income (Loss)	\$ 8,056	\$ 20,210

*NOTE 13

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 DECEMBER 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	\$ 59,873	\$ 65,917
2	Rooms	7,726	8,242
3	Food and beverage	8,958	9,359
4	Other	3,084	2,616
5	Total revenue	79,641	86,134
6	Less: promotional allowances NOTE. 8.....	8,175	7,920
7	Net revenue	71,466	78,214
	Costs And Expenses:		
8	Cost of goods and services	41,201	42,938
9	Selling, general, and administrative	16,694	16,891
10	Provision for doubtful accounts	869	380
11	Depreciation and amortization	7,165	7,471
	Charges from affiliates other than interest:		
12	Management fees	--	--
13	Other NOTE. 6.....	--	--
14	Total costs and expenses	65,929	67,680
15	Income (Loss) From Operations	5,537	10,534
	Other Income (Expenses):		
16	Interest (expense) - affiliates NOTE. 9.....	<10,221>	<9,806>
17	Interest (expense) - external NOTE. 9.....	<1,568>	<72>
18	Investment alternative tax and related income (expense) - net. *...	<318>	<429>
19	Nonoperating income (expense) - net NOTE. 14.....	1,570	809
20	Total other income (expenses)	<10,537>	<9,498>
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	<5,000>	1,036
22	Provision (credit) for income taxes NOTE. 10.....	<1,943>	609
23	Income (Loss) Before Extraordinary Items	<3,057>	427
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	--	--
25	Net Income (Loss)	\$ <3,057>	\$ 427

* NOTE 13

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 YEARS ENDED DECEMBER 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)		\$		\$
2	Sale of stock	100	93,987	100	93,987
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)		8,056		20,210
28	Dividends		(3,900)		(159,000)
29	.....		--		--
30	.....		--		--
31	Ending balance		3,423		<733>
32	Ending Stockholders' Equity		\$ 132,062		\$ 127,906

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 CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

NOT APPLICABLE

FOR THE YEARS ENDED DECEMBER 31, 19 90 and 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 ____	(d) 19 ____
	Invested Capital:		
1	Beginning balance (January 1)	\$ 112,538	\$ 76,160
2	Additional capital invested		
3	.....	
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	157,626	114,240
6	Prior period adjustments		
7	Net income (loss)		
8	.....	
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	(71,166)	(39,078)
11	Additional capital withdrawals	(4,615)	(6,013)
12	.....	
13	Ending balance	(15,060)	(8,091)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	(10,394)	(15,069)
15	.....	
16	Ending balance	()	()
17	.....	
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 YEARS ENDED DECEMBER 31, 19 90 and 19 89
(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.....	\$ 37,697	\$ 43,202
	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.....	<55,469>	<59,848>
5	Proceeds from disposition of property and equipment.....	--	--
6	Purchase of casino reinvestment obligations.....	<3,143>	<2,101>
7	Purchase of other investments and loans/advances made.....	<54,048>	<18,989>
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	122	4,778
9	Cash outflows to acquire business entities.....	--	--
10	.....	--	--
11	.....	--	--
12	Net Cash Provided (Used) By Investing Activities.....	<112,538>	<76,160>
	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.....	157,626	414,440
16	Costs of issuing debt.....	--	--
17	Payments to settle long-term debt.....	<83,560>	<216,405>
18	Cash proceeds from issuing stock or capital contributions.....	--	--
19	Purchases of treasury stock.....	--	--
20	Payments of dividends or capital withdrawals.....	<3,900>	<159,000>
21	.....	--	--
22	.....	--	--
23	Net Cash Provided (Used) By Financing Activities.....	70,166	39,035
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	<4,675>	6,077
25	Cash And Cash Equivalents At Beginning Of Year	15,069	8,992
26	Cash And Cash Equivalents At End Of Year.....	\$ 10,394	\$ 15,069

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized).....	\$ 42,475	\$ 12,398
28	Income taxes.....	\$ 6,946	\$ 17,329

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 YEARS ENDED DECEMBER 31, 19 90 and 19 89
(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).....	\$ 8,056	\$ 20,210
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	25,382	23,991
31	Amortization of other assets.....	1,705	1,312
32	Amortization of debt discount or premium.....	--	21
33	Deferred income taxes - current.....	<1,941>	1,463
34	Deferred income taxes - noncurrent.....	1,093	<3,092>
35	(Gain) loss on disposition of property and equipment.....	--	22
36	(Gain) loss on casino reinvestment obligations.....	1,410	969
37	(Gain) loss from other investment activities.....	232	<133>
38	Net (increase) decrease in receivables and patrons' checks.....	784	188
39	Net (increase) decrease in inventories.....	<1,144>	<1,619>
40	Net (increase) decrease in other current assets.....	<104>	<189>
41	Net (increase) decrease in other assets.....	<1,307>	<12,805>
42	Net increase (decrease) in accounts payables.....	<4,837>	<5,878>
43	Net increase (decrease) in other current liabilities excluding debt.....	2,985	8,271
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	4,000	7,447
45	<u>Write-off of bond issue costs</u>	--	316
46	<u>Net book value of disposals</u>	1,383	2,708
47	Net Cash Provided (Used) By Operating Activities.....	\$ 37,697	\$ 43,202

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 55,469	\$ 59,848
50	Less: Capital lease obligations incurred.....		
	Cash Outflows For Property And Equipment.....	\$ 55,469	\$ 59,848
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.....	\$	\$

BALLY'S PARK PLACE CASINO HOTEL
Note 1 - Summary of Significant Accounting Policies
December 31, 1990
Unaudited

Basis of Presentation

The accompanying financial statements include the accounts of Bally's Park Place, Inc., a New Jersey corporation, (the "Company") an indirect wholly owned subsidiary of Bally Manufacturing Corporation ("Bally").

The Company operates in one industry segment. All significant revenues arise from its casino and supporting hotel operations.

Certain reclassifications have been made to the 1989 statements to conform to the 1990 presentation.

The accompanying financial statements should be read in conjunction with the Company's and Bally's Form 10-K for the year ended December 31, 1990.

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 for sale and lease in a building in Atlantic City) 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 using the equity method.

Revenue Recognition

Casino revenue consists of the net win from gaming activities, which is the difference between gaming wins and losses. The retail value of complimentary food, beverage and hotel services furnished to customers is included in revenues and then deducted as promotional allowances.

Cash Equivalents

The Company considers all short-term, highly liquid investments that are readily convertible to known amounts of cash and whose maturity dates are three months or less, to be cash equivalents.

Inventories

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

BALLY'S PARK PLACE CASINO HOTEL
Note 1 (continued)
Unaudited

Casino Licensing Costs

Casino licensing costs relating to obtaining an initial casino license have been deferred and were fully amortized ratably through 1989.

Deferred Financing Costs

Deferred bond issuance costs and original issue debt discount are being amortized by the bonds outstanding method over the term of the issue.

Capitalized Interest

The Company capitalizes interest on the accumulated cost of major construction projects at the actual cost of borrowed money.

Depreciation and Amortization

Depreciation and amortization of property and equipment is provided on the straight-line method and totals \$25,382,000 and \$23,991,000 for 1990 and 1989 respectively.

Amortization of casino licensing and deferred financing costs for 1990 and 1989 were \$1,705,000 and \$1,312,000 respectively.

Income Taxes

For the year ended December 31, 1990 and 1989, the income tax rate varied from the federal statutory rate of 34% due principally to state income taxes net of related income tax benefit.

The Company files a consolidated federal income tax return with Bally. As more fully disclosed in Bally's and the Company's Forms 10-K for the year ended December 31, 1990, the Internal Revenue Service ("IRS") has raised certain issues pertaining to accounting methods of other Bally subsidiaries. If the IRS were to prevail on these issues, the estimated amount due as of December 31, 1990, including interest (net of income tax benefit) and penalties, less net operating loss and credit carryforwards available to Bally, is approximately \$250 million.

Bally intends to vigorously oppose and, if necessary, litigate the IRS's proposed deficiencies with respect to these issues. Bally estimates that if the proposed deficiencies are fully litigated, the ultimate resolution of these issues is not likely to occur for approximately three to five years.

BALLY'S PARK PLACE CASINO HOTEL

Note 1 (continued)

Unaudited

Transactions With Related Parties

Various management of the Company are involved in the direction and operation of other casino hotels owned by Bally. No costs were allocated to these properties for the twelve months ended December 31, 1990 and 1989 as such costs are considered insignificant.

In 1990, the Company participated in the Bally insurance program for general liability. 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 and \$1,188,000 for the three and twelve months ended December 31, 1990, respectively. There was no such allocation in 1989 as the Company did not participate in Bally insurance program.

In April 1990, the Company advanced Bally \$50,000,000 secured by a promissory note allowing for payment on demand by the Company, however, the Company has no current intention of requesting payment. In addition, Bally's ability to repay the \$50,000,000 may be affected by its liquidity position as discussed in Bally's Form 10-K for the year ended December 31, 1990. The Company earns interest on the outstanding balance at the prime rate of its agent bank with such interest payable at the end of each quarter. Intercompany interest earned for the three and twelve months ended December 31, 1990 was \$1,253,000 and \$3,609,000, respectively, of which \$1,253,000 remained unpaid as of March 15, 1991.

In December 1990, the Company advanced GNOC Corp. ("Bally's Grand"), another wholly owned subsidiary of Bally, \$2,700,000. This advance is payable on demand by the Company. The Company earns interest on the outstanding balance at the prime rate of its agent bank with such interest payable at the end of each quarter. Intercompany interest earned on this advance for the year ended December 31, 1990 was \$11,000.

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.

Rent expense, related to a former lease agreement between Bally and the Company for land acquired in 1989 by the Company from Bally, was \$800,000 for the twelve months ended December 31, 1989. There was no such lease expense for the three months ended December 31, 1989 and in 1990.

BALLY'S PARK PLACE CASINO HOTEL

Note 1 (continued)

Other Unaudited

December 31,

Unaudited

The Company also leases surface area parking lots to Bally's Grand. Rental income was \$399,000 and \$290,000 for 1990 and 1989, respectively. Certain administrative and support operations of the Company and Bally's Grand were consolidated in 1990 and 1989. The Company billed Bally's Grand based on actual costs incurred resulting in an allocation of \$1,806,000 and \$971,000 for 1990 and 1989, respectively, to Bally's Grand.

The Company purchased slot machines and related services from other Bally subsidiaries for the aggregate amounts of \$1,008,000 and \$1,350,000 in 1990 and 1989, respectively.

In August 1989, the Company purchased land from Bally at its net book value of \$15,600,000. In conjunction with this purchase, the Company assumed debt of \$4,496,000. The assumption of debt represents the only non-cash investing and financing activity during the two years ended December 31, 1990.

* in this category exceeds 5% of total current assets.

BALLY'S PARK PLACE CASINO HOTEL
 Note 2 - Prepaid Expenses and
 Other Current Assets
 December 31,
 Unaudited

	<u>1990</u>	<u>1989*</u>
Deferred Income Taxes	\$ 3,543,000	\$ 1,602,000
*Other	<u>1,129,000</u>	<u>1,025,000</u>
	<u>\$ 4,672,000</u>	<u>\$ 2,627,000</u>

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

revised to conform with 1990 presentation.

BALLY'S PARK PLACE CASINO HOTEL
 Note 3 - Property, Plant and Equipment
 December 31,
 Unaudited

	1990	1989*
Land	\$ 64,058,000	\$ 62,067,000
Buildings, leasehold improvements	532,351,000	442,865,000
Furniture, fixtures and equipment	128,653,000	120,790,000
Construction in progress	3,349,000	49,797,000
	728,411,000	675,519,000
Less accumulated depreciation and amortization	216,971,000	194,443,000
Property and equipment, net	\$511,440,000	\$481,076,000

* Restated to conform with 1990 presentation.

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

Unaudited

Long-Term Debt

	1990	1989
Due to affiliates:		
11 7/8% First Mortgage Notes due 1999	\$350,000,000	\$350,000,000
	\$350,000,000	\$350,000,000
Other:		
Revolving credit agreement	\$ 75,000,000	\$ 2,500,000
Other secured and unsecured debt	3,863,000	2,334,000
	\$ 78,863,000	\$ 4,834,000

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 \$447,208,000 at December 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 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 Company had \$15,500,000 available under this credit line as of March 15, 1991. Additionally, the Company has been requested by banks holding at least 50.1% of the line of credit commitments, pursuant to the terms in the Indenture, to enter into an agreement granting to the banks a mortgage on and security interest in all collateral property securing the Notes. The agreement would rank pari passu in right of payment with the Notes holders. The Company anticipates this to be completed during the second quarter of 1991.

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 December 31, 1990, all retained earnings are so restricted.

BALLY'S PARK PLACE CASINO HOTEL
 Note 5 - Deferred Credits
 December 31,
 Unaudited

Deferred Federal Income Taxes

	<u>1990</u>	<u>1989</u>
	<u>\$11,926,000</u>	<u>\$10,833,000</u>

BALLY'S PARK PLACE CASINO HOTEL
 Note 5 - Deferred Credits
 December 31,
 Unaudited

BALLY'S PARK PLACE CASINO HOTEL
 Note 6 - Long-term Lease - Other
 December 31,
 Unaudited

	Rental Expense		1991	Minimum Non-Cancellable Rental Commitments			
	1990	1989		1992	1993	1994	1995
Rental Expense							
NJ Expressway Authority original terms 3/1/81 - 3/1/86; automatically renewed annually	\$ 303,000	\$ 298,000	\$ 308,000	\$ 50,000	\$ ---	\$ ---	\$ ---
Xerox terms: 1/90 - 12/90	150,000	12,000	---	---	---	---	---
Feinstein Realty terms: 4/90 - 4/91	89,000	81,000	---	---	---	---	---
Equipment Rental Expense	102,000	172,000	---	---	---	---	---
Square Industries terms: 7/1/89 - 12/31/90	613,000	238,000	---	---	---	---	---
Atlantic County Transpor- tation Authority terms: 5/1/89 - 12/31/90	<u>346,000</u>	<u>271,000</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	<u>\$ 1,603,000</u>	<u>\$ 1,072,000</u>	<u>\$ 308,000</u>	<u>\$ 50,000</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

BALLY'S PARK PLACE CASINO HOTEL
 Note 6 - Long-term Lease - Affiliates
 December 31,
 Unaudited

	Rental Expense		Minimum Non-Cancellable Rental Commitments					Thereafter
	1990	1989	1991	1992	1993	1994	1995	
Rental Expense Bally Manufacturing Corp.; Marlboro Blenheim	\$ ---	\$ 800,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---

BALLY'S PARK PLACE CASINO HOTEL
 Note 7 - Other Liabilities
 December 31,
 Unaudited

1990
 125,500,000 221,500

in connection with the employment of certain officers, the Company has supplemental Executive Retirement Plan ("SERP"). The benefits are based on years of service and compensation. The expense over the expected length of the officers' employ-

BALLY'S PARK PLACE CASINO HOTEL

Note 7 - Other Liabilities

For the Twelve Months Ended December 31, 1990

December 31,
Unaudited

	Promotional Allowances		Promotional Expenses	
	Number of Participants	Dollar Amount	1990	1989
Accrued SERP			<u>\$25,500,000</u>	<u>\$21,500,000</u>
	205,148	\$12,258,000		
	845,822	8,932,000		
	15,421	262,000		
	7,900	237,000		
			99,461	\$ 3,989,000
Contribution - Cash			1,204,864	14,217,000
Revenues			795	53,000
			15,116	756,000
Cost of Services		<u>\$32,512,000</u>		<u>\$19,015,000</u>

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

BALLY'S PARK PLACE CASINO HOTEL
 Note 8 - Complimentary Services
 For the Twelve Months Ended December 31, 1990
 Unaudited

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of</u> <u>Recipients</u>	<u>Dollar</u> <u>Amount</u>	<u>Number of</u> <u>Recipients</u>	<u>Dollar</u> <u>Amount</u>
Rooms	105,148	\$12,288,000		
Food	845,822	8,932,000		
Beverage	2,964,316	5,929,000		
Parking	694,913	4,864,000		
Shows	15,421	262,000		
Other	7,900	237,000		
Travel			199,461	\$ 3,989,000
Coupon Redemption - Cash			1,204,864	14,217,000
Rooms off premises			795	53,000
Other			15,116	756,000
Total Amount of Services		<u>\$32,512,000</u>		<u>\$19,015,000</u>

BALLY'S PARK PLACE CASINO HOTEL
 Note 8 - Complimentary Services
 For the Three Months Ended December 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	24,872	\$2,818,000	119,624,000	\$19,399,000
Food	221,630	2,465,000	(193,000)	(194,000)
Beverage	734,503	1,469,000	\$9,321,000	\$9,805,000
Parking	187,562	1,313,000		
Shows	2,864	49,000		
Other	2,024	61,000	\$1,675,000	\$227,000
Travel			81,220	\$1,624,000
Coupon Redemption - Cash			277,785	3,380,000
Rooms off premises			174	10,000
Other			5,118	256,000
Total Amount of Services		<u>\$8,175,000</u>		<u>\$5,270,000</u>
			\$41,796,000	\$23,104,000
			(2,029,000)	(3,428,000)
			<u>\$39,767,000</u>	<u>\$19,676,000</u>
			\$8,276,000	\$3,033,000
			(537,000)	(1,443,000)
			<u>\$7,739,000</u>	<u>\$1,590,000</u>

BALLY'S PARK PLACE CASINO HOTEL
 Note 9 - Interest Expense
 For the Three Months Ended December 31,
 Unaudited

<u>Charges From Affiliates</u>	<u>1990</u>	<u>1989</u>
Bally's Park Place Funding, Inc. (Mortgage Interest Expense)	\$10,624,000	\$10,390,000
Capitalized interest	<u>(403,000)</u>	<u>(584,000)</u>
	<u>\$10,221,000</u>	<u>\$ 9,806,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 1,675,000	\$ 227,000
Capitalized interest	<u>(107,000)</u>	<u>(155,000)</u>
	<u>\$ 1,568,000</u>	<u>\$ 72,000</u>

For the Twelve Months Ended December 31,
 Unaudited

<u>Charges From Affiliates</u>	<u>1990</u>	<u>1989</u>
Bally's Park Place Funding, Inc. (Mortgage Interest Expense)	\$41,796,000	\$23,104,000
Capitalized interest	<u>(2,020,000)</u>	<u>(5,428,000)</u>
	<u>\$39,776,000</u>	<u>\$17,676,000</u>

External Sources

Interest on various loans	\$ 5,276,000	\$ 5,033,000
Capitalized interest	<u>(537,000)</u>	<u>(1,443,000)</u>
	<u>\$ 4,739,000</u>	<u>\$ 3,590,000</u>

BALLY'S PARK PLACE CASINO HOTEL
 Note 10 - Provision for Income Taxes
 For the Three Months Ended December 31,
 Unaudited

Reconciliation to the Statutory Federal
 Income Tax Rate
 Unaudited

	1990	1989
Current:		
Federal	\$(1,995,000)	\$ 859,000
State	(400,000)	595,000
	(2,395,000)	1,454,000
Deferred:		
Federal	482,000	(1,040,000)
State	(30,000)	195,000
	452,000	(845,000)
Total Income Taxes	\$(1,943,000)	\$ 609,000

For the Twelve Months Ended December 31,
 Unaudited

Current:		
Federal	\$ 5,924,000	\$16,387,000
State	1,400,000	4,995,000
	7,324,000	21,382,000
Deferred:		
Federal	(505,000)	(1,641,000)
State	(343,000)	12,000
	(848,000)	(1,629,000)
Total Income Taxes	\$ 6,476,000	\$19,753,000

Reconciliation of Deferred Taxes
 For the Twelve Months Ended December 31,
 Unaudited

	1990	1989
Short-term	\$(1,941,000)	\$ 1,463,000
Long-term	1,093,000	(3,092,000)
	\$ (848,000)	\$(1,629,000)

BALLY'S PARK PLACE CASINO HOTEL

Note 11 - Investments and Receivables
 Note 10 (Continued)
 December 31,

Unaudited
 Reconciliation to the Statutory Federal
 Income Tax Rate
 Unaudited

	1990	1989
Investments and receivables:		
Investment in subsidiaries - equity:		
Tax at statutory rate	\$ 4,941,000	\$16,447,000
State income taxes, net of related federal income tax benefit	996,000	2,993,000
Other, net	539,000	313,000
Investment Development Authority	\$ 6,476,000	\$19,753,000
Less discount of \$4,791,000 in 1990 and \$5,070,000 in 1989)		
Credit receivable (less discount of \$100,000 in 1990 and \$134,000 in 1989)		115,000
Park Place Mortgage Receivable (less reserve of \$175,000 in 1990 and \$100,000 in 1989)	2,715,000	2,197,000
Park Place Realty Company	15,630,000	15,625,000
Manufacturing Corporation	50,000,000	---
Other	2,700,000	---
Other portion	(137,000)	(130,000)
Investments, Advances and Receivables	\$25,958,000	\$32,191,000

BALLY'S PARK PLACE CASINO HOTEL
 Note 11 - Investments, Advances and Receivables
 December 31,
 Unaudited

	<u>1990</u>	<u>1989</u>
<u>Other long-term investments and receivables:</u>		
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	4,425,000	4,375,000
B.W. Realty, Inc. - 100% owned	<u>5,891,000</u>	<u>5,362,000</u>
Total investments in subsidiaries - equity	10,316,000	9,737,000
Casino Reinvestment Development Authority funds (less discount of \$4,791,000 in 1990 and \$5,070,000 in 1989)	4,620,000	4,546,000
Central credit receivable (less discount of \$371,000 in 1990 and \$134,000 in 1989)	---	115,000
Jacobs Family Terrace Mortgage Receivable (less reserve of \$175,000 in 1990 and \$140,000 in 1989)	2,729,000	2,197,000
Bally's Park Place Realty Company	15,630,000	15,625,000
Bally Manufacturing Corporation	50,000,000	---
Bally Grand	2,700,000	---
Less current portion	<u>(37,000)</u>	<u>(29,000)</u>
Total Investments, Advances and Receivables	<u>\$85,958,000</u>	<u>\$32,191,000</u>

BALLY'S PARK PLACE CASINO HOTEL
 Note 12 - Other Accrued Expenses
 December 31,
 Unaudited

	<u>1990</u>	<u>1989</u>
Payroll	\$ 7,083,000	\$ 6,820,000
Progressive Jackpots	2,735,000	1,630,000
Interest	16,033,000	13,993,000
Miscellaneous*	<u>6,512,000</u>	<u>7,246,000</u>
Total	<u>\$32,363,000</u>	<u>\$29,689,000</u>

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

BALLY'S PARK PLACE CASINO HOTEL
Note 13 - Reinvestment Obligation
December 31, 1989

Unaudited

The Company, pursuant to the New Jersey Casino Control Act (the "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 (the "CRDA") and by direct investments.

At December 31, 1990 and 1989, the Company had \$8,892,000 and \$9,141,000 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased \$519,000 and \$475,000 in bonds with the CRDA as of December 31, 1990 and 1989, respectively.

\$1,800,000

(117,000)

250,000

519,000

\$2,232,000

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

	<u>1990</u>	<u>1989</u>
Interest income	\$1,575,000	\$ 671,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(150,000)	(79,000)
Bally Warwick, Inc.	(13,000)	106,000
Other	<u>158,000</u>	<u>111,000</u>
Total	<u>\$1,570,000</u>	<u>\$ 809,000</u>

For the Twelve Months Ended December 31,
 Unaudited

Interest income	\$5,083,000	\$1,808,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(282,000)	(117,000)
Bally Warwick, Inc.	50,000	250,000
Other	<u>338,000</u>	<u>351,000</u>
Total	<u>\$5,189,000</u>	<u>\$2,292,000</u>

BALLY'S PARK PLACE CASINO HOTEL
Note 15 - Capital Stock - Description of Features
December 31, 1990 and 1989
Unaudited

COMMON STOCK

Authorized 2,500 shares

Issued 100 shares

Outstanding 100 shares

Par Value None

BALLY'S PARK PLACE CASINO HOTEL

Note 16 - Contingent Liabilities

December 31, 1990 and 1989

Unaudited

SCHEDULE OF RECEIVABLES

PATRONS' CHECKS

Contingent Liabilities

For a description of the Company's contingent liabilities see the Company's Form 10-K for the year ended December 31, 1990.

DESCRIPTION	1990	1989
Patrons' checks		
Due from officers and employees		
Due from affiliates		
Accounts and notes receivables		
Other receivables		
Total		

DESCRIPTION	1990	1989
Deposited patrons' checks		
Deposited (January 1)		
Deposited prior to deposit		
Deposited through deposits		
Deposited to returned checks		
Deposited		
Deposited in Balance on Line 24		
Deposited via Patrons' Checks		
Deposited of Counter Checks		

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-(e) NET OF ALLOWANCE
1	Patrons' Checks:			
	Undeposited patrons' checks	\$ 1,886		
2	Returned patrons' checks	8,172		
3	Total patrons' checks	10,058	\$ 7,000	\$ 3,058
4	Hotel Receivables	1,084	150	934
5	Other Receivables:			
	Receivables due from officers and employees.....	2		
6	Receivables due from affiliates	3,976		
7	Other accounts and notes receivables	1,637		
8	Total other receivables	5,615	--	5,615
9	Totals (Form 305).....	\$ 16,757	\$ 7,150	\$ 9,607

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
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)	77,915
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)	(63,832)
13	Checks collected through deposits	(11,913)
14	Checks transferred to returned checks	(3,287)
15	Other adjustments	0
16	Ending Balance	\$ 1,907
17	"Hold" Checks Included In Balance On Line 16	\$ 0
18	Provision For Uncollectible Patrons' Checks	\$ 2,439
19	Provision As A Percent Of Counter Checks Issued	3

STATEMENT OF CONFORMITY AND ACCURACY
 TRADING NAME OF LICENSEE Bally's Park Place Casino Hotel and Tower

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	Revenue:	\$	\$	%	
1	Blackjack	50,837	319,554	15.9	72
2	Craps	25,509	160,354	15.9	18
3	Roulette	12,685	49,282	25.7	12
4	Big Six	3,209	6,757	47.5	4
5	Baccarat and Mini-Baccarat	5,438	36,073	15.0	4
6	Other table games	--	--	--	--
7	Total table games revenue	97,678	\$ 572,020	17.1 %	110
			HANDLE		
8	\$.05 slot machines	5,036	\$ 30,284	16.6 %	92
9	\$.25 slot machines	51,933	386,841	13.4	675
10	\$1.00 slot machines	30,997	321,935	9.6	194
11	Other slot machines	82,342	877,900	9.4	700
12	Total coin-operated devices revenue	170,308	\$1,616,960	10.5 %	1,661
13	Progressive jackpot adjustment	<1,105>			
14	Total coin-operated devices revenue after adjustment	169,203			
15	Other income	--			
16	Total revenue	266,881			
	Expenses:				
17	Payroll and payroll related expenses	42,337			
18	Licenses and taxes	21,987			
19	Provision for uncollectible patrons' checks	2,439			
20	Other	5,729			
21	Total	72,492			
22	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	194,389			
	Complimentary services and casino management fees:				
23	Complimentary services	45,549			
24	Casino management fees	--			
25	Total	45,549			
26	Departmental Income (Loss)	\$ 148,840			

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 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.

Joseph A. D'Amato
Signature

Vice President & Treasurer
Title

#03310-11
License Number

Subscribed and sworn to
before me this 14th day
of March, 19 91

On Behalf Of:

Cheryl Ann Ruggles
Signature

Bally's Park Place, Inc. NJ
Casino Licensee

CHERYL ANN RUGGLES
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 16, 1994
Basis of Authority
to Take Oaths

GROSS REVENUE ANNUAL TAX RETURN

LICENSEE BALLY'S PARK PLACE, INC.

ADDRESS PARK PLACE & THE BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19 90

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL TAX RETURN

JOSEPH A. D'AMATO

OFFICIAL TITLE.....

VICE PRESIDENT & TREASURER

ADDRESS.....

PARK PLACE & THE BOARDWALK

ATLANTIC CITY, NJ 08401

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 97,677	
2	Coin-operated devices revenue	170,308	
3	Total revenues		\$ 267,985
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 2,439	
5	Maximum adjustment (4% of line 3)	\$ 10,719	
6	Adjustment (the lesser of line 4 or line 5)		2,439
7	Gross revenues (line 3 less line 6)		\$ 265,546
8	Tax on gross revenues - current year (8% of line 7)		\$ 21,244
9	Audit or other adjustments to tax on gross revenues in prior years		0
10	Total tax on gross revenues (line 8 plus or minus line 9)		21,244
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 1,486	
12	February	1,776	
13	March	1,626	
14	April	2,125	
15	May	1,610	
16	June	1,691	
17	July	2,247	
18	August	1,797	
19	September	1,678	
20	October	1,898	
21	November	1,535	
22	December	1,231	
23	January	544	
24	Total deposits made for tax on current year's gross revenues		(21,244)
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits		0
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ 0

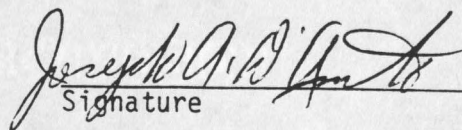
STATEMENT OF CONFORMITY AND ACCURACY

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

Joseph A. D'Amato, being duly sworn according
Name

to law upon my oath deposes and says:

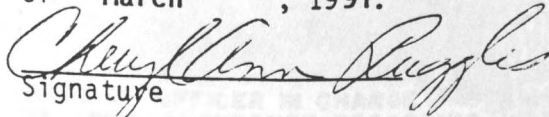
1. I have examined this Gross Revenue Annual Tax Return.
2. All the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.
3. The information contained in this Return is accurate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


Signature

Vice President & Treasurer
Title

03310-11
License Number

Subscribed and sworn to
before me this 14th day
of March, 1991.


Signature

CHERYL ANN RUGGLES
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 10, 1994
Basis of Authority
to Take Oaths

On Behalf Of:

Bally's Park Place, Inc.
Casino Licensee

Atlantic City, N.J. 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE Bally's Park Place, Inc. Nj

ADDRESS Park Place and the Boardwalk

Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL EMPLOYMENT
AND PAYROLL REPORT.....**

Joseph A. D'Amato

OFFICIAL TITLE.....

Vice President and Treasurer

ADDRESS.....

Park Place and the Boardwalk

Atlantic City, N.J. 08401

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

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 90
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
CASINO					
1	Administration	16			
2	Gaming	868			
3	Slots	107			
4	Casino accounting	314			
5	Other	78			
6	Total-casino	1,383	\$ 27,914	\$	\$ 27,914
7	ROOMS	338	5,773		5,773
8	FOOD AND BEVERAGE	877	13,205		13,205
OTHER OPERATED DEPARTMENTS					
9	Spa	40	605		605
10	Hat Check and Pool	9	124		124
11	Telephone Room	28	382		382
12	Hair Salon	17	263		263
13	Retail Stores	10	110		110
14					
15					
16					
17					
18					
19					
ADMINISTRATIVE AND GENERAL					
20	Executive office	64	5,260		5,260
21	Accounting and auditing	89	2,254		2,254
22	Security	273	6,070		6,070
23	Other administrative and general department ..	179	4,572		4,572
24	MARKETING	66	2,119		2,119
25	GUEST ENTERTAINMENT	39	700		700
26	PROPERTY OPERATION AND MAINTENANCE	324	8,097		8,097
27	TOTALS - ALL DEPARTMENTS	3,736	\$ 77,448	\$	\$ 77,448

Trading Name of Licensee Bally's Park Place Casino Hotel and Tower

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1990

March 15, 1991

Date


Signature

Vice President and Treasurer
Title

TRADING NAME OF LICENSEE BALLY'S PARK PLACE CASINO HOTEL & TOWER

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 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	1,170	36,079	26,358	\$ 111.99	73.1%	50,503	\$ 58.45
MAY	1,197	37,252	27,632	\$ 116.26	74.2%	52,770	\$ 60.88
JUNE	1,211	36,112	27,136	\$ 122.30	75.1%	53,009	\$ 62.61
2ND QUARTER TOTALS		109,443	81,126	\$ 116.89	74.1%	156,282	\$ 60.68
JULY	1,196	37,320	26,871	\$ 137.37	72.0%	53,009	\$ 69.63
AUGUST	1,209	37,033	28,825	\$ 136.38	77.8%	63,724	\$ 61.69
SEPTEMBER	1,206	36,207	22,839	\$ 128.72	63.1%	45,608	\$ 64.46
3RD QUARTER TOTALS		110,560	78,535	\$ 134.49	71.0%	162,341	\$ 65.06
OCTOBER	1,205	37,235	26,038	\$ 114.90	69.9%	51,058	\$ 58.59
NOVEMBER	1,201	35,965	22,285	\$ 114.44	62.0%	45,395	\$ 56.18
DECEMBER	1,201	37,110	19,338	\$ 112.63	52.1%	39,729	\$ 54.83
4TH QUARTER TOTALS		110,310	67,661	\$ 114.10	61.3%	136,182	\$ 56.69
ANNUAL TOTALS		438,447	293,044	\$ 118.21	66.8%	584,649	\$ 59.25

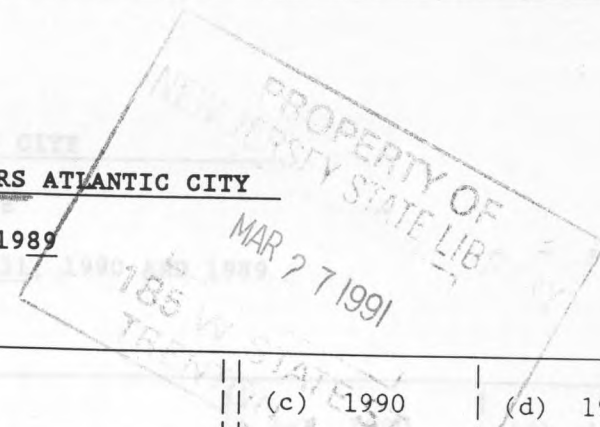
Atlantic City, New Jersey 08401
 Part 1
 File 1
 License
 2010

NEW JERSEY STATE LIBRARY

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974-901
C193

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY
 BALANCE SHEETS
DECEMBER 31, 1990 AND 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)



LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
	Current Assets		
1	Cash.....	\$ 10,296	\$ 10,745
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for..... doubtful accounts - 1990_, \$12,861 ; 1989_, \$12,319).....	16,387	15,609
4	Inventories.....(NOTE 1).....	3,131	3,103
5	Prepaid expenses and other current assets.....(NOTE 2).....	8,505	11,543
6	Total current assets.....	38,319	41,000
7	Investments, Advances and Receivables.....(NOTES 3 & 13)	1,315	1,000
8	Property and Equipment - Net.....(NOTES 1,4,9&14)	287,162	246,955
9	Other Assets.....(NOTE 14).....	13,843	3,794
10	Total Assets.....	\$ 340,639	\$ 292,749
LIABILITIES AND EQUITY			
	Current Liabilities		
11	Accounts payable.....	\$ 8,639	\$ 9,877
12	Notes payable.....(NOTE 5).....	25,823	6,724
	Current portion of long-term debt:		
13	Due to affiliates.....	-	-
14	Other.....(NOTE 9).....	245	227
15	Income taxes payable and accrued.....(NOTES 1&6).....	4,322	2,666
16	Other accrued expenses.....(NOTE 7).....	13,082	26,067
17	Other current liabilities.....	3,320	2,862
18	Total current liabilities.....	55,431	48,423
	Long-Term Debt:		
19	Due to affiliates.....(NOTE 8).....	82,821	77,668
20	Other.....(NOTE 9).....	16,223	16,375
21	Deferred Credits.....(NOTE 6).....	4,445	7,341
22	Other Liabilities.....(NOTE 10).....	8,080	8,606
23	Commitments and Contingencies.....(NOTE 13).....		
24	Total Liabilities.....	167,000	158,413
25	Stockholders', Partners', Or Proprietor's Equity.....	173,639	134,336
26	Total Liabilities and Equity.....	\$ 340,639	\$ 292,749

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

1/86 Certain reclassifications have been made in the prior financial statements in order to conform with the presentation used in the current period.

TRADING NAME OF CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....(NOTE 1).....	\$ 290,731	\$ 303,434
2	Rooms.....	16,305	16,767
3	Food and beverage.....	35,313	37,155
4	Other.....	15,315	17,745
5	Total revenue.....	357,664	375,101
6	Less: promotional allowances.....(NOTE 15).....	39,441	41,933
7	Net revenue.....	318,223	333,168
	Costs And Expenses:		
8	Cost of goods and services.....(NOTE 1).....	170,253	166,923
9	Selling, general, and administrative.....(NOTE 1).....	75,061	81,726
10	Provision for doubtful accounts.....	4,818	3,043
11	Depreciation and amortization.....(NOTE 1).....	17,475	16,109
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(NOTE 12).....	7,545	7,146
14	Total costs and expenses.....	275,152	274,947
15	Income (Loss) From Operations.....	43,071	58,221
	Other Income (Expense):		
16	Interest (expense) - affiliates.....(NOTES 8 & 12).....	(11,936)	(8,485)
17	Interest (expense) - external.....(NOTE 9).....	(401)	(899)
18	Investment alternative tax and related income (expense) - net.....(NOTE 13).....	357	(1)
19	Nonoperating income (expense) - net.....	124	1
20	Total other income (expenses).....	(11,856)	(9,384)
21	Income (Loss) Before Income Taxes and Extraordinary items..	31,215	48,837
22	Provision (Credit) for income taxes.....(NOTE 6).....	12,912	19,568
23	Income (Loss) Before Extraordinary Items.....	18,303	29,269
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$).....	-	-
25	Net Income (Loss).....	\$ 18,303	\$ 29,269

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

1/89 Certain reclassifications have been made in the prior financial statements in order to conform with the presentation used in the current period.

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TRADING NAME OF CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

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

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....(NOTE 1).....	\$ 67,406	\$ 71,315
2	Rooms.....	3,794	3,876
3	Food and beverage.....	8,231	8,953
4	Other.....	3,466	4,001
5	Total revenue.....	82,897	88,145
6	Less: promotional allowances.....(NOTE 15).....	9,009	10,058
7	Net revenue.....	73,888	78,087
	Costs And Expenses:		
8	Cost of goods and services.....(NOTE 1).....	41,437	40,302
9	Selling, general, and administrative.....(NOTE 1).....	17,168	18,024
10	Provision for doubtful accounts.....	1,864	(733)
11	Depreciation and amortization.....(NOTE 1).....	4,709	4,033
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(NOTE 12).....	1,840	1,979
14	Total costs and expenses.....	67,018	63,605
15	Income (Loss) From Operations.....	6,870	14,482
	Other Income (Expense):		
16	Interest (expense) - affiliates.....(NOTES 8 & 12)..	(3,079)	(2,300)
17	Interest (expense) - external.....	(471)	(289)
18	Investment alternative tax and related income (expense) - net.....(NOTE 13).....	(21)	26
19	Nonoperating income (expense) - net.....	52	6
20	Total other income (expenses).....	(3,519)	(2,557)
21	Income (Loss) Before Income Taxes and Extraordinary items..	3,351	11,925
22	Provision (Credit) for income taxes.....(NOTE 6).....	1,346	4,718
23	Income (Loss) Before Extraordinary Items.....	2,005	7,207
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$).....	-	-
25	Net Income (Loss).....	\$ 2,005	\$ 7,207

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

1/89 Certain reclassifications have been made in the prior financial statements in order to conform with the presentation used in the current period.

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 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	CNJ ACQUISITION (NOTE 14).....	+++++	21,000	+++++	-
11		+++++	-	+++++	-
12	Ending balance.....	+++++	26,912	+++++	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).....	+++++	18,303	+++++	29,269
28	Dividends.....	+++++	(-)	+++++	(-)
29		+++++	-	+++++	-
30		+++++	-	+++++	-
31	Ending balance.....	+++++	145,357	+++++	127,054
32	Ending Stockholders' Equity.....	+++++	\$173,639	+++++	\$134,336

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 YEARS ENDED DECEMBER 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Invested Capital:		
1	Beginning balance (January 1).....	\$ 23,300	\$ 49,480
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.....	\$	\$

THIS STATEMENT IS NOT APPLICABLE

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

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 YEARS ENDED DECEMBER 31, 1990 AND 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 23,383	\$ 49,490
	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.....	(47,808)	(46,756)
5	Proceeds from disposition of property and equipment.....	97	128
6	Purchase of casino reinvestment obligations.....	(326)	(785)
7	Purchase of other investments and loans/advances made.....	-	-
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	87	(87)
9	Cash outflows to acquire business entities.....	-	-
10	CRDA reimbursements.....	-	2,600
11		-	-
12	Net Cash Provided (Used) By Investing Activities.....	(47,950)	(44,900)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	81,099	17,756
14	Payments to settle short-term debt.....	(62,000)	(11,032)
15	Cash proceeds from issuance of long-term debt.....	5,153	35,171
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(134)	(45,091)
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.....	24,118	(3,196)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(449)	1,394
25	Cash and Cash Equivalents At Beginning Of Period.....	10,745	9,351
26	Cash And Cash Equivalents At End Of Period.....	\$ 10,296	\$ 10,745

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 12,192	\$ 9,196
28	Income taxes.....	\$ 12,491	\$ 25,267

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 YEARS ENDED DECEMBER 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).....	\$ 18,303	\$ 29,269
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment....	16,988	15,823
31	Amortization of other assets	487	286
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	1,658	(3,001)
34	Deferred income taxes - noncurrent.....	(2,896)	1,020
35	(Gain) loss on disposition of property and equipment.....	100	81
36	(Gain) loss on casino reinvestment obligations.....	(357)	1
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	(778)	19,177
39	Net (increase) decrease in inventories.....	(28)	(292)
40	Net (increase) decrease in other current assets.....	1,380	426
41	Net (increase) decrease in other assets.....	(1,439)	(797)
42	Net increase (decrease) in accounts payable.....	(1,238)	(1,466)
43	Net increase (decrease) in other current liabilities excluding debt.....	(10,871)	(13,034)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	2,074	1,997
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities.....	\$ 23,383	\$ 49,490

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ 47,808	\$ 49,730
49	Less: Mortgage assumed.....	-	2,974
50	Cash Outflows For Property And Equipment.....	\$ 47,808	\$ 46,756
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$ 11,903	\$ -
52	Goodwill acquired.....	9,097	-
53	Net assets acquired other than cash, goodwill, and property and equipment.....	-	-
54	Long-term debt assumed.....	-	-
55	Issuance of stock or capital invested.....	(21,000)	-
56	Cash Outflows To Acquire Business Entities.....	\$ -0-	\$ -
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$ 21,000	\$ -
58	Less: Issuances to settle long-term debt.....	-	-
59	Consideration in acquisition of business entities.....	21,000	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ -0-	\$ -

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

NOTES TO FINANCIAL STATEMENTS Accounting Policies (continued)

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 a wholly owned subsidiary of Caesars World, Inc. (CWI), a Florida corporation (see Note 14). 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 twelve months ended December 31, 1990 and 1989 capitalized interest of \$1,486,000 and \$1,642,000, 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.

Reclassifications

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

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

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

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 provide 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.

NOTE 2. Prepaid Expenses and Other Current Assets:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Deferred income taxes.....	\$6,758	\$ 8,416
Other.....	<u>1,747</u>	<u>3,127</u>
	<u>\$8,505</u>	<u>\$11,543</u>

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

NOTE 3. Investments, Advances, and Receivables:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
CRDA investment deposits.....	\$1,733	\$1,175
CRDA bonds receivable.....	272	128
Note Receivable, net.....	-	87
	<u>2,005</u>	<u>1,390</u>
Less: valuation allowance.....(NOTE 13)	690	390
	<u>\$1,315</u>	<u>\$1,000</u>

NOTE 4. Property and Equipment:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Land.....	\$ 46,895	\$ 36,789
Buildings and improvements.....	245,034	208,853
Furniture, fixtures and equipment.....	76,096	71,553
Construction in progress.....	3,741	14,143
Properties under capital leases.....	15,178	11,893
	<u>386,944</u>	<u>343,231</u>
Less: accumulated depreciation and amortization.....	95,033	93,846
CRDA valuation allowance(NOTE 13)	4,749	2,430
	<u>\$287,162</u>	<u>\$246,955</u>

NOTE 5. Notes Payable:

CWI maintains, for the benefit of CWI and its subsidiaries (including BRC), a \$225,000,000 unsecured credit arrangement with a syndicate of banks. The credit arrangement consists of a \$75,000,000 term loan and a \$150,000,000 revolving credit facility available 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 alternate negotiated rate. In October 1990 the revolving credit facility was increased from \$100,000,000 to \$150,000,000 and the maturity has been extended to September 1993.

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

NOTE 5. Notes Payable (continued):

The unsecured 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 was \$31,986,000, the average of the month-end amounts outstanding was \$25,648,000 and the weighted average interest rate was 10.0 percent. At December 31, 1990 and 1989, the outstanding balance on the revolving line of credit was \$25,823,000 and \$6,724,000, respectively.

NOTE 6. Income Taxes:

The provision for income taxes for the years ended December 31, 1990 and 1989 is comprised of the following:

	1990	1989
	(In Thousands)	
Current:		
Federal.....	\$11,742	\$15,661
State.....	2,408	5,887
Deferred:		
Federal.....	(1,969)	(812)
State.....	731	(1,168)
	<u>\$12,912</u>	<u>\$19,568</u>

Deferred credits of \$4,445,000 and \$7,341,000 at December 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.

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

NOTE 6. Income Taxes (continued):

The provision for income taxes for the years ended December 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.....	\$10,613	\$16,603
State income taxes, net of federal benefit.	1,941	3,022
Other, net.....	<u>358</u>	<u>(57)</u>
	<u>\$12,912</u>	<u>\$19,568</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)	
Salaries, wages and vacation pay...	\$ 2,851	\$ 5,043
Insurance.....	2,447	4,257
Progressive slots.....	2,116	2,450
Legal.....	1,912	2,279
Taxes, other than income taxes.....	1,517	1,580
Rent.....	\$2, -07	\$ 9,093
Other.....	<u>2,239</u>	<u>1,365</u>
	<u>\$13,082</u>	<u>\$26,067</u>

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%.	\$78,091	\$72,938
DPI Fixed rate term note due May 1, 1994, interest at 11.30%.	<u>4,730</u>	<u>4,730</u>
	<u>\$82,821</u>	<u>\$77,668</u>

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

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

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 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.....	\$ 2,362	\$ 2,607
(b) Capitalized lease obligation....	<u>13,861</u>	<u>13,768</u>
	<u>\$16,223</u>	<u>\$16,375</u>

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
(a) Mortgage payable, interest at 8.0%, maturing January 1999, secured by property.....	\$2,607	\$2,834
Less current maturities.....	<u>245</u>	<u>227</u>
	<u>\$2,362</u>	<u>\$2,607</u>

Maturities of long-term debt, other, for the five years subsequent to December 31, 1990 are as follows:

<u>Year Ended</u> <u>December 31</u>	<u>(In Thousands)</u>
1991.....	\$ 245
1992.....	266
1993.....	288
1994.....	312
1995.....	337
Thereafter.....	<u>1,159</u>
	<u>\$2,607</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 with primary terms which expire at various dates through 2076. The leases generally provide that the BRC pay the taxes, insurance and maintenance expenses related to the leased assets. CWI has guaranteed a substantial portion of the Company's lease obligations. Major leased assets, which have been capitalized, include vacant land in Atlantic City and a portion of the land on which the casino/hotel is situated.

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, retired the \$19,676,000 capitalized lease obligation, and added \$19,146,000 to property and equipment. This lease provided for a minimum rent of \$1,230,000 for the five (5) months of 1989 prior to the purchase and a percentage rent of 19.3 percent of the casino/hotel's net profit (as defined). The percentage rent amounted to \$3,116,000 for the year ended December 31, 1989.

A separate land lease upon which a portion of the hotel sits required annual payments of \$575,000 in 1989. Beginning in October, 1990 and for each year thereafter the payments increase by approximately 50 percent of the increase in the Producer Price Index. This capitalized lease expires in 2008 and is renewable for two additional 30-year periods. The Company has the right to exercise a \$6,500,000 purchase option for this property 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 maintains a \$5,000,000 letter of credit for the benefit of the owner of this property, under a requirement of the lease.

BRC also owns approximately 1.2 acres and 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 may be purchased for \$13,000,000. The purchase option will increase by \$500,000 in August 1997 and another \$500,000 every 10 years thereafter.

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
(b) Capital lease obligations, net of amounts representing interest.....	\$13,861	\$13,768
Less current maturities.....	-	-
	<u>\$13,861</u>	<u>\$13,768</u>

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

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

Future minimum lease payments for all leases are as follows:

Year Ended December 31	<u>1990</u> (In Thousands)	<u>1989</u> (In Thousands)
Insurance claims for allowance	\$7,583	\$5,692
		2,600
		314
	<u>\$8,080</u>	<u>\$8,606</u>
1991.....	\$ 850	\$ 1,475
1992.....	489	1,493
1993.....	323	1,511
1994.....	323	1,530
1995.....	55	1,550
Thereafter.....	<u>-</u>	<u>98,047</u>
Total minimum lease payments.....	<u>\$2,040</u>	<u>\$105,606</u>
Less amount representing interest.....		<u>91,745</u>
Less current maturities of obligations under capital leases...		<u>13,861</u>
		<u>\$ 13,861</u>

Rent expense for the years ended December 31, 1990 and 1989 is comprised of the following:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Minimum rentals under operating leases...	\$3,299	\$3,307
Contingent rentals under capital leases...	-	<u>3,116</u>
	<u>\$3,299</u>	<u>\$6,423</u>

Company Services

CWI and DPI provide ERC with substantial funds for lease services working capital and other operating purposes. CWI also provides certain assistance to ERC, including supervision of the operations and the furnishing of accounting data.

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

Note 10. Other Liabilities:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Insurance claims.....	\$7,688	\$5,692
CRDA valuation allowance.....	-	2,600
Other	<u>392</u>	<u>314</u>
	<u>\$8,080</u>	<u>\$8,606</u>

NOTE 11. Pension Plans:

BRC participates in CWI's defined benefit pension plans (the 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. BRC has funded the vested benefits of certain current employees by making contributions to a revocable trust. Income earned by the trust accrues to the benefit of BRC. At December 31, 1990, the amount in these revocable trusts was \$1,114,000 and was recorded as "Other assets". Such trusts shall become irrevocable in the event of a change of control of CWI (as defined). Pension expense was \$354,000 and \$340,000 for the years ended December 31, 1990 and 1989, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was \$1,132,000 and \$969,000 at July 31, 1990 and 1989, respectively. The liability accrued with respect to the Plan at July 31, 1990 and 1989 was \$1,711,000 and \$1,383,000, respectively.

BRC also has an Individual Retirement Account Plan which is generally 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 \$694,000 and \$678,000 for the years ended December 31, 1990 and 1989, respectively.

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,

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

NOTE 12. Related Party Transactions (continued):

internal audit, marketing, legal and security services. BRC reimburses CWI for the cost of such services, which amounted to \$7,545,000 and \$7,146,000 for the years ended December 31, 1990 and 1989, respectively. The breakdown of these services is as follows:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Reservations office expenses.....	\$4,227	\$3,795
General insurance.....	1,862	2,544
Other.....	<u>1,456</u>	<u>807</u>
	<u>\$7,545</u>	<u>\$7,146</u>

NOTE 13. Commitments and Contingencies:

New Jersey Investment Obligation

The New Jersey Casino Control Act provides, among other things, for an assessment on licensees based upon their gross casino revenues. This assessment may be satisfied by investing in qualified eligible direct investments, by purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), and/or 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 which opened for occupancy in March 1989. The cost of these housing developments completed in 1989 and 1990 was \$40,665,000. 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.

The two 15-unit housing developments are expected to incur future negative cash flows and have negligible future residual value. For the years ended December 31, 1990 and 1989, the respective amounts of \$281,000 and \$124,000 were credited to operating income for the amortization of the reserve provided for such losses.

A portion of the investment obligation is being met by purchasing CRDA bonds which may have terms as long as 50 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 December 31, 1990 and 1989, the cumulative allowance for the investment obligation, including a valuation allowance for the differential in interest rates and the estimated loss on the housing developments described above, was \$5,439,000 and \$5,420,000, respectively. Adjustments to such valuation allowances have been made for changes in interest rates and, because of the approval for the qualified direct

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

NOTE 13. Commitments and Contingencies (continued):

investment, reductions in BRC's obligation to purchase long-term CRDA bonds. Operating income includes a credit of \$76,000 and a charge of \$125,000 for the years ended December 31, 1990 and 1989, respectively, to provide for such adjustments.

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

Litigation

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

NOTE 14. CNJ Acquisition

Prior to December, 1990, CNJ (BRC's parent) was an 86.6% owned subsidiary of CWI. On December 4, 1990, the remaining outstanding shares of CNJ (approximately 13.4%) were acquired by CWI. This transaction was accounted for as a purchase and accordingly land, building and improvements and leased assets were stepped up to their fair market value (approximately \$11,903,000) for the minority interest acquired. The excess of the total cost over the fair market value of the minority interest acquired (approximately \$9,097,000) was recorded as goodwill and is being amortized over forty years. Accordingly, accounting for this transaction was "pushed down" to BRC.

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

NOTE 15. Complimentaries:

DECEMBER 31, 1990

(UNAUDITED) Promotional Allowances
(\$ IN THOUSANDS)

(\$ Amounts in Thousands)

DESCRIPTION	Three Months Ended December 31, 1990		Year Ended December 31, 1990	
	Recipients	Amount	Recipients	Amount
Rooms	35,401	\$2,362	151,975	\$ 9,767
Food	169,098	3,458	766,481	14,780
Beverage	410,343	2,300	1,819,008	10,232
Parking	-	-	180,942	1,636
Theatre	29,881	753	80,331	2,391
Other	2,330	136	10,123	635
	<u>647,053</u>	<u>\$9,009</u>	<u>3,008,860</u>	<u>\$39,441</u>

Promotional Expenses

(\$ Amounts in Thousands)

DESCRIPTION	Three Months Ended December 31, 1990		Year Ended December 31, 1990	
	Recipients	Amount	Recipients	Amount
Coin	166,957	\$4,059	1,097,658	\$21,003
Travel	10,665	3,120	52,486	12,659
Special events	3,715	786	21,024	5,884
Other	55,453	1,366	310,770	5,114
	<u>236,790</u>	<u>\$9,331</u>	<u>1,481,938</u>	<u>\$44,660</u>

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patron's Checks:	\$		
1	Undeposited patrons' checks.....	7,893		
2	Returned patrons' checks.....	20,151		
3	Total patrons' checks.....	28,044	\$ 12,754	\$ 15,290
4	Hotel Receivables.....	837	107	730
	Other Receivables:			
5	Receivables due from officers and employees.....	15		
6	Receivables due from affiliates.....	78		
7	Other accounts and notes receivables.....	274		
8	Total other receivables.....	367	-	367
9	Totals (Form 205).....	\$ 29,248	\$ 12,861	\$ 16,387

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).....	290,617
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).....	(204,902)
13	Checks collected through deposits.....	(79,172)
14	Checks transferred to returned checks.....	(6,183)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 7,893
17	"Hold" Checks Included In Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 4,785
19	Provision As A Percent Of Counter Checks Issued.....	1.6%

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) %	WEIGHTED AVERAGE NUMBER OF TABLES (f) OR MACHINES
	Revenue:	\$	\$	%	
1	Blackjack.....	52,535	381,455	13.8	58
2	Craps.....	49,716	302,443	16.4	24
3	Roulette.....	14,230	63,991	22.2	11
4	Big Six.....	2,408	5,186	46.4	4
5	Baccarat.....	19,939	120,463	16.6	5
6	Other table games.....	-	-	-	-
7	Total table games revenue.....	\$138,828	\$873,538	15.9 %	102
			HANDLE		
			\$	%	
8	\$.05 slot machines.....	3,776	24,430	15.5	89
9	\$.25 slot machines.....	49,239	341,619	14.4	624
10	\$1.00 slot machines.....	25,283	291,447	8.7	235
11	Other slot machines.....	73,272	721,414	10.2	782
12	Total coin-operated devices revenue.....	151,570	\$1,378,910	11.0	1,730
13	Progressive jackpot adjustment.....	333			
14	Total coin-operated devices revenue after adjustment.....	151,903			
15	Other income.....	-			
16	Total revenue.....	290,731			
	Expenses:				
17	Payroll and payroll related expenses.....	51,802			
18	Licenses and taxes.....	24,976			
19	Provision for uncollectible patron's checks.....	4,785			
20	Other.....	25,821			
21	Total.....	107,384			
22	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	183,347			
	Complimentary services and casino management fees:				
23	Complimentary services.....	36,703			
24	Casino management fees.....	-			
25	Total.....	-			
26	Departmental Income (Loss).....	\$146,644			

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 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.

M Walsh
Signature

VICE PRESIDENT FINANCE
Title

01482-11
License Number

Subscribed and sworn to
before me this 14th day
of March 14, 1991

On Behalf Of:

Kathryn J. Robinson
Signature

KATHRYN J. ROBINSON

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires FEB. 20, 1992

Basis of Authority
to Take Oaths

BOARDWALK REGENCY CORPORATION
Casino License

ANNUAL REPORT

OF THE STATE OF NEW JERSEY
CASINO CONTROL COMMISSION

FOR THE YEAR ENDED DECEMBER 31, 1977

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF THE OFFICER IN CHARGE
OF THE COMMISSION
THIS ANNUAL REPORT

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 138,827,697	
2	Coin-operated devices revenue	151,570,112	
3	Total revenues		\$290,397,809
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 4,785,000	
5	Maximum adjustment (4% of line 3)	\$ 11,615,912	
6	Adjustment (the lesser of line 4 or line 5)		4,785,000
7	Gross revenues (line 3 less line 6)		\$285,612,809
8	Tax on gross revenues - current year (8% of line 7)		\$ 22,849,025
9	Audit or other adjustments to tax on gross revenues in prior years		0
10	Total tax on gross revenues (line 8 plus or minus line 9)		22,849,025
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 1,751,122	
12	February	1,832,178	
13	March	2,059,959	
14	April	1,898,321	
15	May	1,658,530	
16	June	2,074,914	
17	July	2,321,854	
18	August	2,111,363	
19	September	1,885,514	
20	October	1,730,598	
21	November	1,829,065	
22	December	1,360,647	
23	January	334,960	
24	Total deposits made for tax on current year's gross revenues		(22,849,025)
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits		0
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ 0

STATEMENT OF CONFORMITY AND ACCURACY

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

MICHAEL J. WALSH, being duly sworn according
Name

to law upon my oath deposes and says:

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

M Walsh
Signature

VICE PRESIDENT/FINANCE
Title

1482-11
License Number

Subscribed and sworn to
before me this 2ND day
of February, 1991.

Kathryn J. Robinson
Signature

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

Basis of Authority
to Take Oaths

On Behalf Of:

BOARDWALK REGENCY CORPORATION
Casino Licensee

ANNUAL REPORT
AND PAYROLL

1911

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 90
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
	CASINO				
1	Administration	17			
2	Gaming	926			
3	Slots	138			
4	Casino accounting	62			
5	Other	734	\$	\$	\$
6	Total-casino	1,877	40,177	702	40,879
7	ROOMS	223	3,561	21	3,582
8	FOOD AND BEVERAGE	927	11,237	211	11,448
	OTHER OPERATED DEPARTMENTS				
9	Parking	40	853		853
10	Health Spa	10	176		176
11	Service Station	12	218		218
12	Coat Room	6	59		59
13	Telephone	17	252		252
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	12	196	944	1,140
21	Accounting and auditing	75	1,969	112	2,081
22	Security	238	4,631	97	4,728
23	Other administrative and general department ..	216	4,795	208	5,003
24	MARKETING	102	2,348	386	2,734
25	GUEST ENTERTAINMENT	148	1,672		1,672
26	PROPERTY OPERATION AND MAINTENANCE	108	3,653	74	3,727
27	TOTALS - ALL DEPARTMENTS	4,011	\$ 75,797	\$ 2,755	\$ 78,552

BOARDWALK REGENCY CORPORATION
 d/b/a CAESARS ATLANTIC CITY

Trading Name of Licensee _____

ANNUAL EMPLOYMENT AND PAYROLL REPORT
 SIGNATURE PAGE

For the Year Ended December 31, 1990

March 13, 1991
 Date

M. J. Walsh
 Signature

VICE PRESIDENT FINANCE
 Title

PERIOD	PROPERTY NO.	NO. OF ROOMS	NO. OF OCCUPIED ROOMS	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	636	18,059	14,279	78.9%	28,143	\$ 42.64
FEBRUARY	636	16,364	14,444	88.3%	29,267	\$ 37.50
MARCH	636	18,483	17,083	92.4%	34,000	\$ 41.37
1ST QUARTER TOTALS		52,946	45,806	86.5%	91,410	\$ 40.54
APRIL	636	16,495	17,577	95.1%	29,800	\$ 46.65
MAY	636	18,687	16,701	89.4%	30,000	\$ 45.31
JUNE	636	18,738	17,564	93.7%	35,000	\$ 41.20
2ND QUARTER TOTALS		55,910	51,832	92.7%	95,000	\$ 44.50
JULY	636	19,447	18,629	95.8%	37,000	\$ 42.73
AUGUST	636	19,401	18,471	94.9%	37,750	\$ 39.01
SEPTEMBER	636	18,350	16,753	91.3%	30,500	\$ 46.43
3RD QUARTER TOTALS		57,198	53,803	94.1%	105,275	\$ 42.75
OCTOBER	636	18,586	17,082	91.9%	30,748	\$ 45.53
NOVEMBER	636	18,243	15,533	85.2%	26,406	\$ 46.71
DECEMBER	636	19,045	13,132	69.0%	22,374	\$ 48.20
4TH QUARTER TOTALS		55,774	45,747	82.0%	79,478	\$ 47.51
ANNUAL TOTALS		271,828	197,198	88.9%	371,062	\$ 43.67

HOTEL STATISTICS

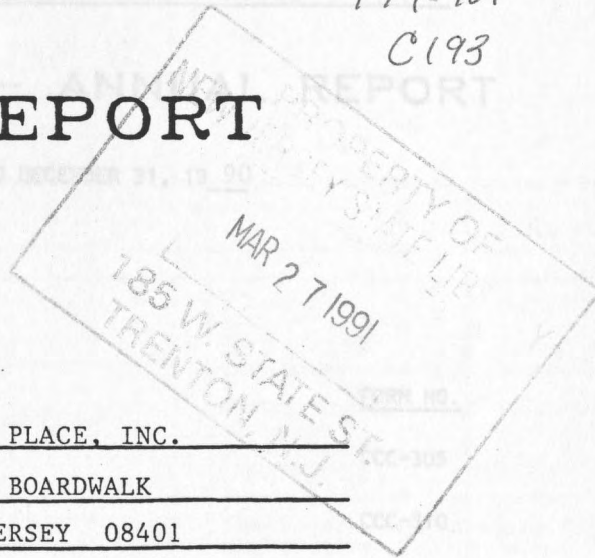
FOR THE 12 MONTHS ENDED December 31, 1990

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	636	18,485	17,577	\$ 79.65	95.1%	29,881	\$ 46.85
MAY	636	18,687	16,701	\$ 83.83	89.4%	30,897	\$ 45.31
JUNE	636	18,738	17,564	\$ 83.69	93.7%	35,171	\$ 41.80
2ND QUARTER TOTALS		55,910	51,842	\$ 82.37	92.7%	95,949	\$ 44.50
JULY	636	19,447	18,629	\$ 85.89	95.8%	37,445	\$ 42.73
AUGUST	636	19,401	18,421	\$ 81.43	94.9%	37,675	\$ 39.81
SEPTEMBER	636	18,350	16,753	\$ 83.57	91.3%	30,155	\$ 46.43
3RD QUARTER TOTALS		57,198	53,803	\$ 83.64	94.1%	105,275	\$ 42.75
OCTOBER	636	18,586	17,082	\$ 81.96	91.9%	30,748	\$ 45.53
NOVEMBER	636	18,143	15,533	\$ 83.69	85.6%	26,406	\$ 49.23
DECEMBER	636	19,045	13,132	\$ 81.94	69.0%	22,324	\$ 48.20
4TH QUARTER TOTALS		55,774	45,747	\$ 82.54	82.0%	79,478	\$ 47.51
ANNUAL TOTALS		221,828	197,198	\$ 82.38	88.9%	371,982	\$ 43.67



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ANNUAL REPORT



LICENSEE THE CLARIDGE AT PARK PLACE, INC.

ADDRESS INDIANA AVENUE & THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT

RAYMOND A. SPERA

OFFICIAL TITLE

VICE PRESIDENT OF FINANCE

ADDRESS

INDIANA AVENUE & THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE THE CLARIDGE CASINO HOTEL

LIST OF FORMS — ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 90

LINE NO.	DESCRIPTION (b)	(c) 19 90	(d) 19 89
ASSETS			
	Cash	\$ 1,071	\$ 4,609
	Accounts receivable		
	Prepaid expenses		
	Other assets		
	Total Assets	\$ 1,071	\$ 4,609
	LIABILITIES AND EQUITY		
	Accounts payable		
	Notes payable		
	Other liabilities		
	Stockholders', Partners', or Proprietor's Equity		
	Total Liabilities and Equity	\$ 1,071	\$ 4,609
	ASSETS		
	TITLE	FORM NO.	
	Balance Sheets \$ 7,492 ; 1989, \$2,761	CCC-305	17,233
	Statements of Income (Year)	CCC-310	2,375
	Statements of Income (Three Months)	CCC-315	20,169
	Statements of Changes in Stockholders' Equity	CCC-320	143,635
	Statements of Changes in Partners' or Proprietor's Equity	CCC-325	89
	Statements of Cash Flows	CCC-335	173,133
	Notes to Financial Statements		
	Schedule of Receivables and Patrons' Checks	CCC-340	1,536
	Casino Departmental Schedule	CCC-345	-0-
	Statement of Conformity and Accuracy	CCC-350	1,500

BALANCE SHEETS

DECEMBER 31, 19 90 AND 19 89

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
ASSETS			
	Current Assets:	\$	\$
1	Cash	5,071	4,609
2	Marketable securities	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>90</u> , \$ 2,492 ; 19 <u>89</u> , \$2,761)	16,404	17,232
4	Inventories	1,997	2,003
5	Prepaid expenses and other current assets	2,508	2,325
6	Total current assets	25,980	26,169
7	Investments, Advances, And Receivables (NOTE 3)	135,947	143,635
8	Property And Equipment - Net OF ACCUM. DEPREC. OF \$10,554 & \$9,947	3,838	3,230
9	Other Assets (NOTE 4)	181	99
10	Total Assets	\$ 165,946	\$ 173,133
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
11	Accounts payable	2,646	3,536
12	Notes payable	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates	-0-	-0-
14	Other (NOTE 7)	1,400	1,500
15	Income taxes payable and accrued	350	123
16	Other accrued expenses (NOTE 5)	9,205	12,835
17	Other current liabilities (NOTE 6)	18,059	12,359
18	Total current liabilities	31,660	30,353
	Long-Term Debt:		
19	Due to affiliates	-0-	-0-
20	Other (NOTE 7)	59,971	102,692
21	Deferred Credits	2,580	-0-
22	Other Liabilities (NOTE 8)	66,691	73,133
23	Commitments And Contingencies (NOTE 1)		
24	Total Liabilities	160,902	206,178
25	Stockholders', Partners', Or Proprietor's Equity	5,044	(33,045)
26	Total Liabilities And Equity	\$ 165,946	\$ 173,133

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 YEARS ENDED DECEMBER 31, 19 90 and 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 90	(d) 19 89
	Revenue:		
1	Casino	\$ 134,491	\$ 128,722
2	Rooms	11,470	12,655
3	Food and beverage	21,852	21,347
4	Other	2,514	2,799
5	Total revenue	170,327	165,523
6	Less: Promotional allowances (NOTE 10)	16,982	16,223
7	Net revenue	153,345	149,300
	Costs And Expenses:		
8	Cost of goods and services	83,005	82,757
9	Selling, general, and administrative	37,550	36,465
10	Provision for doubtful accounts	754	645
11	Depreciation and amortization	1,524	1,667
	Charges from affiliates other than interest:		
12	Management fees	-0-	-0-
13	Other (NOTE 13)	37,360	40,891
14	Total costs and expenses	160,193	162,425
15	Income (Loss) From Operations	(6,848)	(13,125)
	Other Income (Expenses):		
16	Interest (expense) - affiliates (NOTE 13)	(432)	(5,039)
17	Interest (expense) - external	(14,120)	(14,136)
18	Investment alternative tax and related income (expense) - net (NOTE 3)	(1,510)	(2,932)
19	Nonoperating income (expense) - net (NOTE 9)	21,519	22,294
20	Total other income (expenses)	5,457	187
21	Income (Loss) Before Income Taxes And Extraordinary Items	(1,391)	(12,938)
22	Provision (credit) for income taxes (NOTE 12)	-0-	-0-
23	Income (Loss) Before Extraordinary Items	(1,391)	(12,938)
24	Extraordinary items (net of income taxes -		
	19 90, \$ 2,930 ; 19 89, \$ 493) (NOTE 14)	39,480	69,023
25	Net Income (Loss)	\$ 38,089	\$ 56,085

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 DECEMBER 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	\$ 30,104	\$ 30,057
2	Rooms	2,442	2,965
3	Food and beverage	4,618	5,172
4	Other	544	611
5	Total revenue	37,708	38,805
6	Less: promotional allowances (NOTE 10)	3,476	3,589
7	Net revenue	34,232	35,216
	Costs And Expenses:		
8	Cost of goods and services	19,690	19,983
9	Selling, general, and administrative	8,412	8,916
10	Provision for doubtful accounts	321	160
11	Depreciation and amortization	373	426
	Charges from affiliates other than interest:		
12	Management fees	-0-	-0-
13	Other	9,205	9,537
14	Total costs and expenses	38,001	39,022
15	Income (Loss) From Operations	(3,769)	(3,806)
	Other Income (Expenses):		
16	Interest (expense) - affiliates	(108)	(108)
17	Interest (expense) - external	(2,943)	(3,901)
18	Investment alternative tax and related income (expense) - net.....	(322)	(2,533)
19	Nonoperating income (expense) - net	5,307	5,548
20	Total other income (expenses)	1,934	(994)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(1,835)	(4,800)
22	Provision (credit) for income taxes	-0-	-0-
23	Income (Loss) Before Extraordinary Items.....	(1,835)	(4,800)
24	Extraordinary items (net of income taxes - 19 <u>90</u> , \$ 2,930 ; 19 <u>89</u> , \$ -0-)	39,480	-0-
25	Net Income (Loss)	\$ 37,645	\$ (4,800)

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 YEARS ENDED DECEMBER 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
	(PER VALUE \$.10, AUTHORIZED & OUTSTANDING 1,000 SHARES)				
1	Common Stock: 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)		38,089		56,085
28	Dividends		()		()
29	.....			
30	.....			
31	Ending balance		44		(38,045)
32	Ending Stockholders' Equity		\$ 5,044		\$ (33,045)

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 YEARS ENDED DECEMBER 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	\$	\$

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 YEARS ENDED DECEMBER 31, 19 90 and 19 89
(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.....	\$ 5,782	\$ 2,617
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....	-0-	50
4	Cash outflows for property and equipment.....	(2,055)	(801)
5	Proceeds from disposition of property and equipment.....	28	-0-
6	Purchase of casino reinvestment obligations.....	(353)	(1,314)
7	Purchase of other investments and loans/advances made.....	(1,234)	(792)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	8,798	7,239
9	Cash outflows to acquire business entities.....		
10	.....	
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	5,184	4,382
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	900	5,550
14	Payments to settle short-term debt	(1,000)	(7,800)
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(10,404)	(4,432)
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.....	(10,504)	(6,682)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	462	317
25	Cash And Cash Equivalents At Beginning Of Year	4,609	4,292
26	Cash And Cash Equivalents At End Of Year.....	\$ 5,071	\$ 4,609

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For:		
	Interest (net of amount capitalized).....	\$ 7,592	\$ 11,403
28	Income taxes.....	\$ 123	\$ 370

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

12/87 * CERTAIN RECLASSIFICATIONS HAVE BEEN MADE IN THE 1989 STATEMENT OF CASH FLOWS TO CONFORM TO THE 1990 PRESENTATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 19 90 and 19 89

(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).....	\$ 38,089	\$ 56,085
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	1,481	1,666
31	Amortization of other assets.....	43	1
32	Amortization of debt discount or premium.....	497	465
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	2,580	-0-
35	(Gain) loss on disposition of property and equipment.....	(62)	(10)
36	(Gain) loss on casino reinvestment obligations.....	1,510	2,932
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks EXCLUDING RECLASS FROM LONG TERM \$(431) & \$1,559.....	397	(1,410)
39	Net (increase) decrease in inventories.....	6	465
40	Net (increase) decrease in other current assets EXCL RECLASS FROM LONG TERM.....	(124)	(211)
41	Net (increase) decrease in other assets.....	(125)	(34)
42	Net increase (decrease) in accounts payables.....	(890)	(140)
43	Net increase (decrease) in other current liabilities excluding debt AND DEBT FORGIVENESS.....	11,893	9,557
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(6,442)	(2,614)
45	DISCOUNT ON WRAPAROUND MORTGAGE RECEIVABLE.....	(661)	(575)
46	DEBT FORGIVENESS RESULTING FROM RESTRUCTURING (Note 1C).....	(42,410)	(63,560)
47	Net Cash Provided (Used) By Operating Activities.....	\$ 5,782	\$ 2,617

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 2,055	\$ 801
50	Less: Capital lease obligations incurred.....		
	Cash Outflows For Property And Equipment.....	\$ 2,055	\$ 801
	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-

12/87 * 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
DECEMBER 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 its Class B stock in the Corporation and 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 retained 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.

As of December 1, 1990, New Claridge held all necessary licenses to operate an approved hotel and casino under the Casino Control Act. In addition, neither the Casino Control Commission, the Division of Gaming Enforcement or the New Jersey Attorney General had commenced any proceeding to revoke or terminate the license. Accordingly, the Bank cancelled the Second Mortgage and released the obligations secured thereunder. Interest which accrued at 14% was to be deferred until January 1, 1991, at which time interest would have come due and payable. With the cancellation of the Second Mortgage New Claridge was released from its obligation to pay any amounts accrued for interest.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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 "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

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

toward presenting a final plan concerning a sale or substantial capital infusion by October 31, 1990. On October 31, 1990, New Claridge was granted an extension by the Commission extending the October 31, 1990 date for presenting a final plan to March 31, 1991.

New Claridge has reached a tentative agreement with representatives of First Fidelity Bank, N.A. New Jersey and Marine Midland Bank, N.A., which act as the lead banks for the First Mortgage Lenders, to extend the term of and otherwise modify the Revolving Credit and Term Loan Agreement so as to be in a position to demonstrate to the Commission that the above mentioned license condition has been satisfied.

Management of the Corporation is aware of no charges, objections or other facts which would provide a basis for the Commission to deny renewal of the casino license.

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.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued
Notes to Financial Statements - Continued

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.

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 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.

(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.

(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.

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 December 31, 1990 and 1989 are summarized as follows:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
\$127,000,000 Expandable Wraparound Mortgage		
14%, maturities through September 30, 2000		
(net of \$14,932,000 discount and \$15,594,000		
discount at December 30, 1990 and 1989,		
respectively)	\$103,068	107,406
Deferred interest receivable, due		
September 30, 2000	20,000	20,000
FF&E promissory note, 14%	6,521	8,282
FF&E promissory note - expansion, 14%	13,326	14,205
Reinvestment Obligations	644	696
Reinvestment Obligation Credit	2,004	3,109
Investment in Resort Hotel		
Insurance Corporation	<u>76</u>	<u>-0-</u>
	145,639	153,698
Less Current Installments:		
Receivables	8,367	8,798
Reinvestment Obligation Credit	<u>1,325</u>	<u>1,265</u>
	<u>\$135,947</u>	<u>143,635</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 year ended December 31, 1990, \$5,000,000 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 year ended December 31, 1990, \$2,919,000 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 proceeding 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

December 31, 1990, \$9,291,000 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 December 31, 1990 have totalled \$116,000. 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 \$3,147,000 to date of which \$115,000 was recorded during the year ended December 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 December 31, 1990 and 1989 is \$72,000 and \$86,000 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 year ended December 31, 1990, New Claridge has recorded expense of \$1,293,000, representing the amount of the credit applied to the 1990 obligations.

A second donation was made to the CRDA, effective July 1, 1990, of funds previously paid to the CRDA which were allocable to the purchase of obligations of the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises ("SBMWE"). In exchange for this donation, which was in the amount of \$429,000, New Claridge received a credit equal to \$219,000 (fifty-one percent of the donation), to be applied to obligations commencing after June 30, 1990. During the third quarter of 1990, New Claridge recorded an expense of \$71,000 to write-down the book value of the donated amount to \$219,000. In addition, New Claridge recorded an expense of \$31,000 representing the amount of the credit applied to the third and fourth quarters of 1990 obligation.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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.

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 December 31, 1990 and 1989 consist of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Intangible assets (net of accumulated amortization of \$44 and \$1 at December 31, 1990 and 1989 respectively)	\$ 112	30
Refundable deposits, non-current	<u>69</u>	<u>69</u>
	<u>\$ 181</u>	<u>99</u>

(5) Other Accrued Expenses

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

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Progressive jackpot liability	\$ 3,092	2,898
Accrued payroll and related benefits	3,903	3,770
Accrued interest payable	666	3,799
Other	<u>1,544</u>	<u>2,368</u>
	<u>\$ 9,205</u>	<u>12,835</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(6) Other Current Liabilities

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

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Due to affiliates	\$ 3,600	3,600
Deferred lease, current	10,973	5,665
Auto/general claims liability	1,918	2,163
Other	<u>1,568</u>	<u>931</u>
	<u>\$18,059</u>	<u>12,359</u>

As of December 31, 1990 and 1989, 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 December 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)	\$60,471	70,875
\$47,000,000 Purchase Money Second Mortgage 14%, due September 30, 2000 (net of \$14,683,000 discount at December 31, 1989)(b)	-0-	32,317
Revolving line of credit prime plus 1% (c)	<u>900</u>	<u>1,000</u>
	61,371	104,192
Less current installments	<u>1,400</u>	<u>1,500</u>
	<u>\$59,971</u>	<u>102,692</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 December 31, 1990 \$60.5 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 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.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

For the year ended December 31, 1990, New Claridge has made principal payments totalling \$9,917,000, which includes \$500,000 in required principal payments, and \$9,417,000 of principal payments representing quarterly payments of excess cash flow.

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. During the year ended December 31, 1990, New Claridge made principal payments totalling \$487,000 under this agreement.

New Claridge has reached a tentative agreement with representatives of First Fidelity Bank, N.A. New Jersey and Marine Midland Bank, N.A., which act as the lead banks for the First Mortgage Lenders, to extend the term of and otherwise modify the Revolving Credit and Term Loan Agreement so as to be in a position to demonstrate to the Commission that certain license condition have been satisfied. (See Note 1(d))

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 retained 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.

As of December 1, 1990, New Claridge held all necessary licenses to operate an approved hotel and casino under the Casino Control Act. In addition, neither the Casino Control Commission, the Division of Gaming Enforcement or the New Jersey Attorney General had commenced any proceeding to revoke or terminate the license. Accordingly, the Bank cancelled the Second Mortgage and released the obligations secured thereunder. Interest which accrued at 14% was to be deferred until January 1, 1991, at which time interest would have become due and payable. With the cancellation of the Second Mortgage New Claridge was released from its obligation to pay any amounts accrued for interest.

Single - Wraparound Mortgage	\$ 20,517	21,425
Income - Other	370	560
Operating Income/(expense)	140	23
Insurance Fee	530	27
Other	82	10
	<u>\$ 21,639</u>	<u>\$ 23,245</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(c) 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 December 31, 1990, the revolving working capital facility was \$11 million, due to the unscheduled principal payments made to date.

Interest on the revolving credit borrowings is payable monthly in arrears at the prime rate plus 1%. As of December 31, 1990, \$900,000 of the revolving line was in use.

(8) Other Liabilities

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

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Deferred rent	\$ 46,691	53,133
Contingent Liability - Webb	<u>20,000</u>	<u>20,000</u>
Total	<u>\$ 66,691</u>	<u>73,133</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, subject to the Claridge Hotel and Casino Corporation's consent, 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 year ended December 31, 1990 and 1989 consists of the following (in thousands):

	<u>1990</u>	<u>1989</u>
Interest Income - Wraparound Mortgage	\$ 20,517	21,425
Interest Income - Other	270	560
Other Nonoperating income/(expense)	140	12
Facilities/Maintenance Fee	530	287
Gain on Disposal of Assets	<u>62</u>	<u>10</u>
Total	<u>\$ 21,519</u>	<u>22,294</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(10) Complimentary Services

Complimentary services for the three months and year ended December 31, 1990 are summarized as follows:

For the three months ended December 31, 1990

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	14,112	\$ 698,621
Food	105,185	1,416,044
Beverage	230,117	1,204,704
Showroom	19,276	156,989
Total	<u>368,690</u>	<u>\$3,476,358</u>

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of		
Cash & Tokens	447,885	\$2,782,262
Travel	747	73,148
Parking	14,412	107,254
Other	22,808	164,537
Total	<u>485,852</u>	<u>\$3,127,201</u>

For the year ended December 31, 1990

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	73,605	\$3,503,858
Food	449,439	7,355,245
Beverage	974,501	5,353,834
Showroom	86,062	769,610
Total	<u>1,583,607</u>	<u>\$16,982,547</u>

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of		
Cash and Tokens	1,791,486	\$13,979,532
Travel	6,220	544,253
Parking	66,062	447,231
Other	67,805	682,456
Total	<u>1,931,573</u>	<u>\$15,653,472</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(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 December 31, 1990 are as follows:

1991	\$ 34,940
1992	31,790
1993	32,515
1994	33,390
1995	34,165
Later Years	<u>99,842</u>
Total Minimum	<u>\$266,642</u>

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 years ended December 31, 1990 and 1989 rental expense for all operating leases amounted to \$38,841,000 and \$41,639,000 respectively, of which \$(6,442,000) and \$(2,614,000) 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 paid in 1990 was \$4,189,000. If the term of the Expansion Operating Lease is

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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 interest in the Air Rights for their fair market value at the time the option is exercised.

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 December 31, 1990 and 1989 is comprised of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Current:		
Federal	\$ 350	-0-
State	-0-	-0-
Deferred	<u>2,580</u>	<u>-0-</u>
	<u>\$2,930</u>	<u>-0-</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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	\$ (473)	(4,399)
Unrecognized Tax Benefit Utilized		
Against Extraordinary Item	<u>473</u>	<u>4,399</u>
	<u>\$ -0-</u>	<u>-0-</u>

New Claridge is included in the consolidated income tax return of its parent, the Corporation. At December 31, 1990 there are no available net operating loss carryforward for financial statement purposes. As a result of the Second Mortgage forgiveness in 1990, the remaining financial statement net operating losses were utilized which resulted in the reinstatement of deferred taxes of approximately \$2,580,000. As a result of the restructuring in 1989, the amount of debt forgiven resulted in the loss or reduction of various tax attributes including tax operating 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. As a result of the reduction in tax basis of assets, future cash payments for income taxes will significantly exceed income tax expense for financial statement purposes in future years.

(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

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

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.

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.

- (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 years ended December 31, 1990 and 1989 interest expense due to affiliates was \$432,000 and \$5,039,000 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 years ended December 31, 1990 and 1989 amounted to \$118,000 and \$683,000, respectively.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(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 years ended December 31, 1990 and 1989 New Claridge has earned interest income of \$20,517,000 and \$21,425,000 respectively, and incurred lease expense of \$37,242,000 and \$40,208,000, respectively.

(14) Extraordinary Items (Net of Income Taxes)

For the year ended December 31, 1990, New Claridge recorded extraordinary items in the amount of \$39,480,000 net of income taxes. The extraordinary items which result from the forgiveness of the Second Mortgage and accrued interest (see Notes 1 and 7) and the related tax effect consist of the following (in thousands):

	<u>1990</u>
Second Mortgage (net of discount) forgiven	\$32,814
Accrued interest on Second Mortgage forgiven	<u>9,596</u>
	\$42,410
Income Taxes	<u>16,234</u>
Extraordinary item, net of income taxes	26,176
Extraordinary item: Reduction of income taxes arising from prior year operating losses	<u>13,304</u>
	<u>\$39,480</u>

THE CLARIDGE CASINO - HOTEL

SCHEDULE OF Notes to Financial Statements - Continued

For the year ended December 31, 1989 New Claridge recorded extraordinary items in the amount of \$69,023,000 net of income taxes. The extraordinary items which result from the closing of the Restructuring and the related tax effect consist of the following (in thousands):

	<u>1989</u>
Debt forgiveness by Webb:	
Deferred fees/interest	\$ 32,491
Deferred interest	11,622
Line of Credit	10,350
Abated fees	3,425
Offering cost loan	500
Interest on Webb debt	9,501
Webb contribution for payment of First Mortgage/Manufacturers Hanover line of credit	19,500
Payment of ACBA for land option cancellation	100
Webb contribution of interim restructuring funding	2,027
Less Webb contingent payment	<u>(20,000)</u>
	69,516
Income Taxes	<u>22,631</u>
Extraordinary item from restructuring net of income taxes	46,885
Extraordinary item: Reduction of income taxes arising from carryforward of prior year operating losses, net of alternative minimum tax of \$493	<u>22,138</u>
	<u>\$ 69,023</u>

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 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	1,316		
2	Returned patrons' checks	2,835		
3	Total patrons' checks	4,151	\$ 2,406	\$ 1,745
4	Hotel Receivables	553	61	492
	Other Receivables:			
5	Receivables due from officers and employees.....	-0-		
6	Receivables due from affiliates	14,063		
7	Other accounts and notes receivables	129		
8	Total other receivables	14,192	25	14,167
9	Totals (Form 305).....	\$ 18,896	\$ 2,492	\$ 16,404

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
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)	63,335
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)	(50,318)
13	Checks collected through deposits	(10,700)
14	Checks transferred to returned checks	(2,640)
15	Other adjustments	
16	Ending Balance	\$ 1,316
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 707
19	Provision As A Percent Of Counter Checks Issued	1.1 %

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	Revenue:				
1	Blackjack	\$ 21,605	\$ 169,721	12.7 %	51
2	Craps	15,681	110,555	14.2	11
3	Roulette	5,311	20,590	25.8	8
4	Big Six	890	2,139	41.6	1
5	Baccarat	2,364	14,833	15.9	3
6	Other table games	-0-	-0-	-0-	-0-
7	Total table games revenue	45,851	\$ 317,838	14.4 %	74
			HANDLE		
8	\$.05 slot machines	2,241	\$ 14,775	15.2 %	65
9	\$.25 slot machines	32,027	233,605	13.7	508
10	\$1.00 slot machines	11,923	107,995	11.0	148
11	Other slot machines	42,643	428,691	9.9	533
12	Total coin-operated devices revenue	88,834	\$ 785,066	11.3 %	1,254
13	Progressive jackpot adjustment	(194)			
14	Total coin-operated devices revenue after adjustment	88,640			
15	Other income	-0-			
16	Total revenue	134,491			
	Expenses:				
17	Payroll and payroll related expenses	24,742			
18	Licenses and taxes	14,045			
19	Provision for uncollectible patrons' checks	707			
20	Other	1,666			
21	Total	41,160			
22	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	93,331			
	Complimentary services and casino management fees:				
23	Complimentary services	6,511			
24	Casino management fees	-0-			
25	Total	6,511			
26	Departmental Income (Loss)	\$86,820			

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

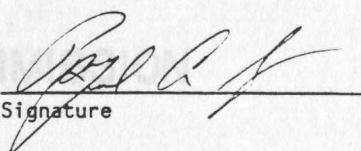
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COUNTY OF ATLANTIC

RAYMOND A. SPERA, 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.

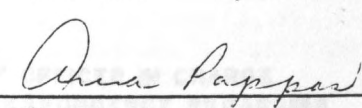

Signature

VICE PRESIDENT OF FINANCE
Title

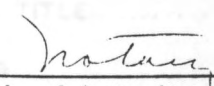
02369-11
License Number

Subscribed and sworn to
before me this 15th day
of March, 1991

On Behalf Of:


Signature

THE CLARIDGE AT PARK PLACE, INC.
Casino Licensee


Basis of Authority
to Take Oaths

ANNA PAPPAS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 29, 1992

TRADING NAME OF LICENSEE
GROSS REVENUE

GROSS REVENUE ANNUAL TAX RETURN

LICENSEE THE CLARIDGE AT PARK PLACE, INC.

ADDRESS INDIANA AVE. & THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL TAX RETURN

Raymond A. Spera

OFFICIAL TITLE

Vice President of Finance

ADDRESS

Indiana Avenue and The Boardwalk

Atlantic City, New Jersey 08401

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 45,852	
2	Coin-operated devices revenue	88,834	
3	Total revenues		\$ 134,686
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 707	
5	Maximum adjustment (4% of line 3)	\$ 5,387	
6	Adjustment (the lesser of line 4 or line 5)		707
7	Gross revenues (line 3 less line 6)		\$ 133,979
8	Tax on gross revenues - current year (8% of line 7)		\$ 10,718
9	Audit or other adjustments to tax on gross revenues in prior years		-0-
10	Total tax on gross revenues (line 8 plus or minus line 9)		10,718
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 617	
12	February	830	
13	March	878	
14	April	1,073	
15	May	795	
16	June	833	
17	July	1,181	
18	August	979	
19	September	875	
20	October	1,037	
21	November	814	
22	December	713	
23	January	109	
24	Total deposits made for tax on current year's gross revenues		(10,734)
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits		-0-
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ (16)

* Overpayment was due to audit adjustment to provision for uncollectible patron's checks; credit was applied against tax deposit made in March, 1991.

STATEMENT OF CONFORMITY AND ACCURACY

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

RAYMOND A. SPERA, being duly sworn according
Name

to law upon my oath deposes and says:

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

Raymond A. Spera
Signature

VICE PRESIDENT OF FINANCE
Title

02369-11
License Number

Subscribed and sworn to
before me this 14th day
of June, 1977.

John Pappas
Signature

Notary Public of New Jersey
Basis of Authority
to Take Oaths

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov 29, 1982

On Behalf Of:

THE CLARIDGE AT PARK PLACE, INC.
Casino Licensee

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE THE CLARIDGE AT PARK PLACE, INC.

ADDRESS INDIANA AVENUE AND THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 19

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL EMPLOYMENT
AND PAYROLL REPORT.....**

RAYMOND A. SPERA

OFFICIAL TITLE.....

VICE PRESIDENT OF FINANCE

ADDRESS.....

INDIANA AVENUE AND THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 90
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	(f) TOTALS
CASINO					
1	Administration	6			
2	Gaming	501			
3	Slots	89			
4	Casino accounting	226			
5	Other	-0-	\$	\$	\$
6	Total-casino	822	17,978	-0-	17,978
7	ROOMS	155	2,541	-0-	2,541
8	FOOD AND BEVERAGE	382	8,582	-0-	8,582
OTHER OPERATED DEPARTMENTS					
9	TELEPHONE	12	227	-0-	227
10	TRANSPORTATION	75	1,272	-0-	1,272
11	HEALTH SPA	2	102	-0-	102
12	CASINO CREDIT	13	423	-0-	423
13					
14					
15					
16					
17					
18					
19					
ADMINISTRATIVE AND GENERAL					
20	Executive office	20	577	549	1,126
21	Accounting and auditing	143	2,304	90	2,394
22	Security	163	3,272	-0-	3,272
23	Other administrative and general department ..	85	2,613	185	2,798
24	MARKETING	94	2,555	-0-	2,555
25	GUEST ENTERTAINMENT	5	541	-0-	541
26	PROPERTY OPERATION AND MAINTENANCE	166	4,331	-0-	4,331
	TOTALS - ALL DEPARTMENTS	2,128	\$ 47,318	\$ 824	\$ 48,142

CCC-374

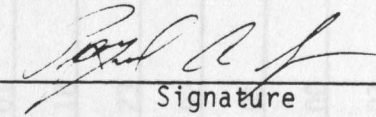
Trading Name of Licensee THE CLARIDGE CASINO HOTEL

**ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE**

For the Year Ended December 31, 1990

3/14/91

Date



Signature

VICE PRESIDENT OF FINANCE

Title

MONTH	NO. OF ROOMS IN PROPERTY	NO. OF ROOMS AVAILABLE	NO. OF ROOMS OCCUPIED	OCCUPANCY RATE	NO. OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	501	15,363	13,454	87.6%	26,335	\$ 29.76
FEBRUARY	501	13,532	11,631	85.9%	24,446	\$ 30.90
MARCH	501	15,426	13,723	88.9%	29,177	\$ 30.46
1ST QUARTER TOTALS		44,321	38,808	87.5%	79,958	\$ 30.20
APRIL	501	16,856	14,709	87.3%	31,003	\$ 31.03
MAY	501	15,009	14,748	98.2%	35,780	\$ 35.78
JUNE	501	14,309	13,323	92.9%	36,390	\$ 36.39
2ND QUARTER TOTALS		46,174	43,189	93.5%	103,280	\$ 34.28
JULY	501	15,297	13,400	87.6%	36,667	\$ 46.67
AUGUST	501	15,098	14,563	96.4%	37,007	\$ 47.37
SEPTEMBER	501	14,575	12,704	87.2%	36,331	\$ 36.33
3RD QUARTER TOTALS		45,970	39,767	86.5%	109,999	\$ 43.65
OCTOBER	501	15,147	13,402	88.5%	28,051	\$ 33.43
NOVEMBER	501	14,747	12,210	82.8%	25,368	\$ 33.40
DECEMBER	501	14,457	10,925	75.6%	22,030	\$ 29.84
4TH QUARTER TOTALS		44,351	36,537	82.4%	75,449	\$ 32.37
ANNUAL TOTALS		178,116	154,892	87.0%	376,538	\$ 35.19

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 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	501	14,856	14,709	\$ 66.35	99.0%	31,448	\$ 31.03
MAY	501	15,009	13,748	\$ 73.74	91.6%	28,395	\$ 35.70
JUNE	501	14,309	13,325	\$ 77.01	93.1%	28,197	\$ 36.39
2ND QUARTER TOTALS		44,174	41,782	\$ 72.18	94.6%	88,040	\$ 34.26
JULY	501	15,297	13,400	\$ 98.23	87.6%	28,201	\$ 46.67
AUGUST	501	15,098	13,661	\$ 96.92	90.5%	27,947	\$ 47.37
SEPTEMBER	501	14,875	12,704	\$ 77.01	85.4%	26,943	\$ 36.31
3RD QUARTER TOTALS		45,270	39,765	\$ 91.00	87.8%	83,091	\$ 43.55
OCTOBER	501	15,147	13,402	\$ 69.97	88.5%	28,051	\$ 33.43
NOVEMBER	501	14,747	12,210	\$ 69.39	82.8%	25,368	\$ 33.40
DECEMBER	501	14,457	10,925	\$ 60.18	75.6%	22,030	\$ 29.84
4TH QUARTER TOTALS		44,351	36,537	\$ 66.85	82.4%	75,449	\$ 32.37
ANNUAL TOTALS		178,116	154,892	\$ 74.19	87.0%	326,538	\$ 35.19



ANNUAL REPORT

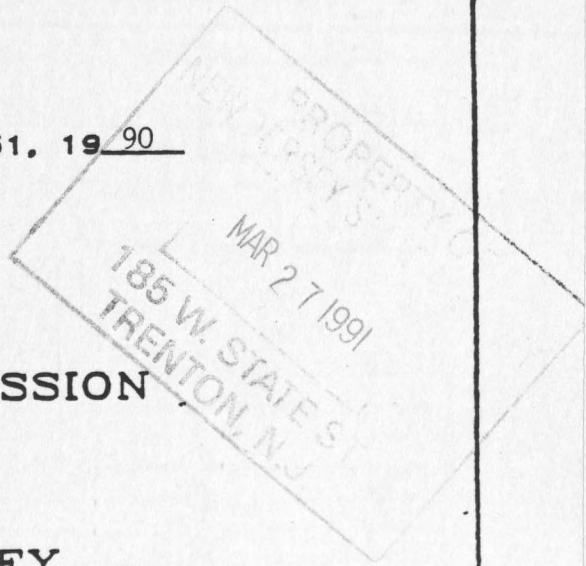
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LICENSEE Greate Bay Hotel & Casino, Inc.
ADDRESS Indiana Avenue & Brighton Park
Atlantic City, New Jersey 08401

Sands

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT

John R. Rauven

OFFICIAL TITLE

Vice President Finance

ADDRESS

Indiana Avenue & Brighton Park

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE Sands Hotel & Casino

LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1990

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Cash Flows	CCC-335
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

CCC-301

TRADING NAME OF LICENSEE Sands Hotel & Casino

BALANCE SHEETS

December 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:	\$	\$
1	Cash.....	12,393	11,189
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$16,645 ; 1989, \$13,531).....	45,454	30,642
4	Inventories.....	3,987	2,461
5	Prepaid expenses and other current assets.....	4,278	4,881
6	Total current assets.....	65,212	49,173
7	Investments, Advances, And Receivables.....	6,562	8,741
8	Property And Equipment - Net..... Note 11.....	187,609	181,687
9	Other Assets.....	12,187	12,540
10	Total Assets.....	\$ 271,570	\$ 252,141
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
11	Accounts payable.....	7,930	7,256
12	Notes payable..... Note 3,6.....	11,550	-
	Current portion of long-term debt:		
13	Due to affiliates..... Note 4.....	1,440	-
14	Other..... Note 4.....	906	1,006
15	Income taxes payable and accrued.....	7,967	4,899
16	Other accrued expenses..... Note 12.....	19,150	14,386
17	Other current liabilities.....	3,666	8,880
18	Total current liabilities.....	52,609	36,227
	Long-Term Debt:		
19	Due to affiliates..... Note 4.....	181,497	182,576
20	Other..... Note 4.....	10,436	3,342
21	Deferred Credits.....	-	553
22	Other Liabilities.....	-	-
23	Commitments And Contingencies..... Note 9.....	-	-
24	Total Liabilities.....	244,542	222,698
25	Stockholders', Partners', Or Proprietor's Equity.....	27,028	29,443
26	Total Liabilities And Equity.....	\$ 271,570	\$ 252,141

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 YEARS ENDED December 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	229,721	219,668
2	Rooms.....	10,950	11,665
3	Food and beverage.....	28,823	27,222
4	Other.....	6,109	5,778
5	Total revenue.....	275,603	264,333
6	Less: Promotional allowances..... Note 13	23,804	21,388
7	Net revenue.....	251,799	242,945
	Costs And Expenses:		
8	Cost of goods and services.....	111,674	106,366
9	Selling, general, and administrative.....	87,508	81,536
10	Provision for doubtful accounts..... Note 2	5,515	3,663
11	Depreciation and amortization.....	17,460	16,590
	Charges from affiliates other than interest:		
12	Management fees..... Note 6	6,190	6,403
13	Other.....	-	-
14	Total costs and expenses.....	228,347	214,558
15	Income (Loss) From Operations.....	23,452	28,387
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....	<23,361>	<22,656>
17	Interest (expense) - external.....	<1,466>	<937>
18	Investment alternative tax and related income (expense) - net.....	<4,636>	<3,871>
19	Nonoperating income (expense) - net.....	3,799	3,325
20	Total other income (expenses).....	<25,664>	<24,139>
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	<2,212>	4,248
22	Provision (credit) for income taxes..... Note 5	203	2,707
23	Income (Loss) Before Extraordinary Items.....	<2,415>	1,541
24	Extraordinary items (net of income taxes - 19___, \$; 19___, \$).....	-	-
25	Net Income (Loss).....	\$ <2,415>	\$ 1,541

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 DECEMBER 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	52,480	52,185
2	Rooms.....	2,583	2,632
3	Food and beverage.....	6,541	7,410
4	Other.....	1,281	1,175
5	Total revenue.....	62,885	63,402
6	Less: Promotional allowances..... Note 13.....	5,558	5,535
7	Net revenue.....	57,327	57,867
	Costs And Expenses:		
8	Cost of goods and services.....	26,208	26,907
9	Selling, general, and administrative.....	21,609	21,320
10	Provision for doubtful accounts.....	775	1,747
11	Depreciation and amortization.....	5,028	4,345
	Charges from affiliates other than interest:		
12	Management fees.....	1,466	1,192
13	Other.....	-	-
14	Total costs and expenses.....	55,086	55,511
15	Income (Loss) From Operations.....	2,241	2,356
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....	<5,932>	<5,729>
17	Interest (expense) - external.....	<1,017>	<417>
18	Investment alternative tax and related income (expense) - net.....	<575>	<3,253>
19	Nonoperating income (expense) - net.....	1,708	826
20	Total other income (expenses).....	<5,816>	<8,573>
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	<3,575>	<6,217>
22	Provision (credit) for income taxes.....	<1,130>	<2,654>
23	Income (Loss) Before Extraordinary Items.....	<2,445>	<3,563>
24	Extraordinary items (net of income taxes - 19__ \$; 19__ \$).....	-	-
25	Net Income (Loss).....	\$ <2,445>	\$ <3,563>

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 YEARS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	1990		1989	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:		\$		\$
1	Beginning balance (January 1).....	100	3.500	100	3.500
2	Sale of stock.....				
3					
4	Ending balance.....	100	3.500	100	3.500
	Preferred Stock:				
5	Beginning balance (January 1).....	-	-	-	-
6	Sale of stock.....				
7					
8	Ending Balance.....	-	-	-	-
	Additional Paid-in Capital:	+++++		+++++	
9	Beginning balance (January 1).....	+++++	19.738	+++++	19.738
10		+++++		+++++	
11		+++++		+++++	
12	Ending balance.....	+++++	19.738	+++++	19.738
	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).....	+++++	6.205	+++++	4.664
26	Prior period adjustments.....	+++++		+++++	
27	Net income (loss).....	+++++	<2.415>	+++++	1.541
28	Dividends.....	+++++	(-)	+++++	(-)
29		+++++		+++++	
30		+++++		+++++	
31	Ending balance.....	+++++	3.790	+++++	6.205
32	Ending Stockholders' Equity.....	+++++	\$ 27.028	+++++	\$ 29.443

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 YEARS ENDED DECEMBER 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.

TRADING NAME OF LICENSEE Sands Hotel & Casino

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 4,984	\$ 21,079
	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.....	<21,712>	<19,499>
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	<612>	<2,222>
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.....	<22,324>	<21,721>
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	23,100	-
14	Payments to settle short-term debt.....	<11,550>	-
15	Cash proceeds from issuance of long-term debt.....	8,000	-
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	<1,006>	<2,279>
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.....	18,544	<2,279>
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	1,204	<2,921>
25	Cash And Cash Equivalents At Beginning Of Year.....	11,189	14,110
26	Cash And Cash Equivalents At End Of Year.....	\$ 12,393	\$ 11,189

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized).....	\$ 24,233	\$ 23,209
28	Income taxes.....	\$ 623	\$ 6,154

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 YEARS ENDED DECEMBER 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

INR: a) 1	DESCRIPTION (b)	(c) 1990_	(d) 1989_
	Net Cash Flows From Operating Activities:	\$	\$
2	Net income (loss).....	<2,415>	1,541
	Noncash items included in income and cash items excluded from income:		
3	Depreciation and amortization of property and equipment.....	15,790	14,953
4	Amortization of other assets.....	1,670	1,637
5	Amortization of debt discount or premium.....	361	361
6	Deferred income taxes - current.....		<1,032>
7	Deferred income taxes - noncurrent.....	<3,661>	<2,413>
8	(Gain) loss on disposition of property and equipment.....		
9	(Gain) loss on casino reinvestment obligations.....	4,636	3,871
10	(Gain) loss from other investment activities.....		
11	Net (increase) decrease in receivables and patrons' checks.....	<14,812>	<3,282>
12	Net (increase) decrease in inventories.....	<626>	156
13	Net (increase) decrease in other current assets.....	603	<650>
14	Net (increase) decrease in other assets.....	<877>	2,691
15	Net increase (decrease) in accounts payables.....	674	294
16	Net increase (decrease) in other current liabilities excluding debt.....	3,430	2,952
17	Net increase (decrease) in other noncurrent liabilities excluding debt.....	211	-
	Net Cash Provided (Used) By Operating Activities.....	\$ 4,984	\$ 21,079

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property and Equipment:	\$	\$
1	Additions to property and equipment.....	21,712	19,499
2	Less: Capital lease obligations incurred.....		
3	Cash Outflows For Property And Equipment.....	\$ 21,712	\$ 19,499
	Acquisition Of Business Entities:		
4	Property and equipment acquired.....	\$	\$
5	Goodwill acquired.....		
6	Net assets acquired other than cash, goodwill, and property and equipment.....		
7	Long-term debt assumed.....		
8	Issuance of stock or capital invested.....		
9	Cash Outflows To Acquire Business Entities.....	\$	\$
	Stock Issued Or Capital Contributions:		
10	Total issuances of stock or capital contributions.....	\$	\$
11	Less: Issuances to settle long-term debt.....		
12	Consideration in acquisition of business entities.....		
13	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$	\$

GREATE BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of Pratt Casino Properties, Inc.)

NOTES TO FINANCIAL STATEMENTS

(1) Organization, business and basis of presentation

Greate Bay Hotel and 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"), a Delaware corporation. GBH&C's principal business activity includes its ownership of the Sands Hotel and Casino in Atlantic City, New Jersey (the "Sands on the Park"). The Sands on the Park is managed by Pratt Casino Management, Inc. ("PCMI"), also a wholly owned subsidiary of Pratt Casino Properties. Substantially all of GBH&C's revenues and net income are attributable to the operations of the Sands on the Park.

Pratt Casino Properties is wholly owned by Pratt Hotel Corporation ("Pratt"), also a Delaware corporation. Pratt Casino Properties was incorporated during October 1987, and acquired the ownership of GBH&C through contributions of capital by its parent.

Greate Bay Property Funding Corp. ("Funding"), a New Jersey corporation, and a wholly owned subsidiary of Pratt Casino Properties, was incorporated on June 29, 1987 for the purpose of borrowing funds through the issuance of \$173,030,000 of seven-year nonrecourse first mortgage notes (the "Notes") for the benefit of GBH&C.

(2) Summary of significant accounting policies

The significant accounting policies followed in the preparation of the accompanying financial statements are discussed below.

Casino revenues and promotional allowances -

GBH&C recognizes as casino revenues the net win from gaming activities, which is the difference between gaming wins and losses. Casino revenues are net of accruals for anticipated payouts of progressive slot machine jackpots. Such anticipated jackpot payouts are reflected as current liabilities in the accompanying balance sheets. The retail value of rooms, food, beverage and other items included in revenues which were provided to customers without charge, has been deducted as promotional allowances, while the actual cost of such allowances have been included as operating expenses in the accompanying statements of income.

Cash and Cash Equivalents -

Cash and cash equivalents are generally comprised of highly liquid instruments with original maturities of three months or less, such as commercial paper, certificates of deposit and fixed repurchase agreements.

Allowance for doubtful accounts -

The allowance for doubtful accounts is maintained at a level considered adequate to provide for possible future losses. Provisions for doubtful accounts amounting to \$5,515,000 and \$3,663,000 were made during the years ended December 31, 1990 and 1989, respectively.

GREATE BAY HOTEL AND CASINO, INC.

(a wholly owned subsidiary of Pratt Casino Properties, Inc.)

NOTES TO FINANCIAL STATEMENTS

Inventories -

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

Property and equipment -

Property and equipment have been recorded at cost and are being depreciated over their estimated useful lives utilizing the straight-line method based on the following:

Buildings	25 years
Furniture and Equipment	3-7 years

Deferred financing costs -

The costs of issuing long-term debt, including all underwriting, legal and accounting fees, have been capitalized and are being amortized over the term of the related debt issue. The unamortized balance of deferred financing costs amounted to \$6,045,000 and \$7,501,000 at December 31, 1990 and 1989, respectively. Amortization of such costs was \$1,670,000 and \$1,637,000 for the years ended December 31, 1990 and 1989, respectively.

Interest expense -

Interest expense is net of interest income amounting to \$3,199,000 and \$2,725,000 for the years ended December 31, 1990 and 1989, respectively. Interest expense includes accretion of debt discount amounting to \$361,000 for each of the years ended December 31, 1990 and 1989. Interest expense of \$801,000 related to property and equipment acquisitions was capitalized during 1990 and is being amortized over the useful lives of the related assets. Interest paid on GEH&C's total indebtedness net of capitalized interest, for the years ended December 31, 1990 and 1989 amounted to \$24,233,000 and \$23,209,000, respectively.

Income taxes -

GEH&C is included in Pratt's consolidated federal income tax return. Pursuant to agreements between GEH&C, Pratt Casino Properties and Pratt, GEH&C's provision for federal income taxes is based on the amount of tax which would be provided if a separate federal income tax return were filed. GEH&C paid \$50,000 and \$4,748,000 in connection with its current federal tax provisions for 1990 and 1989, respectively. Commencing February 1988, in connection with certain mortgage indenture provisions, GEH&C has not and will not be required to make any additional payments related to its deferred federal income taxes. For the years ended December 31, 1990 and 1989, GEH&C paid state income taxes of \$573,000 and \$1,406,000, respectively.

Reclassifications -

Certain reclassifications have been made to the prior year's financial statements to conform such statements to the 1990 financial statement presentation.

GREATE BAY HOTEL AND CASINO, INC.
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NOTES TO FINANCIAL STATEMENTS

(3) Short-term credit facilities

As of December 31, 1990 and 1989, GEH&C had a bank line of credit in the amount of \$5,000,000, and as of December 31, 1990, \$5,000,000 was outstanding under such line. During 1990 the maximum balance outstanding was \$5,000,000 and the weighted average balance outstanding during 1990 was \$3,932,000. There were no borrowings on GEH&C's line of credit during the year ended December 31, 1989. Interest on borrowings under the line of credit is calculated at one percentage point above the prime lending rate of the bank. The line of credit is guaranteed by Pratt Casino Properties and is subject to renewal on April 30, 1991.

Additionally, during September 1990, GEH&C arranged a separate \$4,000,000 revolving line of credit. As of December 31, 1990, no borrowings have been made on this line of credit. Interest on borrowings under the line of credit, which is subject to renewal no later than September 28, 1992, is at the London Interbank Offered Rate ("LIBOR") plus 2.625%. In January 1991, \$3,000,000 was drawn on this line of credit. The line of credit agreement contains numerous restrictive covenants, including limitations on additional borrowings and on the sale of assets.

(4) Long-term debt and pledge of assets

	December 31,	
	1990	1989
11.75% first mortgage notes, due 1994, net of discount of \$1,293,000 and \$1,654,000, respectively (a)	\$ 171,737,000	\$ 171,376,000
16.5% promissory note, due 1998 (b)	11,200,000	11,200,000
Term loan, due 1992 (c)	8,000,000	-
Note payable to bank, due 1992 (d)	2,850,000	3,850,000
Other	492,000	498,000
	194,279,000	186,924,000
Less - current maturities	(2,346,000)	(1,006,000)
	\$191,933,000	\$185,918,000
	=====	=====

- (a) On August 6, 1987, GEH&C borrowed \$173,030,000 from Funding who issued the Notes. The Notes bear interest at 11.75% per annum, payable monthly; interest only is payable during the first four years. Thereafter, principal and interest are 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 GEH&C to incur additional secured

GREATE BAY HOTEL AND CASINO, INC.
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NOTES TO FINANCIAL STATEMENTS

indebtedness, create additional liens on the property or sell the Sands on the Park. Additionally, maintenance of certain cash balances is required, as well as a requirement that, commencing in 1988, a minimum of \$5,000,000 be committed annually for property and fixture 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, payable semi-annually in March and September, and matures in March 1998.
- (c) In September 1990, GEH&C entered into a term loan agreement, the proceeds of which were used during October 1990 to repay certain advances from affiliates that had been made during the construction period for the Sands on the Park administrative offices complex. The note bears interest at the LIBOR plus 2.625% per annum, payable quarterly and at maturity on September 28, 1992. The note requires, among other things, that GEH&C maintain certain fixed charge coverage ratios and places restrictions on the amount of new borrowings or increases in existing debt. The loan is collateralized by a first mortgage on the land and improvements which comprise the office complex and is guaranteed by Pratt and Pratt Casino Properties.
- (d) 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.

Scheduled payments of long-term debt as of December 31, 1990 are:

1991	\$ 2,346,000
1992	14,628,000
1993	5,258,000
1994	161,678,000
1995	9,000
Thereafter	<u>11,653,000</u>
Total	<u>\$ 195,572,000</u>

GREATE BAY HOTEL AND CASINO, INC.
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NOTES TO FINANCIAL STATEMENTS

(5) Income taxes

Components of the provision for income taxes consisted of the following:

	<u>Year Ended December 31,</u>	
	<u>1990</u>	<u>1989</u>
Provision (benefit) in lieu of federal income taxes:		
Current	\$ 3,050,000	\$ 4,003,000
Deferred	(2,897,000)	(1,996,000)
State income tax provision (benefit):		
Current	814,000	1,274,000
Deferred	(764,000)	(574,000)
	\$ 203,000	\$ 2,707,000
	=====	=====

Deferred income taxes result primarily from the change in 1988 from the allowance method to the direct write-off method for doubtful accounts as required by the Tax Reform Act of 1986, the use of accelerated methods of depreciation for federal and state income tax purposes and the timing of deductions for contributions and adjustments to the carrying value of certain state-mandated investment obligations. (see Note 7.)

The difference between the statutory tax rate and the effective income tax rate is primarily attributable to the nondeductibility of certain depreciation and amortization expenses and certain travel and entertainment expenses, offset by the utilization of certain tax credits.

The Internal Revenue Service is currently examining the federal income tax returns of GEH&C for the years 1980 through 1983. Also, the New Jersey Division of Taxation is currently examining the state income tax returns of GEH&C for the years 1982 through 1988. In the opinion of management, the results of such examinations will not have a material adverse effect on GEH&C's financial position.

During December 1987, the Financial Accounting Standards Board issued a new standard on accounting for income taxes. GEH&C anticipates the adoption of the new accounting standard and disclosure rules no later than its fiscal year ended December 31, 1992. Based on the existing version of the new accounting standard, adoption is not expected to have a material effect on GEH&C's reported financial position or results of operations.

(6) Transactions with related parties

FCMI, under a management agreement with GEH&C, is responsible for the supervision, direction and control of the day-to-day operations of the Sands on the Park. FCMI is entitled to receive annually (i) a basic consulting fee of 1.5% of "adjusted gross revenues" as defined, and (ii) incentive compensation of between 5% and 7.5% of gross operating profits in excess of

GREATE BAY HOTEL AND CASINO, INC.
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NOTES TO FINANCIAL STATEMENTS

certain stated amounts should annual "gross operating profits," as defined, exceed \$5,000,000. Such fees amounted to \$6,190,000 and \$6,403,000, during the years ended December 31, 1990 and 1989, respectively, and are included in selling, general and administrative expenses in the accompanying financial statements.

GEH&C licenses the trade name "Sands" from a subsidiary of Pratt, who licenses the name from an unaffiliated third party. Amounts payable by GEH&C under this agreement are equal to the amounts paid to the unaffiliated party. Such charges amounted to \$328,000 and \$349,000, for the years ended December 31, 1990 and 1989, respectively.

GEH&C has, from time to time, advanced monies to Pratt Casino Properties or its subsidiaries for use in their operations and has been advanced monies from affiliated entities for the refinancing of debt, financing of interim construction costs and other purposes. All such related party advances bear interest at the rate of 16.5% per annum. Interest income earned on related party advances was \$1,190,000 during 1990. Interest expense on related party advances other than the Notes payable to Funding for the years ended December 31, 1990 and 1989 was \$3,136,000 and \$1,957,000, respectively. Interest receivable from affiliates classified as receivables in the accompanying balance sheet at December 31, 1990 was \$1,190,000. Interest payable to affiliates classified as other accrued expenses on the accompanying balance sheets at December 31, 1990 and 1989 was \$768,000 and \$544,000, respectively.

(7) New Jersey regulations and obligatory investments

GEH&C conducts gaming operations in Atlantic City, New Jersey and operates a hotel, several restaurants and related support facilities. The operation of an Atlantic City casino/hotel is subject to significant regulatory control which affects virtually all of its operations. Under the New Jersey Casino Control Act (the "Casino Act"), GEH&C was required to obtain and periodically renew an operating license. During May 1990, the New Jersey Casino Control Commission (the "Commission") renewed GEH&C's license to operate its casino/hotel in Atlantic City through May 7, 1992. A casino license is not transferable and, after the initial licensing and two one-year renewal periods, is issued for a term of two years. However, the Commission has the authority, under the Casino Act, to require the licensee to submit to licensing proceedings after one year at the Commission's discretion.

The Casino Act requires casino licensees to make certain approved investments in New Jersey or to pay an investment alternative tax. Casino licensees may obtain investment credits, which amount to 1.25% of casino revenues, by purchasing bonds at below-market interest rates from the Casino Reinvestment Development Authority (the "Authority") or by making qualified investments approved by the Authority. The investment alternative tax amounts to 2.5% of casino revenues. Payments of the investment obligations must be made quarterly.

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NOTES TO FINANCIAL STATEMENTS

As of December 31, 1990 and 1989, GBH&C had purchased bonds totaling \$3,447,000 and \$3,313,000, respectively. In addition, GBH&C had remaining funds on deposit and held in escrow by the Authority at December 31, 1990 and 1989 of \$8,191,000 and \$8,362,000, respectively. The bonds purchased and the amounts on deposit and held in escrow are collectively referred to as "obligatory investments" in the accompanying financial statements.

Obligatory investments at December 31, 1990 and 1989, are net of accumulated valuation allowances of \$5,139,000 and \$3,033,000, respectively, based upon the estimated realizable values of the investments. Provisions for valuation allowances during the years ended December 31, 1990 and 1989, are included in investment alternative tax and related expenses and amounted to \$2,249,000 and \$708,000, respectively.

During 1989, GBH&C contributed certain amounts held in escrow to the Authority. In consideration thereof, the Authority granted GBH&C a waiver of certain investment obligations in future periods. The book value of the obligatory investments contributed was \$7,619,000, and the waiver granted by the Authority totaled \$4,456,000. As a result, GBH&C incurred a loss from the donation of obligatory deposits totaling \$3,163,000. Amortization of the benefit of the waiver during 1990 totaled \$2,180,000 and is also included in investment alternative tax and related expenses. The unamortized benefit of the waiver obtained from the Authority (\$2,276,000 at December 31, 1990) will be charged to operations in future periods based upon the related casino revenues.

(8) Arbitration Award

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 Sands on the Park 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 judgment. Although the construction management company sought reconsideration of the Superior Court's confirmation of the arbitration award, the confirmation of the award into a judgment was reaffirmed. The construction management company filed an appeal of the determination of the Superior Court confirming the arbitration award into a judgment; this appeal was heard on March 4, 1991 and GBH&C believes this amount, plus post-judgment interest, will be collected during 1991. In accordance with the New Jersey Rules of Court, the construction management company was required to post a supersedeas bond in the full amount of the award plus projected interest, so as to avoid GBH&C seeking to execute on its judgment against the construction management company during the pendency of the appeal therefrom. Based on the advice of general counsel, GBH&C believes that the likelihood of the award being modified or vacated is remote.

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NOTES TO FINANCIAL STATEMENTS

(9) Contingencies

GEH&C is a party to various legal proceedings with respect to its conduct of casino/hotel operations. In the opinion of management, based upon the advice of counsel, settlement or resolution of these proceedings should not have a material adverse impact upon GEH&C's financial position.

(10) Non-Operating Income (Expense)

For the years ended December 31, 1990 and 1989, Non-Operating Income of \$3,799,000 and \$3,325,000 was earned on temporary investments, and on deposits made with the CRDA pursuant to the Company's Casino Reinvestment obligation, and other sources.

(11) Property and Equipment

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

	<u>1990</u>	<u>1989</u>
Land	\$ 37,554,000	\$ 36,179,000
Buildings	166,835,000	155,584,000
Furniture, fixtures and equipment	91,421,000	83,648,000
Construction in progress	<u>3,308,000</u>	<u>5,705,000</u>
	299,118,000	281,116,000
Less: accumulated depreciation and amortization	<u>111,509,000</u>	<u>99,429,000</u>
Total Property and Equipment	<u>\$187,609,000</u>	<u>\$181,687,000</u>

GREATE BAY HOTEL AND CASINO, INC.
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NOTES TO FINANCIAL STATEMENTS

(12) Other Accrued Expenses

As of December 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	\$ 1,534,000	\$ 1,484,000
Accrued vacation	1,710,000	1,200,000
Other accrued expenses	4,685,000	1,761,000
Accrued Interest on debt	2,246,000	2,013,000
Accrued progressive slot machine jackpot	3,710,000	3,034,000
Accrued CCC inspection fees	-	151,000
Accrued DGE inspection fees	424,000	168,000
Accrued casino license fees	107,000	303,000
Accrued insurance	2,108,000	1,840,000
FICA payable	318,000	238,000
NJ Sales Tax	41,000	11,000
SUI payable	234,000	347,000
Gaming revenue tax	267,000	296,000
Other	<u>1,766,000</u>	<u>1,540,000</u>
Total other accrued expenses	\$ 19,150,000	\$ 14,386,000

GREATER BAY HOTEL AND CASINO, INC.
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NOTES TO FINANCIAL STATEMENTS

(13) Promotional Allowances and Expenses

A summary of Promotional Allowances and Expenses incurred during the year ended December 31, 1990 is as follows:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u># Recipients</u>	<u>\$ Amount</u>	<u># Recipients</u>	<u>\$ Amount</u>
Rooms	106,095	3,633,000		
Food	730,950	8,406,000		
Beverage	1,539,224	9,235,000		
Travel			23,444	6,082,000
Theatre	36,192	1,251,000		
Parking	99,393	795,000		
Bus Tour Coupon				
Exchange Coin			928,804	17,949,000
Food Court - Other			120,527	844,000
Red Carpet Certificates			4,286	30,000
Other	60,444	484,000	74,139	2,233,000
Complimentary Distribution Program			<u>34,532</u>	<u>3,911,000</u>
Total Promotional Allowances and Expenses	<u>2,466,203</u>	<u>\$23,804,000</u>	<u>1,185,732</u>	<u>\$31,049,000</u>

GREATE BAY HOTEL AND CASINO, INC.
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NOTES TO FINANCIAL STATEMENTS

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

	Promotional Allowances		Promotional Expenses	
	# Recipients	\$ Amount	# Recipients	\$ Amount
Rooms	27,065	1,046,000		
Food	165,211	1,900,000		
Beverage	354,891	2,129,000		
Travel			6,371	1,653,000
Theatre	5,917	277,000		
Parking	13,393	107,000		
Bus Tour Coupon				
Exchange Coin			182,743	3,403,000
Food Court - Other			28,098	197,000
Red Carpet Certificates				
Other	12,319	99,000	19,059	574,000
Complimentary Distribution Program			17,691	1,789,000
Total Promotional Allowances and Expenses	578,796	\$5,558,000	253,962	\$7,616,000

TRADING NAME OF LICENSEE Sands Hotel & Casino

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

December 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.....	6.276		
2	Returned patrons' checks.....	21.283		
3	Total patrons' checks.....	27.559	16.550	11.009
4	Hotel Receivables.....	781	95	686
	Other Receivables:			
5	Receivables due from officers and employees.....	-		
6	Receivables due from affiliates.....	16.501		
7	Other accounts and notes receivables.....	17.258		
8	Total other receivables.....	33.759		33.759
9	Totals (Form 305).....	\$ 62.099	\$ 16.645	\$ 45.454

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).....	221.357
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).....	(169.568)
13	Checks collected through deposits.....	(43.487)
14	Checks transferred to returned checks.....	(8.823)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 6.276
17	"Hold" Checks Included in Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 5.456
19	Provision As A Percent Of Counter Checks Issued.....	2.5 %

Trading Name of Licensee Sands Hotel & Casino

CASINO DEPARTMENTAL SCHEDULE

For The Year Ended December 31, 1990

(unaudited)
(\$ in thousands)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	Revenue:	\$	\$	%	
1	Blackjack.....	40,700	302,849	13.4	63
2	Craps.....	33,073	214,422	15.4	18
3	Roulette.....	12,689	47,770	26.6	12
4	Big Six.....	1,685	3,551	47.5	3
5	Baccarat.....	13,701	68,661	20.0	3
6	Other table games.....	-	-	-	-
7	Total table games revenue.....	101,848	\$ 637,253	16.0 %	99
			HANDLER		
			\$	%	
8	\$.05 slot machines.....	3,240	20,973	15.4	72
9	\$.25 slot machines.....	41,023	274,603	14.9	518
10	\$1.00 slot machines.....	21,801	177,800	12.3	182
11	Other slot machines.....	62,486	688,622	9.1	626
12	Total coin-operated devices revenue.....	128,550	\$1,161,998	11.1 %	1,398
13	Progressive jackpot adjustment.....	<677>			
14	Total coin-operated devices revenue after adjustment.....	127,873			
15	Other income.....	-			
16	Total revenue.....	229,721			
	Expenses:				
17	Payroll and payroll related expenses.....	36,239			
18	Licenses and taxes.....	21,941			
19	Provision for uncollectible patrons' checks.....	5,456			
20	Other.....	3,066			
21	Total.....	66,702			
22	Departmental Income (Loss) Before Complimentary Services and Casino Management Fees.....	163,019			
	Complimentary services and casino management fees:				
23	Complimentary services.....	10,270			
24	Casino management fees.....	-			
25	Total.....	10,270			
26	Departmental Income (Loss).....	\$ 152,749			

STATEMENT OF CONFORMITY AND ACCURACY

GROSS REVENUE
ANNUAL TAX RETURN

STATE OF NEW JERSEY

COUNTY OF ATLANTIC


: ss.

John R. Rauert, 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

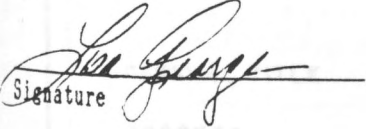
Vice President Finance
Title

866-11
License Number

On Behalf Of:

Greate Bay Hotel & Casino, Inc.
Casino Licensee

Subscribed and sworn to
before me this 15th day
of March, 1991


Signature

LISA GEORGE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 30, 1995

Basis of Authority
to Take Oaths

GROSS REVENUE ANNUAL TAX RETURN

GROSS REVENUE
ANNUAL TAX RETURN

(\$ IN THOUSANDS)

LICENSEE Greate Bay Hotel & Casino, Inc.

ADDRESS Indiana Avenue & Brighton Park

Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 19 90

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL TAX RETURN

John R. Rauen

OFFICIAL TITLE

Vice President Finance

ADDRESS

Indiana Avenue & Brighton Park

Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE Greate Bay Hotel & Casino, Inc.

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 101,848	
2	Coin-operated devices revenue	128,550	
3	Total revenues		\$ 230,398
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 5,456	
5	Maximum adjustment (4% of line 3)	\$ 9,216	
6	Adjustment (the lesser of line 4 or line 5)		5,456
7	Gross revenues (line 3 less line 6)		\$ 224,942
8	Tax on gross revenues - current year (8% of line 7)		\$ 17,995
9	Audit or other adjustments to tax on gross revenues in prior years		-
10	Total tax on gross revenues (line 8 plus or minus line 9)		17,995
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 1,045	
12	February	1,376	
13	March	1,373	
14	April	1,872	
15	May	1,343	
16	June	1,358	
17	July	1,864	
18	August	1,681	
19	September	1,535	
20	October	1,604	
21	November	1,362	
22	December	1,349	
23	January	233	
24	Total deposits made for tax on current year's gross revenues		(17,995)
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits		-
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ 0

STATEMENT OF CONFORMITY AND ACCURACY
ANNUAL EMPLOYMENT
AND PAYROLL REPORT

STATE OF _____ :
COUNTY OF _____ :ss.
_____ :

John R. Rauon, being duly sworn according
Name

to law upon my oath deposes and says: Brighton Park

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

John R. Rauon
Signature

Vice President Finance
Title

866-11
License Number

Subscribed and sworn to
before me this 15th day
of March, 1991.

Lisa George
Signature

LISA GEORGE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 30, 1995
Basis of Authority
to Take Oaths

On Behalf Of:
Greate Bay Hotel & Casino, Inc.
Casino Licensee



John R. Rauon
Vice President Finance
Indiana Avenue & Brighton Park
Atlantic City, NJ 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE Greate Bay Hotel & Casino, Inc.

ADDRESS Indiana Avenue & Brighton Park

Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL EMPLOYMENT
AND PAYROLL REPORT.....**

John R. Rauon

OFFICIAL TITLE.....

Vice President Finance

ADDRESS.....

Indiana Avenue & Brighton Park

Atlantic City, NJ 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 90
(; in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
CASINO					
1	Administration	18	773,028	169,500	942,528
2	Gaming	786	15,028,468		15,028,468
3	Slots	120	2,680,091		2,680,091
4	Casino accounting	393	7,470,908		7,470,908
5	Other	25	\$ 8,952,657	\$	\$ 8,952,657
6	Total-casino	1,342	34,905,152	169,500	\$ 35,074,652
7	ROOMS	373	5,440,888		5,440,888
8	FOOD AND BEVERAGE	741	10,107,208		10,107,208
OTHER OPERATED DEPARTMENTS					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
ADMINISTRATIVE AND GENERAL					
20	Executive office	29	1,668,398	1,063,634	2,732,032
21	Accounting and auditing	135	1,371,356	136,074	1,507,430
22	Security	136	773,044		773,044
23	Other administrative and general department ..	280	6,964,425	608,905	7,573,330
24	MARKETING	139	92,825	695,623	788,448
25	GUEST ENTERTAINMENT	142	677,925		677,925
26	PROPERTY OPERATION AND MAINTENANCE	64	1,346,326		1,346,326
27	TOTALS - ALL DEPARTMENTS	3,381	\$ 63,347,547	\$ 2,673,736	\$ 66,021,283

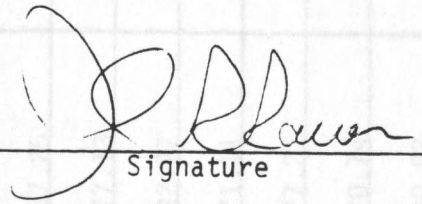
HOTEL STATISTICS

Trading Name of Licensee Sands Hotel & Casino

**ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE**

For the Year Ended December 31, 1990

March 15, 1991
Date


Signature

Vice President Finance
Title

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	15,501	17,276	\$ 56	79.8%	22,023	\$ 31.73
FEBRUARY	500	14,000	12,406	\$ 59	89.2%	22,861	\$ 32.20
MARCH	500	15,315	14,607	\$ 60	94.1%	27,111	\$ 33.41
1ST QUARTER TOTALS		44,815	39,289	\$ 59	87.6%	71,995	\$ 32.54
APRIL	500	16,800	14,108	\$ 63	95.7%	21,140	\$ 36.60
MAY	500	15,294	13,783	\$ 69.74	90.1%	24,198	\$ 39.08
JUNE	500	14,810	13,698	\$ 69	92.3%	25,105	\$ 38.24
2ND QUARTER TOTALS		44,914	41,679	\$ 69	92.7%	70,508	\$ 37.96
JULY	500	15,258	14,345	\$ 71	94.0%	21,111	\$ 46.76
AUGUST	500	15,311	14,393	\$ 70	93.9%	27,111	\$ 43.78
SEPTEMBER	500	14,604	12,909	\$ 71	88.2%	18,111	\$ 48.70
3RD QUARTER TOTALS		44,773	41,647	\$ 71	92.1%	69,326	\$ 46.11
OCTOBER	500	15,267	14,533	\$ 70	94.8%	25,866	\$ 46.21
NOVEMBER	500	14,850	14,121	\$ 69	95.2%	25,631	\$ 33.80
DECEMBER	500	14,402	12,591	\$ 55.32	87.4%	22,787	\$ 26.57
4TH QUARTER TOTALS		44,619	41,251	\$ 62.67	92.5%	71,986	\$ 34.94
ANNUAL TOTALS		179,671	163,884	\$ 66.80	91.2%	289,596	\$ 37.80

HOTEL STATISTICS

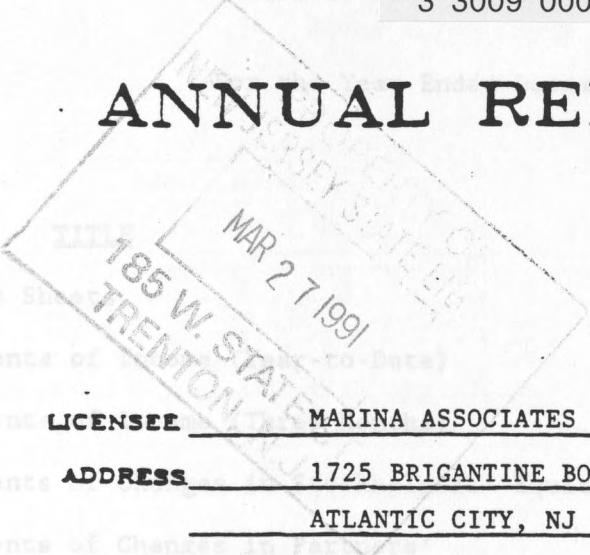
FOR THE 12 MONTHS ENDED December 31, 1990

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	500	14,840	14,198	\$ 63.18	95.7%	24,575	\$ 36.50
MAY	500	15,294	13,783	\$ 68.74	90.1%	24,245	\$ 39.08
JUNE	500	14,840	13,698	\$ 69.96	92.3%	25,062	\$ 38.24
2ND QUARTER TOTALS		44,974	41,679	\$ 67.25	92.7%	73,882	\$ 37.94
JULY	500	15,258	14,345	\$ 77.13	94.0%	23,660	\$ 46.76
AUGUST	500	15,311	14,383	\$ 82.77	93.9%	27,195	\$ 43.78
SEPTEMBER	500	14,694	12,958	\$ 71.11	88.2%	18,921	\$ 48.70
3RD QUARTER TOTALS		45,263	41,686	\$ 77.21	92.1%	69,776	\$ 46.12
OCTOBER	500	15,367	14,533	\$ 70.74	94.6%	25,568	\$ 40.21
NOVEMBER	500	14,850	14,127	\$ 60.92	95.1%	25,631	\$ 33.58
DECEMBER	500	14,402	12,591	\$ 55.32	87.4%	22,787	\$ 30.57
4TH QUARTER TOTALS		44,619	41,251	\$ 62.67	92.5%	73,986	\$ 34.94
ANNUAL TOTALS		179,671	163,884	\$ 66.80	91.2%	289,596	\$ 37.80



ANNUAL REPORT

974-901
C193



FORM NO.
CCC-305
CCC-310
CCC-315
CCC-320
CCC-325
CCC-335
CCC-340
CCC-345
CCC-350

LICENSEE MARINA ASSOCIATES *Harrah's*
ADDRESS 1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL REPORT JOSEPH A. DOMENICO
OFFICIAL TITLE VICE PRESIDENT OF FINANCE
ADDRESS 1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

LIST OF FORMS - ANNUAL REPORT

For the Year Ended December 31, 1990

(\$ in Thousands)

DESCRIPTION (b)	(c) 1990	(d) 1989	FORM NO.
TITLE			
ASSETS			
Balance Sheets			CCC-305
Cash	\$ 11,036	\$ 12,802	
Statements of Income (Year-to-Date)	-0-	-0-	CCC-310
Receivables and patrons' checks (net of allowance)	12,400	12,281	
Statements of Income (Three Months)	75, 1989 \$4,643)		CCC-315
Temporarily	2,228	2,254	
Statements of Changes in Stockholders' Equity	1,145	972	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	26,859	28,845	CCC-325
Investments, Advances and Receivables (Note 4)	332,288	23,476	
Statements of Cash Flows	245,593	256,262	CCC-335
Other assets	3,731	3,586	
Notes to Financial Statements			
Schedule of Receivables and Patrons' Checks	613,581	557,459	CCC-340
LIABILITIES AND EQUITY			
Casino Departmental Schedule			CCC-345
Current Liabilities			
Statement of Conformity and Accuracy	\$ 3,169	908	CCC-350
Notes payable	-0-	-0-	
Current portion of long-term debt:			
Due to affiliates	-0-	-0-	
Other (Note 3)	83	3	
Income taxes payable and accrued	87	1,435	
Other accrued expenses (Note 8)	11,488	15,172	
Other current liabilities	409	298	
Total current liabilities	15,948	22,566	
Long-Term Debt:			
Due to affiliates	-0-	-0-	
Other	93	-0-	
Deferred Credits	-0-	-0-	
Other liabilities (Note 9)	26,013	29,365	
Commitments and Contingencies (Note 5)			
Total Liabilities	42,059	51,810	
Stockholders', Partners', or Proprietor's Equity	18,571,627	15,557,659	
Total Liabilities and Equity	\$ 60,630,686	\$ 67,369,469	

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

Comparisons cannot be made without using information contained in the notes.

CCC-305

BALANCE SHEETS

December 31, 1990 and 1989

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:		
1	Cash	\$ 11,086	\$ 12,802
2	Marketable Securities	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990 \$4,875; 1989 \$4,643).	10,400	12,981
4	Inventories	2,228	2,084
5	Prepaid expenses and other current assets	1,145	978
6	Total current assets	24,859	28,845
7	Investments, Advances and Receivables .(Note 4)	339,298	299,476
8	Property and Equipment - Net(Note 2)	245,593	225,562
9	Other Assets	3,731	3,586
10	Total Assets	613,481	557,469
	LIABILITIES AND EQUITY		
	Current Liabilities		
11	Accounts payable	\$ 3,149	\$ 1,908
12	Notes payable	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates	-0-	-0-
14	Other(Note 3)	88	3
15	Income taxes payable and accrued	817	1,435
16	Other accrued expenses(Note 8)	11,488	18,122
17	Other current liabilities	406	998
18	Total current liabilities	15,948	22,466
	Long-Term Debt:		
19	Due to affiliates	-0-	-0-
20	Other	93	-0-
21	Deferred Credits	-0-	-0-
22	Other Liabilities(Note 9)	26,013	29,344
23	Commitments and Contingencies(Note 5)		
24	Total Liabilities	42,054	51,810
25	Stockholders', Partners', or Proprietor's Equity	571,427	505,659
26	Total Liabilities and Equity	\$ 613,481	\$ 557,469

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 Years Ended December 31, 1990 and 1989

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$ 281,252	\$ 292,056
2	Rooms	20,649	22,086
3	Food and Beverage	39,920	45,492
4	Other	9,109	9,867
5	Total revenue	350,930	369,501
6	Less: Promotional Allowance (Note 7)	36,803	42,896
7	Net revenue	314,127	326,605
	Costs and Expenses:		
8	Cost of goods and services	172,436	171,308
9	Selling, general, and administrative	52,975	54,260
10	Provision for doubtful accounts	2,534	1,320
11	Depreciation and amortization	12,505	12,502
	Charges from affiliates other than interest:		
12	Management Fees	-0-	-0-
13	Other	-0-	-0-
14	Total costs and expenses	240,450	239,390
15	Income (Loss) from Operations	73,677	87,215
	Other Income (Expenses):		
16	Interest (expense) - affiliates	-0-	-0-
17	Interest (expense) - external	(767)	(1)
18	Investment alternative tax and related income (expense) - net	(425)	(662)
19	Nonoperating income (expense) - net	977	1,625
20	total other income (expenses)	(215)	962
21	Income (Loss) Before Income Taxes and Extraord. Items	73,462	88,177
22	Provision (credit) for income taxes . (Note 10)	7,694	8,271
23	Income (Loss) Before Extraordinary Items	65,768	79,906
24	Extraordinary items (net of income taxes - 1990, \$0; 1989, \$0)	-0-	-0-
25	Net Income (Loss)	\$ 65,768	\$ 79,906

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

STATEMENTS OF INCOME

For the Three Months Ended December 31, 1990 and 1989

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$ 60,819	\$ 68,764
2	Rooms	4,097	5,105
3	Food and beverage	8,466	10,547
4	Other	2,055	2,062
5	Total revenue	75,437	86,478
6	Less: Promotional allowance (Note 7)	7,780	10,350
7	Net revenue	67,657	76,128
	Costs and Expenses:		
8	Cost of goods and services	40,464	41,786
9	Selling, general, and administrative	10,833	13,690
10	Provision for doubtful accounts	389	114
11	Depreciation and amortization	3,152	3,089
	Charges from affiliates other than interest:		
12	Management fees	-0-	-0-
13	Other	-0-	-0-
14	Total costs and expenses	54,838	58,679
15	Income (Loss) from Operations	12,819	17,449
	Other Income (Expenses):		
16	Interest (expense) - affiliates	-0-	-0-
17	Interest (expense) - external	(275)	-0-
18	Investment alternative tax and related income (expense) - net	(183)	(132)
19	Nonoperating income (expense) - net	372	436
20	Total other income (expenses)	(86)	304
21	Income (loss) before income taxes and extraord. items	12,733	17,753
22	Provision (credit) for income taxes . (Note 10)	1,409	1,670
23	Income (loss) before extraordinary items	11,324	16,083
24	Extraordinary items (net of income taxes - 1990, \$0; 1989, \$0)	-0-	-0-
25	Net Income (Loss)	\$ 11,324	\$ 16,083

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: HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the Years Ended December 31, 1990 and 1989

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(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	+++++		+++++	
26	Prior period adjustments	+++++		+++++	
27	Net income (loss)	+++++		+++++	
28	Dividends	+++++	()	+++++	()
29		+++++		+++++	
30		+++++		+++++	
31	Ending balance	+++++		+++++	
32	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: HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

For the Years Ended December 31, 1990 and 1989

(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Invested Capital:		
1	Beginning balance (January 1)	\$ 141,594	\$ 141,594
2	Additional capital invested	-0-	-0-
3			
4	Ending balance	141,594	141,594
	Additional Income (Loss):		
5	Beginning balance (January 1)	470,803	390,897
6	Prior period adjustments	-0-	-0-
7	Net income (loss)	65,768	79,906
8			
9	Ending balance	536,571	470,803
	Capital Withdrawals:		
10	Beginning balance (January 1)	(106,738)	(106,738)
11	Additional capital withdrawals	(-0-)	(-0-)
12			
13	Ending balance	(106,738)	(106,738)
	Net Unrealized Loss on Noncurrent Marketable equity securities:		
14	Beginning balance (January 1)	(-0-)	(-0-)
15		-0-	-0-
16		-0-	-0-
17	Ending balance	(-0-)	(-0-)
18	Ending Partner's or Proprietor's Equity	\$ 571,427	\$ 505,659

SUPPLEMENTAL DISCLOSURE OF CASH FLOW 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 Years Ended December 31, 1990 and 1989
(Unaudited)
(\$ in Thousands)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) by Operating Activities . . .	\$ 69,509	\$ 92,529
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities	-0-	-0-
3	Proceeds from the sale of short-term investment sec.	-0-	-0-
4	Purchase outflows for property and equipment	(28,456)	(20,851)
5	Proceeds from disposition of property and equipment .	491	85
6	Purchase of casino reinvestment obligations	(3,572)	(7,631)
7	Purchase of other investments and loan/advances made	(51,871)	(79,887)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	12,186	13,983
9	Cash outflows to acquire business entities	-0-	-0-
10			
11			
12	Net Cash Provided (Used) by Investing Activities . . .	(71,222)	(94,301)
	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		
17	Payments to settle long-term debt	(3)	(5)
18	Cash proceeds from issuing stock or capital contrib.		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21			
22			
23	Net Cash Provided (Used) by Financing activities . . .	(3)	(5)
24	Net Increase (Decrease) in Cash and Cash Equivalents .	(1,716)	(1,777)
25	Cash and Cash Equivalents at Beginning of Period . . .	12,802	14,579
26	Cash and Cash Equivalents at End of Period	\$ 11,086	\$ 12,802

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period for:		
	Interest (net of amount capitalized)	\$ 756	\$ 1
28	Income Taxes	\$ 8,312	\$ 8,527

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 Years Ended December 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)	\$ 65,768	\$ 79,906
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equip.	12,505	12,323
31	Amortization of other assets	-0-	179
32	Amortization of debt discount or premium	-0-	-0-
33	Deferred income taxes - current	-0-	-0-
34	Deferred income taxes - noncurrent	-0-	-0-
35	(Gain) loss on disposition of property & equipment	320	227
36	(Gain) loss on casino reinvestment obligations	425	662
37	(Gain) loss from other investment activities	-0-	-0-
38	Net (increase) Decrease in receivables and patrons' checks	1,307	(2,781)
39	Net (increase) decrease in inventories	(144)	99
40	Net (increase) decrease in other current assets	(167)	52
41	Net (increase) decrease in other assets	(353)	(488)
42	Net increase (decrease) in accounts payables	513	(1,582)
43	Net increase (decrease) in other current liabilities excluding debt	(7,334)	(536)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(3,331)	4,468
45		-0-	-0-
46			-0-
47	Net Cash Provided (Used) by Operating Activities	\$ 69,509	\$ 92,529

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition of Property and Equipment:		
49	Additions to property and equipment	\$ 28,637	\$ 20,851
50	Less: capital lease obligations incurred	181	-0-
	Cash Outflows for Property and Equipment	\$ 28,456	\$ 20,851
	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, and		
59	Consideration in acquisition of business entities		
60	Cash Proceeds from Issuing Stock Or Capital Contrib	\$	\$

Trading Name of Licensee: Harrah's Casino Hotel, Atlantic City

Supplemental Disclosure of Non-Cash Activity
by Balance Sheet Line Item not Reported on
Statement of Cash Flows.

For the Year Ended December 31, 1990

Balance
Sheet
Line

Line	Description	Amount
<u>3</u>	Reversal of CRDA Receivable from 12/31/89 against Investments, Advances and Receivables	\$ <u>(1,274)</u>
<u>7</u>	Reclassification of Long-Term Receivable to Property and Equipment as a cost addition	\$ (94)
	Reclassification of future CRDA credit received from donation of Minority Set- Aside funds to other assets	(431)
	Capitalized Interest passed through Due From Affiliates account for construction project	(3,759)
	Reversal of CRDA receivable from Accounts Receivable	<u>1,274</u>
	Total Line 7	\$ <u>(3,010)</u>
<u>8</u>	Construction Retainage Charged as Addition	\$ 728
	Capitalized Interest passed through Due From Affiliates account for construction project	3,759
	Reclassification of Long-Term Receivable as cost addition	94
	Reclassification of amounts previously classified as Other Assets	639
	Reclassification of Property and Equipment Valuation Adjustment account from Other Current Liabilities	<u>(510)</u>
	Total Line 8	\$ <u>4,710</u>

MARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS

Balance
Sheet

Line	Description	Amount
9	Reclassification of amounts to Property and Equipment	\$ (639)
	Reclassification of future CRDA credit received from donation of Minority Set-Aside funds from Investments, Advances and Receivables	<u>431</u>
	Total Line 9	\$ (208)
11	Construction Retainage Payable	\$ (728)
17	Reclassification of Property and Equipment Valuation Adjustment account to Property and Equipment	<u>510</u>
	Total of All Non-Cash Activity	<u>0</u>

Property and Equipment

Property and equipment is carried at cost and is depreciated on the straight-line method using rates based on the following estimated useful lives:

Buildings, leaseholds and improvements	40 years
Furniture, fixtures and equipment	3-10 years

The interest associated with borrowings used to finance the construction and expansion of the hotel/casino during the construction period has been capitalized and is being amortized over the estimated useful life of the complex.

When management determines that some element of property and equipment is to be disposed of, its net realizable value is estimated and a write-down is recorded if the estimated net realizable value is less than the net book value.

Valuation allowance is included as a component of accumulated depreciation.

Opening Expenses

Costs incurred prior to opening and expansion were deferred and charged to operations over a three-year period using the straight-line method.

Income Taxes

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

In accordance with regulations prescribed by the New Jersey Casino Control Act, the company files a State income tax return on behalf of the partners.

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies:

Organization -

Marina Associates (The Company), doing business as Harrah's Casino Hotel, Atlantic City, operates as a general partnership. The Promus Companies, Inc., through its subsidiaries, is the sole owner of the Company.

Gaming Revenues -

Gaming revenues are the net win from gaming activities and represent the difference between amounts wagered and amounts won by patrons.

Promotional Allowances -

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

Inventories -

Inventories of provisions and supplies are valued at the lower of cost, weighted average, or market.

Property and Equipment -

Property and equipment is carried at cost and is depreciated on the straight-line method using rates based on the following estimated useful lives:

Buildings, leaseholds and improvements	40 years
Furniture, fixtures and equipment	3-10 years

The interest associated with borrowings used to finance the construction and expansion of the hotel/casino during the construction period has been capitalized and is being amortized over the estimated useful life of the complex.

When management determines that some element of property and equipment is to be disposed of, its net realizable value is estimated and a write-down is recorded if the estimated net realizable value is less than the net book value.

A valuation allowance is included as a component of accumulated depreciation.

Pre-Opening Expenses -

Costs incurred prior to opening and expansion were deferred and charged to operations over a three-year period using the straight-line method.

Income Taxes -

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

In accordance with regulations prescribed by the New Jersey Casino Control Act, the Company files a State income tax return on behalf of the partners.

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 2: Property and Equipment:

Property and equipment consist of the following:

	DECEMBER 31	
	1990	1989
	(000's)	(000's)
Land and land improvements	\$ 26,377	\$ 26,415
Buildings, leaseholds and improvements	202,811	199,820
Furniture, fixtures and equipment	62,438	58,609
Construction in progress	38,987	14,617
Equipment held under capital leases	181	22
	\$330,794	\$299,483
Less accumulated depreciation	(85,201)	(73,921)
Property and equipment, net	\$245,593	\$225,562

The Company has entered into certain lease agreements for equipment which are classified as capital leases. Assets are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset and are depreciated in accordance with the Company's depreciation policy for other owned assets.

NOTE 3: Long-Term Debt:

Marina Associates has a lease on computer equipment dated June 30, 1990. This 36 month lease is payable in monthly installments of \$5,929.

Long-term debt consists of the following:

	DECEMBER 31	
	1990	1989
	(000's)	(000's)
Capital lease obligation	\$ 181	\$ 3
Obligation due within one year	(88)	(3)
	\$ 93	\$ 0

The lease terms expire on May 31, 1993, and June 30, 1990. Interest is imputed at the rate of 11.23% and 13.88% respectively.

Future minimum lease payments consist of:

Year	Amount
1991	\$112,651
1992	71,148
1993	29,645
	\$213,444
Less amount representing interest	(32,744)
Present value of the net minimum lease payments	\$180,700

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 4: Investments, Advances and Receivables:

	DECEMBER 31	
	1990	(000's) 1989
Notes Receivable	\$ 2,396	\$ 2,419
Investment in CRDA Bonds - Net of Valuation Adj.	2,197	2,163
Reinvestment Obligation Deposits - Net of Val. Adj.	1,938	10,145
Due from Affiliates	332,082	284,293
Funds Advanced to Northeast Inlet Redevelopment Project to be reimbursed by a UDAG Grant	685	456
	<u>\$339,298</u>	<u>\$299,476</u>

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at December 31, 1990 and 1989.

	DECEMBER 31	
	1990	(000's) 1989
Harrah's New Jersey, Inc.	\$ 18,962	\$ 18,962
Harrah's Lake Tahoe	138	115
Holiday Corporation	-0-	262,208
Embassy Suites, Inc. (Parent)	312,743	2,627
Holiday Inns, Inc.	-0-	143
Harrah's Laughlin	128	128
Bill's Casino	111	110
Total Due from Affiliates	<u>\$332,082</u>	<u>\$284,293</u>

NOTE 5: Commitments and Contingencies:

Leases - The Company has several operating leases relating to a storage warehouse, parking areas, computer equipment, transportation equipment and shoreline land. These leases have various expiration dates through 2003. Rental expenses for the twelve months ended December 31, 1990, and December 31, 1989, were approximately \$2,330,318 and \$2,329,484 respectively.

Future minimum lease payments due under these leases are as follows:

1991	\$ 2,112,169
1992	1,275,970
1993	556,159
1994	248,836
1995	204,000
Thereafter	<u>1,632,000</u>
	<u>\$ 6,029,134</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 6: Investment Obligation:

Section 144 of the New Jersey Casino Control Act as amended in 1984 requires a casino licensee to make investments in New Jersey or pay an investment alternative tax if it fails to do so. For each of the calendar years 1979 to 1983, a casino licensee whose gross casino revenues exceed its cumulative investment (the "cumulative investment"), must either make investments in an amount equivalent to 2% of its gross casino revenues or pay an investment alternative tax in the same amount within five years of the applicable calendar year. The cumulative investment of a casino licensee includes the real property and improvement costs associated with its hotel/casino complex.

Commencing with calendar year 1984, and continuing for twenty-five years thereafter, a casino licensee must either obtain investment tax credits 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 making qualified investments or by the purchase of bonds at below market rates from the newly created Casino Reinvestment Development Authority. In addition, commencing with obligations incurred after 1983, payments of a casino licensee's obligation must be made quarterly.

The Company has filed a petition with the Casino Reinvestment Development Authority and has received final approval for a direct investment project in Atlantic City. This project will be eligible for credit in satisfaction of the investment obligation, and the Company will not be required to continue purchasing bonds or pay the investment alternative tax. Accordingly, no liability has been recorded in the financial statements for the Atlantic City portion of the company's obligation.

The Company, in lieu of purchasing bonds, has donated the balance of all funds designated to be invested in obligations of the New Jersey Development Authority for Small Business, Minorities and Women's Enterprises (SBMWE) directly to that Authority effective September 1, 1990. The Company intends to also donate any funds set aside up to and through December 31, 1990, to the same Authority as soon as the funds are deposited with the CRDA. The Company in return will receive a credit against future SBMWE obligations. The difference between the funds donated, the future credit received and the amount contained in the valuation allowance for SBMWE funds will be charged to operations through December 31, 1990. As of December 31, 1990, the amount of the donation was \$876,731.

The Company, in the absence of receiving approval for a direct investment project, will have to purchase bonds in order to satisfy obligations outside of Atlantic City. Obligations of the New Jersey Development Authority for Small Business, Minorities and Women's Enterprises are treated in accordance with the preceding paragraph. At December 31, 1990, the Company has established a valuation allowance of \$609,808 to provide for the charge against operations which would be incurred at the time that these bonds were issued. The charge against operations would reflect the below market rate interest paid by the bonds.

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 7: Promotional Allowances:

Promotional allowances for the twelve months ended December 31, 1990, consist of:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF RECIPIENTS</u> (000's)	<u>DOLLAR AMOUNT</u> (000's)	<u>NUMBER OF RECIPIENTS</u> (000's)	<u>DOLLAR AMOUNT</u> (000's)
Rooms	118	\$10,060	0	\$ 0
Food	1,691	16,911	0	0
Beverage	2,815	7,038	0	0
Travel	0	0	67	6,523
Theatre	140	2,794	0	0
Coupon Redemption of				
Cash & Tokens	0	0	898	11,217
Rooms Off-Premises	0	0	N/A	48
Other*	0	0	279	1,619
	<u>4,764</u>	<u>\$36,803</u>	<u>1,244</u>	<u>\$19,407</u>

Promotional allowances for the three months ended December 31, 1990, consist of:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF RECIPIENTS</u> (000's)	<u>DOLLAR AMOUNT</u> (000's)	<u>NUMBER OF RECIPIENTS</u> (000's)	<u>DOLLAR AMOUNT</u> (000's)
Rooms	22	\$ 1,861	0	\$ 0
Food	362	3,619	0	0
Beverage	625	1,562	0	0
Travel	0	0	11	1,102
Theatre	37	738	0	0
Coupon Redemption of				
Cash & Tokens	0	0	210	2,621
Rooms Off-Premises	0	0	N/A	2
Other*	0	0	48	278
	<u>1,046</u>	<u>\$ 7,780</u>	<u>269</u>	<u>\$ 4,003</u>

* Other comps are mainly comprised of tips, flowers, gift shop comps, phone calls, cigars, Harbour Holiday packages, and service charges for room service. For financial recording and reporting purposes, such complimentarys are combined in one expense account.

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS (cont'd)

NOTE 8: Other Accrued Expenses:

Other accrued expenses consist of the following:

	DECEMBER 31	
	1990	(000's) 1989
Accrued salaries and wages	\$ 5,699	\$ 8,974
Taxes payable	483	779
Other accrued expenses	3,442	4,915
Accrued progressive slot liability	1,271	2,779
Accrued CCC/DGE/Casino License fees	582	675
Accrued interest long-term debt	11	0
	<u>\$11,488</u>	<u>\$18,122</u>

NOTE 9: Other Liabilities:

Other liabilities consist of the following:

	DECEMBER 31	
	1990	(000's) 1989
Long Term due to Affiliates	\$22,749	\$28,947
Other Liabilities	660	397
Deferred income - ACIA Grant	2,207	0
Deferred income - CRDA Grant	397	0
	<u>\$26,013</u>	<u>\$29,344</u>

The Company has received several construction grants from the Atlantic County Improvement Authority (ACIA) and the Casino Reinvestment Development Authority (CRDA) as partial funding of a Casino Reinvestment Development Authority Direct Investment Project in Atlantic City. These grants will be taken into income when the project is completed.

Due to Affiliates consist of the following unsecured, non-interest bearing inter-company amounts.

	DECEMBER 31	
	1990	(000's) 1989
Due to Affiliates -		
Holiday Inns - Hotel Group	\$ 0	\$ 7,459
Harrah's Holdings, Inc.	608	587
Harrah's Atlantic City, Inc.	21,729	20,531
Harrah's Reno	74	35
Harrah's Holiday Inns of NJ, Inc.	297	297
Holiday Casino, Inc.	41	38
	<u>\$22,749</u>	<u>\$28,947</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

NOTES TO FINANCIAL STATEMENTS (cont'd)

(Unaudited)

NOTE 10: Provision for State Income Taxes:

The Company, in accordance with regulations prescribed by the New Jersey Casino Control Act, has provided for New Jersey State tax at the statutory rate (9.417%).

NOTE 11: Savings and Retirement Plan:

An employee Savings and Retirement Plan was established on October 1, 1985. This plan covers all non-union employees who have been employed at least one year with a minimum of one thousand hours worked. The company will match employee contributions up to 6% of gross pay. A participating employee is vested in company contributions according to their years of service. The company's contribution for the twelve months ended December 31, 1990, was \$3,024,832.

Other Receivables:			
Receivables due from officers and employees	27		
Receivables due from affiliates	-0-		
Other accounts and notes receivables	1,614		
Total other receivables	1,641	-0-	1,641
als (Form 705)	15,375	4,873	10,400

UNDEPOSITED PATRONS' CHECKS ACTIVITY

DESCRIPTION (a)	AMOUNT (b)
Beginning Balance (January 1)	\$ 5,564
Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	181,526
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)	(172,473)
Checks collected through deposits	(51,564)
Checks transferred to returned checks	(8,310)
Other adjustments	-0-
Ending Balance	\$ 2,743
Less: Checks Included in Balance on Line 16	\$ -
Provision for Uncollectible Patrons' Checks	\$ 2,491
Transfer as 2 Percent of Counter Checks Issued	1 =

Trading Name of Licensee: HARRAH'S CASINO HOTEL, ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
December 31, 1990

(Unaudited)
(\$ in Thousands)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Patron's Checks			
	Undeposited patrons' checks	\$ 4,244		
2	Returned patrons' checks . .	8,684		
3	Total patron's checks . .	12,928	\$ 4,851	\$ 8,077
4	Hotel Receivables	706	24	682
	Other Receivables:			
5	Receivables due from officers and employees . .	22		
6	Receivables due from affiliates	-0-		
7	Other accounts and notes receivables	1,619		
8	Total other receivables .	1,641	-0-	1,641
9	Totals (Form 205)	\$ 15,275	\$ 4,875	\$ 10,400

UNDEPOSITED PATRON'S CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 5,564
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .	181,526
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)	(122,672)
13	Checks collected through deposits	(51,664)
14	Checks transferred to returned checks	(8,510)
15	Other adjustments	-0-
16	Ending Balance	\$ 4,244
17	"Hold" Checks Included in Balance on Line 16	\$ -0-
18	Provision for Uncollectible Patrons' Checks	\$ 2,491
19	Provision as a Percent of Counter Checks Issued	1.4

CASINO DEPARTMENTAL SCHEDULE

For the Year Ended December 31, 1990

(Unaudited)
(\$ in Thousands)

Line (a)	Description (b)	Amount (c)	Drop (d)	Win (Loss) Percent (e)	Weighted Avg. No. Tables or (f) Machines
	Revenue:	\$	\$	%	
1	Blackjack	43,224	301,198	14.4	77
2	Craps	36,133	223,965	16.1	22
3	Roulette	13,763	56,846	24.2	18
4	Big Six	1,504	3,354	44.8	3
5	Baccarat	3,135	20,204	15.5	2
6	Other table games	1,365	7,137	19.1	2
7	Total table games revenue	99,124	\$ 612,704	16.2 %	124
			HANDLE		
8	\$.05 slot machines	4,231	\$ 27,707	15.3 %	97
9	\$.25 slot machines	49,955	381,659	13.1	606
10	\$1.00 slot machines	36,516	358,367	10.2	267
11	Other slot machines	89,918	947,093	9.5	799
12	Total coin-operated devices revenue	180,620	\$1,714,826	10.5 %	1,769
13	Progressive jackpot adjustment	1,508			
14	Total coin-operated devices after adjustment	182,128			
15	Other Income	-0-			
16	Total Revenue	281,252			
	Expenses:				
17	Payroll and payroll related expenses	56,923			
18	Licenses and taxes	23,310			
19	Provision for uncollectible patrons' checks	2,491			
20	Other	26,650			
21	Total	109,374			
22	Departmental Income (Loss) before Complimentary Services and Casino Management Fees	171,878			
	Complimentary services and casino management fees:				
23	Complimentary services	37,233			
24	Casino management fees	-0-			
25	Total	37,233			
26	Departmental Income (Loss)	\$ 134,645			

GROSS REVENUE ANNUAL TAX RETURN

Casino win or (loss)
Table games **LICENSEE** MARINA ASSOCIATES
Coin-operated devices
Total revenue **ADDRESS** 1725 BRIGANTINE BOULEVARD
Less - adjustment for ATLANTIC CITY, NJ 08401
Provision for uncollectible patrons' checks
Maximum adjustment (A) of line 3
Adjustment (the lesser of line 4 or line 5)

FOR THE YEAR ENDED DECEMBER 31, 19 90

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL TAX RETURN

JOSEPH A. DOMENICO

OFFICIAL TITLE

VICE PRESIDENT OF FINANCE

ADDRESS

1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

Trading Name of Licensee: HARRAH'S CASINO HOTEL, ATLANTIC CITY

GROSS REVENUE ANNUAL TAX RETURN

For the Year Ended December 31, 1990
(Unaudited)
(\$ in Thousands)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 99,124	
2	Coin-operated devices revenue	180,620	
3	Total revenues		\$ 279,744
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 2,491	
5	Maximum adjustment (4% of line 3)	\$ 11,190	
6	Adjustment (the lesser of line 4 or line 5)		2,491
7	Gross revenues (line 3 less line 6)		\$ 277,253
8	Tax on gross revenues - current year (8% of line 7)		\$ 22,180
9	Audit or other adjustments to tax on gross revenues in prior years		-0-
10	Total tax on gross revenues (line 8 plus or minus line 9)		22,180
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 1,519	
12	February	1,876	
13	March	1,732	
14	April	2,270	
15	May	1,709	
16	June	1,758	
17	July	2,150	
18	August	1,939	
19	September	1,824	
20	October	1,943	
21	November	1,582	
22	December	1,595	
23	January	283	
24	Total deposits made for tax on current year's gross revenues ()		(22,180)
25	Settlement of prior year's tax on gross revenues resulting from audit or other adjustments - (deposits) credits		-0-
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ -0-

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE MARINA ASSOCIATES
ADDRESS 1725 BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL EMPLOYMENT
AND PAYROLL REPORT.....**

JOSEPH A. DOMENICO

OFFICIAL TITLE.....

VICE PRESIDENT OF FINANCE

ADDRESS.....

1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

Trading Name of Licensee: Harrah's Casino Hotel, Atlantic City

ANNUAL EMPLOYMENT AND PAYROLL REPORT

For the year ended December 31, 1990

(\$ in Thousands)

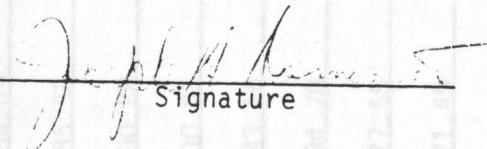
LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	OTHER (d) EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	TOTALS
	CASINO				
1	Administration	0			
2	Gaming	703			
3	Slots	158			
4	Casino accounting	82			
5	Other	648			
6	Total - casino	1,591	\$ 37,248	\$ -0-	\$ 37,248
7	ROOMS	232	4,393	-0-	4,393
8	FOOD AND BEVERAGE	967	14,225	-0-	14,225
	OTHER OPERATED DEPARTMENTS				
9	Marina	1	126	-0-	126
10	Cafeteria	16	823	-0-	823
11	Communications	20	354	-0-	345
12	Gift Shop	20	451	-0-	451
13					
14					
15					
16					
..19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	10	707	-0-	707
21	Accounting and auditing	58	1,553	-0-	1,553
22	Security	202	4,529	-0-	4,529
23	Other administrative and general department	229	5,856	-0-	5,856
24	MARKETING	15	929	-0-	929
25	GUEST ENTERTAINMENT	51	2,206	-0-	2,206
26	PROPERTY OPERATION AND MAINTENANCE	295	7,691	-0-	7,691
27	TOTALS - ALL DEPARTMENT	3,707	81,091	-0-	81,091

Trading Name of Licensee Harrah's Casino Hotel, Atlantic City

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1990

March 15, 1991
Date


Signature

Vice President of Finance
Title

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	760	23,560	17,804	\$ 82.51	75.6%	33,716	\$ 43.63
FEBRUARY	760	21,280	18,980	\$ 87	88.7%	14,853	\$ 46.56
MARCH	760	23,560	20,760	\$ 85	88.1%	19,971	\$ 44.86
1ST QUARTER TOTALS		68,400	57,544	\$ 83.1	74.1%	67,430	\$ 46.74
APRIL	760	23,200	21,126	\$ 88.5	95.1%	18,771	\$ 50.03
MAY	760	23,560	21,407	\$ 83.16	96.9%	17,000	\$ 42.45
JUNE	760	22,200	21,288	\$ 86.1	95.4%	17,600	\$ 41.81
2ND QUARTER TOTALS		69,160	64,521	\$ 85.18	94.1%	63,400	\$ 44.61
JULY	760	23,560	22,521	\$ 100	95.6%	16,400	\$ 48.85
AUGUST	760	23,560	22,467	\$ 100	94.4%	16,400	\$ 48.43
SEPTEMBER	760	22,200	21,221	\$ 83	93.1%	16,000	\$ 46.37
3RD QUARTER TOTALS		68,920	66,209	\$ 96.18	96.1%	150,812	\$ 47.91
OCTOBER	760	23,560	21,040	\$ 77.5	89.3%	17,100	\$ 43.91
NOVEMBER	760	22,800	18,821	\$ 71.8	82.5%	13,825	\$ 39.79
DECEMBER	760	23,560	15,239	\$ 73.59	64.7%	20,369	\$ 18.18
4TH QUARTER TOTALS		63,920	55,090	\$ 74.38	74.8%	101,083	\$ 40.58
ANNUAL TOTALS		276,400	243,314	\$ 81.90	68.1%	467,793	\$ 44.74

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 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	760	23,560	17,804	\$ 82.63	75.6%	33,716	\$ 43.63
FEBRUARY	760	21,280	18,990	\$ 83.61	89.2%	34,853	\$ 45.56
MARCH	760	23,560	20,760	\$ 84.18	88.1%	38,870	\$ 44.96
1ST QUARTER TOTALS		68,400	57,554	\$ 83.51	84.1%	107,439	\$ 44.74
APRIL	760	22,800	21,826	\$ 88.85	95.7%	38,762	\$ 50.03
MAY	760	23,560	21,407	\$ 83.14	90.9%	41,927	\$ 42.45
JUNE	760	22,800	21,288	\$ 84.09	93.4%	42,810	\$ 41.81
2ND QUARTER TOTALS		69,160	64,521	\$ 85.38	93.3%	123,499	\$ 44.61
JULY	760	23,560	22,521	\$ 100.28	95.6%	46,418	\$ 48.65
AUGUST	760	23,560	22,467	\$ 100.01	95.4%	46,396	\$ 48.43
SEPTEMBER	760	22,800	21,221	\$ 83.16	93.1%	38,058	\$ 46.37
3RD QUARTER TOTALS		68,920	66,209	\$ 94.70	96.1%	130,872	\$ 47.91
OCTOBER	760	23,560	21,030	\$ 77.55	89.3%	37,739	\$ 43.21
NOVEMBER	760	22,800	18,821	\$ 71.49	82.5%	33,875	\$ 39.72
DECEMBER	760	23,560	15,239	\$ 73.59	64.7%	29,369	\$ 38.18
4TH QUARTER TOTALS		69,920	55,090	\$ 74.38	78.8%	100,983	\$ 40.58
ANNUAL TOTALS		276,400	243,374	\$ 84.99	88.1%	462,793	\$ 44.69



ANNUAL REPORT

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LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

ADDRESS BOARDWALK AND NORTH CAROLINA AVENUE
ATLANTIC CITY, NEW JERSEY 08404

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 27 1991
185 W. STATE ST.
TRENTON, N.J.



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT**

JOHN R. SPINA

OFFICIAL TITLE

SR. VICE PRESIDENT - FINANCE & ADMINISTRATION

ADDRESS

BOARDWALK AND NORTH CAROLINA AVENUE

ATLANTIC CITY, NEW JERSEY 08404

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

L I S T O F F O R M S - A N N U A L R E P O R T

FOR THE YEAR ENDED DECEMBER 31, 1990

(S IN THOUSANDS)

TITLE	DESCRIPTION	FORM NO.	1989	(d) 1989
Balance Sheets	ASSETS	CCC-305		
Statements of Income (Year)	Money Market At Cost) (net of allowances for unprofitable accounts - 1989, \$5,717; 1988, \$4,915 (Note 2))	CCC-310		
Statements of Income (Three Months)	(Note 17)	CCC-315		
Statements of Changes in Stockholders' Equity		CCC-320		
Statements of Changes in Partners' or Proprietor's Equity		CCC-325		
Statements of Cash Flows	AND EQUITY	CCC-335		
Notes to Financial Statements				
Schedule of Receivables and Patrons' Checks		CCC-340		
Casino Departmental Schedule	(Note 18)	CCC-345		
Statement of Conformity and Accuracy		CCC-350		

The accompanying notes are an integral part of the financial statements. Said financial statements should be read 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.)

BALANCE SHEETS

DECEMBER 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:		
1	Cash	\$ 9,885	\$ 10,037
2	Marketable securities (Short-term Money Market At Cost).....	4,212	1,005
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$5,717; 1989, \$4,915 (Note 2)	288	150,221
4	Inventories	1,749	2,173
5	Prepaid expenses and other current assets (Note 17).....	2,971	2,046
6	Total current assets	19,105	165,482
7	Investments, Advances, And Receivables ....(Note 3).....	4,945	3,968
8	Property And Equipment - Net ....(Note 4).....	138,236	226,431
9	Other Assets ....(Note 5).....	314	18,728
10	Total Assets	<u>\$162,600</u>	<u>\$414,609</u>
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts Payable	\$ 4,066	\$ 4,741
12	Notes Payable		
13	Current portion of long-term debt: (Note 7)		
14	Due to affiliates		
15	Other	1,044	481
16	Income taxes payable and accrued (Note 13).....		
17	Other accrued expenses (Note 6).....	16,134	16,449
18	Other current liabilities (Note 18).....	7,858	4,283
	Total current liabilities	29,102	25,954
19	Long-Term Debt: (Note 7)		
20	Due to affiliates	325,000	355,231
21	Other	1,786	1,723
22	Deferred Credits ....(Note 16).....	541	38,066
23	Other Liabilities		
	Commitments and Contingencies (Note 14)		
24	Total Liabilities.....	356,429	420,974
25	Stockholders', Partners', or Proprietor's Equity	(193,829)	(6,365)
26	Total Liabilities and equity	<u>\$162,600</u>	<u>\$414,609</u>

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

CCC-305

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

STATEMENTS OF INCOME

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

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$206,478	\$227,144
2	Rooms	15,616	16,920
3	Food and beverage	29,577	31,105
4	Other	9,725	8,481
5	Total revenue	261,396	283,650
6	Less: promotional allowances ... (Note 8)	25,623	28,596
7	Net revenue	235,773	255,054
	Costs And Expenses:		
8	Cost of goods and services	156,600	159,570
9	Selling, general, and administrative	46,599	60,544
10	Provision for doubtful accounts	2,108	2,068
11	Depreciation and amortization	12,877	20,126
	Charges from affiliates other than interest: (Note 10)		
12	Management fees	5,655	4,800
13	Other	2,925	10,809
14	Total costs and expenses	226,764	257,917
15	Income (Loss) From Operations	9,009	(2,863)
	Other Income (Expense):		
16	Interest (expense) - affiliates... (Note 10)		(45,106)
17	Interest expense - external	(367)	(266)
18	Investment alternative tax and related inc. (exp) (Note 14)	(1,497)	(1,500)
19	Nonoperating income (expense) - net (Note 11)	(212,274)	(102,707)
20	Total other income (expenses)	(214,138)	(149,579)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	(205,129)	(152,442)
22	Provision (Credit) for income taxes ... (Notes 1, 13)		(3,400)
23	Income (Loss) Before Extraordinary Items	(205,129)	(149,042)
24	Extraordinary Items (net of income taxes - 1990, \$NONE ; 1989, \$NONE)	(17,335)	
25	Net Income (Loss)	(\$222,464)	(\$149,042)

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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-310

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

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 DECEMBER 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$47,662	\$ 48,575
2	Rooms	3,212	3,910
3	Food and beverage	6,989	6,857
4	Other	1,979	2,501
5	Total revenue	59,842	61,843
6	Less: promotional allowances ....(Note 8).....	5,167	6,366
7	Net revenue	54,675	55,477
	Costs And Expenses:		
8	Cost of goods and services	37,608	39,975
9	Selling, general, and administrative	12,819	16,051
10	Provision for doubtful accounts	598	742
11	Depreciation and amortization	1,425	5,095
	Charges from affiliates other than interest:		
12	Management fees	2,055	1,200
13	Other	(499)	1,476
14	Total costs and expenses	54,006	64,539
15	Income (Loss) From Operations	669	(9,062)
	Other Income (Expense):		
16	Interest (expense) - affiliates.	2,437	(11,637)
17	Interest expense - external		(180)
18	Investment alternative tax and related inc.(exp)	(369)	(332)
19	Nonoperating income (expense) - net	(33,077)	(105,348)
20	Total other income (expenses)	(31,009)	(117,497)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	(30,340)	(126,559)
22	Provision (Credit) for income taxes		(500)
23	Income (Loss) Before Extraordinary Items	(30,340)	(126,059)
24	Extraordinary Items (net of income taxes - 1990, \$ <u>NONE</u> ; 19 <u> </u> , \$ <u>NONE</u>)		
25	Net Income (Loss)	(\$30,340)	(\$126,059)

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

CCC-315

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 DECEMBER 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	Reorganization Reclass of R/E	*****	(343,859)	*****	
11	Cancellations of N/R Griffin Co.	*****	(35,000)	*****	
12	Ending balance	*****	(198,829)	*****	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		35,000		
19					
20	Ending balance		- 0 -		(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)	*****	(222,464)	*****	(149,042)
28	Dividends	*****		*****	
29	Reclass of R.E. @ 8/31	*****	378,859	*****	
30		*****		*****	
31	Ending balance	*****	5,000	*****	(151,395)
32	Ending Stockholders' Equity	*****	(\$193,829)	*****	(\$ 6,365)

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: RESORTS INTERNATIONAL HOTEL, INC. AND SUBSIDIARIES
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1989	(d) 1988
	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.

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

STATEMENTS OF CASH FLOWS

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

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) by Operating Activities	(\$24,620)	\$ 2,159
	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	(24,638)	(14,742)
5	Proceeds from disposition of property and equipment	85	251
6	Purchase of casino reinvestment obligations	(2,543)	(2,823)
7	Purchase of other investments and loans/advances made		
8	Proceeds from disposal of investments and collections of advances and long-term receivables	40	334
9	Cash outflows to acquire business entities		
10	Investment in subsidiary.....	(40)	6,145
11	Loans to Affiliate.....	55,365	(64,985)
12	Net Cash Provided (Used) By Investing Activities	28,269	(75,820)
	Cash Flows From Financing Activities		
13	Cash proceeds from issuance of short-term debt	563	
14	Payments to settle short-term debt		(770)
15	Cash proceeds from issuance of long-term debt		
16	Costs of issuing debt		
17	Payments to settle long-term-debt	(1,157)	(2,028)
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.....		(2,430)
22	Reclass of affiliated interest to long-term.....		
23	Net Cash Provided (Used) By Financing Activities	(594)	(5,228)
24	Net Increase (Decrease) in Cash And Cash Equivalents	3,055	(78,889)
25	Cash And Cash Equivalents At Beginning Of Year	11,042	89,931
26	Cash And Cash Equivalents At End Of Year	\$14,097	\$ 11,042

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For:		
28	Interest (net of amount capitalized)	\$20,772	\$ 22,704
	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.

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CCC-335

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 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>\$(222,464)</u>	<u>\$(149,042)</u>
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	<u>12,622</u>	<u>14,612</u>
31	Amortization of other assets	<u>255</u>	<u>5,514</u>
32	Amortization of debt discount or premium		
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent		<u>(3,400)</u>
35	(Gain) loss on disposition of property and equipment ...	<u>175</u>	<u>162</u>
36	(Gain) loss on casino reinvestment obligations	<u>1,497</u>	<u>1,500</u>
37	(Gain) loss from other investment activities	<u>69</u>	<u>189</u>
38	Net (increase) decrease in receivables and patrons' checks	<u>354</u>	<u>1,740</u>
39	Net (increase) decrease in inventories	<u>424</u>	<u>103</u>
40	Net (increase) decrease in other current assets	<u>(925)</u>	<u>(945)</u>
41	Net (increase) decrease in other assets	<u>824</u>	<u>(1,435)</u>
42	Net increase (decrease) in accounts payable	<u>(675)</u>	<u>(1,437)</u>
43	Net increase (decrease) in other current liabilities excluding debt	<u>3,260</u>	<u>24,246</u>
44	Net increase (decrease) in other noncurrent liabilities excluding debt	<u>(37,525)</u>	<u>(627)</u>
45	Other (Note 15)	<u>217,489</u>	<u>5,818</u>
46	Write-off of Goodwill		<u>105,161</u>
47	Net Cash Provided (Used) By Operating Activities	<u>(24,620)</u>	<u>\$ 2,159</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	<u>(\$ 25,858)</u>	<u>(\$16,946)</u>
49	Less: Capital lease obligations incurred	<u>1,220</u>	<u>2,204</u>
50	Cash Outflows For Property And Equipment	<u>(\$ 24,638)</u>	<u>(\$14,742)</u>
	Acquisition Of Business Entities:		
51	Property and equipment acquired	<u>\$</u>	<u>\$</u>
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	<u>\$</u>	<u>\$</u>
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions		
58	Less: Issuances to settle long-term debt	<u>\$</u>	<u>\$</u>
59	Consideration in acquisition of business entities ..		
60	Cash Proceeds From Issuing Stock Or Capital Contributions ..	<u>\$</u>	<u>\$</u>

MERV GRIFFIN'S RESORTS CASINO HOTEL

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements, which are unaudited, include the operations of Resorts International Hotel, Inc. ("RIH") and its subsidiaries. Resorts International Hotel, Inc. ("RIH"), a wholly owned subsidiary of Resorts International, Inc. ("RII"), owns and operates Merv Griffin's Resorts Casino Hotel ("Resorts Casino Hotel"), a casino/hotel complex located in Atlantic City, New Jersey.

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.

Reorganization

Subsequent to the acquisition of RII by Griffin Co. as of November 15, 1988, RII Consolidated 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 November 12, 1989, certain creditors of RII and 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, GRH and GRI (hereinafter referred to as the "Debtors") filed a joint plan of reorganization which provided, 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 and a disclosure statement. After notice and a hearing, this filing was amended as of May 31, 1990. By order dated as of June 14, 1990, the Bankruptcy Court approved the revised disclosure statement (the "Disclosure Statement") allowing the Debtors to solicit official approval from their creditors of the Second Amended Joint Plan of Reorganization dated as of May 31, 1990 (the "Plan").

Pursuant to the Plan, all previously issued and outstanding debt securities of RII, RIFI and GRI (the "Old Debt Securities") and all previously outstanding shares of stock of RII have been cancelled. In exchange for the Old Debt Securities of the Debtors, RII has issued certain new debt securities and 15,100,000 shares of new common stock of RII ("Common Stock").

Also, pursuant to the Plan, Merv Griffin purchased 4,400,000 shares of Common Stock, and 500,000 shares of Common Stock was purchased by certain holders of previously outstanding debt securities with funds received from Merv Griffin.

On August 28, 1990, the Bankruptcy Court entered an order confirming the Plan and on September 17, 1990 (the "Effective Date"), all conditions to effectiveness of the Plan were either met or waived and the Plan became effective.

On October 1, 1990 (the "Initial Distribution Date"), among other things, the indentures governing the Old Debt Securities were cancelled and of no further force and effect, and the distributions of Common Stock and the new debt securities provided for under the Plan were commenced.

Basis of Presentation

RII Consolidated accounted for the reorganization using "fresh start" accounting. Accordingly all assets and liabilities were restated to reflect their estimated fair values and the accumulated deficit was eliminated. Although the confirmation date was August 28, 1990 the Company has recorded the effects of the reorganization as of August 31, 1990.

RIH recorded a charge from the write off of the remaining balance of \$17,335,000 of deferred debt issuance costs related to certain Old Debt Securities, which has been reported as an extraordinary item.

RIH also recorded affiliated bad debt write-offs of \$63,983,000, the net amount of intercompany receivables from the Debtors cancelled pursuant to the Plan.

The re-evaluation of RIH's other assets and liabilities, which was based on independent appraisals, discounting cash flows, evaluations, estimations, and other studies, resulted in a net loss of \$111,598,000, with the following components:

(In Thousands of Dollars)

Decrease in working capital	\$ 10,427
Decrease in property and equipment	<u>101,171</u>
	<u>\$111,598</u>

Certain studies regarding the valuation of RIH's assets and liabilities are continuing; however, management of RIH does not expect any significant revisions to result from the completion of this process.

The loss on re-evaluation is included in restructuring costs (non-operating) in the accompanying Statements of Income along with RIH's allocated portion (one-third) of legal and financial advisory fees and other costs associated with the reorganization amounting to \$11,215,000 for the twelve months of 1990.

The accumulated deficit at August 31, 1990, of \$343,859,000, which included the effects of the reorganization, was reclassified to additional paid in capital.

Also, a \$35,000,000 note receivable from The Griffin Company which was cancelled pursuant to the Plan, was reclassified to additional paid in capital.

Stock Sale and Merger

The Stock Sale and Merger 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 Griffin Co.'s investment in RII. 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.

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.

As a result of the previously described acquisition of RII by Griffin Co., RIH adjusted its net assets to reflect its portion of the cost of Griffin Co.'s investment in RII. 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 remaining balance of goodwill was written off at the end of 1989.

Subsequent to November 15, 1988, the date goodwill was initially recorded, the overall financial condition of RII and its subsidiaries including RIH ("RII Consolidated") declined dramatically. The additional debt burden related to the acquisition contributed to this decline, and proceeds from anticipated sales of RII Consolidated non-operating properties, which management had projected would help service RII Consolidated debt, did not materialize. The acquisition price, and therefore the resultant goodwill, was based on higher projected Cash Flow which now does not appear to be realizable.

With RII Consolidated announcement in August 1989 of an interest moratorium on its debentures and the notes and debentures issued by its subsidiaries, Griffin Resorts Inc. ("GRI") and Resorts International Financing, Inc. ("RIFI"), and the initiation of the bankruptcy proceedings of RII and three of its subsidiaries, GRI, RIFI, and Griffin Resorts Holding Inc. ("GRH") in late 1989 operations of RII Consolidated further deteriorated. As a result of these and other factors, RIH's remaining balance of goodwill of \$105,161,000 at December 31, 1989 was written off.

Principles of Consolidation

The consolidated financial statements include the accounts of RIH and its subsidiaries except for one minor 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 the period November 15 thru December 31, 1988 and the year 1989 RII and its domestic subsidiaries, including RIH, filed consolidated federal income tax returns with RII's parent, Griffin Co.

On the Effective Date, Griffin Co. was merged with and into RII. For tax years beginning 1990, RIH and RII's other domestic subsidiaries will file consolidated federal income tax returns with RII. Pursuant to a Tax Sharing Agreement among Griffin Co. RII, RIH and another RII subsidiary, RIH will be liable to Griffin Co. for the amount of federal income taxes calculated on a separate return basis, and tax benefits have been calculated 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 to the extent 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 bases 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. Effective August 31, 1990 RIH's deferred tax liability of \$37,516,000 was transferred to RII.

NOTE 2 - RECEIVABLES AND PATRONS' CHECKS:

Components of receivables at December 31 were as follows:

(In Thousand of Dollars)	<u>1990</u>	<u>1989</u>
Gaming	\$ 12,446	\$11,787
Less allowance for doubtful accounts	(5,496)	(4,814)
	<u>6,950</u>	<u>6,973</u>
Non-gaming:		
Hotel and related	632	454
Other	395	718
	<u>1,027</u>	<u>1,172</u>
Less allowance for doubtful accounts	(221)	(101)
	<u>806</u>	<u>1,071</u>
Receivables due from affiliates	(7,468)	142,177
	<u>(7,468)</u>	<u>142,177</u>
	<u>\$ 288</u>	<u>\$150,221</u>

Subsequent to November 14, 1988, RIH loaned \$50,000,000 pursuant to a pre-arranged back-to-back loan to Resorts International (Bahamas) 1984 Limited ("RIB"), an indirect wholly-owned subsidiary of RII, in exchange for a promissory note. Such note is payable on demand and bears interest at 13 1/2% per annum, with interest payments due each May 1 and November 1. The note is guaranteed by certain of RIB's subsidiaries. The guarantees are secured by mortgages on the Paradise Island Resort & Casino, the Ocean Club, the Paradise Beach Resort and all furniture, machinery and equipment used in connection therewith. The RIB promissory note and the mortgages securing payment thereof have been assigned as part of the collateral for new debt securities issued by RII pursuant to the Plan.

NOTE 7 - LONG-TERM DEBT:
(In Thousands of Dollars)

NOTE 3 - INVESTMENTS, ADVANCES AND RECEIVABLES:

	DECEMBER 31,	
	1990	1989
Due to affiliates: (In Thousands of Dollars)		
affiliates	\$ 200,000	\$ 200,000
13 1/2% notes payable to affiliate	125,000	125,000
Interest Payable to affiliate		
Other:		
Deposits-CRDA	\$ 5,453	\$ 2,962
Valuation allowance on CRDA deposits & bonds	(4,990)	(3,509)
CRDA Bonds	4,370	4,318
Other	112	197
	<u>\$ 4,945</u>	<u>\$ 3,968</u>

NOTE 4 - PROPERTY AND EQUIPMENT:

	DECEMBER 31,	
	1990	1989
Land	\$ 53,250	\$ 54,607
Land and improvements	82	2,086
Building and improvements	70,643	142,011
Furniture, machinery and equipment	14,135	39,029
Construction in progress	2,080	4,123
Less - Accumulated depreciation	1,954	15,425
	<u>\$ 138,236</u>	<u>\$ 226,431</u>

NOTE 5 - OTHER ASSETS:

	DECEMBER 31,	
	1990	1989
Debt issuance costs	\$	\$ 17,335
Deposits	311	1,144
Other	3	249
	<u>\$ 314</u>	<u>\$ 18,728</u>

NOTE 6 - OTHER ACCRUED EXPENSES:

	DECEMBER 31,	
	1990	1989
Accrued payroll	\$ 4,339	\$ 4,349
Progressive slot liability	3,652	5,162
Other	8,143	6,938
	<u>\$ 16,134</u>	<u>\$ 16,449</u>

NOTE 7 - LONG-TERM DEBT:

(In Thousands of Dollars)

	<u>DECEMBER 31,</u>	
	<u>1990</u>	<u>1989</u>
Due to affiliates:		
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		30,231
	<u>\$325,000</u>	<u>\$355,231</u>
Other:		
Capitalize lease obligations (Notes 7a)	2,830	2,204
Less - Current portion	(1,044)	(481)
	<u>\$ 1,786</u>	<u>\$ 1,723</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 RIH's promissory note for \$50,000,000 and mortgages securing such note. RIH paid the issuance costs of the Securities which amounted to \$20,300,000.

Pursuant to the Plan, all Old Debt Securities, including the Securities, have been cancelled. RIH's notes payable to GRI were not cancelled. However, their terms were modified and such modified notes were pledged as collateral for certain new debt securities issued by RII. The Amended and Restated \$200,000,000 Senior Note and the Amended and Restated \$125,000,000 Senior Note are payable on demand after April 15, 1994. The notes bear interest at 9%, payable on April 15, and October 15 of each year. RIH may pay all or any portion of such interest by the issuance of additional principal amounts of each of the notes.

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

	NUMBER OF RECIPIENTS	AMOUNT	NUMBER OF RECIPIENTS	AMOUNT
1991	-	\$1,044,382		
1992	-	803,098		
1993	-	324,446		
1994	-	584,275		
Thereafter	-	74,622		
		<u>\$2,830,823</u>		

NOTE 7a - LEASES:

RIH is the lessee of computer equipment, slot machines and printing equipment under capital leases expiring in various years through 1996. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their useful lives or their related lease terms.

Summary of property debt under capital leases are as follows:

1990

Computer equipment	\$1,405,738
Slot Machines	1,214,389
Printing equipment	210,695
Accum Depreciation	(183,189)
Capital Leases Net	<u>\$2,647,633</u>

Interest rates on capital leases vary from 13.7% to 33.3%.

NOTE 8 - PROMOTIONAL ALLOWANCES AND PROMOTIONAL EXPENSES:

(In Thousands of Dollars)
Quarter ended 12/31/90

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>
Rooms	24	\$1,280		
Food	233	2,058		
Beverage	107	425		
Travel			22	\$ 470
Coupon redemption:				
Cash			513	4,204
Food	78	558		
Admissions	38	465		
Retail	30	128		
Parking			42	334
Other	21	253	16	253
Totals	<u>531</u>	<u>\$ 5,167</u>	<u>593</u>	<u>\$5,261</u>

(In Thousands of Dollars)
Year ended 12/31/90

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>
Rooms	79	7,961		
Food	915	9,081		
Beverage	671	1,723		
Travel			38	2,026
Coupon redemption:				
Cash			2,043	19,532
Food	171	2,470		
Admissions	198	2,764		
Parking			762	1,885
Retail	70	1,134		
Other	80	490	100	923
Totals	<u>2184</u>	<u>\$25,623</u>	<u>2,943</u>	<u>\$24,366</u>

NOTE 9 - SAVINGS AND PENSION PLANS:

RIH has a defined contribution plan (the "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 Plan. Under the 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. RIH's contributions under the Plan were approximately \$492,000 and \$565,000 for the year ended December 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 \$661,000 and \$692,000 for the year ended December 31, 1990 and 1989, respectively.

NOTE 10 - CHARGES FROM AFFILIATES:

RIH has recorded expenses from affiliates and RII as follows:

(In Thousands of Dollars)

AFFILIATED COMPANY	TRANSACTION	TWELVE MONTHS ENDED	
		DECEMBER 31, 1990	1989
Resorts International Financing, Inc.	Interest charges		
Griffin Resorts, Inc.	Interest charges	- 0 -	45,106
		<u>- 0 -</u>	<u>\$45,106</u>
Resorts International, Inc.	Management fee	\$ 5,655	\$ 4,800
Resorts International, Inc.	Insurance	\$ 527	\$ 914
	Property Rental	338	375
	Other	3	74
		<u>868</u>	<u>1,363</u>
International Intelligence, Inc.	Security fees	54	18
ANTL, Inc.	Aircraft rentals	135	2,959
PIVI	Flights	147	
Resorts of New York, Inc.	Sales office expenses	30	141
Steeplechase Transport and Parking, Inc.	Parking fees	1,263	2,888
Trams Atlantic, Inc	Limo Services	375	2,045
Chalk's Airline	Flights	53	1,217
Others	Property rentals		
	Other		178
		<u>\$ 2,925</u>	<u>\$10,809</u>

NOTE 11 - NONOPERATING INCOME(EXPENSE), NET:
(In Thousands of Dollars)

	TWELVE MONTHS ENDED	
	DECEMBER 31,	
	1990	1989
Interest income	\$ 1,673	\$ 3,617
Interest income from affiliates	6,674	6,826
Corporate office expense	(479)	(666)
Restructuring/ refinancing costs	(8,206)	(2,430)
Non-operating rent/taxes	(880)	(1,033)
Donated CRDA Deposits	(0)	(3,389)
Write-off Goodwill	(0)	(105,161)
Gain(loss) on fixed assets	(175)	(162)
Revaluation	(111,598)	
Bad debt write-off	(98,983)	
Other	(300)	(309)
	<u>(\$212,274)</u>	<u>(\$102,707)</u>

NOTE 12 - 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 December 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 13 - 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 14 - 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 authorize 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.

Discounts charged to operations were \$1,497,000 and \$1,500,000 for the year ended December 31, 1990 and 1989, respectively.

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)	(\$2,491)	(\$42,068)
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>1,901</u>	<u>27,374</u>
Remaining investment					
obligation at December 31,					
1990 which was deposited					
in January 1991					
	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(590)</u>	<u>(\$ 590)</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.

NOTE 15 - STATEMENT OF CASH FLOW (LINE 45):
(In Thousands of Dollars)

<u>B/S LINE REFERENCE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Advert 9	Debt Issuance Cost	\$ 17,335
Entert 25	W/O Bad Debt	35,000
Insuran 8	Restructuring	101,171
Miscal 19	Affiliated bad debt write-off	63,983
		<u>\$217,489</u>

NOTE 16 - DEFERRED CREDITS:

Deferred credits represent the unrecognized portion of a lump-sum payment made by a tenant at the inception, July 1983 of a fifteen year lease. As of June 1, 1990 management extended the life of the lease by ten years to end June 31, 2008. This payment is being recognized and recorded in earnings in equal monthly installments over the life of the lease. The recognized portions were \$541,000 and \$550,000 for the year ended December 31, 1990 and 1989, respectively. Deferred credits also represent deferred income taxes of \$37,516,000 at December 31, 1989. As of August 31, 1990 due to reorganization we transferred income tax liabilities to the parent company.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Adv. Ticket Sales	\$ 21,703
Bank. Grat. Liabilities	12,200
Cust. Dep. Liabilities	23,100
Unclear Wage Liabilities	31,200
Store Charge Liabilities	1,200
Minority Shareholder	20,100
Chip Liability	1,200,000
Deferred Revenue	24,200
Tenant Deposits	121,000
\$5 Slot Token Liabilities	1,200
Adv. Deposits	12,200
\$25 Slot Token Liabilities	1,200
Spectre Vis. Liabilities	200
\$100 Slot Token Liabilities	1,200
CRDA Bond Disc.	1,200,000
CRDA Bond Obligations	200,000
\$1 Slot Token Liabilities	1,200
TOTAL	\$2,200,000

NOTE 17 - PREPAID EXPENSES AND OTHER CURRENT ASSETS:

<u>DESCRIPTION</u>	<u>12/31/90</u>	<u>12/31/89</u>
Advertising	22,797	25,714
Entertainment	107,587	0
Insurance	461,833	497,124
Miscellaneous	162,659	481,831
Rent	50,970	13,000
Sewer	51,173	53,490
R.E. Taxes	1,105,420	0
License and Permit	172,335	150,187
Spec. Events	7,500	0
Win Tax	292,125	412,951
Slot License	408,000	412,000
Postage	79,049	0
Maintenance Contract	23,546	0
Production Cost	25,648	0
TOTAL	<u>\$2,970,642</u>	<u>\$2,046,297</u>

NOTE 18 - OTHER CURRENT LIABILITIES:

<u>DESCRIPTION</u>	<u>12/31/90</u>	<u>12/31/89</u>
Adv. Ticket Sales	\$ 1,795	\$ 52,935
Banq. Grat. Liabilities	18,788	(14,592)
Cust Dep. Liabilities	353,903	307,198
Unclaim Wage Liabilities	97,610	57,943
Store Charge Liabilities	2,859	922
Minority Shareholder	0	40,542
Chip Liability	1,074,584	1,059,605
Deferred Revenue	51,930	94,892
Tenant Deposits	334,578	331,628
\$5 Slot Token Liabilities	13,645	5,660
Adv. Deposits	40,388	115,020
\$25 Slot Token Liabilities	9,700	2,500
Spectra Vis. Liabilities	0	937
\$100 Slot Token Liabilities	33,200	8,900
CRDA Bond Disc.	5,000,000	1,289,000
CRDA Bond Obligation	589,916	603,375
\$1 Slot Token Liabilities	234,836	325,052
TOTAL	<u>\$7,857,732</u>	<u>\$4,281,517</u>

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

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

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	\$ 4,655		
2	Returned patrons' checks	7,791		
3	Total patrons' checks	12,446	\$5,496	\$ 6,950
4	Hotel Receivables	632	221	411
	Other Receivables:			
5	Receivables due from officers and employees	35		
6	Receivables due from affiliates	(7,468)		
7	Other accounts and notes receivables ..	360		
8	Total other receivables	(7,073)		(7,073)
9	Totals (Form 305)	6,005	\$5,717	\$ 288

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 5,029
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	148,528
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) ...	(104,100)
13	Checks collected through deposits	(36,139)
14	Checks transferred to returned checks	(8,663)
15	Other adjustments	
16	Ending balance	\$ 4,655
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 1,853
19	Provision As A Percent of Counter Checks Issued	1.2 %

TRADING NAME OF LICENSEE MERV GRIFFIN'S RESORTS CASINO HOTEL

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHED AVG. NUMBER OF TABLES (f) OR MACHINES
	Revenue:	\$	\$	%	
1	Blackjack	36,522	266,941	13.7	69
2	Craps	29,126	211,357	13.8	20
3	Roulette	9,315	37,665	24.7	12
4	Big Six	2,091	4,453	47.0	4
5	Baccarat	6,545	42,847	15.3	4
6	Other table games				
7	Total table games revenue.	83,599	563,263	14.8	109
			HANDLE		
8	\$.05 slot machines	3,003	19,860	15.1%	86
9	\$.25 slot machines	45,975	339,884	13.5	622
10	\$1.00 slot machines	19,022	181,878	10.5	199
11	Other slot machines	53,369	551,571	9.7	717
12	Total coin-operated devices revenue	121,369	1,093,193	11.1%	1624
13	Progressive jackpot adjustment	1,510			
14	Total coin-operated devices revenue after adjustment	122,879			
15	Other income				
16	Total revenue	206,478			
	Expenses:				
17	Payroll and payroll related expenses	42,792			
18	Licenses and taxes	17,320			
19	Provision for uncollectible patrons' checks	1,853			
20	Other	166,048			
21	Total	228,013			
22	Departmental income (loss) before Complimentary Services and Casino Management Fees ..	(21,535)			
23	Complimentary services	24,290			
24	Casino management fees	24,290			
25	Total	24,290			
26	Departmental Income (Loss) ...	\$ (45,825)			

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 Quarterly Report is accurate to the best of my knowledge and belief.

John Spina
Signature

SR. V.P. - FINANCE & ADMINISTRATION
Title

02507-11
License Number

Subscribed and sworn to
before me this 15th day
of March, 1991.

On Behalf Of:

MARGARET M. BRADLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 21, 1994
Margaret M Bradley
Signature

MERV GRIFFIN'S RESORTS CASINO HOTEL
Casino Licensee

Basis of Authority to Take Oaths

GROSS REVENUE ANNUAL TAX RETURN

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.
ADDRESS BOARDWALK AND NORTH CAROLINA AVENUE
ATLANTIC CITY, NEW JERSEY 08404

FOR THE YEAR ENDED DECEMBER 31, 19 90

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF
OF GOV
THIS AN

JOHN R. SPIRO

CH. VICE PRESIDENT, BOARD OF ADMINISTRATION

BOARDWALK AND NORTH CAROLINA AVENUE

ATLANTIC CITY, N.J.

ATLANTIC CITY, NEW JERSEY 08404

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 83,600	
2	Coin-operated devices revenue	121,369	
3	Total revenues		\$ 204,969
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 1,853	
5	Maximum adjustment (4% of line 3)	\$ 8,199	
6	Adjustment (the lesser of line 4 or line 5)		1,853
7	Gross revenues (line 3 less line 6)		\$ 203,116
8	Tax on gross revenues - current year (8% of line 7)		\$ 16,249
9	Audit or other adjustments to tax on gross revenues in prior years		-
10	Total tax on gross revenues (line 8 plus or minus line 9)		16,249
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 911	
12	February	1,230	
13	March	1,122	
14	April	1,599	
15	May	1,266	
16	June	1,214	
17	July	1,840	
18	August	1,517	
19	September	1,398	
20	October	1,611	
21	November	923	
22	December	1,451	
23	January	167	
24	Total deposits made for tax on current year's gross revenues		(16,249
	Settlement of prior years' tax on gross revenues		
25	resulting from audit or other adjustments - (deposits) credits		-
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ -

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

ADDRESS BOARDWALK AND NORTH CAROLINA AVENUE

ATLANTIC CITY, NEW JERSEY 08404

FOR THE YEAR ENDED DECEMBER 31, 1960

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF
OFFICE
THIS REPORT
IS FOR

REPORT MADE BY _____
DATE OF REPORT _____
REPORT MADE AT _____
REPORT MADE FOR _____

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 90
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
	CASINO				
1	Administration	14			
2	Gaming	813			
3	Slots	170			
4	Casino accounting	35			
5	Other	340	\$	\$	\$
6	Total-casino	1,372	30,717	746	31,463
7	ROOMS	230	3,943	68	4,011
8	FOOD AND BEVERAGE	1,340	13,543	120	13,663
	OTHER OPERATED DEPARTMENTS				
9	Telephone	20	267		267
10	Travels	2	24		24
11	Health Club	16	270		270
12	Cloak Room	11	130		130
13	Uniform Room	17	262		262
14	Transportation/Parking	90	534		534
15	Other	13	27		27
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	8	1,115	335	1,450
21	Accounting and auditing	210	6,413	329	6,742
22	Security	192	4,673	64	4,737
23	Other administrative and general department ..	221	4,439	143	4,582
24	MARKETING	96	351	191	542
25	GUEST ENTERTAINMENT	219	2,177		2,177
26	PROPERTY OPERATION AND MAINTENANCE	183	4,249		4,249
		4,240	\$ 73,134	\$ 1,996	\$ 75,130

Trading Name of Licensee MERV GRIFFIN'S RESORT CASINO HOTEL

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1990

3/15/91
Date

John Spina
Signature

JOHN SPINA
SR. VICE PRESIDENT-FINANCE & ADMINISTRATION
Title

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	13,502	\$ 92.81	59.9%	26,819	\$ 47.08
FEBRUARY	681	17,420	13,545	\$ 98.10	77.8%	27,544	\$ 49.78
MARCH	681	19,390	14,615	\$ 96.00	75.4%	30,640	\$ 41.67
1ST QUARTER TOTALS		56,266	41,762	\$ 95.63	74.5%	84,903	\$ 44.18
APRIL	671	18,880	14,644	\$ 96.00	77.5%	27,999	\$ 45.62
MAY	671	18,860	15,080	\$ 86.31	74.5%	29,000	\$ 46.12
JUNE	671	18,193	16,509	\$ 91.30	80.5%	33,000	\$ 45.81
2ND QUARTER TOTALS		55,933	46,233	\$ 90.00	80.1%	90,000	\$ 45.13
JULY	671	19,051	18,180	\$ 94.45	94.4%	37,000	\$ 46.13
AUGUST	671	19,306	18,464	\$ 95.58	95.5%	38,000	\$ 45.95
SEPTEMBER	671	19,417	17,288	\$ 81.00	91.7%	36,000	\$ 39.73
3RD QUARTER TOTALS		57,774	54,872	\$ 90.00	94.2%	112,000	\$ 44.65
OCTOBER	671	19,979	18,190	\$ 71.00	91.1%	36,501	\$ 35.65
NOVEMBER	673	18,387	15,169	\$ 70.70	82.5%	31,256	\$ 34.35
DECEMBER	673	15,307	12,654	\$ 67.87	77.6%	25,555	\$ 33.61
4TH QUARTER TOTALS		54,673	46,021	\$ 70.39	84.2%	93,477	\$ 34.65
ANNUAL TOTALS		274,685	198,648	\$ 84.75	83.5%	380,258	\$ 42.00

TRADING NAME OF LICENSEE MERV GRIFFIN'S RESORTS CASINO HOTEL

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 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	671	18,889	14,644	\$ 86.39	77.5%	27,728	\$ 45.62
MAY	671	18,960	15,080	\$ 86.31	79.5%	29,499	\$ 44.12
JUNE	671	18,183	16,509	\$ 91.30	90.8%	33,046	\$ 45.61
2ND QUARTER TOTALS		56,032	46,233	\$ 88.11	82.5%	90,273	\$ 45.13
JULY	671	19,051	18,180	\$ 96.01	95.4%	37,431	\$ 46.63
AUGUST	671	19,306	18,464	\$ 94.17	95.6%	38,094	\$ 45.65
SEPTEMBER	671	19,417	17,788	\$ 81.67	91.6%	36,567	\$ 39.73
3RD QUARTER TOTALS		57,774	54,432	\$ 90.70	94.2%	112,092	\$ 44.05
OCTOBER	671	19,979	18,198	\$ 71.81	91.1%	36,661	\$ 35.65
NOVEMBER	673	18,387	15,169	\$ 70.78	82.5%	31,256	\$ 34.35
DECEMBER	673	16,307	12,654	\$ 67.87	77.6%	25,555	\$ 33.61
4TH QUARTER TOTALS		54,673	46,021	\$ 70.39	84.2%	93,472	\$ 34.66
ANNUAL TOTALS		224,685	188,448	\$ 84.75	83.9%	380,258	\$ 42.00

ATLANTIC CITY, NEW JERSEY 08404



ANNUAL REPORT

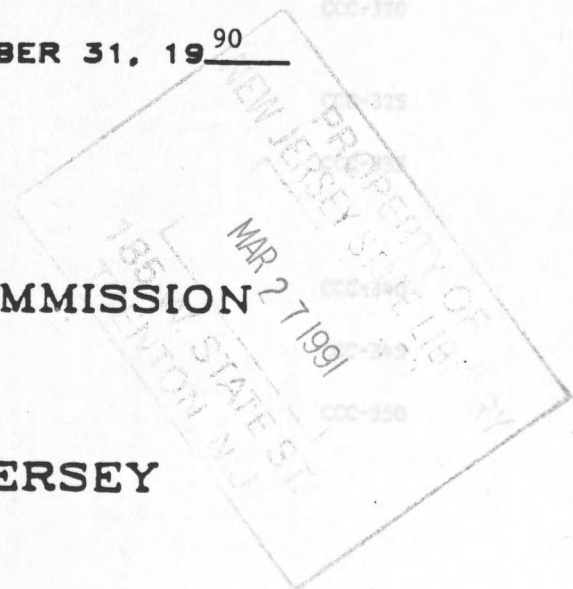
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FOR THE YEAR ENDED DECEMBER 31, 1990

Adamar of New Jersey, Inc.
LICENSEE dba TropWorld Casino & Entertainment Resort
ADDRESS Brighton and the Boardwalk
Atlantic City, New Jersey, 08401

FOR THE YEAR ENDED DECEMBER 31, 19⁹⁰

TO THE
CASINO CONTROL COMMISSION
 OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT

Lester Brzozowski

OFFICIAL TITLE

Vice President of Finance

ADDRESS

Brighton Avenue and the Boardwalk

Atlantic City, New Jersey 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

LIST OF FORMS - ANNUAL REPORT

DESCRIPTION FOR THE YEAR ENDED DECEMBER 31, 1990

ASSETS

TITLE	FORM NO.
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Cash Flows	CCC-335
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

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

December 31, 19 90 AND 89

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
	Current Assets:	\$	\$
1	Cash.....	5,631	7,921
2	Marketable Securities.....	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts 1990 \$10,400 ; 1989, \$10,950).....	18,599	21,374
4	Inventories.....	1,854	2,001
5	Prepaid expenses and other current assets...(Note III-1).....	4,482	4,230
6	Total current assets.....	30,566	35,526
7	Investments, Advances, and Receivables.....(Note II-9, III-2).....	67,558	51,862
8	Property and Equipment - Net .....(Note II-1).....	246,235	248,658
9	Other Assets.....	842	1,216
10	Total Assets.....	\$ 345,201	\$ 337,262
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
11	Accounts payable.....	4,317	4,649
12	Notes payable.....	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates.....	-0-	-0-
14	Other.....(Note II-2).....	2,701	2,694
15	Income taxes payable and accrued.....	(662)	(662)
16	Other accrued expenses.....(Note III-3).....	23,087	16,383
17	Other current liabilities.....(Note III-4).....	2,338	3,060
18	Total current liabilities.....	31,781	26,124
	Long-Term Debt:		
19	Due to affiliates.....(Note II-2).....	140,000	140,000
20	Other.....(Note II-2).....	6,663	6,315
21	Deferred Credits.....(Note II-3).....	-0-	2,144
22	Other Liabilities.....(Note II-9, III-5).....	26,694	18,895
23	Commitments and Contingencies .....(Note II-6)		
24	Total Liabilities.....	205,138	193,478
25	Stockholders', Partners', Or Proprietor's Equity.....	140,063	143,784
26	Total Liabilities and Equity.....	\$ 345,201	\$ 337,262

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 Years ENDED December 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	276,679	284,019
2	Rooms.....	25,315	25,573
3	Food and beverage.....	36,293	42,519
4	Other.....	11,623	11,167
5	Total revenue.....	349,910	363,278
6	Less: Promotional allowances.....(Note II-7, II-8)....	38,775	37,818
7	Net revenue.....	311,135	325,460
	Costs And Expenses:		
8	Cost of goods and services.....(Note II-8, II-9)....	157,945	172,951
9	Selling, general, and administrative.....(Note II-9).....	85,591	96,165
10	Provision for doubtful accounts.....	2,472	4,425
11	Depreciation and amortization.....	15,685	22,453
	Charges from affiliates other than interest:		
12	Management fees.....(Note II-9).....	578	664
13	Other.....(Note II-9).....	56,433	49,806
14	Total costs and expenses.....	318,704	346,464
15	Income (Loss) From Operations.....	(7,569)	(21,004)
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note II-2).....	(18,900)	(420)
17	Interest (expense) - external.....(Note II-2).....	(2,876)	(16,281)
18	Investment alternative tax and related income (expense) - net.(II-6)	(1,091)	(1,098)
19	Nonoperating income (expense) - net.....(Note III-6).....	24,571	20,340
20	Total other income (expenses).....	1,704	2,541
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(5,865)	(18,463)
22	Provision (credit) for income taxes.....(Note II-10).....	(2,144)	(7,166)
23	Income (Loss) Before Extraordinary Items.....	(3,721)	(11,297)
24	Extraordinary items (net of income taxes - 1990, \$ -0- ; 1989, \$ -0-).....	-0-	-0-
25	Net Income (Loss).....	\$ (3,721)	\$ (11,297)

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 INCOME

FOR THE THREE MONTHS ENDED December 31, 1990 AND 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	65,737	63,639
2	Rooms.....	5,794	5,876
3	Food and beverage.....	8,237	9,264
4	Other.....	3,604	2,895
5	Total revenue.....	83,372	81,674
6	Less: Promotional allowances.....(Note II-7, II-8)....	9,893	9,103
7	Net revenue.....	73,479	72,571
	Costs And Expenses:		
8	Cost of goods and services.....(Note II-8, II-9)....	39,055	40,002
9	Selling, general, and administrative.....(Note II-9).....	22,353	22,279
10	Provision for doubtful accounts.....	290	1,636
11	Depreciation and amortization.....	3,784	4,423
	Charges from affiliates other than interest:		
12	Management fees.....(Note II-9).....	88	169
13	Other.....(Note II-9).....	14,202	12,529
14	Total costs and expenses.....	79,772	81,038
15	Income (Loss) From Operations.....	(6,293)	(8,467)
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note II-2).....	(4,992)	(420)
17	Interest (expense) - external.....(Note II-2).....	(419)	(4,112)
18	Investment alternative tax and related income (expense) - net(II-6).....	(258)	(202)
19	Nonoperating income (expense) - net.....(Note III-6).....	6,927	5,250
20	Total other income (expenses).....	1,258	516
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(5,035)	(7,951)
22	Provision (credit) for income taxes.....(Note II-10).....	(2,144)	(2,480)
23	Income (Loss) Before Extraordinary Items.....	(2,891)	(5,471)
24	Extraordinary items (net of income taxes - 1990, \$ -0- ; 1989, \$ -0-).....	-0-	-0-
25	Net Income (Loss).....	\$ (2,891)	\$ (5,471)

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

CCC-315

'STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1990 and 1989

STATEMENTS OF CHANGES IN PARTNERS' EQUITY

(UNAUDITED)
(\$ IN THOUANDS)

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	(Note III-7)				24,318
11	.....			
12	Ending balance		53,883		53,883
	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)		(3,721)		(11,297)
28	Dividends		()		()
29	.....			
30	.....			
31	Ending balance		7,277		10,998
32	Ending Stockholders' Equity		\$ 140,063		\$ 143,784

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 YEARS ENDED DECEMBER 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.

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

STATEMENTS OF CASH FLOW

FOR THE Years ENDED December 31, 1990 AND 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 27,279	\$ (17,306)
	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.....	(9,941)	(12,740)
5	Proceeds from disposition of property and equipment.....	82	21
6	Purchase of casino reinvestment obligations.....	(3,460)	(3,522)
7	Purchase of other investments and loans/advances made.....	(13,327)	(18,911)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-0-	203
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(26,646)	(34,949)
	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-	153,515
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(2,923)	(121,541)
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21			
22	Non-cash capital contribution, restructuring (Note III-7)	-0-	24,318
23	Net Cash Provided (Used) By Financing Activities.....	(2,923)	56,292
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(2,290)	4,037
25	Cash And Cash Equivalents At Beginning Of Period.....	7,921	3,884
26	Cash And Cash Equivalents At End Of Period.....	\$ 5,631	\$ 7,921

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 17,092	\$ 15,921
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 Years ENDED December 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).....	\$ (3,721)	\$ (11,297)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	15,422	18,653
31	Amortization of other assets.....	263	3,800
32	Amortization of debt discount or premium.....		
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	(2,144)	(378)
35	(Gain) loss on disposition of property and equipment.....	138	304
36	(Gain) loss on casino reinvestment obligations.....	1,091	1,098
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	2,775	(7,050)
39	Net (increase) decrease in inventories.....	147	129
40	Net (increase) decrease in other current assets.....	(252)	(153)
41	Net (increase) decrease in other assets.....	111	2,495
42	Net increase (decrease) in accounts payables.....	(332)	675
43	Net increase (decrease) in other current liabilities excluding debt.....	5,982	(4,748)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	7,799	(20,834)
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 27,279	\$ (17,306)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ (13,219)	\$ (16,203)
49	Less: Capital lease obligations incurred.....	\$ (3,278)	\$ (3,283)
50	Cash Outflows For Property And Equipment.....	\$ (9,941)	\$ (12,740)
	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 \$3,393 AND \$3,329 WERE INCURRED FOR 1990 AND 1989 RESPECTIVELY,
WHEN ADAMAR ENTERED INTO NEW PROPERTY AND EQUIPMENT LEASES. CAPITAL LEASE OBLIGATION
RETIREMENTS OF \$115 AND \$46 WERE INCURRED FOR 1990 AND 1989.

Depreciation is computed on the straight-line basis over the estimated useful lives (building and improvements - 3 to 40 years; equipment, furniture and fixtures - 3 to 15 years).

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation.

The consolidated financial statements include the accounts of Adamar of New Jersey, Inc. (the "Company") and its wholly-owned subsidiary, Manchester Mall, Inc., after elimination of all significant intercompany accounts and transactions.

The Company is a wholly-owned subsidiary of Ramada New Jersey Holdings Corporation (RNJHC) which is, in turn, a subsidiary of Aztar Corporation ("Aztar") and formerly a subsidiary of Ramada Inc. ("Ramada"). The financial statements reflect the intercompany transactions and accounts with RNJHC, Aztar and affiliates.

In December 1989, Ramada completed its program of restructuring (the "Restructuring"), which involved the disposition of Ramada's hotel and restaurant businesses with Ramada's shareholders retaining their interest in the gaming business. As part of the restructuring, the gaming business, which includes the Company, and certain other assets and liabilities of Ramada were transferred to Aztar Corporation ("Aztar"). Aztar was incorporated in Delaware in June 1989 to operate the gaming business of Ramada after the Restructuring.

Cash and cash equivalents

Highly liquid debt instruments purchased with a maturity of three months or less that are not being held pending reimbursement in capital projects are classified as cash and cash equivalents.

Inventories

Inventories, which consist primarily of food, beverage and operating supplies are stated at the lower of cost or market. Cost has been determined using the first-in, first-out method.

Property and equipment

Property and equipment are stated at historical cost. Maintenance and repairs are charged to operations when incurred. Renewals and betterments which significantly extend the useful lives of existing property and equipment are capitalized. During construction the Company capitalizes interest and other direct and indirect development costs. Interest was capitalized monthly by applying the effective interest rate on borrowings for the project to the average balance of expenditures.

Gains or losses on dispositions of property and equipment are reflected in earnings as realized.

Depreciation is computed on the straight-line basis over the estimated useful lives (building and improvements - 3 to 40 years; equipment, furniture and fixtures - 3 to 15 years).

Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the term of the related lease.

Deferred charges

Costs incurred by the Company in obtaining its initial gaming license to operate a casino in Atlantic City, New Jersey have been capitalized. These costs are being amortized over a ten-year period. Subsequent one-year renewal costs are amortized over the renewal period.

Casino Revenue

Casino revenue consists of the net win from gaming activities, which is the difference between gaming wins and losses.

Complimentaries

The retail value of complimentary food, beverage, and hotel services furnished to customers is included in gross revenues and then deducted as promotional allowances in arriving at net revenue.

Jackpot Payouts

The retail value of jackpot payouts are included in Costs of Goods and Services.

Income taxes

The Company is included in Aztar's consolidated corporate Federal income tax return. Deferred income taxes represent the tax effect of differences in the timing of income and expense recognition for tax purposes versus financial statement reporting purposes.

Preopening Costs

During June 1989, the Company revised its estimated useful life of preopening cost from two years to nine months and expensed the remaining deferred costs of \$2.6 million. Total amortization of preopening cost was \$3.5 million for the year ended December 31, 1989.

SALE/LEASEBACK TRANSACTION

In November 1984, the Company transferred the original building (the "Building") and certain other non-gaming assets (collectively, the "Hotel Assets") of TropWorld Casino and Entertainment Resort ("TropWorld"), to Ambassador General Partnership ("AGP"), in exchange for a 99.9% interest in AGP. The assets transferred had a net book value of approximately \$226,000,000. Simultaneously with the transfer, the Company gave its interest in AGP to Ramada (now Aztar) as a dividend, which then sold the interest to a limited partnership, Ambassador Real Estate Investors, L.P. ("AREI") for \$243,900,000. A director of Aztar is a general partner in AGP and AREI (collectively, the "Partnerships") and also holds a limited partnership interest in AREI. The Company did not realize any gain or loss on the transaction.

In addition to the transfer of assets to AGP, the Company leased the land (the "Land") on which the Building is located to AGP for a term of 65 years and leased back the Hotel Assets and Land from AGP under a 10-year lease agreement (the "Operating Lease") with three 10-year renewal options. For financial reporting purposes, the leaseback has been principally recorded as an operating lease (see "Note II-5: Lease Obligations") except for the portion related to furniture and equipment, which has been capitalized.

In connection with the sale/leaseback transaction, Ramada Hotel Operating Company, the Company's former parent company, gave its interest in the Company to Ramada (now Aztar). Subsequently, Ramada (now Aztar) exchanged its interest in the Company for the common stock of RNUHC.

Aztar has an option to repurchase AGP's interest in TropWorld commencing in 1991 for a repurchase price determined by an adjusted fair market appraisal method with a minimum of \$268,900,000 and a maximum of \$375,000,000.

Beginning in 1985, the Company funds the purchase of replacement furniture and equipment required for the operation of TropWorld, up to certain maximum amounts per year, with loans collateralized by a mortgage receivable (the "FF&E Mortgage") with AGP. Such furniture and equipment purchases are leased back to the Company by AGP pursuant to a lease agreement under which the Company pays rent to AGP for a period of five years. For financial reporting purposes these leases are recorded as capital leases. Principal and interest payments are not made on the loans until the maturity of each loan.

Aztar has entered into a maintenance services contract with AGP to provide certain maintenance services at cost plus an annual fee of \$500,000. Aztar has subcontracted the contract to the Company. The Company also provides the Partnerships with accounting and other administrative services on a reimbursable basis.

II. SIGNIFICANT INFORMATION

NOTE 1. PROPERTY AND EQUIPMENT

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

	<u>1990</u>	<u>1989</u>
Land	\$ 36,546,000	\$ 36,308,000
Building, furniture and fixtures	282,030,000	276,184,000
Less accumulated depreciation	(75,334,000)	(64,977,000)
Construction in progress	<u>2,993,000</u>	<u>1,143,000</u>
Total property and equipment	<u>\$246,235,000</u>	<u>\$248,658,000</u>

NOTE 2. LONG-TERM DEBT

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

	<u>1990</u>	<u>1989</u>
Note payable to Aztar Mortgage Funding; 13.5%; due 1996;	\$140,000,000	\$140,000,000
Obligations under capital leases	<u>9,364,000</u>	<u>9,009,000</u>
	149,364,000	149,009,000
Less current portion	<u>(2,701,000)</u>	<u>(2,694,000)</u>
Long-term portion	<u>\$146,663,000</u>	<u>\$146,315,000</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:

1991	\$ 2,701,000
1992	2,538,000
1993	2,250,000
1994	1,744,000
1995	131,000
1996	<u>140,000,000</u>
TOTAL	<u>\$149,364,000</u>

NOTE 3. DEFERRED CREDITS

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

NOTE 4. CAPITAL STOCK

The authorized, issued, and outstanding shares of capital stock at December 31, 1990 were as follows:

Class A Preferred - without par value, nonconvertible, voting; authorized, issued, and outstanding - 20,609 shares

Class B Preferred - without par value, nonconvertible, voting; authorized, issued, and outstanding - 50,000 shares

Common - without par value; authorized, issued, and outstanding - 100 shares

NOTE 5. LEASE OBLIGATIONS

The Company is a party to noncancelable lease agreements involving land, buildings and equipment. The leases extend for varying periods up to 88 years and generally provide for the payment of taxes, insurance and maintenance (executory costs) by the lessee. Some of these leases have provisions for renewal options primarily under similar terms, and/or options to purchase at various dates.

In connection with the sale/leaseback transaction, the leaseback has been principally recorded as an operating lease except for that portion related to furniture and equipment which has been capitalized. The initial term of the operating lease is ten years (but may be extended an additional two years under certain circumstances), with options to extend the term for three consecutive terms of ten years each. The basic rent has been adjusted for changes in the Consumer Price Index subject to ceilings in the cumulative percentage increase, beginning in 1987, and will be adjusted every two years thereafter. The lease also provides for the payment of certain executory costs by the Company. In addition, Aztar has an option to repurchase the Hotel Assets from AGP commencing in 1991. (See "Sale/Leaseback Transaction of Note I").

As part of the restructuring of Ramada (now Aztar) in December 1989, Adamar Garage Corporation ("AGC") purchased the Transportation Center (a 1,100-space self-park garage and a 9-bay bus terminal) and a 1,100-space parking garage from unaffiliated owners. These parking facilities were previously leased by the Company from the unaffiliated owners. The Company has entered into an agreement with AGC for the lease of the parking garages along with the land, all improvements and air rights. The rental amount is \$6,200,000 per year and will expire on February 4, 2078.

Minimum future lease obligations on noncancelable leases at December 31, 1990 are as follows (in thousands):

<u>YEAR</u>	<u>OPERATING</u>	<u>CAPITAL</u>
1991	\$ 53,539	\$ 5,369
1992	52,611	4,368
1993	52,174	3,279
1994	44,509	2,128
1995	6,200	144
Thereafter	<u>508,995</u>	<u>-</u>
Total	<u>\$718,028</u>	15,288
Amount representing executory costs		(718)
Amount representing interest		<u>(5,206)</u>
Net present value		9,364
Less current portion		<u>(2,701)</u>
Long-term portion		<u>\$ 6,663</u>

Total rental expenses under operating leases for 1990 and 1989 amounted to \$58,396,000 and \$58,288,000, respectively.

NOTE 6. 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.

Adamar is a party to various claims, legal actions, and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by Adamar.

Management believes that its defenses are substantial in each of the above-mentioned matters and that the Company's legal posture can be successfully defended without material adverse effect on its consolidated financial position.

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 \$3,457,000 and \$3,517,000 for the purchase of CRDA bonds and, accordingly, the Company recorded a loss provision of \$1,091,000 and \$1,098,000 to recognize the effect of the below market interest rate the bonds would have borne had they been issued on December 31, 1990 and 1989, respectively.

Total	2,787,272	\$ 9,893,000	687,536	\$ 9,885,000
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JACKPOT PAYOUTS
Jackpot payouts for the year ended December 31, 1990 were:

	BONDS PURCHASED BY INDIVIDUAL ALIENAGEES		OTHER PAYOUTS	
	Number of Payouts	Dollar Amount	Number of Payouts	Dollar Amount
Slot or Vehicles	4	\$ 4	1	\$100,000
Total	4	\$ 4	1	\$100,000

NOTE 7. COMPLIMENTARY SERVICES

The amount of promotional allowances and promotional expenses for the twelve months ended December 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	103,044	\$13,924,000	107	\$ 4,000
Food	1,365,152	13,379,000	108,409	1,062,000
Beverage	5,464,116	6,040,000	-0-	-0-
Travel	-0-	-0-	4,463	1,562,000
Showroom/Boxing	60,710	1,099,000	17,789	356,000
Tivoli Pier				
Coin Payouts	-0-	-0-	2,127,187	29,647,000
Other	433,272	4,333,000	62,195	622,000
Total	7,426,294	\$38,775,000	2,320,150	\$33,253,000

The amount of promotional allowances and promotional expenses for the quarter ended December 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	24,431	\$ 4,011,000	-0-	\$ -0-
Food	328,148	3,208,000	30,932	303,000
Beverage	1,284,162	957,000	-0-	-0-
Travel	-0-	-0-	932	326,000
Showroom/Boxing	14,884	360,000	5,181	104,000
Tivoli Pier				
Coin Payouts	-0-	-0-	603,882	7,926,000
Other	135,647	1,357,000	22,599	226,000
Total	1,787,272	\$ 9,893,000	663,526	\$ 8,885,000

NOTE 8. JACKPOT PAYOUTS

Jackpot payouts for the year ended December 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-	6	\$150,183
Total	-0-	\$ -0-	6	\$150,183

Jackpot payouts for the three months ending December 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	<u>-0-</u>	<u>\$ -0-</u>	<u>4*</u>	<u>\$ 75,475</u>
Total	<u>-0-</u>	<u>\$ -0-</u>	<u>4</u>	<u>\$ 75,475</u>

* Note: Cash was taken instead of motor vehicles.

NOTE 9. 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 Aztar Corporation	\$ 4,358,000	\$ -0-
Due to Aztar Mortgage Funding, Inc.	5,407,000	420,000
Due to Ramada New Jersey Inc.	740,000	15,000
Due to Adamar Garage Corporation	<u>5,367,000</u>	<u>-0-</u>
Total	<u>\$ 15,872,000</u>	<u>\$ 435,000</u>

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

	<u>1990</u>	<u>1989</u>
Advances to Aztar Corporation	\$ -0-	\$ 1,625,000
Advances to Tropicana West	21,430,000	7,439,000
Advances to Adamar Garage Corporation	-0-	289,000
Advances to Atlantic-Deauville, Inc.	<u>98,000</u>	<u>-0-</u>
	21,528,000	9,353,000
Note Receivable-Adamar Garage Corporation	<u>17,052,000</u>	<u>17,052,000</u>
Total	<u>\$ 38,580,000</u>	<u>\$ 26,405,000</u>

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

For the twelve months ended December 31, 1990 and 1989 the Company incurred management fees from Aztar of \$578,000 and \$664,000 respectively.

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

	<u>1990</u>	<u>1989</u>
Basic rent - AGP	\$ 49,205,000	\$ 49,037,000
Rent	964,000	695,000
Rent - Adamar Garage Corporation	<u>6,264,000</u>	<u>74,000</u>
Total	<u>\$ 56,433,000</u>	<u>\$ 49,806,000</u>

For the twelve months ended December 31, 1990 and 1989 the Company incurred charges/(credits) 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>1990</u>	<u>1989</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive Deferred Compensation Plan	\$ (2,000)	\$ 3,000
Property Insurance	478,000	560,000
Miscellaneous Purchases	-0-	1,000
Executive Employee Relocation	-0-	4,000
Workman's Compensation	<u>1,002,000</u>	<u>889,000</u>
Total	<u>\$1,478,000</u>	<u>\$1,457,000</u>

	<u>1990</u>	<u>1989</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance (1)	\$1,402,000	\$1,800,000
Executive Deferred Compensation Plan	(20,000)	49,000
Legal and Professional Fees	-0-	365,000
Workman's Compensation	280,000	169,000
Corporate Allocation	283,000	-0-
Long-term Incentive	892,000	-0-
Restricted Stock	<u>158,000</u>	<u>-0-</u>
Total	<u>\$4,473,000</u>	<u>\$3,840,000</u>

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

In December 1987, the Financial Accounting Standards Board ("FASB") adopted Statement of Financial Accounting Standards No. 96, Accounting for Income Taxes ("SFAS 96"). The FASB voted in December 1989 to defer the effective date two years to fiscal years beginning after December 15, 1991, with similar adopted permitted. In the amendment, the FASB stated it is considering requests regarding certain provisions of SFAS 96. Adoption of the provisions would cause shifts in the timing of current and deferred tax expense and deferred tax assets and liabilities.

NOTE 10. INCOME TAXES/BENEFITS

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

	1990	1989
State Deferred	\$ 702,000	\$(1,324,000)
Federal Deferred	(2,846,000)	946,000
Total Deferred	<u>(2,144,000)</u>	<u>(378,000)</u>
State Current	-0-	-0-
Federal Current	-0-	(6,788,000)
Total Current	<u>-0-</u>	<u>(6,788,000)</u>
TOTAL	<u>\$ (2,144,000)</u>	<u>\$ (7,166,000)</u>

A reconciliation of the provision/(benefit) for income taxes with amounts determined by applying the statutory Federal income tax rate to income before income taxes is as follows (in thousands):

	1990	1989
Benefit at statutory rate:	\$ -	\$(7,082)
Increase/(Decrease) in tax resulting from:		
State income taxes, net of income tax benefit	702	(871)
Nondeductible meal costs	-	183
Tax-exempt interest	-	-
Net operating loss carryforward	(2,846)	1,480
Net operating loss carryback rate differential	-	(876)
	<u>\$ (2,144)</u>	<u>\$ (7,166)</u>

For income tax purposes, the Company is included in Aztar's consolidated corporate Federal income tax return.

At December 31, 1990, the Company has financial net operating loss carryforwards of \$3.2 million for regular tax and alternative minimum tax. For tax purposes, the Company has net operating loss carryforwards of \$21.3 million for regular tax and alternative minimum tax. These loss carryforwards are available for future years and, if not used, will expire in the years 2004 through 2005.

The Company had credit carryforwards available for future years of \$1.4 million for financial reporting and tax reporting purposes which will expire in the years 2000 through 2005. The Company also had contribution carryforwards available for future years of \$500,000 for financial reporting and tax reporting purposes which will expire in the years 2003 through 2005.

In December 1987, the Financial Accounting Standards Board ("FASB") adopted Statement of Financial Accounting Standards No. 96, Accounting for Income Taxes ("SFAS 96"). The FASB voted in December 1989 to defer the effective date two years to fiscal years beginning after December 15, 1991, with earlier adoption permitted. In the amendment, the FASB stated it is considering requests to amend certain provisions of SFAS 96. Adoption of the provisions of SFAS 96 could cause shifts between current and noncurrent deferred tax balances and between deferred tax balances and shareholders'

equity. A cumulative adjustment could be reflected in the Statement of Operations in the year of adoption for the effects from prior years, and the provision for income taxes for the year of adoption and all succeeding years would be computed under the provisions of SFAS 96. The Company has not determined when it will implement the provisions of SFAS 96, nor is the effect on the Company's financial statements currently known or reasonable estimable.

NOTE 11. PENSION PLANS

Effective June 1, 1988, the Company merged its retirement savings plan with Aztar's employee profit sharing and savings plan which covers substantially all employees located in the United States who are not covered by a collective bargaining unit. The savings account feature of the plan allows employees to defer taxes on their before-tax earnings up to an annual maximum amount per year of \$7,979 for 1990. All contributions to the profit sharing account feature are made by Aztar. Profit sharing expense for 1989 was \$1,237,000. On December 19, 1989, Aztar established the Employee Stock Ownership Plan ("ESOP"). Allocations made by Aztar will be in the form of Aztar Series B Preferred Stock. ESOP expense for 1990 was \$892,000.

Adamar makes contributions based on hours worked, as specified in five union agreements, to union administered, multiemployer, defined contribution pension plans. Contributions for these plans during 1990 and 1989 amounted to \$435,000 and \$595,000, respectively.

III. SUPPORTING SCHEDULES FOR MATERIAL ITEMS

NOTE 1. PREPAID EXPENSES AND OTHER CURRENT ASSETS

At December 31, 1990 and 1989, Prepaid expenses and Other current assets consisted of the following:

	<u>1990</u>	<u>1989</u>
Prepaid slot machine licenses	\$ 563,000	\$ 600,000
Prepaid rent	79,000	91,000
Prepaid NJ current corporate license	277,000	501,000
Prepaid insurance	495,000	21,000
Prepaid corporate license renewal	314,000	-0-
Other	<u>2,754,000</u>	<u>3,017,000</u>
TOTAL	<u>\$ 4,482,000</u>	<u>\$ 4,230,000</u>

NOTE 2. INVESTMENTS, ADVANCES, AND RECEIVABLES

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

	<u>1990</u>	<u>1989</u>
Due from Affiliates	21,528,000	9,353,000
CRDA Investments	13,977,000	11,608,000
Mortgage receivable	14,618,000	13,589,000
Note receivable-Adamar Garage Corporation	17,052,000	17,052,000
Long-term note receivable	<u>383,000</u>	<u>260,000</u>
Total	<u>\$ 67,558,000</u>	<u>\$ 51,862,000</u>

NOTE 3. OTHER ACCRUED EXPENSES

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

	<u>1990</u>	<u>1989</u>
Accrued payroll taxes and benefits	\$ 6,795,000	\$ 6,210,000
Accrued advertising	801,000	724,000
Accrued rent	269,000	250,000
Accrued taxes	647,000	420,000
Accrued progressive slot win	6,519,000	4,685,000
Accrued CCC & DGE	632,000	964,000
Accrued miscellaneous	2,056,000	1,871,000
Deferred rent	3,819,000	-0-
Other	<u>1,549,000</u>	<u>1,259,000</u>
Total	<u>\$ 23,087,000</u>	<u>\$ 16,383,000</u>

NOTE 4. OTHER CURRENT LIABILITIES

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

	<u>1990</u>	<u>1989</u>
Reinvestment Obligation	\$ 825,000	\$ 783,000
Accrued construction payables	-0-	284,000
Gaming chips	602,000	925,000
Casino and ROC payment deposit	223,000	325,000
Unclaimed wages	419,000	365,000
Other	<u>269,000</u>	<u>378,000</u>
Total	<u>\$ 2,338,000</u>	<u>\$ 3,060,000</u>

NOTE 5. OTHER LIABILITIES

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

	<u>1990</u>	<u>1989</u>
Due to affiliates	\$ 15,872,000	\$ 435,000
Deferred rent	<u>10,822,000</u>	<u>18,460,000</u>
TOTAL	<u>\$ 26,694,000</u>	<u>\$ 18,895,000</u>

NOTE 6. NON-OPERATING INCOME/(EXPENSE)

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

	<u>1990</u>	<u>1989</u>
Interest income	\$ 6,726,000	\$ 3,428,000
Administrative fee	100,000	100,000
Leased land rental	5,542,000	5,542,000
Maintenance reimbursement	12,341,000	11,574,000
Loss on dispositions	<u>(138,000)</u>	<u>(304,000)</u>
Total	<u>\$ 24,571,000</u>	<u>\$ 20,340,000</u>

NOTE 7. CONTRIBUTION TO PAID-IN CAPITAL

Effective December 20, 1989, Ramada contributed to the paid-in capital of the Company \$24,318,000 of intercompany debt owed by the Company.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

CASINO DEPARTMENTAL SCHEDULE

December 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE	DESCRIPTION	ACCOUNT	ALLOWANCE	ACCOUNTS RECEIVABLE-
(a)	(b)	(c) BALANCE	(d)	(E) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks.....	4,889		
2	Returned patrons' checks.....	14,177		
3	Total patrons' checks.....	19,066	(10,045)	9,021
4	Hotel Receivables.....	1,860	(355)	1,505
	Other Receivables:			
5	Receivables due from officers and employees..	53		
6	Receivables due from affiliates.....	-0-		
7	Other accounts and notes receivables.....	8,020		
8	Total other receivables.....	8,073		8,073
9	Totals (Form 205).....	\$ 28,999	\$ (10,400)	\$ 18,599

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE	DESCRIPTION	AMOUNT
(f)	(g)	(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).....	176,657
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).....	(125,967)
13	Checks collected through deposits.....	(46,715)
14	Checks transferred to returned checks.....	(5,880)
15	Other adjustments.....	-0-
16	Ending Balance.....	\$ 4,889
17	"Hold" Checks Included in Balance On Line 16.....	\$ -0-
18	Provision For Uncollectible Patrons' Checks.....	\$ 2,048
19	Provision As A Percent Of Counter Checks Issued.....	1.2 %

STATEMENT OF REVENUE AND ACCURACY
 TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

CASINO DEPARTMENTAL SCHEDULE

STATE OF NEW JERSEY
 COUNTY OF ATLANTIC

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	Revenue:	\$	\$	%	
1	Blackjack	50,231	340,728	14.8	107
2	Craps	29,771	196,448	15.2	20
3	Roulette	10,447	41,582	25.1	12
4	Big Six	2,058	4,073	50.6	3
5	Baccarat	7,909	57,574	13.7	5
6	Other table games	-	-		
7	Total table games revenue	100,416	640,405	15.7	147
			HANDLE	%	
8	\$.05 slot machines	3,507	21,354	16.4	119
9	\$.25 slot machines	46,514	333,465	14.0	838
10	\$1.00 slot machines	26,305	249,211	10.6	231
11	Other slot machines	101,771	1,202,324	8.5	1,135
12	Total coin-operated devices revenue	178,097	1,806,354	9.9	2,323
13	Progressive jackpot adjustment	1,834			
14	Total coin-operated devices revenue after adjustment	176,263			
15	Other income	-			
16	Total revenue	276,679			
	Expenses:				
17	Payroll and payroll related expenses	39,205			
18	Licenses and taxes	23,824			
19	Provision for uncollectible patrons' checks	2,048			
20	Other	3,821			
21	Total	68,898			
22	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	207,781			
	Complimentary services and casino management fees:				
23	Complimentary services	75			
24	Casino management fees	-			
25	Total	75			
26	Departmental Income (Loss)	\$ 207,706			

STATEMENT OF CONFORMITY AND ACCURACY

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

Lester Brzozowski, 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.

Lester Brzozowski

Signature

Vice President of Finance
Title

03032-11
License Number

Subscribed and sworn to
before me this 15th day
of March, 1991

Dolores Suter
Signature

On Behalf Of:

TropWorld Casino & Entertainment Resor
Casino Licensee

DOLORES SUTER
NOTARY PUBLIC OF NEW JERSEY
My Comm. Expiration Expires Aug. 31, 1993

Basis of Authority
to Take Oaths

GROSS REVENUE
ANNUAL TAX RETURN

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
DIVISION OF TAXATION

FOR THE YEAR ENDED DECEMBER 31, 1962

TAX CONTROL COMMISSION

NEW JERSEY

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1990

STATE OF NEW JERSEY

(UNAUDITED)

COUNTY OF ATLANTIC

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 100,416.7	
2	Coin-operated devices revenue	178,096.8	
3	Total revenues		\$ 278,513.5
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 2,048.1	
5	Maximum adjustment (4% of line 3)	\$ 11,140.5	
6	Adjustment (the lesser of line 4 or line 5)		2,048.1
7	Gross revenues (line 3 less line 6)		\$ 276,465.4
8	Tax on gross revenues - current year (8% of line 7)		\$ 22,117.2
9	Audit or other adjustments to tax on gross revenues in prior years		63.6
10	Total tax on gross revenues (line 8 plus or minus line 9)		22,180.8
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 1,359.3	
12	February	1,616.8	
13	March	1,588.5	
14	April	2,155.4	
15	May	1,684.6	
16	June	1,753.2	
17	July	2,379.4	
18	August	1,836.8	
19	September	1,905.3	
20	October	2,091.4	
21	November	1,640.2	
22	December	1,782.9	
23	January	323.4	
24	Total deposits made for tax on current year's gross revenues		(22,117.2)
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits		(63.6)
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ -0-

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE Adamar of New Jersey, Inc.

ADDRESS Brighton and the Boardwalk

Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 19

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL EMPLOYMENT
AND PAYROLL REPORT.....**

Lester Brzozowski

OFFICIAL TITLE.....

Vice President of Finance

ADDRESS.....

Brighton and the Boardwalk

Atlantic City, New Jersey 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1990
(\$ in Thousands)

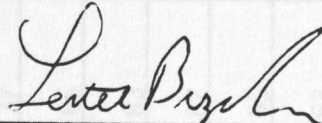
LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES	
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS
			(f)	TOTALS
CASINO				
1	Administration	20		
2	Gaming	937		
3	Slots	161		
4	Casino accounting	545		
5	Other	103	\$ 32,448.1	\$ 32,448.1
6	Total-casino	1,766		
7	ROOMS	572	7,876.6	7,876.6
8	FOOD AND BEVERAGE	1,155	14,495.6	14,495.6
OTHER OPERATED DEPARTMENTS				
9	Communications	22	334.3	334.3
10	Retail Shops	32	450.9	450.9
11	Transportation	165	2,362.7	2,362.7
12	Hotel Sales	9	241.3	241.3
13	Tivoli Pier	73	1,137.6	1,137.6
14				
15				
16				
17				
18				
19				
ADMINISTRATIVE AND GENERAL				
20	Executive office	17	1,156.8	1,156.8
21	Accounting and auditing	218	3,876.3	3,876.3
22	Security	211	4,236.5	4,236.5
23	Other administrative and general department ..	81	1,751.4	1,751.4
24	MARKETING	111	1,909.9	1,909.9
25	GUEST ENTERTAINMENT	107	954.0	954.0
26	PROPERTY OPERATION AND MAINTENANCE	123	3,713.0	3,713.0
		4,662	\$ 76,945.0	\$ 76,945.0

Trading Name of Licensee TropWorld Casino and Entertainment Resort

**ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE**

For the Year Ended December 31, 19 90

March 15, 1991
Date


Signature

Vice President of Finance
Title

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF ROOMS AVAILABLE	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCUMULATED	AVERAGE RATE PER GUEST ACCUMULATED
JANUARY	1,014	31,434	23,283	\$ 77.44	67.74%	41,646	\$ 38.37
FEBRUARY	1,014	28,392	23,614	\$ 77.44	65.74%	40,211	\$ 37.31
MARCH	1,014	31,434	28,169	\$ 55.55	90.91%	50,525	\$ 22.89
1ST QUARTER TOTALS		91,260	74,466	\$ 57.44	81.51%	132,382	\$ 22.45
APRIL	1,014	30,420	28,657	\$ 81.75	93.51%	40,008	\$ 30.08
MAY	1,014	31,434	29,471	\$ 71.04	83.62%	47,116	\$ 37.16
JUNE	1,014	30,420	29,673	\$ 75.75	67.58%	57,654	\$ 26.84
2ND QUARTER TOTALS		92,274	87,801	\$ 76.11	83.58%	117,368	\$ 18.63
JULY	1,014	31,434	23,896	\$ 30.10	75.03%	50,525	\$ 49.87
AUGUST	1,014	31,434	27,781	\$ 71.04	88.43%	57,116	\$ 45.41
SEPTEMBER	1,014	30,420	26,619	\$ 75.75	94.18%	56,654	\$ 59.03
3RD QUARTER TOTALS		93,288	80,286	\$ 29.94	85.18%	165,342	\$ 64.81
OCTOBER	1,014	31,434	28,885	\$ 77.75	91.92%	57,789	\$ 36.36
NOVEMBER	1,014	30,420	27,424	\$ 72.94	90.28%	55,434	\$ 58.09
DECEMBER	1,014	31,434	26,691	\$ 64.10	84.92%	57,220	\$ 32.15
4TH QUARTER TOTALS		93,288	83,000	\$ 70.03	89.03%	166,433	\$ 34.92
ANNUAL TOTALS		370,110	325,363	\$ 76.67	87.91%	652,211	\$ 38.15

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 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	1,014	30,420	28,467	\$ 81.75	93.6%	58,059	\$ 40.08
MAY	1,014	31,434	29,471	\$ 73.04	93.8%	57,922	\$ 37.16
JUNE	1,014	30,420	29,673	\$ 75.37	97.5%	57,873	\$ 38.64
2ND QUARTER TOTALS		92,274	87,611	\$ 76.66	94.9%	173,854	\$ 38.63
JULY	1,014	31,434	23,886	\$ 105.83	76.0%	50,688	\$ 49.87
AUGUST	1,014	31,434	27,781	\$ 96.82	88.4%	57,959	\$ 46.41
SEPTEMBER	1,014	30,420	28,619	\$ 77.55	94.1%	56,895	\$ 39.01
3RD QUARTER TOTALS		93,288	80,286	\$ 92.63	86.1%	165,542	\$ 44.93
OCTOBER	1,014	31,434	28,885	\$ 72.75	91.9%	57,789	\$ 36.36
NOVEMBER	1,014	30,420	27,424	\$ 72.94	90.2%	55,434	\$ 36.09
DECEMBER	1,014	31,434	26,691	\$ 64.10	84.9%	53,220	\$ 32.15
4TH QUARTER TOTALS		93,288	83,000	\$ 70.03	89.0%	166,443	\$ 34.92
ANNUAL TOTALS		370,110	325,363	\$ 76.87	87.9%	652,217	\$ 38.35

NEW JERSEY STATE LIBRARY
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ANNUAL REPORT

974901
C193

LICENSEE TRUMP CASTLE ASSOCIATES
ADDRESS Huron Avenue & Brigantine Blvd.
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT

Thomas P. Venier
Vice President of Finance

OFFICIAL TITLE

ADDRESS

Huron Avenue & Brigantine Blvd
Atlantic City, NJ 08401

BALANCE SHEETS

DECEMBER 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
Current Assets:			
1	Cash.....	\$ 8,044	\$ 14,598
2	Marketable securities.....	0	9,655
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$5,184; 1989, \$2,629).....	14,486	16,307
4	Inventories.....	2,773	3,491
5	Prepaid expenses and other current assets.....	4,112	2,730
6	Total current assets.....	29,415	46,781
7	Investments, Advances, And Receivables.....	1,061	7,269
8	Property And Equipment - Net..... (NOTE 2).....	366,540	373,780
9	Other Assets..... (NOTE 6).....	11,258	11,934
10	Total Assets.....	\$408,274	\$439,764
LIABILITIES AND EQUITY			
Current Liabilities:			
11	Accounts payable..... (NOTE 7).....	\$ 11,138	\$ 8,470
12	Notes payable..... (NOTE 4).....	13,000	15,000
Current portion of long-term debt:			
13	Due to affiliates..... (NOTE 3,5).....	315,914	24,680
14	Other..... (NOTE 4).....	50,000	0
15	Income taxes payable and accrued.....	0	0
16	Other accrued expenses..... (NOTE 8).....	16,300	13,056
17	Other current liabilities..... (NOTE 9).....	15,123	13,143
18	Total current liabilities.....	421,475	74,349
Long-Term Debt:			
19	Due to affiliates..... (NOTE 3).....	0	285,144
20	Other..... (NOTE 4).....	0	50,000
21	Deferred Credits.....	0	0
22	Other Liabilities.....	8	19
23	Commitments And Contingencies..... (NOTE 11).....		
24	Total Liabilities.....	421,483	409,512
25	Stockholders', Partners', Or Proprietor's Equity.....	(13,209)	30,252
26	Total Liabilities And Equity.....	\$408,274	\$439,764

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 12 MONTHS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

(a)	(b) DESCRIPTION	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$233,679	\$264,358
2	Rooms.....	21,863	21,481
3	Food and beverage.....	41,289	45,797
4	Other.....	13,765	11,613
5	Total revenue.....	310,596	343,249
6	Less: Promotional allowances.....(NOTE 13)..	44,351	49,149
7	Net revenue.....	266,245	294,100
	Costs And Expenses:		
8	Cost of goods and services.....	152,776	156,128
9	Selling, general, and administrative.....	80,449	82,700
10	Provision for doubtful accounts.....	6,470	2,549
11	Depreciation and amortization.....	20,658	17,464
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
13	Other.....	0	0
14	Total costs and expenses.....	260,353	258,841
15	Income (Loss) From Operations.....	5,892	35,259
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(NOTE 3,5)..	(41,843)	(41,971)
17	Interest (expense) - external.....(NOTE 4)..	(6,969)	(1,329)
18	Investment alternative tax and related income (expense) - net..(NOTE 11)..	(4,007)	(1,064)
19	Non-operating income (expense) - net.....(NOTE 10)..	330	1,941
20	Total other income (expenses).....	(52,489)	(42,423)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(46,597)	(7,164)
22	Provision (credit) for income taxes.....(NOTE 1)..	0	(466)
23	Income (Loss) Before Extraordinary Items.....	(46,597)	(6,698)
24	Extraordinary items (net of income taxes -		
25	1990, \$3,136 ; 1989, \$ -0-).....(NOTE 3,15)	3,136	0
	Net Income (Loss).....	\$ (43,461)	\$ (6,698)

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 DECEMBER 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$ 51,690	\$ 61,805
2	Rooms.....	4,832	5,795
3	Food and beverage.....	9,659	10,858
4	Other.....	4,120	2,791
5	Total revenue.....	70,301	81,249
6	Less: Promotional allowances.....(NOTE 13).....	10,531	13,032
7	Net revenue.....	59,770	68,217
	Costs And Expenses:		
8	Cost of goods and services.....	36,524	38,741
9	Selling, general, and administrative.....	20,776	22,306
10	Provision for doubtful accounts.....	3,071	793
11	Depreciation and amortization.....	5,325	4,693
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
13	Other.....	0	0
14	Total costs and expenses.....	65,696	66,533
15	Income (Loss) From Operations.....	(5,926)	1,684
	Other Income (Expenses)		
16	Interest (expense) - affiliates.....(NOTE 3,5).....	(10,603)	(10,468)
17	Interest (expense) - external.....(NOTE 4).....	(1,759)	(1,329)
18	Investment alternative tax and related income (expense) - net.....(NOTE 11)...	(705)	(243)
19	Non-operating income (expense) - net.....(NOTE 10).....	(237)	523
20	Total other income (expenses).....	(13,304)	(11,517)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(19,230)	(9,833)
22	Provision (credit) for income taxes.....(NOTE 1).....	0	(734)
23	Income (Loss) Before Extraordinary Items.....	(19,230)	(9,099)
24	Extraordinary items (net of income taxes - 1990, \$3,136 ; 1989, \$ -0-).....	0	0
25	Net Income (Loss).....	\$ (19,230)	\$ (9,099)

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 12 MONTHS ENDED DECEMBER 31, 1990 and 1989

NOT APPLICABLE

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(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.....		\$		\$

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 12 MONTHS ENDED DECEMBER 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	5,000
3	.....	0	0
4	Ending balance.....	71,196	71,196
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....	(2,494)	4,204
6	Prior period adjustments.....	0	0
7	Net income (loss).....	(43,461)	(6,698)
8	.....	0	0
9	Ending balance.....	(45,955)	(2,494)
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(38,450)	(42,197)
11	Additional capital withdrawals.....	(0)	(0)
12	Repayment of Withdrawals.....	0	3,747
13	Ending balance.....	(38,450)	(38,450)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	(0)	(0)
15	.....	0	0
16	.....	0	0
17	Ending balance.....	(0)	(0)
18	Ending Partners' Or Proprietor's Equity.....	\$ (13,209)	\$ 30,252

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 YEARS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ (7,794)	\$ 22,862
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	0	(9,655)
3	Proceeds from the sale of short-term investment securities.....	0	0
4	Cash outflows for property and equipment.....	(12,621)	(50,128)
5	Proceeds from disposition of property and equipment.....	120	
6	Purchase of casino reinvestment obligations.....	(287)	(3,280)
7	Purchase of other investments and loans/advances made.....	0	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	2,788	0
9	Cash outflows to acquire business entities.....	0	0
10	Redemption of A-1 Bonds.....	9,655	0
11		0	0
12	Net Cash Provided (Used) By Investing Activities.....	(345)	(63,063)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		17,000
14	Payments to settle short-term debt.....	(2,000)	0
15	Cash proceeds from issuance of long-term debt.....	26,265	32,019
16	Costs of issuing debt.....	0	0
17	Payments to settle long-term debt.....	(22,680)	0
18	Cash proceeds from issuing stock or capital contributions.....	0	5,000
19	Purchases of treasury stock.....	0	0
20	Payments of dividends or capital withdrawals.....	0	0
21	Reclassification of Long Term Debt To Current Portion.....	0	(22,680)
22	Repayment of Capital Withdrawals.....	0	3,747
23	Net Cash Provided (Used) By Financing Activities.....	1,585	35,086
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(6,554)	(5,115)
25	Cash And Cash Equivalents At Beginning Of Year.....	14,598	19,713
26	Cash And Cash Equivalents At End Of Year.....	\$ 8,044	\$ 14,598

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For:		
28	Interest (net of amount capitalized).....	\$ 42,847	\$ 41,173
	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 the notes.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 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).....	\$ (43,461)	\$ (6,698)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	19,608	16,722
31	Amortization of other assets.....	1,050	742
32	Amortization of debt discount or premium.....	2,505	2,102
33	Deferred income taxes - current.....	0	0
34	Deferred income taxes - noncurrent.....	0	(466)
35	(Gain) loss on disposition of property and equipment.....	133	0
36	(Gain) loss on casino reinvestment obligations.....	3,707	1,064
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	1,821	(2,449)
39	Net (increase) decrease in inventories.....	718	(453)
40	Net (increase) decrease in other current assets.....	(1,382)	(430)
41	Net (increase) decrease in other assets.....	(374)	(125)
42	Net increase (decrease) in accounts payable.....	2,668	(14,168)
43	Net increase (decrease) in other current liabilities excluding debt.....	5,224	4,320
44	Net increase (decrease) in other noncurrent liabilities excluding debt..	(11)	21
45	Net increase (decrease) current portion - Ltd.	0	22,680
46	.....	0	0
47	Net Cash Provided (Used) By Operating Activities.....	\$ (7,794)	\$ 22,862

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 12,621	\$ 50,128
50	Less: Capital lease obligations incurred.....	0	0
	Cash Outflows For Property And Equipment.....	\$ 12,621	\$ 50,128
	Acquisition of Business Entities:		
51	Property and equipment acquired.....	\$ 0	\$ 0
52	Goodwill acquired.....	0	0
53	Net assets acquired other than cash, goodwill, and property and equipment.....	0	0
54	Long-term debt assumed.....	0	0
55	Issuance of stock or capital invested.....	0	0
56	Cash Outflows To Acquire Business Entities.....	\$ 0	\$ 0
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$ 0	\$ 5,000
58	Less: Issuances to settle long-term debt.....	0	0
59	Consideration in acquisition of business entities.....	0	0
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ 0	\$ 5,000

TRUMP CASTLE HOTEL & CASINO

NOTES TO FINANCIAL STATEMENTS

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.

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 benefit for state income taxes has been reflected in the accompanying financial statements for 1989 calendar year. 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 \$5,184,000 through December 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 December 31:

	<u>1990</u>	<u>1989</u>
Land	\$ 31,792	\$ 28,768
Buildings	236,728	239,731
Furniture, Fixtures and Equipment	91,148	85,252
Construction in Progress	1,004	29,440
Building/Leasehold Improvements	109,180	73,750
	-----	-----
TOTAL	\$469,852	\$456,941
Less Accumulated Depreciation	(103,312)	(83,161)
	-----	-----
Net Property and Equipment	<u>\$366,540</u>	<u>\$373,780</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. As of June 30, 1990 the Partnership has redeemed \$22,680,000 of the original principal amount as required by the bond indenture and will be required to annually make sinking fund payments in an amount sufficient to redeem 10% of the principal amount of Series A-1 Bonds up to 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 is payable semiannually 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 the Partnership, excluding cash which may be distributed as described below (regardless of whether such cash has been distributed) and 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.

As of December 31, 1990, 10% of the original principal amount (\$22,680,000) of the Series A-1 Bonds had been redeemed in satisfaction of the sinking fund requirements under the Indenture. Certain Bonds were acquired at a discount that resulted in a gain of \$3,136,000. See Note 15.

The next scheduled semi-annual interest payment for the Bonds is due on June 15, 1991, in the amount of \$18,408,250. The Partnership has failed to make certain payments of principal and interest owed to Midlantic National Bank ("Midlantic"), which failure may result in an Event of Default under the Indenture and has resulted in the indebtedness represented by the Bonds being classified as current portion-long term debt - due to affiliates. See Note 4.

NOTE 4 - BANK BORROWINGS

In February 1988, the Partnership obtained a line of credit from Midlantic for \$50,000,000 to partially finance an expansion of Trump Castle and to reconstruct the Senator Frank S. Farley Marina, located directly across from the entrance to Trump Castle (the "Marina"). The company has borrowed the entire amount of this line of credit which was converted to a term loan in August 1990. Interest is payable monthly at 1% above the bank's prime rate. Principal is payable commencing February, 1992 and is based on a ten-year amortization schedule with the balance due in 1998. Security for this loan is identical to that of the Bonds. See Note 3.

The Partnership has failed to make interest payments totaling \$2,353,000 which represent interest charges for the months of August, September, October, November and December, 1990. Midlantic has not declared the entire outstanding balance currently due and payable as of December 31, 1990; however, no assurances can be given that demand for the outstanding balance will not be made. Accordingly, the entire outstanding principal balance of \$50,000,000 has been classified as current portion-long term debt-other.

The Partnership also maintains a line of credit due in 1995 with Midlantic of which \$13,000,000 has been drawn upon, as of December 31, 1990. The Partnership has also failed to make interest payments due under such line of credit for the months of August, September, October, November and December, 1990 totalling approximately \$556,000.

	5,577	1,775
Accrued Advertising/Promotions	566	1,767
Accrued Progressive Jackpots	1,444	1,254
Accrued Sick/Vacation	4,270	3,999
Other	482	144
	-----	-----
OTHER ACCRUED EXPENSES	\$16,300	\$17,036
	-----	-----

Midlantic has agreed to defer payment of the unpaid interest on the \$50,000,000 loan and the \$13,000,000 line of credit until June 15, 1991. However, Midlantic reserves the right to accelerate the principal amount of the borrowings at any time to be immediately due and payable.

NOTE 5 - OTHER BORROWINGS:

The Partnership borrowed \$28,265,000 from Donald J. Trump one of its general partners (which included \$9,889,000) (face value \$12,480,000) evidenced by Series A-1 Bonds acquired by the Partner), the proceeds of which were used to partially satisfy the June 1990 interest and sinking fund requirements of the Bonds. The loan is due on demand and bears interest at the prime rate. These notes are included in current portion-long term debt-due to affiliates.

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

Other Assets consist of:	1990	1989
Deferred Marina Improvement	257	0
Deferred Loan Cost	\$ 421	\$ 480
Deferred Bond Costs (Net)	10,461	11,206
Other Non-Current Assets	119	248
	-----	-----
TOTAL OTHER ASSETS	\$11,258	\$11,934
	=====	=====

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

	1990	1989
Accounts Payable Trade	\$10,271	\$ 8,096
Marina Slip Advance Deposits	560	0
Other	307	374
	-----	-----
TOTAL ACCOUNTS PAYABLE	\$11,138	\$ 8,470
	=====	=====

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

Other accrued expenses consist of:	1990	1989
Accrued Payroll & Taxes	\$ 3,661	\$ 4,117
Accrued Interest	5,677	1,775
Accrued Advertising/Promotions	666	1,767
Accrued Progressive Jackpots	1,444	1,254
Accrued Sick/Vacation	4,370	3,999
Other	482	144
	-----	-----
TOTAL OTHER ACCRUED EXPENSES	\$16,300	\$13,056
	=====	=====

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

Other current liabilities consist of:	<u>1990</u>	<u>1989</u>
Outstanding Chip Liability	\$ 4,595	\$1,350
Outstanding Token Liability	616	311
Patron Deposits	178	250
Accrued Utilities	808	325
Accrued Group Health insurance	1,398	1,634
Accrued Insurance	2,111	1,622
A/P Other	1,341	2,320
Accrued Legal	1,915	415
Accrued CCC/DGE	156	662
Construction Retainage	383	2,154
Accrued Inventories	321	670
Accrued CRDA	88	750
Accrued 401 K	545	330
Accrued Real Estate Tax	668	350
	-----	-----
TOTAL OTHER CURRENT LIABILITIES	\$15,123	\$13,143
	=====	=====

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

Non-operating income for the year ended December 31, 1990:

	<u>Three Months</u>	
	<u>1990</u>	<u>1989</u>
Discount Earned	\$ 0	\$ 55
Interest Income	468	468
Gain/(Loss) Disposition of Equipment	0	
Debt Restructuring (Expense)	(514)	0
	----	----
TOTAL NON-OPERATING INCOME	\$(46)	\$523
	=====	=====

Non-operating income year-to-date as of December 31, 1990:

	<u>Twelve Months</u>	
	<u>1990</u>	<u>1989</u>
Discount Earned	\$ 84	\$ 230
Interest Income	893	1,711
Gain/(Loss) Disposition of Equipment	(133)	-0-
Debt Restructuring (Expense)	(514)	-0-
	----	----
TOTAL NON-OPERATING INCOME	\$330	\$1,941
	=====	=====

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. The Partnership's operating license is currently renewable in April, 1991.

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 approximately \$9,588,000 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 approximately \$4,890,000 which credits are to be utilized to satisfy substantial portions of the Partnership's investment alternative tax obligations over approximately the next four to six quarters,

As a result of this agreement, the Partnership has charged \$2,566,000 for the twelve months ending December 31, 1990 to operations, which represents application of portion of the tax credits, as well as effect below market interest rates associated with the first and second quarter bond purchase commitment.

Additionally, the Partnership charged \$1,588,000 against its 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.

ROADWAY IMPROVEMENTS

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 December 31, 1990, the Partnership had made contributions totaling \$3,036,000.

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 \$594,000 for matching contributions for the twelve months ended December 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 plans 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 twelve months ended December 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	225,263	13,077,000	298	\$ 261,000
Food	1,345,640	20,521,000	---	---
Beverage	1,879,393	6,202,000	---	---
Travel	11,585	1,506,000	25,910	5,610,000
Cash Coupons	---	---	2,632,791	25,662,000
Admissions	127,756	2,619,000	1,062	345,000
Other/Gifts	8,520	426,000	169,933	5,072,000
	-----	-----	-----	-----
TOTALS	3,598,157	\$44,351,000	2,829,994	\$36,950,000
	=====	=====	=====	=====

Promotional Allowances and Expenses and number of recipients for three months ended December 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	68,903	\$ 2,968,000	185	\$ 118,000
Food	280,441	5,169,000	---	---
Beverage	463,701	1,601,000	---	---
Travel	908	225,000	5,694	1,300,000
Cash Coupons	---	---	791,332	6,404,000
Admissions	21,301	442,000	464	251,000
Other/Gifts	2,318	126,000	19,453	1,310,000
	-----	-----	-----	-----
TOTALS	837,572	\$10,531,000	817,128	\$ 9,383,000
	=====	=====	=====	=====

NOTE 14 - JACKPOT PAYOUTS

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

	<u>For the Three Months Ended 12-31-90</u>		<u>For the Twelve Months Ended 12-31-90</u>	
	<u>Number of Recipients</u>	<u>Amount</u>	<u>Number of Recipients</u>	<u>Amount</u>
Motor Vehicles	2	\$ 25,774	22	\$283,514
	--	-----	--	-----
TOTALS	2	\$ 25,774	22	\$283,514
	==	=====	==	=====

NOTE 15 - EXTRAORDINARY ITEM:

The Partnership elected to satisfy its sinking fund requirement for the Series A-1 Bonds (Note 3) through open market purchases of said bonds. Several bond purchases were made during the period of December 1989 through June 1990, at varying degrees of discount from the original face value of the bond issue. The gain generated by these discounted purchases is presented as an extraordinary item for these financial statements.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 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.....	\$ 7,553		
2	Returned patrons' checks.....	8,240		
3	Total patrons' checks.....	15,793	\$4,903	\$ 10,890
4	Hotel Receivables.....	1,448	281	1,167
Other Receivables:				
5	Receivables due from officers and employees.....	18		
6	Receivables due from affiliates.....	1,111		
7	Other accounts and notes receivables.....	1,300		
8	Total other receivables.....	2,429	0	2,429
9	Totals (Form 305).....	\$19,670	\$5,184	\$ 14,486

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).....	268,334
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).....	(193,254)
13	Checks collected through deposits.....	(63,357)
14	Checks transferred to returned checks.....	(12,234)
15	Other adjustments.....	0
16	Ending Balance.....	\$ 7,553
17	"Hold" Checks Included In Balance On Line 16.....	\$ 0
18	Provision For Uncollectible Patrons' Checks.....	\$ 6,327
19	Provision As A Percent Of Counter Checks Issued.....	2.4 %

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES OR MACHINES (f)
	Revenue:				
1	Blackjack.....	\$ 40,683	\$ 318,622	12.8%	68
2	Craps.....	39,924	250,322	15.9	20
3	Roulette.....	9,390	39,090	24.0	12
4	Big Six.....	1,339	2,995	44.7	3
5	Baccarat.....	7,010	54,126	13.0	6
6	Other table games.....	0	0	0	0
7	Total table games revenue.....	98,346	\$ 665,155	14.8%	109
			HANDLE		
8	\$.05 slot machines.....	3,634	\$ 23,015	15.8%	86
9	\$.25 slot machines.....	44,262	330,038	13.4	648
10	\$1.00 slot machines.....	21,194	197,131	10.8	245
11	Other slot machines.....	66,433	718,067	9.3	703
12	Total coin-operated devices revenue.....	135,523	\$1,268,251	10.7%	1,682
13	Progressive jackpot adjustment.....	(190)			
14	Total coin-operated devices revenue after adjustment.....	135,333			
15	Other income.....	0			
16	Total revenue.....	233,679			
	Expenses:				
17	Payroll and payroll related expenses.....	33,639			
18	Licenses and taxes.....	19,211			
19	Provision for uncollectible patrons' checks..	6,327			
20	Other.....	6,052			
21	Total.....	65,229			
22	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	168,450			
	Complimentary services and casino management fees:				
23	Complimentary services.....	7,000			
24	Casino management fees.....	0			
25	Total.....	7,000			
26	Departmental Income (Loss).....	\$161,450			

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 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.

[Handwritten Signature]

Signature

Vice President Finance

Title

00711-11

License Number

Subscribed and sworn to before

me this 15th day

of March, 1999

On Behalf Of:

Thomas P. Venier
Trump Castle Hotel & Casino
Casino Licensee

[Handwritten Signature: Sharon J. Miller]
Signature

SHARON J. MILLER

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires JUNE 18, 1991

Basis of Authority to Take Oaths

GROSS REVENUE ANNUAL TAX RETURN

(IN THOUSANDS)

LICENSEE TRUMP CASTLE HOTEL & CASINO

ADDRESS Huron Ave. & Brigantine Ave.

Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL TAX RETURN

Thomas P. Venier

OFFICIAL TITLE

Vice President Finance

ADDRESS

Huron Ave. & Brigantine Blvd.

Atlantic City, NJ 08401

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 98,346	
2	Coin-operated devices revenue	135,523	
3	Total revenues		\$ 233,869
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 6,327	
5	Maximum adjustment (4% of line 3)	\$ 9,355	
6	Adjustment (the lesser of line 4 or line 5)		6,327
7	Gross revenues (line 3 less line 6)	\$ 227,542	
8	Tax on gross revenues - current year (8% of line 7)	\$ 18,203	
9	Audit or other adjustments to tax on gross revenues in prior years		0
10	Total tax on gross revenues (line 8 plus or minus line 9)		18,203
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 1,548	
12	February	1,787	
13	March	1,871	
14	April	1,377	
15	May	1,220	
16	June	1,817	
17	July	1,542	
18	August	1,772	
19	September	1,319	
20	October	1,266	
21	November	1,587	
22	December	1,021	
23	January	76	
24	Total deposits made for tax on current year's gross revenues		(18,203)
	Settlement of prior years' tax on gross revenues		
25	resulting from audit or other adjustments - (deposits) credits		0
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)	\$ 0	

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF
COUNTY OF

ANNUAL EMPLOYMENT
AND PAYROLL REPORT

:
:SS.
:

Thomas P. Venier, being duly sworn according
Name

to law upon my oath deposes and says:

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

Thomas P. Venier
Signature

Vice President Finance
Title

711-11
License Number

Subscribed and sworn to
before me this 15th day
of March, 1991.

Sharon J. Miller
Signature

SHARON J. MILLER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires JUNE 18, 1991

Basis of Authority
to Take Oaths

On Behalf Of:

TRUMP CASTLE HOTEL & CASINO
Casino Licensee



ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE TRUMP CASTLE ASSOCIATES
ADDRESS Huron Avenue & Brigantine Blvd.
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19 90

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL EMPLOYMENT
AND PAYROLL REPORT.....

Thomas P. Venier

OFFICIAL TITLE.....

Vice President of Finance

ADDRESS.....

Huron Avenue & Brigantine Blvd.

Atlantic City, NJ 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 90
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
CASINO					
1	Administration	18			
2	Gaming	525			
3	Slots	277			
4	Casino accounting	49			
5	Other	202			
6	Total-casino		\$ 27,829,000	\$	\$ 27,829,000
7	ROOMS	294	4,662,000		4,662,000
8	FOOD AND BEVERAGE	818	14,335,000		14,335,000
OTHER OPERATED DEPARTMENTS					
9	Telephone	17	317,000		317,000
10	Beauty Salon	3	100,000		100,000
11	Gift Shop	20	265,000		265,000
12	Transportation	170	1,944,000		1,944,000
13	Uniforms	27	456,000		456,000
14	Health Club	2	72,000		72,000
15	Marina	84	564,000		564,000
16	Environmental Services	183	3,001,000		3,001,000
17	Print Shop	16	394,000		394,000
18					
19					
ADMINISTRATIVE AND GENERAL					
20	Executive office	18		3,115,000	3,115,000
21	Accounting and auditing	213	3,665,000		3,665,000
22	Security & Surveillance	195	4,278,000		4,278,000
23	Other administrative and general department ..	45	1,391,000		1,391,000
24	MARKETING	67	1,708,000		1,708,000
25	GUEST ENTERTAINMENT	32	1,404,000		1,404,000
26	PROPERTY OPERATION AND MAINTENANCE	109	3,425,000		3,425,000
27	TOTALS - ALL DEPARTMENTS	3,384	\$ 69,810,000	\$ 3,115,000	\$ 72,925,000

Trading Name of Licensee Trump Castle Associates

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1990

March 14, 1991
Date

[Signature]
Signature

Vice President of Finance
Title

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	15,820	\$ 95.17	71.5%	29,050	\$ 50.13
FEBRUARY	703	19,684	16,173	\$ 98.98	82.2%	32,746	\$ 48.74
MARCH	703	21,793	17,906	\$ 103.89	82.2%	36,141	\$ 50.83
1ST QUARTER TOTALS		63,180	49,899	\$ 98.38	78.5%	97,937	\$ 49.93
APRIL	703	21,090	18,623	\$ 97.94	88.3%	36,141	\$ 45.67
MAY	703	21,793	17,541	\$ 99.87	80.5%	35,441	\$ 48.77
JUNE	703	21,090	18,266	\$ 108.18	86.6%	36,141	\$ 55.36
2ND QUARTER TOTALS		63,973	64,430	\$ 102.11	85.1%	111,111	\$ 49.77
JULY	703	21,793	19,112	\$ 117.11	87.7%	37,814	\$ 63.72
AUGUST	703	21,793	20,341	\$ 111.11	93.5%	35,441	\$ 62.31
SEPTEMBER	703	21,090	18,706	\$ 104.44	88.7%	35,441	\$ 52.45
3RD QUARTER TOTALS		64,676	58,158	\$ 116.11	89.9%	113,189	\$ 59.69
OCTOBER	703	21,793	19,394	\$ 97.98	89.0%	39,442	\$ 45.77
NOVEMBER	703	21,090	17,683	\$ 90.97	83.8%	35,814	\$ 44.47
DECEMBER	703	21,793	17,059	\$ 85.24	78.3%	34,396	\$ 47.21
4TH QUARTER TOTALS		61,676	54,135	\$ 89.59	83.7%	109,790	\$ 44.21
ANNUAL TOTALS		256,505	216,227	\$ 101.96	84.3%	432,536	\$ 50.99

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 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	703	21,090	18,623	\$ 97.94	88.3 %	39,935	\$ 45.67
MAY	703	21,793	17,541	\$ 99.87	80.5 %	35,960	\$ 48.72
JUNE	703	21,090	18,266	\$ 109.18	86.6 %	36,024	\$ 55.36
2ND QUARTER TOTALS		63,973	54,430	\$ 102.34	85.1 %	111,919	\$ 49.77
JULY	703	21,793	19,112	\$ 126.23	87.7 %	37,862	\$ 63.72
AUGUST	703	21,793	20,341	\$ 122.14	93.3 %	39,875	\$ 62.31
SEPTEMBER	703	21,090	18,705	\$ 99.41	88.7 %	35,452	\$ 52.45
3RD QUARTER TOTALS		64,676	58,158	\$ 116.18	89.9 %	113,189	\$ 59.69
OCTOBER	703	21,793	19,394	\$ 92.98	89.0 %	39,442	\$ 45.72
NOVEMBER	703	21,090	17,683	\$ 90.07	83.8 %	35,814	\$ 44.47
DECEMBER	703	21,793	17,058	\$ 85.24	78.3 %	34,444	\$ 42.21
4TH QUARTER TOTALS		64,676	54,135	\$ 89.59	83.7 %	109,700	\$ 44.21
ANNUAL TOTALS		256,505	216,322	\$ 101.96	84.3 %	432,536	\$ 50.99

NEW JERSEY STATE LIBRARY
3 3009 00038 7847

ANNUAL REPORT

974-901
C193

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 27 1991
185 W. STATE ST.
TRENTON, NJ

LICENSEE Trump Plaza Associates
ADDRESS MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

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



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT** Francis X. McCarthy, JR.
OFFICIAL TITLE SENIOR VICE PRESIDENT OF FINANCE & ADMINISTRATION
ADDRESS MISSISSIPPI & BOARDWALK
ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

LIST OF FORMS - ANNUAL REPORT

(IN THOUSANDS)

FOR THE YEAR ENDED DECEMBER 31, 1990

LINE NO.	(a)	(b)	(c) 1990	(d) 1989
	ASSETS			
	Current Assets:			
	Cash.....		\$ 10,005	\$ 11,527
	Marketable <u>TITLE</u> securities.....			
	Accounts receivable and patrons' checks (net of allowance for			
1	Balance Sheets		17,779	19,487
	Accounts - 1989, \$19,373; 1988, \$13,507).....			
	Inventories.....		3,101	4,215
2	Statements of Income (Year-to-Date)		4,650	4,716
	Prepaid assets.....(Note 2).....			
	Statements of Income (Three Months).....		35,525	35,956
	Statements of Changes in Partners' or Proprietor's Equity		6,845	15,248
	Accounts payable.....(Note 3).....			
	Notes.....(Note 4).....		216,595	219,191
	Statements of Cash Flows		38,232	38,745
	Notes to Financial Statements		137,207	140,250
	Schedule of Receivables and Patron's Checks			
	Casino Departmental Schedule			
	Statement of Conformity and Accuracy		7,904	1,192
	Current portion of long-term debt:			
	Due to affiliates.....(Note 8).....		25,000	
	Other.....(Note 9).....		3,068	3,665
	Income taxes payable and accrued.....			511
	Other accrual expenses.....(Note 6).....		19,163	19,126
	Other current liabilities.....(Note 7).....		7,389	13,119
	Total current liabilities.....		57,556	40,837
	Long-term Debt:			
	Due to affiliates.....(Note 8).....		225,000	250,000
	Other.....(Note 11).....		23,948	23,411
	Deferred Credits.....(Note 10).....		3,601	4,721
	Other Liabilities.....			
	Commitments and Contingencies.....(Note 14).....			
	Total Liabilities.....		313,205	318,469
	Partners', Partners', or Proprietor's Equity.....		84,002	88,481
	Total Liabilities and Equity.....		1397,207	1406,250

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

DECEMBER 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
Current Assets:		\$	\$
1	Cash.....	10,005	11,627
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$19,373; 1989, \$13,607).....	17,779	12,487
4	Inventories.....	3,101	4,216
5	Prepaid expenses and other current assets....(Note 2)...	4,650	2,236
6	Total current assets.....	35,535	30,566
7	Investments, Advances, and Receivables.....(Note 3)...	6,845	15,248
8	Property and Equipment - Net.....(Note 4)...	316,595	321,391
9	Other Assets.....(Note 5)...	38,232	39,745
10	Total Assets.....	<u>\$397,207</u>	<u>\$406,950</u>
LIABILITIES AND EQUITY			
Current Liabilities:		\$	\$
11	Accounts payable.....	7,904	4,192
12	Notes payable.....	53	222
Current portion of long-term debt:			
13	Due to affiliates.....(Note 8)...	25,000	-
14	Other.....(Note 9)...	3,068	3,665
15	Income taxes payable and accrued.....	-	511
16	Other accrued expenses.....(Note 6)...	19,162	19,128
17	Other current liabilities.....(Note 7)...	7,369	13,119
18	Total current liabilities.....	62,556	40,837
Long-Term Debt:			
19	Due to affiliates.....(Note 8)...	225,000	250,000
20	Other.....(Note 9)...	22,048	23,411
21	Deferred Credits.....(Note 10)...	3,601	4,221
22	Other Liabilities.....	-	-
23	Commitments and Contingencies (Note 14)		
24	Total Liabilities.....	313,205	318,469
25	Stockholders', Partners', or Proprietor's Equity.....	84,002	88,481
26	Total Liabilities and Equity.....	<u>\$397,207</u>	<u>\$406,950</u>

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 YEARS ENDED DECEMBER 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$ 277,058	\$ 306,009
2	Rooms.....	23,948	23,625
3	Food and beverage.....	45,803	48,643
4	Other.....	19,935	18,412
5	Total revenue.....	366,744	396,689
6	Less: Promotional allowances.....(Note 11)..	49,511	47,589
7	Net revenue.....	317,233	349,100
	Costs and Expenses:		
8	Costs of goods and services.....	167,215	168,145
9	Selling, general, and administrative.....	93,425	97,850
10	Provision for doubtful accounts.....	8,013	3,841
11	Depreciation and amortization.....	16,725	16,906
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(Note 14)....	4,758	1,777
14	Total costs and expenses.....	290,136	288,519
15	Income (Loss) from Operations.....	27,097	60,581
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note 12)....	(32,188)	(32,188)
17	Interest (expense) - external.....	(2,386)	(2,539)
18	Investment alternative tax and related income (expense) - net.....(Note 14)....	(4,823)	(1,261)
19	Nonoperating income (expense) - net.....(Note 13)....	1,481	2,559
20	Total other income (expenses).....	(37,916)	(33,429)
21	Income (Loss) before Income Taxes and Extraordinary Items.	(10,819)	27,152
22	Provision (credit) for income taxes.....(Note 15)....	(957)	2,588
23	Income (Loss) before Extraordinary Items.....	(9,862)	24,564
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -).....	-	-
25	Net Income (Loss).....	\$ (9,862)	\$ 24,564

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 DECEMBER 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	60,786	67,784
2	Rooms.....	5,053	5,225
3	Food and beverage.....	10,669	12,133
4	Other.....	5,073	7,181
5	Total revenue.....	81,581	92,323
6	Less: Promotional allowances.....(Note 11)..	11,763	12,415
7	Net revenue.....	69,818	79,908
	Costs and Expenses:		
8	Costs of goods and services.....	38,986	42,735
9	Selling, general, and administrative.....	24,959	24,658
10	Provision for doubtful accounts.....	4,073	927
11	Depreciation and amortization.....	4,000	4,300
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(Note 14)....	2,694	746
14	Total costs and expenses.....	74,712	73,366
15	Income (Loss) from Operations.....	(4,894)	6,542
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note 12)....	(8,047)	(8,047)
17	Interest (expense) - external.....	(630)	(648)
18	Investment alternative tax and related income (expense) - net.....(Note 14)....	(515)	(279)
19	Nonoperating income (expense) - net.....(Note 13)....	311	849
20	Total other income (expenses).....	(8,881)	(8,125)
21	Income (Loss) before Income Taxes and Extraordinary Items.	(13,775)	(1,583)
22	Provision (credit) for income taxes.....(Note 15)....	(1,265)	(106)
23	Income (Loss) before Extraordinary Items.....	(12,510)	(1,477)
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -).....	-	-
25	Net Income (Loss).....	<u>\$(12,510)</u>	<u>\$(1,477)</u>

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 YEARS ENDED DECEMBER 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).....	(9,862)	24,564
8	.....	-	-
9	Ending balance.....	80,470	90,332
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(52,558)	(49,180)
11	Additional capital withdrawals.....	5,383	(3,378)
12	.....	-	-
13	Ending balance.....	(47,175)	(52,558)
	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.....	\$ 84,002	\$ 88,481
19	Change (Decrease) in Cash and Cash Equivalents.....	11,527	10,785
20	Cash Equivalents at Beginning of Period.....	11,527	10,785
21	Cash Equivalents at End of Period.....	\$ 23,054	\$ 21,570

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

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.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) by Operating Activities	\$ (139)	\$ 10,684
	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.....	(11,179)	(35,542)
5	Proceeds from disposition of property and equipment.....	213	1,161
6	Purchase of casino reinvestment obligations.....	(1,315)	(3,781)
7	Purchase of other investments and loans/advances made...	(4,427)	(3,944)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	-
9	Cash outflows to acquire business entities.....	-	-
10	Casino Reinvestment Obligation Donation	11,971	-
11	.....	-	-
12	Net Cash Provided (Used) by Investing Activities.....	(4,737)	(42,106)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	872	997
14	Payments to settle short-term debt.....	(1,041)	(986)
15	Cash proceeds from issuance of long-term debt.....	1,829	1,602
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(3,789)	(1,952)
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	5,383	(3,378)
21	.....	-	-
22	.....	-	-
23	Net Cash Provided (Used) by Financing Activities.....	3,254	(3,717)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(1,622)	(5,139)
25	Cash and Cash Equivalents at Beginning of Period.....	11,627	16,766
26	Cash and Cash Equivalents at End of Period.....	<u>\$ 10,005</u>	<u>\$ 11,627</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 34,463	\$ 34,724
28	Income taxes.....	\$ 1,900	\$ 4,988

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 YEARS ENDED DECEMBER 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).....	\$ (9,862)	\$ 24,564
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment.....	15,798	15,941
31	Amortization of other assets.....	927	965
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	-	-
34	Deferred income taxes - noncurrent.....	(620)	(1,661)
35	(Gain) loss on disposition of property and equipment..	(36)	180
36	(Gain) loss on casino reinvestment obligation.....	4,823	1,261
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	(5,292)	697
39	Net (increase) decrease in inventories.....	1,115	(224)
40	Net (increase) decrease in other current assets.....	(2,414)	477
41	Net (increase) decrease in other assets.....	(2,063)	557
42	Net (increase) decrease in accounts payables.....	3,712	(317)
43	Net (increase) decrease in other current liabilities excluding debt.....	(6,227)	(1,756)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	-	-
45		-	-
46		-	-
47	Net Cash Provided (Used) by Operating Activities.....	\$ (139)	\$ 40,684

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition of Property and Equipment:		
49	Additions to property and equipment.....	\$(11,458)	\$(35,722)
50	Less: Capital lease obligations incurred.....	279	180
	Cash Outflows for Property and Equipment.....	\$(11,179)	\$(35,542)
	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

Trump Plaza Associates, (the "Company"), doing business as Trump Plaza Hotel and Casino, operates as a general partnership. On May 16, 1986, the Company used a portion of proceeds received from the issuance of Mortgage Bonds by Trump Plaza Funding, Inc., a financing affiliate, for the acquisition of Harrah's Atlantic City, Inc.'s ("HAC") 50% interest in the Company, in accordance with a Redemption Agreement.

B. Gaming Revenues

Gaming revenues represent the net win from gaming activities which is the difference between amounts wagered and amounts won by patrons.

C. Promotional Allowances

Total (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 revenues to arrive at net revenues. The cost of promotional allowances is charged to operations.

D. Inventories

Inventories of provisions and supplies are valued at the lower of cost (weighted average) or market.

E. Property and Equipment

Property and equipment is carried at cost and is depreciated on the straight-line method using rates based on the following estimated useful lives:

Building and improvements	40 years
Furniture, fixtures and equipment	3-10 years

Interest associated with borrowings used to finance construction projects has been capitalized and is being amortized over the estimated useful life of the assets.

F. Land Rights

Land rights represent the fair value, at the time of contribution, of certain land leases contributed to the Company by The Trump Plaza Corporation, an affiliate of the Company. These rights are being amortized over the period of the underlying operating leases which extend through 2078.

G. Debt Issuance Costs

Costs incurred in connection with the financing of the long-term debt due to affiliates are being amortized over the life of the debt using the effective interest method.

H. Income Taxes

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

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

Under the New Jersey Casino Control Commission regulations, the Company is required to file a consolidated New Jersey corporation business tax return. Accordingly, a provision (benefit) 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 of depreciation for tax and financial statement purposes.

I. Statement of Cash Flows

For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

NOTE 2: PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	<u>1990</u>	<u>1989</u>
Prepaid taxes	\$ 417,000	\$ 416,000
Prepaid insurance	535,000	638,000
Prepaid air transportation costs	184,000	345,000
Prepaid rent	190,000	132,000
Prepaid advertising costs	56,000	62,000
Prepaid special event costs	292,000	225,000
Prepaid CRDA expense	2,599,000	-
Other	377,000	418,000
	<u>\$4,650,000</u>	<u>\$ 2,236,000</u>

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

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

	<u>1990</u>	<u>1989</u>
Advances due from -		
Trump Castle Associates	\$ -	\$ 7,000
Seashore Four Associates	-	397,000
Trump Seashore Associates	1,356,000	1,454,000
Trump Taj Mahal Associates	-	110,000
Helicopter Air Services, Inc.	218,000	31,000
Trump Shuttle	113,000	-
Trump Sports & Entertainment	75,000	-
Trump Penthouse Parcel	-	3,322,000
Trump Crystal Tower Associates	92,000	3,000
Other Affiliated Companies	21,000	26,000
Due from Partners	1,842,000	-
Casino reinvestment bonds and escrow deposit, net of valuation adjustment - (1990) \$1,157,000; (1989) \$4,946,000	2,354,000	9,898,000
CRDA Deferred Expense	774,000	-
	<u>\$6,845,000</u>	<u>\$15,248,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 4: PROPERTY AND EQUIPMENT - NET

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

	<u>1990</u>	<u>1989</u>
Land and land improvements	\$ 34,747,000	\$ 34,747,000
Buildings	291,206,000	284,339,000
Furniture, fixtures and equipment	65,930,000	59,255,000
Leasehold improvements	2,378,000	2,308,000
Construction in progress	<u>2,300,000</u>	<u>5,765,000</u>
	396,561,000	386,414,000
Less - Accumulated depreciation & amortization	<u>(79,966,000)</u>	<u>(65,023,000)</u>
Net property and equipment	<u>\$316,595,000</u>	<u>\$321,391,000</u>

NOTE 5: OTHER ASSETS

Other assets as of December 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Land rights, net	\$ 31,167,000	\$ 31,536,000
Deferred preopening costs, net	..	95,000
Debt issuance costs, net	6,094,000	6,557,000
Deposits	184,000	46,000
Other deferred charges	<u>787,000</u>	<u>1,511,000</u>
	<u>\$ 38,232,000</u>	<u>\$ 39,745,000</u>

NOTE 6: OTHER ACCRUED EXPENSES

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

	<u>1990</u>	<u>1989</u>
Accrued payroll	\$ 5,709,000	\$ 7,354,000
Accrued progressive jackpot liabilities	5,163,000	3,507,000
Accrued interest	1,633,000	1,522,000
Accrued gaming taxes payable	137,000	601,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	525,000	719,000
Accrued utilities	384,000	340,000
Accrued union benefits	228,000	263,000
Accrued health insurance benefits	1,034,000	644,000
Accrued sales, use & luxury tax	1,148,000	567,000
Accrued transportation costs	408,000	53,000
Accrued legal costs	119,000	580,000
Accrued special event costs	717,000	1,223,000
Accrued uniform costs	153,000	100,000
Accrued bank service charges	116,000	76,000
Accrued fines & penalties	500,000	-
Other	<u>1,188,000</u>	<u>1,579,000</u>
	<u>\$ 19,162,000</u>	<u>\$ 19,128,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 7: OTHER CURRENT LIABILITIES

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

	1990	1989
Unredeemed chip/token liability	\$ 3,229,000	\$ 1,145,000
Patron deposits	336,000	446,000
Casino reinvestment liability	167,000	830,000
Reserve for insurance claims	2,245,000	2,322,000
Due to partners	-	7,642,000
Advance room/theatre deposits	450,000	473,000
Advances due to Trump's Castle Associates	431,000	-
Advances due to Trump Penthouse Parcel	65,000	-
Advances due to Seashore Four Associates	83,000	-
Advances due to Taj Mahal Associates	53,000	-
Unclaimed wages	266,000	203,000
Other	44,000	58,000
	<u>\$ 7,369,000</u>	<u>\$ 13,119,000</u>

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

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

	1990	1989
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.	\$250,000,000	\$250,000,000
Less current maturities	25,000,000	-
	<u>\$225,000,000</u>	<u>\$250,000,000</u>

On May 16, Trump Plaza Funding, Inc. issued Mortgage Bonds for proceeds of \$250,000,000. The Bonds are secured solely by an assignment to the Trustee of the Company's note to Trump Plaza Funding, Inc. in the principal amount of \$250,000,000 and by a mortgage on Trump Plaza Hotel and Casino and virtually all of the other assets of the Company, excluding cash which may be distributed in excess of certain limitations as defined in the Bond Indenture, (regardless of whether such cash has been distributed). The mortgage is subordinate to \$8,794,000 of existing indebtedness as of December 31, 1990. The Company issued a nonrecourse, limited guaranty of the payment of the principal, premium, if any, and interest on the Bonds. The Bonds are nonrecourse to the partners of the Company, the shareholders of Trump Plaza Funding, Inc. and all other persons and entities (other than the Company and Trump Plaza Funding, Inc.), whatsoever.

The Bond Indenture permits the quarterly distribution to the Partners of available cash flow, as defined, in excess of \$2,000,000. However, the Company must retain an aggregate amount of \$8,000,000 during each twelve-month period ending June 30, 1987 through 1991 prior to the distribution of available cash flow to the Partners, which may require a return of prior quarterly distributions. As of December 31, 1990, the financial statements approximately \$1,842,000 due from the Partners in 1991. In addition, the Bond Indenture limits, among other things, additional borrowing and liens, certain activities of the Company and Trump Plaza Funding, Inc. and the consolidation, merger and answer of substantially all of the assets.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 9: LONG-TERM DEBT - OTHER

Long-term debt - other as of December 31 consisted of the following:

	1990	1989
10% note payable to Harrah's Atlantic City, Inc., interest payable monthly, maturing in 1993. (A)	\$ 14,401,000	\$ 16,095,000
Mortgage notes payable in monthly installments, including interest, with interest rates ranging from 10.0% to 11.0%. The notes are due at various dates between 1990 and 1998 and are secured by certain real property.	10,554,000	10,892,000
Other notes with interest rates ranging from 11.02% to 12.5%, principal and interest payable monthly, secured by automobile equipment.	<u>161,000</u>	<u>89,000</u>
	25,116,000	27,076,000
Less current maturities	<u>3,068,000</u>	<u>3,665,000</u>
	<u>\$ 22,048,000</u>	<u>\$ 23,411,000</u>

(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:

1991	\$ 2,541,000
1992	3,388,000
1993	<u>8,472,000</u>
	<u>\$14,401,000</u>

The aggregate maturities of long-term debt - other in each of the years subsequent to 1990 are:

1991	\$ 3,068,000
1992	9,495,000
1993	8,804,000
1994	367,000
1995	402,000
Thereafter	<u>2,980,000</u>
	<u>\$25,116,000</u>

NOTE 10: DEFERRED CREDITS

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

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 11: PROMOTIONAL ALLOWANCES AND EXPENSES

Promotional allowances and expenses for the three and twelve months ended December 31, 1990 and 1989 consisted of the following:

Three months ended:

	<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	23,248	\$ 3,308,000	21,208	\$ 1,061,000
Food	418,168	4,399,000	-	-
Beverage	750,931	2,251,000	-	-
Travel	-	1,695,000	20,236	3,172,000
Theatre	39,326	-	19	1,000
Coin Bonus	-	-	654,820	5,712,000
Tips	-	-	4,797	192,000
Player Gifts	-	-	10	1,122,000
Other	4,400	110,000	5,577	1,355,000
TOTAL	<u>1,236,073</u>	<u>\$11,763,000</u>	<u>706,667</u>	<u>\$12,615,000</u>

Twelve months ended:

	<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	99,959	\$16,398,000	41,131	\$ 2,341,000
Food	1,565,514	17,728,000	-	-
Beverage	3,171,277	9,506,000	-	-
Travel	-	-	76,201	11,567,000
Theatre	173,959	5,509,000	1,589	64,000
Coin Bonus	-	-	2,466,221	23,554,000
Tips	-	-	13,579	543,000
Player Gifts	-	-	21	2,360,000
Other	22,354	370,000	24,565	2,034,000
TOTAL	<u>5,033,063</u>	<u>\$49,511,000</u>	<u>2,623,307</u>	<u>\$42,463,000</u>

NOTE 12: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense) - Affiliates for the three and twelve months ended December 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 and twelve months ended December 31 consisted of the following:

	<u>Three months ended</u>		<u>Twelve months ended</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
Interest income	\$364,000	\$729,000	\$1,326,000	\$2,590,000
Gain/(loss) on disposal of property and equipment	5,000	(15,000)	36,000	(180,000)
Other nonoperating income (expense)	(58,000)	135,000	119,000	149,000
	<u>\$311,000</u>	<u>\$849,000</u>	<u>\$1,481,000</u>	<u>\$2,559,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

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 \$3,408,000 and \$7,986,000 for the three and twelve months ended December 31, 1990 and \$1,662,000 and \$4,763,000 for the three and twelve months ended December 31, 1989, respectively.

Effective August 21, 1990, the Company entered into a net lease with an affiliate, Trump Crystal Tower Associates, L.P. ("Trump Regency"), located on the Boardwalk in Atlantic City. The lease expires on April 30, 1994. The current monthly base rent to April 30, 1991 is equal to 50% of the amount of interest due on the outstanding principal balance of a note (the "Note") made by Trump Regency in an aggregate maximum amount of \$81,000,000 with an interest rate of Prime +1/4%. In addition, the Company is responsible for all costs of operating and maintaining the facility as a noncasino hotel. For the period from May 1, 1991 through April 30, 1992 the base rent is 75% of the interest due on the outstanding amount of the Note and from May 1, 1992, to April 30, 1994, 100% of the interest due on the outstanding amount of the Note. Rent expense amounting to \$2,110,000 and \$2,559,000 was incurred for the three months ended December 31, 1990 and the period from August 21, 1990 through December 31, 1990, respectively.

Future minimum lease payments under the noncancellable leases are as follows:

1991	\$ 8,736,000
1992	10,712,000
1993	5,868,000
1994	3,100,000
1995	3,325,000
Thereafter through 2078	<u>229,945,000</u>
	<u>\$261,686,000</u>

Included above are future minimum lease payments under noncancellable leases with Seashore Four Associates, Trump Seashore Associates, and Trump Crystal Tower Associates, L.P., affiliates of the Company, which are as follows:

1991	\$ 7,536,000
1992	9,512,000
1993	4,668,000
1994	1,900,000
1995	2,125,000
Thereafter through 2078	<u>146,112,000</u>
	<u>\$171,853,000</u>

Rent expense charged by the affiliates was \$2,694,000 and \$4,758,000 for the three and twelve months ended December 31, 1990 and \$746,000 and \$1,777,000 for the three and twelve months ended December 31, 1989, respectively.

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 December 31, 1990, the aggregate option prices for these leases were \$29,500,000.

B. Casino Reinvestment Development Authority Obligations:

Pursuant to the provisions of the Casino Control Act, the Company, commencing twelve months after the date of opening of Trump Plaza in May 1984, and continuing for a period of twenty-five years thereafter, must either obtain investment tax credits, (as defined in the Casino Control Act), 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, (as defined in the Casino Control Act). Investment tax credits may be obtained by making qualified investments or by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority ("CRDA"). The Company is required to make quarterly deposits with the CRDA.

In April 1990, the Company modified its agreement with the CRDA under which it was required to purchase bonds to satisfy the investment alternative tax. Under the terms of the agreement, the Company has donated \$11,971,000 in deposits previously made to the CRDA for the purchase of CRDA bonds through December 31, 1989 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 \$3,373,000, which are to be utilized to satisfy substantial portions of the Company's investment alternative tax obligations over the next four to six quarters. For the year ended December 31, 1990, the Company charged \$2,493,000 to operations to give effect to the utilization of tax credits received in connection with the donation.

As a result of this agreement, the Company has charged \$1,875,000 to operations to reduce deposits previously made to the amount of the future tax credits received. For the three and twelve months ended December 31, 1990, the Company charged \$101,000 and \$455,000, respectively, to operations to give effect to the below market interest rates associated with the CRDA bonds.

As of December 31, 1990, approximately \$2,599,000 of future tax credits is included in prepaid expenses and other current assets in the accompanying balance sheets. Investments, advances, and receivables included \$1,742,000 of below market interest rate bonds issued by the CRDA and \$1,790,000 of deposits paid towards the purchase of below market rate bonds, as well as \$774,000 in future tax credits.

C. Casino License

In May, 1989, the New Jersey Casino Control Commission ("CCC") renewed the Company's 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 14: COMMITMENTS AND CONTINGENCIES (Cont.)

The operation of an Atlantic City hotel and casino is subject to significant regulatory controls which affect virtually all of its operations. Under the New Jersey Casino Control Act (the Act), the Company is required to obtain certain licenses. These licenses must be renewed periodically, are not transferable and include a review of the financial stability of the Company. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

NOTE 15: PROVISION (CREDIT) FOR INCOME TAXES

The provision (credit) for state income taxes for the three and twelve months ended December 31 consisted of the following:

	Three months ended		Twelve months ended	
	1990	1989	1990	1989
Current	\$ (366,000)	\$ 359,000	\$ (337,000)	\$ 4,249,000
Deferred	(899,000)	(465,000)	(620,000)	(1,661,000)
Total	<u>\$ (1,265,000)</u>	<u>\$ (106,000)</u>	<u>\$ (957,000)</u>	<u>\$ 2,588,000</u>

NOTE 16: EMPLOYEE BENEFIT PLANS

Effective November 1, 1986, the Company adopted a retirement savings plan for its non-union employees under Section 401(K) of the Internal Revenue Code. Through December 31, 1988, the plan allowed employees of the Company to defer up to 10% of their earnings through contributions to the plan. The Company matched 50% of an eligible employee's contribution up to a maximum of 3% of the employee's earnings. Effective January 1, 1989 employees are eligible to contribute up to 15% of their earnings to the plan and the Company will match 50% of eligible employee's contributions up to a maximum of 4% of the employee's earnings. The Company recorded charges of \$648,000 and \$550,000 for matching contributions for the years ended December 31, 1990 and 1989, respectively.

The Company 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 Employment Retirement Income Security Act, the Company may be liable for its share of the plans' unfunded liability, if any, if the plans are terminated. Pension expense for the years ended December 31, 1990 and 1989 was \$333,000 and \$425,000, respectively.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCTS. REC. NET OF ALLOW. (e)
	Patrons' Checks:			
1	Undeposited patrons' checks.....	\$ 8,573		
2	Returned patrons' checks.....	24,926		
3	Total patrons' checks.....	33,499	\$19,147	\$14,352
4	Hotel Receivables.....	1,493	226	1,267
	Other Receivables			
5	Receivables due from officers & emps.	29		
6	Receivables due from affiliates.....	-		
7	Other accounts and notes receivables.....	2,131		
8	Total other receivables.....	2,160		2,160
9	Totals (Form 205).....	\$37,152	\$19,373	\$17,779

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).....	286,022
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).....	(210,984)
13	Checks collected through deposits.....	(61,954)
14	Checks transferred to returned checks.....	(12,048)
15	Other adjustments.....	0
16	Ending Balance.....	\$ 8,573
17	"Hold Checks included in Balance on Line 16.....	\$ 0
18	Provision for Uncollectible Patrons' Checks.....	\$ 7,954
19	Provision as a Percent of Counter Checks Issued.....	3.8%

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

CASINO DEPARTMENTAL SCHEDULE

STATE OF NEW JERSEY

COUNTY OF ATLANTIC

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	Revenue:	\$	\$	%	
1	Blackjack	58,857	396,848	14.8	78
2	Craps	34,574	279,344	12.4	20
3	Roulette	13,067	53,600	24.4	12
4	Big Six	2,943	6,352	46.3	3
5	Baccarat	18,551	112,679	16.5	4
6	Other table games	-	-	-	-
7	Total table games revenue	127,992	\$ 848,823	15.1	117
			HANDLE		
8	\$.05 slot machines	4,264	26,316	16.2	92
9	\$.25 slot machines	59,162	411,049	14.4	683
10	\$1.00 slot machines	21,554	215,724	10.0	191
11	Other slot machines	65,868	662,469	9.9	695
12	Total coin-operated devices revenue	150,848	\$ 1,315,558	11.5	1,661
13	Progressive jackpot adjustment	[1,782]			
14	Total coin-operated devices revenue after adjustment	149,066			
15	Other income	812			
16	Total revenue	277,870			
	Expenses:				
17	Payroll and payroll related expenses	50,419			
18	Licenses and taxes	22,300			
19	Provision for uncollectible patrons' checks	7,954			
20	Other	15,810			
21	Total	96,483			
22	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	181,387			
	Complimentary services and casino management fees:				
23	Complimentary services	79,557			
24	Casino management fees	-			
25	Total	79,557			
26	Departmental Income (Loss)	\$ 101,830			

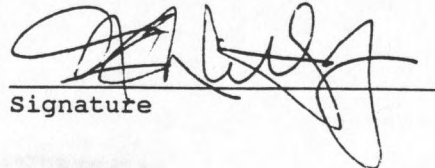
STATEMENT OF CONFORMITY AND ACCURACY

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

FRANCIS X. MCCARTHY, JR., 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.

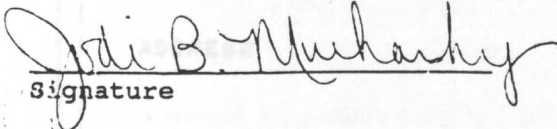

Signature

SR. VP OF FINANCE & ADMIN.
Title

1015-11
License Number

Subscribed and sworn to
before me this 15th day
of MARCH, 1991

On Behalf Of:


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

GROSS REVENUE ANNUAL TAX RETURN

Casino win or (loss)
 Table games revenue \$ 127,592
 Coin-operated devices 150,716
 Total revenue \$ 278,308

LICENSEE TRUMP PLAZA ASSOCIATES

ADDRESS MISSISSIPPI & BOARDWALK

Provision for uncollectible 7,254
ATLANTIC CITY, NJ 08401

Maximum adjustments (4% of line 3) \$ 11,168

FOR THE YEAR ENDED DECEMBER 31, 19 90

Adjusted gross revenue (line 3 less line 6) \$ 270,754

Tax on gross revenue - current year (8% of line 4) \$ 21,660

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

Deposits made for tax on current year's gross revenues:

January	1,363
February	1,334
March	1,376
April	1,380
May	1,386
June	1,386
July	1,386
August	1,386
September	1,386
October	1,386
November	1,386
December	1,386
January	1,386

Total deposits made for tax on current year's gross revenues \$ 21,714



NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL TAX RETURN Francis X. McCarthy, JR.

OFFICIAL TITLE SENIOR VICE PRESIDENT OF FINANCE & ADMINISTRATION

ADDRESS MISSISSIPPI & BOARDWALK

..... ATLANTIC CITY, NJ 08401

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 127,992	
2	Coin-operated devices revenue	150,716	
3	Total revenues		\$ 278,708
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 7,954	
5	Maximum adjustment (4% of line 3)	\$ 11,148	
6	Adjustment (the lesser of line 4 or line 5)		7,954
7	Gross revenues (line 3 less line 6)		\$ 270,754
8	Tax on gross revenues - current year (8% of line 7)		\$ 21,660
9	Audit or other adjustments to tax on gross revenues in prior years		-
10	Total tax on gross revenues (line 8 plus or minus line 9)		
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 1,583	
12	February	1,524	
13	March	1,916	
14	April	1,990	
15	May	1,988	
16	June	2,052	
17	July	2,086	
18	August	1,662	
19	September	1,850	
20	October	1,751	
21	November	1,674	
22	December	1,420	
23	January	193	
24	Total deposits made for tax on current year's gross revenues		(21,719)
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits		(1) [77]
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		(2) [136]

(1) The amount represents 1989 related adjustments made in 1990.

(2) The amount represents the applicable tax benefit of a \$1,700,000 subsequent adjustment to the bad debt provision.

STATEMENT OF CONFORMITY AND ACCURACY

ANNUAL EMPLOYMENT AND PAYROLL REPORT

STATE OF
COUNTY OF

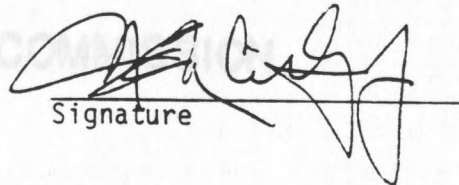
:
: ss.
:

Francis X. Mc Carthy, JR.
Name

, being duly sworn according

to law upon my oath deposes and says:

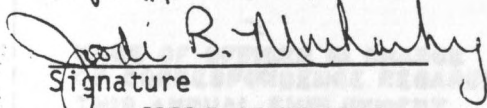
1. I have examined this Gross Revenue Annual Tax Return.
2. All the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.
3. The information contained in this Return is accurate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


Signature

Senior V.P. of Finance & Administration
Title

101511
License Number

Subscribed and sworn to
before me this 15th day
of MARCH, 1991.


Signature

JODI B. MUCHARSKY
A Notary Public of New Jersey
My Commission Expires Sept. 22, 1991

Basis of Authority
to Take Oaths

On Behalf Of:

TRUMP PLAZA ASSOCIATES
Casino Licensee

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE TRUMP PLAZA ASSOCIATES

ADDRESS MISSISSIPPI AVENUE & BOARDWALK

ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL EMPLOYMENT
AND PAYROLL REPORT.....**

Francis X. McCarthy, JR.

OFFICIAL TITLE.....

SENIOR VICE PRESIDENT OF FINANCE & ADMINISTRATION

ADDRESS.....

MISSISSIPPI AVENUE & BOARDWALK

ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 90
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	Salaries and Wages		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
	CASINO				
1	Administration	1			
2	Gaming	815			
3	Slots	114			
4	Casino accounting	351			
5	Other	10	\$	\$	\$
6	Total-casino	1291	29,409	201	29,610
7	ROOMS	198	3,281	-	3,281
8	FOOD AND BEVERAGE	887	13,307	103	13,410
	OTHER OPERATED DEPARTMENTS				
9	CUSTOMER SERVICES	14	84	-	84
10	GIFT SHOPS	36	795	-	795
11	WARDROBE	27	471	-	471
12	PARKING	75	1,238	-	1,238
13	COMMUNICATIONS	20	297	-	297
14	EMPLOYEE CAFETERIA	43	1,116	-	1,116
15	BEAUTY SALON	9	162	-	162
16	PHOTO SERVICES	6	94	-	94
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	9	479	579	1058
21	Accounting and auditing	162	3,675	-	3675
22	Security	223	5,397	-	5397
23	Other administrative and general department ..	151	3,212	405	3617
24	MARKETING	151	4,046	1,070	5116
25	GUEST ENTERTAINMENT	40	1,341	-	1341
26	PROPERTY OPERATION AND MAINTENANCE	307	7,857	-	7857
		3649	\$ 76,261	\$ 2,358	\$ 78,619

Trading Name of Licensee TRUMP PLAZA HOTEL & CASINO

HOTEL STATISTICS

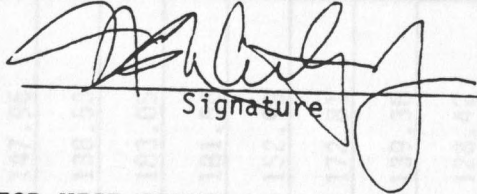
FOR THE 12 MONTHS ENDED December 31, 1990

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	14,593	\$103.60	88.5%	20,196	\$51.84
FEBRUARY	556	14,786	13,636	\$106.10	92.2%	27,272	\$53.07
MARCH	556	16,434	14,854	\$171.00	90.4%	20,700	\$60.66
1ST QUARTER TOTALS		47,717	43,069	\$110.50	90.3%	66,177	\$55.27
APRIL	556	15,964	13,971	\$132.60	87.6%	18,940	\$66.32
MAY	566	16,603	14,167	\$134.15	85.3%	18,333	\$67.13
JUNE	556	15,556	15,169	\$147.90	91.6%	20,330	\$73.98
2ND QUARTER TOTALS		49,017	43,302	\$138.50	88.3%	66,666	\$69.27
JULY	556	17,172	15,909	\$181.00	92.6%	21,830	\$91.62
AUGUST	556	17,236	16,003	\$181.00	92.8%	22,000	\$90.78
SEPTEMBER	556	16,660	15,287	\$152.00	91.8%	20,500	\$76.49
3RD QUARTER TOTALS		51,039	47,199	\$177.00	92.5%	94,330	\$86.40
OCTOBER	556	17,236	16,704	\$139.00	91.1%	31,408	\$69.68
NOVEMBER	556	16,689	13,631	\$128.40	81.7%	27,267	\$64.21
DECEMBER	556	17,236	17,827	\$89.60	74.4%	25,846	\$44.34
4TH QUARTER TOTALS		51,161	42,158	\$120.40	82.4%	84,316	\$60.20
ANNUAL TOTALS		196,927	175,748	\$126.50	89.2%	351,996	\$68.26

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1990

March 15, 1991
Date


Signature

SENIOR VICE PRESIDENT OF FINANCE & ADMINISTRATION
Title

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 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	556	15,954	13,971	\$ 132.64	87.6 %	27,942	\$ 66.32
MAY	556	16,503	14,162	\$ 134.25	85.8 %	28,324	\$ 67.13
JUNE	556	16,555	15,169	\$ 147.96	91.6 %	30,338	\$ 73.98
2ND QUARTER TOTALS		49,012	43,302	\$ 138.53	88.3 %	86,604	\$ 69.27
JULY	556	17,121	15,909	\$ 183.05	92.9 %	31,818	\$ 91.52
AUGUST	556	17,236	16,003	\$ 181.56	92.8 %	32,006	\$ 90.78
SEPTEMBER	556	16,680	15,287	\$ 152.99	91.6 %	30,574	\$ 76.49
3RD QUARTER TOTALS		51,037	47,199	\$ 172.81	92.5 %	94,398	\$ 86.40
OCTOBER	556	17,236	15,704	\$ 139.36	91.1 %	31,408	\$ 69.68
NOVEMBER	556	16,689	13,631	\$ 128.42	81.7 %	27,262	\$ 64.21
DECEMBER	556	17,236	12,823	\$ 88.68	74.4 %	25,646	\$ 44.34
4TH QUARTER TOTALS		51,161	42,158	\$ 120.41	82.4 %	84,316	\$ 60.20
ANNUAL TOTALS		198,927	175,748	\$ 136.53	88.3 %	351,496	\$ 68.26

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ANNUAL REPORT

LICENSEE TRUMP TAJ MAHAL ASSOCIATES, L.P.

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT

R. BRUCE MCKEE

OFFICIAL TITLE

VICE PRESIDENT - FINANCE

ADDRESS

1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1990.

TITLE	DESCRIPTION	FORM NO.
ASSETS		
Current Assets:		
Balance Sheets		CCC-305
Statements of Income (Year)	net income for fiscal year - 1990, \$1,544	CCC-310
Statements of Income (Three Months)		CCC-315
Statements of Changes in Stockholders' Equity		CCC-320
Statements of Changes in Partners' or Proprietor's Equity		CCC-325
Statements of Cash Flows	NOTE 3	CCC-335
Notes to Financial Statements	\$ 545,794	
Schedule of Receivables and Patrons' Checks		CCC-340
Casino Departmental Schedule		CCC-345
Statement of Conformity and Accuracy	NOTES 1 AND 4	CCC-350
LIABILITIES		
Current Liabilities:		
Due to affiliates	NOTES 1 AND 4	700,000
Other	NOTES 2 AND 4	45,174
Income taxes payable and accrued		0
Other accrued expenses	NOTE 5	81,454
Other current liabilities	NOTE 6	28,022
Total current liabilities		854,650
Long-Term Debt:		
Due to affiliates		0
Other	NOTE 4	917
Deferred Credits		0
Other Liabilities		0
Commitments and Contingencies	NOTE 7	
Total Liabilities		855,567
Stockholders', Partners', or Proprietor's Equity		(30,773)
Total Liabilities and Equity		\$ 824,794

The accompanying notes are an integral part of these financial statements.
 Valid comparisons should be made with the accompanying information contained in the notes.

BALANCE SHEETS

December 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19 _____
ASSETS			
	Current Assets:		
1	Cash and cash investments.....	\$ 22,460	\$ N/A
2	Marketable securities.....	-	
3	Receivables and patrons' checks (net allowance for doubtful accounts - 1990, \$6,544.....	18,324	
4	Inventories.....	4,565	
5	Prepaid expenses and other current assets.....	1,848	
6	Total current assets.....	47,197	
7	Investment, Advances, and Receivables.....	-	
8	Property and Equipment - Net..... NOTE 3.....	797,821	
9	Other Assets.....	766	
10	Total Assets.....	\$ 845,784	\$
LIABILITIES AND EQUITY			
	Current Liabilities:		
11	Accounts Payable.....	\$ 24,037	\$
12	Notes Payable..... NOTES 2 AND 4.....	35,523	
	Current portion of long-term debt:		
13	Due to affiliates..... NOTES 2 AND 4.....	700,000	
14	Other..... NOTES 2 AND 4.....	45,175	
15	Income taxes payable and accrued.....	0	
16	Other accrued expenses..... NOTE 5.....	81,484	
17	Other current liabilities..... NOTE 6.....	28,088	
18	Total current liabilities.....	914,307	
	Long-Term Debt:		
19	Due to affiliates.....	0	
20	Other..... NOTE 4.....	917	
21	Deferred Credits.....	-	
22	Other Liabilities.....	0	
23	Commitments and Contingencies..... NOTE 7.....	-	
24	Total Liabilities.....	915,224	
25	Stockholders', Partners', or Proprietor's Equity.....	(69,440)	
26	Total Liabilities and Equity.....	\$ 845,784	\$

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

FROM APRIL 2, 1990 (INCEPTION) THROUGH DECEMBER 31, 1990.

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19
	REVENUE:	\$	\$
1	Casino.....	301,339	N/A
2	Rooms.....	36,364	
3	Food and Beverage.....	59,329	
4	Other.....	11,405	
5	Total Revenue.....	408,437	
6	Less: Promotional allowances..... NOTE 8.....	51,443	
7	Net Revenue.....	356,994	
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	181,762	
9	Selling, General and Administrative.....	98,709	
10	Provision for Doubtful Accounts.....	7,027	
11	Depreciation and Amortization.....	44,646	
	Charges from Affiliates other than Interest:		
12	Management Fees..... NOTE 6.....	7,140	
13	Other.....	-	
14	Total Costs and Expenses.....	339,284	
15	Income (Loss) From Operations.....	17,710	
	Other Income (Expenses):		
16	Interest (Expenses) - Affiliates..... NOTES 2 AND 4.....	(72,542)	
17	Interest (Expenses) - External..... NOTES 2 AND 4.....	(6,606)	
18	Investment Alternative Tax and Related Income (Expense) - Net.....	-	
19	Nonoperating Income (Expense) - Net..... NOTE 2.....	(58,839)	
20	Total other Income (Expenses).....	(137,987)	
21	Income (Loss) Before Income Taxes and Extraordinary Items.....	(120,277)	
22	Provision (Credit) for Income Taxes.....		
23	Income (Loss) Before Extraordinary Items.....	(120,277)	
24	Extraordinary Items (Net of Incomes Taxes - 19____, \$; 19____, \$)	-	
25	Net Income (Loss).....	\$ (120,277)	\$

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 TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1990.

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19
	REVENUE:	\$	\$
1	Casino.....	88,357	N/A
2	Rooms.....	11,128	
3	Food and Beverage.....	16,626	
4	Other.....	2,786	
5	Total Revenue.....	118,897	
6	Less: Promotional allowances..... NOTE 8	16,392	
7	Net Revenue.....	102,505	
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	54,466	
9	Selling, General and Administrative.....	32,590	
10	Provision for Doubtful Accounts.....	3,243	
11	Depreciation and Amortization.....	18,859	
	Charges from Affiliates other than Interest:		
12	Management Fees..... NOTE 6	2,070	
13	Other.....	0	
14	Total Costs and Expenses.....	111,228	
15	Income (Loss) From Operations.....	(8,723)	
	Other Income (Expenses):		
16	Interest (Expenses) - Affiliates..... NOTE 2 AND 4	(24,250)	
17	Interest (Expenses) - External..... NOTE 2 AND 4	(2,246)	
18	Investment Alternative Tax and Related Income (Expense) - Net.....	0	
19	Nonoperating Income (Expense) - Net..... NOTE 2	(59,599)	
20	Total other Income (Expenses).....	(86,095)	
21	Income (Loss) Before Income Taxes and Extraordinary Items.....	(94,818)	
22	Provision (Credit) for Income Taxes.....		
23	Income (Loss) Before Extraordinary Items.....	(94,818)	
24	Extraordinary Items (Net of Incomes Taxes - 19____, \$; 19____, \$)	-	
25	Net Income (Loss).....	\$ (94,818)	\$

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 TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1990.

UNAUDITED

(\$ IN THOUSANDS)

NOT APPLICABLE

LINE	DESCRIPTION	1990		19	
		(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).....		()	113,377	()
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.....		\$		\$

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

FROM APRIL 2, 1990 (INCEPTION) THROUGH DECEMBER 31, 1990

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19____
Invested Capital:			
1	Beginning Balance (April 2).....	\$ 75,001	\$ N/A
2	Additional Capital Invested.....	0	
3	.....	0	
4	Ending Balance.....	75,001	
Accumulated Income (Loss):			
5	Beginning Balance (April 2).....	(24,164)	
6	Prior Period Adjustments.....	0	
7	Net Income (Loss).....	(120,277)	
8	.....	0	
9	Ending Balance.....	(144,441)	
Capital Withdrawals:			
10	Beginning Balance (April 2).....	-	
11	Additional Capital Withdrawals.....	-	
12	.....	-
13	Ending Balance.....	0	
Net Unrealized Loss On Noncurrent Marketable Equity Securities:			
14	Beginning Balance (April 2).....	-	
15	.....	-
16	.....	-
17	Ending Balance.....	0	
18	Ending Partners' or Proprietor's Equity.....	\$ (69,440)	\$

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 TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FROM APRIL 2, 1990 (INCEPTION) THROUGH DECEMBER 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19 _____
1	Net Cash Provided (Used) by Operating Activities.....	\$ 23,306	\$ N/A
	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.....	(81,342)	
5	Proceeds from Disposition of Property and Equipment.....		
6	Purchase of Casino Reinvestment Obligations.....		
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.....	(81,342)	
	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.....	25,017	
16	Costs of Issuing Debt.....		
17	Payments to Settle Long-Term Debt.....	(5,723)	
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.....	19,294	
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(38,742)	
25	Cash and Cash Equivalents at April 2.....	61,202	
26	Cash and Cash Equivalents at End of Year.....	\$ 22,460	\$

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Year for:			
27	Interest (Net of Amount Capitalized).....	\$ 50,597	\$
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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FROM APRIL 2, 1990 (INCEPTION) THROUGH DECEMBER 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 19 _____
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss).....	\$ (120,277)	\$ N/A
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	32,595	
31	Amortization of Other Assets.....	12,051	
32	Amortization of Debt Discount or Premium.....	1,670	
33	Deferred Income Taxes - Current.....		
34	Deferred Income Taxes - Noncurrent.....		
35	(Gain) Loss on Disposition of Property and Equipment.....		
36	(Gain) Loss on Casino Reinvestment Obligations.....		
37	(Gain) Loss from Other Investment Activities.....		
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	(16,923)	
39	Net (Increase) Decrease in Inventories.....	4,015	
40	Net (Increase) Decrease in Current Assets.....	11,318	
41	Net (Increase) Decrease in Other Assets.....	3,536	
42	Net Increase (Decrease) in Accounts Payables.....	(43,594)	
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	61,493	
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	(10,129)	
45	Net increase in notes payable.....	35,523	
46	Write down of preopening and bond costs.....	52,028	
47	Net Cash Provided (Used) by Operating Activities.....	\$ 23,306	\$

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment.....	\$ 81,342	\$
49	Less: Capital Lease Obligations Incurred.....		
50	Cash Outflows for Property and Equipment.....	\$ 81,342	\$
	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 TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Trump Taj Mahal Associates (the "Partnership") was formed on June 23, 1988 as a New Jersey limited partnership. In December 1990, the Partnership was converted to a general partnership. The general partners are Trump Taj Mahal, Inc. ("TTMI") and Trump Taj Mahal Corporation ("Trump Corp"). The Partnership was formed for the purpose of acquiring, constructing and operating the Trump Taj Mahal Casino Resort (The "Taj Mahal"), an Atlantic City hotel and casino. On April 2, 1990, the Partnership opened the Taj Mahal to the public. Prior to such date, the Partnership was in the developmental stage and incurred losses amounting to approximately \$24,164,000 (unaudited).

Trump Taj Mahal Funding, Inc. (The "Company") was incorporated on June 3, 1988 to serve as a financing company to raise funds through the issuance of bonds and to lend the proceeds of the issuance to the Partnership (Note 4). Since the Company has no business operations, its ability to service the bonds is completely dependant upon funds received from the Partnership.

Donald J. Trump beneficially owns 100% of the Company and the Partnership and has pledged his total ownership interests as collateral under various debt agreements.

Revenue Recognition

Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Revenues from hotel and other services 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 services furnished to patrons. The retail value of these promotional allowances is deducted from gross revenues to arrive at net revenues. The cost of promotional allowances is charged to operations. For 1990, promotional allowances consisted of rooms (\$18,146,000), food and beverage (\$30,436,000) and other services (\$2,861,000).

Income Taxes

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.

Deferred Preopening Expenses

Costs incurred in preparation of opening the Taj Mahal were deferred until opening and amortized from April through November, 1990 using a three year amortization period. In December 1990, the unamortized balance was written off (Note 2).

Deferred Loan Offering Costs

Underwriters commissions and other costs incurred in connection with the offering of First Mortgage Bonds ("the Bonds") were amortized from placement through November 1990, using the effective interest method. In December 1990 the unamortized balance was written off (Note 2).

Inventories

All inventories are carried at cost on a weighted average 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 range from three to seven years for furniture, fixtures and equipment and 40 years for buildings and building improvements. Leasehold improvements are amortized over the term of the related lease commencing in the period these assets are placed in service.

The interest expense associated with borrowings used to fund the purchase and construction of the Taj Mahal has been capitalized and is being amortized over the estimated useful life of the facility.

Cash and Cash Investments

Cash and cash investments includes hotel and casino funds, funds on deposit with banks and temporary investments having a maturity of three months or less.

NOTE 2 - PROPOSED RESTRUCTURING OF DEBT AND PLAN OF REORGANIZATION:

Since opening, the Partnership has been unable to generate sufficient cash flows to service its debt. As more fully described in Note 4, the Partnership has failed to make the October, November and December, 1990 interest payments totaling approximately \$1,200,000 and the November 15, 1990 principal payment of \$2,631,000 due on the furniture, fixtures and equipment term loan (the "Bank loan") and the cash interest payment of \$47,250,000 due on November 15, 1990 on the Bonds (Note 4). In addition, the Partnership failed to make the 1991 monthly Bank loan interest and quarterly principal payments and if the proposed restructuring discussed below is not consummated, the Company and the Partnership do not intend to make the May 15, 1991 interest payment on the Bonds.

The Partnership believes that its current liquidity problem is due to a variety of factors. Trump Taj Mahal Funding, Inc., (the Company) and the Partnership are in the process of renegotiating the terms of their debt. If the proposed plan is confirmed, the Partnership would be owned 50% by Donald J. Trump and 50% by the Bondholders. If certain interest payments, as defined, are made upon maturity of the Bonds, Donald J. Trump's ownership would be increased up to 80%.

The proposed restructuring includes seeking protection under the United States Bankruptcy Code of 1978, as amended, and proposing certain amendments to the Bond Indenture that would result in each \$1,000 of the Bonds, being exchanged for \$1,000 principal amount of Mortgage Bonds ("New Bonds") and two shares of Class A Stock, and one share of Class B Stock of Taj Mahal Holding Corp, which will beneficially own 50% of the Partnership. In addition, the proposed restructuring would include the issuance of \$47,250,000 of additional New Bonds in lieu of the November 15, 1990 cash interest payment, a reduction of the stated interest rate on the New Bonds from 14% to 11 1/4% per annum and the issuance of additional New Bonds as payment of a portion of the interest payable on the New Bonds on the semiannual due dates through a revised maturity date of October 15, 1999.

The Partnership is also in the process of renegotiating the Bank loan (Note 4) to reduce the interest rate from prime plus 1/2% or LIBOR plus 2% to 9.375% and extend the maturity date to December, 1999. In addition, upon confirmation of the proposed plan of reorganization, amounts owed to subcontractors (Note 4) would be settled in exchange for \$20,000,000 in principal amount of the Bonds. Amounts payable to Donald J. Trump under the Trump Line of Credit as well as amounts due to Trump Hotel Management Corp under the management agreement and construction fee (Note 6) would be contributed to the Partnership as capital. Further, the restructuring contemplates the availability of bank lines of credit in the amount of \$25,000,000 for working capital and \$50,000,000 for satisfaction of Bond Interest. The Partnership believes that if these restructurings are successful, it will have sufficient liquidity and capital to maintain operations. There can be no assurances, however, that the implementation of these amendments will occur or that the plan will be successful.

In connection with the restructurings described above, the Partnership has incurred \$4,850,000 of professional fees from inception through December 31, 1990. In addition, preopening expenses of \$36,153,000 were written off. The Partnership has also written off \$15,875,000 of unamortized loan offering costs and has included a provision of \$3,000,000 for litigation costs.

In accordance with Statement of Position 90-7, "Financial Reporting By Entities In Reorganization Under the Bankruptcy Code" recently issued by the American Institute of Certified Public Accountants, upon confirmation of the proposed plan, the New Bonds and the Bank Loan will be stated at present values of amounts to be paid, determined at appropriate current interest rates. It is expected that this will result in a significant gain which will be reported as an extraordinary item. This gain will be offset by increased interest costs over the period of the New Bonds to accrete such bonds to their face value at maturity.

The Partnership believes that its current liquidity problem is due to a variety of factors, including an overall deterioration in Atlantic City Casino Gaming market as indicated by reduced rates of casino revenue growth for the industry for the last two years, aggravated by an economic recession in the Northeast. The Partnership believes that these factors will be temporary and that there has been no permanent impairment of the net carrying value of its property and equipment. Although certain measurements indicated that the net carrying value of property and equipment may not be realizable in the ordinary course of business, the estimated undiscounted sum of future cash flows, before debt service, over approximately ten years is expected to be sufficient to recover the net carrying value of such assets.

The limited operating history of the Partnership and its inability to generate sufficient cash to service its debt raise a substantial doubt about the Partnership's ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and the classification of asset carrying amounts, or the amount and classification of liabilities that might result should the Partnership be unable to continue as a going concern.

NOTE 3 - PROPERTY AND EQUIPMENT

	December 31, 1990 (In Thousands)
Land	\$ 36,763
Buildings	625,272
Furniture, fixtures and equipment	144,105
Leasehold improvements	<u>24,276</u>
Total	830,416
Less Accumulated Depreciation	<u>(32,595)</u>
Net Property and Equipment	<u>\$797,821</u>

NOTE 4 - LONG TERM DEBT

	December 31, 1990 (In Thousands)
<u>Current Portion</u>	
Due to affiliates:	
First Mortgage Bonds (A)	\$675,000
Trump line of credit (D)	<u>25,000</u>
	<u>\$700,000</u>
Other:	
Bank Term Loan (B)	\$ 44,668
Other (C)	<u>507</u>
Total other	<u>\$ 45,175</u>
<u>Long-term Portion</u>	
Other (C)	<u>\$ 917</u>

Interest Expense Affiliates

	Nine months ended December 31, 1990 (In Thousands)	Three months ended December 31, 1990 (In Thousands)
Trump Taj Mahal Funding, Inc	\$70,875	\$23,625
Trump line of credit	<u>1,667</u>	<u>625</u>
Total	<u>\$72,542</u>	<u>\$24,250</u>

Interest Expense External

	Nine months ended December 31, 1990 (In Thousands)	Three months ended December 31, 1990 (In Thousands)
Bank Term loan	3,731	1,198
Other	1,205	729
Amortization of bond offering costs	<u>1,670</u>	<u>319</u>
Total	<u>\$ 6,606</u>	<u>\$ 2,246</u>

- (A) On November 22, 1988, Trump Taj Mahal Funding, Inc., issued its Bonds, at their face value of \$675,000,000. The Bonds bear interest at 14%, payable semiannually on each May 15 and November 15 and the principal is due in full on November 15, 1998. The Bonds are redeemable at any time on or after November 15, 1993, at the option of the Company, in whole or in part, at a premium scaling down to par at November 15, 1997. The proceeds of the Bonds were loaned by the Company to the Partnership under terms which conform with the terms of the Indenture.

The Company failed to make its November 15, 1990 installment of interest on the Bonds on or before December 15, 1990, (the date on which the 30 day grace period for interest payments on the Bonds expired) which constituted an Event of Default under the Indenture. As a result, the Trustee or the holders of not less than 25% of the Bonds outstanding may declare the entire outstanding principal amount of Bonds to be due and payable immediately upon written notice to the Company. Accordingly, the Bonds have been classified as a current liability.

- (B) On November 3, 1989, the Partnership entered into a loan agreement with National Westminster Bank which provided financing of \$50,000,000 for 80% of the cost of certain items of furniture, fixtures and equipment installed in the Taj Mahal. The Bank loan bears interest, which is payable monthly, at the bank's prime rate plus 1/2% or LIBOR plus 2%, at the Company's option. Principal repayments are required to be made quarterly over a five year period. The Bank loan is secured by a first priority lien on the related furniture, fixtures and equipment. The Partnership has failed to make

NOTE 4 - Other
 The Partnership
 owned by D
 December 31

monthly interest payments approximating \$400,000 that were due on October 1, and for subsequent months. The Partnership did not make the November 15, 1990 payment of principal on the Bank loan of approximately \$2,631,000 nor a subsequent quarterly installment in 1991. As the Bank has the right to accelerate such indebtedness upon notice to the Partnership the Bank loan has been classified as a current liability.

- (C) Comprised of obligations under capitalized equipment leases and vehicle loans from a bank bearing interest at rates between 10% and 11.3% payable monthly. Principal repayments are due in varying amounts through 1994. The loans and leases are secured by a first priority lien on the related equipment.
- (D) On April 30, 1990, Donald J. Trump loaned the Partnership \$25,000,000 which loan accrues interest at the prime rate. Based on the proposed plan of reorganization, amounts payable to Donald J. Trump under the terms of the above mentioned loan would be contributed to the Partnership as capital.

Note Payable

Other:
 Advan
 Inve
 Inve
 Reser
 Other

On September 6, 1990, the Partnership entered into an agreement with certain subcontractors who provided goods and services in connection with the construction of the Taj Mahal. Pursuant to the Subcontractors' Agreement, the Partnership and the Subcontractors settled certain claims of the Subcontractors and established a payment schedule with respect thereto. The \$35,523,000 balance of the Subcontractors' Note matures on August 15, 1995, unless sooner paid out of net cash flow, as defined. The stated interest rate is 0% in the first three years, 8% in the fourth year, and 10% in the fifth year.

(a) The Subcontractors' Note has been classified as a current liability as a result of the Partnership's failure to make the interest payments on the Bank loan. As described in Note 2, the Partnership is in the process of restructuring this obligation.

NOTE 5 - OTHER ACCRUED EXPENSES

	December 31, 1990
	(In Thousands)
Accrued Interest	62,844
Accrued Payroll & Related	11,143
Progressive Jackpot	3,404
Other	4,093 *
Total	<u>\$ 81,484</u>

*No component of other exceeds 5% of the other category.

NOTE 6 - OTHER CURRENT LIABILITIES

The Partnership has engaged in certain transactions with entities that are beneficially owned by Donald J. Trump. Amounts owed to (from) these affiliates are as follows at December 31:

	1990
	(in thousands)
Trump Hotel Management Corp (a)	\$ 16,484
Trump Castle Associates (b)	538
Trump Plaza Associates (b)	(53)
Trump Taj Mahal Realty, Corp. (c)	1,396
Helicopter Air Services (d)	529
Trump Shuttle (d)	-
Trump Regency (e)	141
Other (f)	100
	<u>19,135</u>

Other:

Advance deposits	968
Unredeemed chip liability	1,559
Insurance reserves	2,410
Reserve for litigation costs	3,000
Other	1,016
	<u>8,953</u>

Total other current liabilities \$ 28,088

- (a) Amounts payable to Trump Hotel Management Corporation include a \$10,000,000 construction supervisory fee payable August 9, 1995 as well as \$6,484,000 payable under a management agreement. The management agreement provides for a fee based on 1 3/4% of gross revenues of the Partnership, as defined, which payment is subordinate to the payment of interest and principal of the Bonds. The Partnership accrued \$7,140,000 of management fees in 1990 of which \$656,000 was paid.

Under the proposed restructuring plan described in Note 2, amounts owed for the management and construction fees would be contributed to the Partnership as capital. As a result, these amounts have been reflected as current liabilities as of December 31, 1990.

- (b) The Partnership engages in various transactions with the two other Atlantic City hotel/casinos owned by Donald J. Trump. These transactions include the utilization of print shop operations, fleet maintenance and limousine services, certain shared payroll costs as well as complimentary services offered to customers. During 1990, the Partnership incurred approximately \$2,434,000 and \$895,000 of costs for these services from Trump Castle and Trump Plaza, respectively. In addition, the Partnership charged \$753,000 and \$717,000 to Trump Castle and Trump Plaza, respectively, for similar services.

- (c) Pursuant to a lease agreement, the Partnership accrued \$1,396,000 in rent payable to Realty, for the use of certain real property adjacent to The Taj Mahal, none of which has been paid.
- (d) Helicopter Air Services and Trump Shuttle provide travel service to certain patrons of the Taj Mahal on behalf of the Partnership. During 1990, the Partnership incurred \$1,523,000 and \$473,000 of charges from Helicopter Air Services and Trump Shuttle, respectively.
- (e) Prior to commencing its operations, the Partnership incurred \$481,000 for the use of certain facilities of the Trump Regency Hotel in Atlantic City.
- (f) Represents billings for services rendered by an employee of the Trump Organization for services associated with the restructuring.

NOTE 7 - COMMITMENTS AND CONTINGENCIES:

Leases and Employment Agreements

The Partnership has entered into employment agreements with certain key employees and lease agreements for office and warehouse space under noncancellable operating leases expiring at various dates through 2020. At December 31, 1990, minimum commitments under these arrangements are as follows:

1991	\$ 7,400,000
1992	6,400,000
1993	3,876,000
1994	3,128,000
1995	2,466,000
Thereafter	39,652,000

Rent expense was \$2,969,000 for the year ended December 31, 1990.

Employee Benefit Plan

Effective January 1, 1989, the Partnership established the Taj Mahal Retirement Savings Plan ("the Plan") for its employees over 21 years of age who are not covered by a collective bargaining agreement. The Plan is structured to qualify for favorable tax treatment under Section 401(k) of the Internal Revenue Code and allows eligible participants to contribute up to 15% of their salary (certain limits apply, as defined) to the Plan with a matching partnership contribution of 50% of such salary contribution up to 4%. The funds are invested by a Plan trustee. Partnership contributions during the years ended December 31, 1990 and 1989 were \$556,000 and \$86,000, respectively.

Casino License

The operation of an Atlantic City hotel and casino is subject to significant regulatory controls which affect virtually all of its operations. Under the New Jersey Casino Control Act (the Act) the Partnership was required to obtain certain licenses prior to opening. These licenses must be renewed periodically, are not transferable and include a review of the financial stability of the Partnership. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

In April 1990, the New Jersey Casino Control Commission (CCC) issued the Partnership a license to operate the Taj Mahal. The license is issued for a term of one year and must be acted upon by the CCC no later than 30 days prior to its expiration. The continued operations of the Partnership are subject to its retaining its license.

Legal Proceedings

The Partnership, its Partners, certain member of its Executive Committee, and certain of its employees, are involved in various legal proceedings. The Partnership has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings. Such persons and entities are vigorously defending the allegations against them and intend to vigorously contest any future proceedings. See Legal Proceedings included in the Partnership's Form 10-K Annual Report to be filed with the Securities and Exchange commission for a further description of the legal proceedings. If adversely decided, these legal proceedings could have an adverse material effect on the Partnership's results of operations and financial condition. Also see Note 2.

Rooms	42,617	\$ 6,549		\$
Food	349,273	4,014		
Beverage	859,370	3,222		
Travel			12,593	2,334
Coupon Food	437,140	2,068		
Coupon other	2,393	12		
Admissions	21,492	350		
Other	24,089	177		
Gifts			965	258
Coin			516,022	8,702
Cage Disbursements			718	711
Theatre - Outside			5,307	357
Outside Limo			18,722	4,151
Other			512	362
Total	<u>1,756,294</u>	<u>\$16,392</u>	<u>\$55,040</u>	<u>\$12,075</u>

NOTE 8 - PROMOTIONAL ALLOWANCE AND PROMOTIONAL EXPENSE

The company pays for promotional allowances and promotional expenses. These motor vehicles were accounted for as operating expenses of the Slot Department.

Nine Months ended December 31, 1990

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u># OF RECIPIENTS</u>	<u>DOLLAR AMOUNTS (In Thousands)</u>	<u># OF RECIPIENTS</u>	<u>DOLLARS AMOUNTS (In Thousands)</u>
Rooms	113,956	\$18,146		\$
Food	1,123,729	14,253		
Beverage	3,171,867	12,082		
Travel			57,230	8,337
Coupon Food	845,276	4,100		
Coupon other	2,393	12		
Admissions	158,693	2,523		
Other	56,091	327		
Gifts			32,693	579
Coin			1,107,461	11,293
Cage Disbursements			1,844	1,829
Theatre - outside			5,653	496
Outside Limo			19,600	1,951
Other			1,115	905
Total	<u>5,472,005</u>	<u>\$51,443</u>	<u>1,225,596</u>	<u>\$25,390</u>

Three Months ended December 31, 1990

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u># OF RECIPIENTS</u>	<u>DOLLAR AMOUNTS (In Thousands)</u>	<u># OF RECIPIENTS</u>	<u>DOLLARS AMOUNTS (In Thousands)</u>
Rooms	42,617	\$ 6,549		\$
Food	369,273	4,014		
Beverage	859,200	3,222		
Travel			12,593	2,534
Coupon Food	437,140	2,068		
Coupon other	2,393	12		
Admissions	21,492	350		
Other	24,089	177		
Gifts			965	258
Coin			516,022	6,702
Cage Disbursements			718	711
Theatre - Outside			5,507	357
Outside Limo			18,722	1,151
Other			513	362
Total	<u>1,756,204</u>	<u>\$16,392</u>	<u>555,040</u>	<u>\$12,075</u>

NOTE 9 - JACKPOT PAYOUTS IN MERCHANDISE

The company purchased motor vehicles to be used as jackpot payouts. These motor vehicles were accounted for as operating expenses of the Slot Department.

1 Automobile (UNAUDITED) \$27,424
 1 Automobile (IS IN THOUSANDS) 25,500
\$52,924

LINE	DESCRIPTION	AMOUNT	RECEIVABLE BALANCE	AMOUNT	RECEIVABLE BALANCE
1	Patrons' Checks				
	Unredeposited Patrons' Checks	\$	12,449		
	Returned Patrons' Checks		3,954		
2	Total Patrons' Checks		21,800	\$	6,273
					15,530
3	Notes Receivable		2,778		269
					2,779
4	Other Receivables:				
	Receivables Due From Officers and Employees		18		
	Receivables Due From Affiliates		0		
	Other Accounts and Notes Receivables		35		
	Total Other Receivables		53		0
5	Taxes (Form 203)	\$	24,444	\$	5,348
					19,378

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE	DESCRIPTION	AMOUNT	RECEIVABLE BALANCE
1	Beginning Balance (January 1)	\$	0
2	Counter Checks Issued (including counter checks paid through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)		376,483
3	Checks Returned Prior to Deposit (including the unrecorded portion of counter checks returned through partial redemptions, and including checks returned through transactions relating to consolidations, substitutions, and patrons' cash deposits)		(191,227)
4	Checks Collected Through Deposits		(54,745)
5	Checks Transferred to Returned Checks		(15,667)
6	Other Adjustments		0
7	Ending Balance	\$	12,849
8	"Hold" Checks Included in Release on Line 16	\$	0
9	Provision for Uncollectible Patrons' Checks	\$	6,377
10	Expenses as a Percent of Counter Checks Issued		313

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCE				
LINE	DESCRIPTION	ACCOUNT BALANCE	ALLOWANCE	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
(a)	(b)	(c)	(d)	(e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks.....	\$ 12,849		
2	Returned Patrons' Checks.....	8,956		
3	Total Patrons' Checks.....	21,805	\$ 6,275	\$ 15,530
4	Hotel Receivables.....	2,998	269	2,729
	Other Receivables:			
5	Receivables Due From Officers and Employees.....	10		
6	Receivables Due From Affiliates.....	0		
7	Other Accounts and Notes Receivables.....	55		
8	Total Other Receivables.....	65		65
9	Totals (Form 205).....	\$ 24,868	\$ 6,544	\$ 18,324

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE	DESCRIPTION	AMOUNT
(f)	(g)	(h)
10	Beginning Balance (January 1).....	\$ 0
11	Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	274,488
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).....	(191,227)
13	Checks Collected Through Deposits.....	(54,745)
14	Checks Transferred to Returned Checks.....	(15,667)
15	Other Adjustments.....	0
16	Ending Balance.....	\$ 12,849
17	"Hold" Checks Included in Balance on Line 16.....	\$ 0
18	Provision for Uncollectible Patrons' Checks.....	\$ 6,577
19	Provisions as a Percent of Counter Checks Issued.....	2.4%

CASINO DEPARTMENTAL SCHEDULE

FROM APRIL 2, 1990 (INCEPTION) THROUGH DECEMBER 31, 1990.

UNAUDITED
(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	AMOUNT (C)	DROP (D)	WIN OR (LOSS) PERCENT (E)	WEIGHTED AVG. NUMBER OF TABLE (F) OR MACHINES
Revenue:					
1	Blackjack.....	\$ 69,533	\$ 472,257	14.7%	102
2	Craps.....	43,201	311,325	13.9%	30
3	Roulette.....	18,008	73,489	24.5%	23
4	Big Six.....	3,859	8,421	45.8%	6
5	Baccarat.....	19,447	145,362	13.4%	6
6	Other table games.....	0	0	0.0%	0
7	Total table games revenue.....	154,048	\$ 1,010,854	15.2%	167
8	\$.05 slot machines.....	4,455	\$ 28,128	15.8%	157
9	\$.25 slot machines.....	61,531	483,843	12.7%	1,393
10	\$1.00 slot machines.....	20,814	204,615	10.2%	310
11	Other slot machines.....	64,042	626,463	10.2%	1,133
12	Total coin-operated devices revenue after adjustment.....	150,842	\$ 1,343,049	11.2%	2,993
13	Progressive jackpot adjustment	(3,354)			
14	Total coin-operated devices revenue after adjustment.....	147,488			
15	Other income.....	(197)			
16	Total revenue.....	301,339			
Expenses:					
17	Payroll and payroll related expenses.....	40,327			
18	Licenses and taxes.....	24,804			
19	Provision for uncollectible patrons' checks.....	6,577			
20	Other.....	2,178			
21	Total.....	73,886			
22	Departmental Income (Loss) Before Complimentary Services and Casino Management Fees.....	227,453			
Complimentary services and casino management fees:					
23	Complimentary services.....	46,951			
24	Casino management fees.....	0			
25	Total.....	46,951			
26	Departmental Income (Loss).....	\$ 180,502			

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

STATEMENT OF CONFORMITY AND ACCURACY

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

R. BRUCE MCKEE , being duly sworn according to law upon my oath deposes and says:
NAME

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.

R. Bruce McKee
SIGNATURE

Vice President - Finance
TITLE

0548-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 15th day of March, 1991

On Behalf Of:

Susan P. Ilsley
Signature

Trump Taj Mahal Associates, L.P.
Casino Licensee

SUSAN P. ILSLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 1, 1993

Basis of Authority
to Take Oaths

GROSS REVENUE
ANNUAL TAX RETURN

IGNOFFO TRUMP TAX MAHAL ASSOCIATES, INC.

1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY

FOR THE YEAR ENDED DECEMBER 31, 1952

TO THE

LAND CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



IN WITNESS WHEREOF,
I, THE COMMISSIONER,
HAVE CAUSED THIS RETURN TO BE
FILED IN THE OFFICE OF THE
ATLANTIC CITY, NEW JERSEY

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

GROSS REVENUE ANNUAL TAX RETURN

FROM APRIL 2, 1990 (INCEPTION) THROUGH DECEMBER 31, 1990.

UNAUDITED
(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue.....	\$ 154,048	
2	Coin-operated devices revenue.....	150,842	
3	Total revenues.....		\$ 304,890
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks.....	6,577	
5	Maximum adjustment (4% of line 3).....	12,196	
6	Adjustment (the lesser of line 4 or line 5).....		6,577
7	Gross revenues (line 3 less line 6).....		298,313
8	Tax on gross revenues - current year (8% of line 7).....		23,865
9	Audit or other adjustments to tax on gross revenues in prior years.....		0
10	Total tax on gross revenues (line 8 plus or minus line 9).....		23,865
	Deposits made for tax on current year's gross revenue:		
11	January.....	0	
12	February.....	0	
13	March.....	0	
14	April.....	2,345	
15	May.....	2,700	
16	June.....	2,466	
17	July.....	3,588	
18	August.....	2,684	
19	September.....	2,427	
20	October.....	2,802	
21	November.....	2,329	
22	December.....	2,366	
23	January.....	198	
24	Total deposits made for tax on current year's gross revenues.....		23,865
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments (deposits) credits.....		
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25).....		\$ 0

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

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

STATEMENT OF CONFORMITY AND ACCURACY

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

R. BRUCE MCKEE, being duly sworn according to law upon my oath deposes and says:
NAME

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

R. Bruce McKee
SIGNATURE

Vice President - Finance
TITLE

0548-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 15th day of March, 1991.

On Behalf Of:

Susan P. Hsley
Signature

Trump Taj Mahal Associates, L.P.
Casino Licensee

SUSAN P. HSLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 1, 1993

Basis of Authority
to Take Oaths

1/85

CCC-382

AND PAYROLL REPORT

UNITED GENERAL WORKERS ASSOCIATION

LOCAL 1000

NEW JERSEY

FOR THE YEAR ENDED DECEMBER 31, 1960

TO THE

LABOR CONTROL COMMISSION

STATE OF NEW JERSEY



STATE OF NEW JERSEY
LABOR CONTROL COMMISSION
TREASURER
STATE HOUSE
TREASURY DEPARTMENT
ATLANTIC CITY, NEW JERSEY

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FROM APRIL 2, 1990 (INCEPTION) THROUGH DECEMBER 31, 1990

(\$ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	OTHER (d) EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	TOTAL (f)
	CASINO				
1	Administration.....	23	\$ 484	\$ 754	\$ 1,238
2	Gaming.....	1,221	19,408		19,408
3	Slots.....	198	3,670	96	3,766
4	Casino Accounting.....	601	10,322	147	10,469
5	Other.....	28	706		706
6	Total-casino.....	2,071	\$ 34,590	\$ 997	\$ 35,587
7	ROOMS.....	758	9,563		9,563
8	FOOD AND BEVERAGE.....	1,494	20,349	94	20,443
	OTHER OPERATED DEPARTMENTS				
9	Vending and Beauty Salon	12	248		248
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office.....	10	358	350	708
21	Accounting and auditing.....	220	2,839	312	3,151
22	Security.....	306	6,390		6,390
23	Other administrative and general departments.....	345	5,988	246	6,234
24	MARKETING.....	202	4,692	1,430	6,122
25	GUEST ENTERTAINMENT.....	134	2,041	109	2,150
26	PROPERTY OPERATION AND MAINTENANCE.....	179	4,549		4,549
27	TOTALS - ALL DEPARTMENTS.....	5,731	\$ 91,607	\$ 3,538	\$ 95,145

The number of employees listed reflect full time and part time employees, not forty hour equivalents.

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

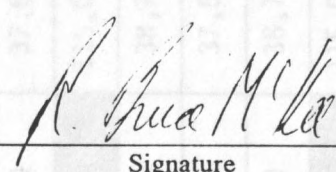
TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT SIGNATURE PAGE

FROM APRIL 2, 1990 (INCEPTION) THROUGH DECEMBER 31, 1990.

3/15/91

Date



Signature

Vice President - Finance

Title

1/85

CCC-377

Trump Taj Mahal Casino Resort commenced casino operations on April 4, 1990.

TRADING NAME OF LICENSEE TRUMP TAJ MAHAL CASINO RESORT*

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 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	-	-	-	\$ -	-%	-	\$ -
FEBRUARY	-	-	-	\$ -	-%	-	\$ -
MARCH	-	-	-	\$ -	-%	-	\$ -
1ST QUARTER TOTALS		-	-	\$ -	-%	-	\$ -
APRIL	1,250	32,161	26,274	\$ 154.13	81.7%	50,347	\$ 80.44
MAY	1,250	37,121	29,167	\$ 134.91	78.6%	58,246	\$ 67.56
JUNE	1,250	37,500	31,878	\$ 135.05	85.0%	63,542	\$ 67.75
2ND QUARTER TOTALS		106,782	87,319	\$ 140.74	81.8%	172,135	\$ 71.40
JULY	1,250	38,750	32,406	\$ 155.05	83.6%	66,361	\$ 75.71
AUGUST	1,250	38,750	33,210	\$ 141.75	85.7%	70,487	\$ 66.79
SEPTEMBER	1,250	37,500	28,506	\$ 121.94	76.0%	55,841	\$ 62.25
3RD QUARTER TOTALS		115,000	94,122	\$ 140.33	81.8%	192,689	\$ 68.55
OCTOBER	1,250	38,750	33,999	\$ 123.42	87.7%	64,768	\$ 64.79
NOVEMBER	1,250	37,500	30,735	\$ 118.99	82.0%	59,252	\$ 61.72
DECEMBER	1,250	38,750	26,735	\$ 123.55	69.0%	52,303	\$ 63.15
4TH QUARTER TOTALS		115,000	91,469	\$ 121.97	79.5%	176,323	\$ 63.27
ANNUAL TOTALS		336,782	272,910	\$ 134.31	81.0%	541,147	\$ 67.73

*Trump Taj Mahal Casino Resort commenced casino operations on April 4, 1990.

