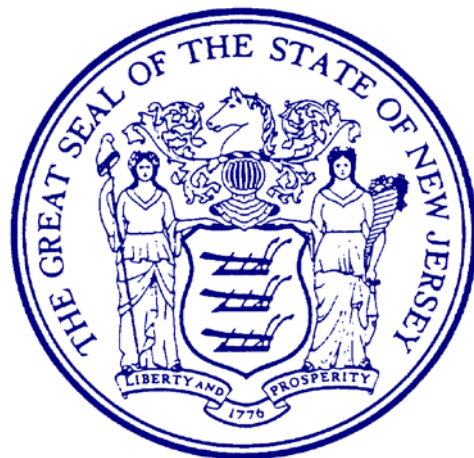


Bally's Park Place Inc. (Bally's Atlantic City)

QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2013

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

Bally's Park Place Inc. (Bally's Atlantic City)

BALANCE SHEETS

AS OF DECEMBER 31, 2013 AND 2012

(UNAUDITED)

(\$ IN THOUSANDS)

AMENDED 4/28/2014

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$17,023	\$25,577
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2013, \$4,147; 2012, \$6,743).....	4	8,593	19,501
4	Inventories		1,314	1,245
5	Other Current Assets.....	5	7,686	3,272
6	Total Current Assets.....		34,616	49,595
7	Investments, Advances, and Receivables.....	3, 6	49,137	607,170
8	Property and Equipment - Gross.....	2,7	57,248	855,891
9	Less: Accumulated Depreciation and Amortization.....	2,7	(4,476)	(166,706)
10	Property and Equipment - Net.....	7	52,772	689,185
11	Other Assets.....	8	119,929	23,669
12	Total Assets.....		\$256,454	\$1,369,619
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$10,667	\$6,815
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....			
16	External.....		3,049	1,360
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	9	306,615	259,467
19	Other Current Liabilities.....		3,319	2,371
20	Total Current Liabilities.....		323,650	270,013
	Long-Term Debt:			
21	Due to Affiliates.....	10	583,500	583,500
22	External.....	10	4,323	1,353
23	Deferred Credits		0	60,642
24	Other Liabilities.....	11	45,937	95,088
25	Commitments and Contingencies.....	14	0	0
26	Total Liabilities.....		957,410	1,010,596
27	Stockholders', Partners', or Proprietor's Equity.....		(700,956)	359,023
28	Total Liabilities and Equity.....		\$256,454	\$1,369,619

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

Bally's Park Place Inc. (Bally's Atlantic City)

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED 4/28/2014

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	Revenue:			
1	Casino.....		\$243,944	\$297,259
2	Rooms.....		45,073	48,725
3	Food and Beverage.....		44,571	54,435
4	Other.....		12,811	13,189
5	Total Revenue.....		346,399	413,608
6	Less: Promotional Allowances.....		90,910	111,339
7	Net Revenue.....		255,489	302,269
	Costs and Expenses:			
8	Cost of Goods and Services.....		195,746	210,532
9	Selling, General, and Administrative.....		24,310	29,258
10	Provision for Doubtful Accounts.....		1,934	1,204
11	Total Costs and Expenses.....		221,990	240,994
12	Gross Operating Profit.....		33,499	61,275
13	Depreciation and Amortization.....		23,582	36,189
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	3	24,911	30,286
16	Income (Loss) from Operations.....		(14,994)	(5,200)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	10	(49,598)	(49,640) *
18	Interest Expense - External.....		(167)	10
19	CRDA Related Income (Expense) - Net.....	14	(3,620)	(3,064)
20	Nonoperating Income (Expense) - Net.....	7, 8	(624,185)	455 *
21	Total Other Income (Expenses).....		(677,570)	(52,239)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(692,564)	(57,439)
23	Provision (Credit) for Income Taxes.....	2	(239,789)	2,804
24	Income (Loss) Before Extraordinary Items.....		(452,775)	(60,243)
25	Extraordinary Items (Net of Income Taxes - 2012, \$0; 2011, \$0).....		0	0
26	Net Income (Loss).....		(\$452,775)	(\$60,243) *

*These amounts have been amended for 2013.

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

Bally's Park Place Inc. (Bally's Atlantic City)

STATEMENTS OF INCOME

FOR THE QUARTER ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED 4/28/2014

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	Revenue:			
1	Casino.....		\$51,595	\$55,906
2	Rooms.....		9,868	8,665
3	Food and Beverage.....		9,556	8,477
4	Other.....		2,834	2,325
5	Total Revenue.....		73,853	75,373
6	Less: Promotional Allowances.....		23,324	19,853
7	Net Revenue.....		50,529	55,520
	Costs and Expenses:			
8	Cost of Goods and Services.....		46,213	44,530
9	Selling, General, and Administrative.....		6,516	7,702
10	Provision for Doubtful Accounts.....		670	175
11	Total Costs and Expenses.....		53,399	52,407
12	Gross Operating Profit.....		(2,870)	3,113
13	Depreciation and Amortization.....		3,184	8,308
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	3	6,280	5,622
16	Income (Loss) from Operations.....		(12,334)	(10,817)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	10	(12,368)	(12,410) *
18	Interest Expense - External.....		(54)	86
19	CRDA Related Income (Expense) - Net.....	14	(651)	(958)
20	Nonoperating Income (Expense) - Net.....	7, 8	(115,882)	1,079 *
21	Total Other Income (Expenses).....		(128,955)	(12,203)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(141,289)	(23,020)
23	Provision (Credit) for Income Taxes.....	2	(217,914)	14,273
24	Income (Loss) Before Extraordinary Items.....		76,625	(37,293)
25	Extraordinary Items (Net of Income Taxes - 2012, \$0; 2011, \$0).....		0	0
26	Net Income (Loss).....		\$76,625	(\$37,293) *

*These amounts have been amended for 2013.

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

Bally's Park Place Inc. (Bally's Atlantic City)
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2013

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED 4/28/2014

Line (a)	Description (b)	Notes	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
			Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2011.....		100	\$1			\$597,787		(\$178,522)	\$419,266
2	Net Income (Loss) - 2012.....								(60,243)	(60,243)
3	Contribution to Paid-in-Capital.....									0
4	Dividends.....									0
5	Prior Period Adjustments.....									0
6	ASC - 740 Adjustment									0
7	.....									0
8	.....									0
9	.....									0
10	Balance, December 31, 2012.....		100	1	0	0	597,787	0	(238,765)	359,023
11	Net Income (Loss) - 2013.....								(452,775)	(452,775)
12	Contribution to Paid-in-Capital.....									0
13	Dividends.....									0
14	Prior Period Adjustments.....									0
15	Equitization of Intercompany						(600,233)		(6,971)	(607,204)
16	.....									0
17	.....									0
18	.....									0
19	Balance, December 31, 2013		100	\$1	0	\$0	(\$2,446)	\$0	(\$698,511)	(\$700,956)

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

Bally's Park Place Inc. (Bally's Atlantic City)

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED 4/28/2014

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$37,960	\$37,320 *
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments			
3	Proceeds from the Sale of Short-Term Investments			
4	Cash Outflows for Property and Equipment.....		(8,970)	(3,913)
5	Proceeds from Disposition of Property and Equipment.....		379	1,390
6	CRDA Obligations		(648)	(4,052)
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances			3,599
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(9,239)	(2,976)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt.....			
15	Proceeds from Long-Term Debt			
16	Costs of Issuing Debt.....			
17	Payments to Settle Long-Term Debt.....			
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21	Change in Payable to / Receivable from affiliates		(37,275)	(38,701) *
22				
23	Net Cash Provided (Used) By Financing Activities.....		(37,275)	(38,701)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(8,554)	(4,357)
25	Cash and Cash Equivalents at Beginning of Period.....		25,577	29,934
26	Cash and Cash Equivalents at End of Period.....		\$17,023	\$25,577
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$167	\$87
28	Income Taxes.....		\$0	\$0

*These amounts have been amended for 2013.

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

Bally's Park Place Inc. (Bally's Atlantic City)

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED 4/28/2014

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		(\$452,775)	(\$60,243) *
30	Depreciation and Amortization of Property and Equipment...		21,351	33,214
31	Amortization of Other Assets.....		2,231	2,975
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current		320	511
34	Deferred Income Taxes - Noncurrent		(170,872)	(248)
35	(Gain) Loss on Disposition of Property and Equipment.....		193	(860)
36	(Gain) Loss on CRDA-Related Obligations.....		3,620	3,064
37	(Gain) Loss from Other Investment Activities.....			
38	(Increase) Decrease in Receivables and Patrons' Checks		10,908	(6,466)
39	(Increase) Decrease in Inventories		(69)	383
40	(Increase) Decrease in Other Current Assets.....		(4,734)	3,331
41	(Increase) Decrease in Other Assets.....		308	836
42	Increase (Decrease) in Accounts Payable.....		3,852	(339)
43	Increase (Decrease) in Other Current Liabilities		48,096	46,167
44	Increase (Decrease) in Other Liabilities		(49,151)	14,995
45	Impairment of Assets		624,682	0 *
46				
47	Net Cash Provided (Used) By Operating Activities.....		\$37,960	\$37,320

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$10,659)	(\$6,628)
49	Less: Capital Lease Obligations Incurred.....		1,689	2,715
50	Cash Outflows for Property and Equipment.....		(\$8,970)	(\$3,913)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....		\$0	\$0
52	Goodwill Acquired.....		0	0
53	Other Assets Acquired - net		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	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

*These amounts have been amended for 2013.

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

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

Bally's Park Place Inc. (Bally's Atlantic City)
SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	643,235	\$24,106		
2	Food	640,956	12,576		
3	Beverage	6,363,130	12,726		
4	Travel	0	0	7,547	1,866
5	Bus Program Cash	3,990	80		
6	Promotional Gaming Credits	391,425	31,152		
7	Complimentary Cash Gifts	204,499	8,128		
8	Entertainment	1,940	69	8,943	2,400
9	Retail & Non-Cash Gifts	55,470	1,276		
10	Parking	0	0		
11	Other	159,571	798		
12	Total	8,464,214	\$90,910	16,490	\$4,267

FOR THE THREE MONTHS ENDED DECEMBER 31, 2013

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	156,076	\$6,267		
2	Food	157,653	3,325		
3	Beverage	1,378,466	2,757		
4	Travel	0	0	1,608	437
5	Bus Program Cash	0	0		
6	Promotional Gaming Credits	112,624	9,020		
7	Complimentary Cash Gifts	44,099	1,443		
8	Entertainment	0	0	3,000	848
9	Retail & Non-Cash Gifts	16,645	383		
10	Parking	0	0		
11	Other	25,850	129		
12	Total	1,891,412	\$23,324	4,608	\$1,285

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

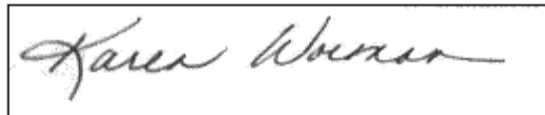
Bally's Park Place Inc. (Bally's Atlantic City)
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2013

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Division of Gaming Enforcement's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability requirements contained in N.J.S.A. 5:12-84(a)1-5 during the quarter.

4/29/2014

Date



Karen Worman

Vice President of Finance

Title

6320-11

License Number

On Behalf of:

Bally's Park Place Inc. (Bally's Atlantic City)

Casino Licensee

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

AMENDED 5/20/2014

NOTE 1 – ORGANIZATION AND 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 Caesars Operating Company, Inc. ("CEOC"), (formerly Harrah's Operating Company, Inc.) which is a direct wholly owned subsidiary of Caesars Entertainment, Inc. ("Caesars"), (formerly Harrah's Entertainment, Inc.). The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as "Bally's Atlantic City."

The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. The Company is licensed to operate the facility by the New Jersey Division of Gaming Enforcement, (the "DGE") and is subject to rules and regulations established by the DGE. The Company's license is subject to renewal every five years. The current license expired in July 2013. Application for license renewal was submitted and it is pending DGE review.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The Companies financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), which require the use of estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting periods. Management believes the accounting estimates are appropriate and reasonably stated; however, due to the inherent uncertainties in making these estimates, actual amounts could differ.

Allowance for Doubtful Accounts - The Company reserves an estimated amount for receivables that may not be collected. The methodology for estimating the allowance includes using specific reserves and applying various percentages to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific allowances. As with many estimates management must make judgments about potential actions by third parties in establishing and evaluating the allowance for doubtful accounts

Inventories - Inventories, which consist primarily of food, beverage and operating supplies, are stated at the lower of average cost or market value.

Long-Lived Assets - The Companies have significant capital invested in long-lived assets, and judgments are made in determining the estimated useful lives of assets and salvage values and if or when an asset (or asset group) has been impaired. The accuracy of these estimates affects the amount of depreciation and amortization expense recognized in the Companies' financial results and whether the Companies have a gain or loss on the disposal of an asset. The Companies assign lives to their assets based on their standard policy, which is established by management as representative of the useful life of each category of asset.

The Companies review the carrying value of their long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

future cash flows expected to result from its use and eventual disposition. The Companies typically estimate their fair value of assets starting with a "Replacement Cost New" approach and then deducting appropriate amounts for both functional and economic obsolescence to arrive at fair value estimates. Other factors considered by management in performing this assessment may include current operating results, trends, prospects, and third-party appraisals, as well as the effect of demand, competition, and other economic, legal, and regulatory factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the lowest level of identifiable cash flows, which, for the Companies, is the individual property. These analyses are sensitive to management assumptions and the estimates of the obsolescence factors, and changes in the assumptions and estimates, could have a material impact on the analysis and the supplemental consolidated financial statements schedules.

Additions to property and equipment are stated at cost. The Companies capitalize the costs of improvements that extend the life of the asset. The Companies expense maintenance and repair costs as incurred. Gains or losses on the disposition of property and equipment are recognized in the period of disposal. Interest expense is capitalized on internally constructed assets at the applicable weighted-average borrowing rates of interest. Capitalization of interest ceases when the project is substantially complete or construction activity is suspended for more than a brief period of time.

Useful Lives

Land improvements	12 years
Buildings	30 to 40 years
Leasehold improvements	5 to 15 years
Furniture, fixtures, and equipment	2.5 to 20

Acquisition

In December 2013, Caesars agreed to acquire the non-gaming assets, including physical property, of New Jersey's Atlantic Club Casino and Hotel in a bankruptcy auction. In December 2013, Caesars paid \$4,000 into an escrow account, included in prepayments and other current assets of the accompanying supplemental consolidating balance sheet schedule for Bally's Atlantic City, pursuant to the agreement to acquire the assets. Subsequent to December 2013, Caesars formed BPP Providence Acquisition Company, LLC, a wholly owned subsidiary of Bally's Atlantic City, in order to hold the acquired assets. In February 2014, Caesars paid \$10,900 to close the acquisition. Caesars does not intend to resume gaming or hotel operations at the facility.

Dispositions

In October 2013, Caesars agreed to sell The Claridge Tower (the "Claridge") to TJM Properties, LLC in exchange for cash consideration of \$12,500. The Claridge is a hotel facility, owned by and adjacent to Bally's Atlantic City. Prior to the sale, Bally's Atlantic City recognized an impairment of \$25,330 reflected in tangible and intangible asset impairments of Bally's Atlantic City's accompanying supplemental consolidating balance sheet schedule. In February 2014, the sale closed at which Caesars received \$13,200, inclusive of property tax overpayments of \$800 and net of customary closing costs.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Goodwill and Other Intangible Assets – The Company accounts for goodwill and other intangible assets in accordance with Accounting Standard Codification (“ASC”) 350, Intangible Assets, Goodwill and Other. The Company performs at least an annual review of intangible assets for impairment.

Impairment of Intangible Assets - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principle market or, if none exists, the most advantageous market, for the specific asset or liability at the measurement date (referred to as the "exit price"). Fair value is a market-based measurement that should be determined based upon assumptions that market participants would use in pricing an asset or liability, including consideration of nonperformance risk.

We assess the inputs used to measure fair value using the three-tier hierarchy promulgated under GAAP. This hierarchy indicates the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Inputs include quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.;

Level 2: Inputs other than quoted prices included in Level 1 that are observable either directly or indirectly, including quoted prices for similar assets in active markets, quoted prices from identical or similar assets in inactive markets, and observable inputs such as interest rates and yield curves.; and

Level 3: Inputs that are significant to the measurement of fair value that are not observable in the market and include management's judgments about assumptions market participants would use in pricing the asset or liability (including assumptions about risk).

Our assessment of goodwill and other intangible assets for impairment includes an assessment using various Level 2 (EBITDA multiples and discount rate) and Level 3 (forecasted cash flows) inputs.

Revenue Recognition — Casino revenues are measured by the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers' possession. Food and beverage, rooms, and other operating revenues are recognized when services are performed. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customer. Sales taxes and other taxes collected from customers on behalf of governmental authorities are accounted for on a net basis and are not included in net revenues or operating expenses.

Casino Promotional Allowances - The retail value of accommodations, food and beverage and other services furnished to casino guests without charge is included in gross revenue and then deducted as promotional allowances. Also included is the value of the coupons redeemed for cash at

BALLY’S PARK PLACE, INC. (Bally’s Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

the property. The estimated costs of providing such complimentary services are classified as casino expenses in the accompanying statements of income. These costs consisted of the following as of December 31:

	<u>2013</u>	<u>2012</u>
Rooms	\$10,368	\$10,320
Food and Beverage	18,945	26,395
Other	1,188	2,604
Bus Program Cash	80	187
Promotional Gaming Credits	31,152	38,626
Other Cash Complimentaries	8,128	9,466
	<u>\$69,861</u>	<u>\$87,598</u>

Total Rewards Program Liability - The Company’s customer loyalty program, Total Rewards, offers incentives to customers who gamble at certain of affiliated casinos throughout the United States. Under the program, customers are able to accumulate, or bank, reward credits over time that they may redeem at their discretion under the terms of the program. The reward credit balance will be forfeited if the customer does not earn a reward credit over the prior six-month period. As a result of the ability of the customer to bank the reward credits, the expense of reward credits is accrued after consideration of estimated forfeitures (referred to as “breakage”), as they are earned. The value of the cost to provide reward credits is expensed as the reward credits are earned and is included in casino expense in the accompanying statements of operations. To arrive at the estimated cost associated with reward credits, estimates and assumptions are made regarding incremental marginal costs of the benefits, breakage rates and the mix of goods and services for which reward credits will be redeemed. The Company uses historical data to assist in the determination of estimated accruals. At December 31, 2013 and 2012, the accrued balance for the estimated cost of Total Rewards credit redemptions was \$2,310 and \$2,214, respectively.

In addition to reward credits, the Company’s customers can earn points based on play that are redeemable in Non Negotiable Reel Rewards (“NNRR”). The Company accrues the costs of NNRR points, after consideration of estimated breakage, as they are earned. The cost is recorded as contra-revenue and included in casino promotional allowances in the accompanying statements of income. At December 31, 2013 and 2012, the liability related to the outstanding NNRR points, which is based on historical redemption activity, was approximately \$330 and \$261, respectively.

Investments in Subsidiaries - The Company has an investment in Atlantic City Country Club 1, LLC (“ACCC”) reflected in the accompanying financial statements using the equity method.

Gaming Tax — The Company remits weekly to the NJ Division of Taxation a tax equal to eight percent of the gross gaming revenue, as defined. Gaming taxes paid to the NJ Division of Taxation for the twelve months ended December 31, 2013 and 2012, which are included in cost of sales in the accompanying statements of income, were approximately \$19,529 and \$20,685, respectively.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
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(Unaudited)
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In House Progressive Liability - In March 2012, the DGE approved a regulation which allowed casinos to remove in-house progressives from the floor. Casinos were no longer required to keep in-house progressives once established on the floor, as a result, the regulations allowed us to remove the liability (reset and incremental portion) from the progressive slot liability account. The offset was an increase to the slot revenue.

Property Taxes - In 2012, Bally's settled with the City of Atlantic City (the "City") with respect to their challenges to the real estate tax assessments for each of the tax years 2009 through 2012. Under the settlement terms, the assessments for the Bally's properties were collectively reduced from approximately \$1,492 million to \$950 million for the 2011 tax year which resulted in a credit of approximately \$10.5 million in 2012 and then a further credit resulting from the reduction for the 2012 tax year from \$950 million to \$700 million. Bally's did not give up any rights to appeal future tax years as part of the settlement. The tax settlement, based on the 2012 City tax rate, resulted in a reduction in the tax payment that would otherwise have been due of approximately \$15.5 million in 2012. City of Atlantic City increased property taxes approximately 17% for the year 2013.

Income Taxes - The Company is included in the consolidated federal tax return of Caesars and files a separate New Jersey tax return. The provision for federal income taxes is computed based on the statutory federal rate as if the Company had filed a separate income tax return. The provision for state taxes is based on the statutory New Jersey tax.

Deferred tax assets and liabilities represent the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in existing tax rates is recognized as an increase or decrease to the tax provision in the period that includes the enactment date. The Company follows the provisions of *ASC 740- Income Taxes*. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense.

Internet Gaming - Caesars Interactive Entertainment New Jersey, LLC as the affiliate of Bally's Park Place, Inc. was issued an internet gaming permit on November 20, 2013 to conduct real money online gaming in the State of New Jersey. All real money online gaming is reported in the financial statements of Caesars Interactive Entertainment New Jersey, LLC.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company participates with CEOC and its other subsidiaries in marketing, purchasing, insurance, employee benefit and other programs that are defined and negotiated by CEOC on a consolidated basis. The Company believes that participating in these consolidated programs is beneficial in comparison to the terms for similar programs that it could negotiate on a stand-alone basis.

The Company's property, assets and capital stock are pledged as collateral for certain of CEOC's outstanding debt.

Cash Activity With CEOC and Affiliates - The Company transfers cash in excess of its operating and regulatory needs to CEOC on a daily basis. Cash transfers from CEOC to the Company are also

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
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made based upon the needs to the Company to fund daily operations, including accounts payable and payroll, as well as capital expenditures. The balance shown as "due from affiliates — net," in the accompanying statements of changes in stockholder's equity is non interest bearing.

Administrative and Other Services - The Company is charged a fee by CEOC for administrative and other services (including consulting, legal, marketing, information technology, accounting, and insurance). The Company was charged approximately \$24,911 and \$30,286 for the twelve months ended December 31, 2013 and 2012, respectively, for these services.

Employee Benefit Plans - Caesars maintains a defined contribution savings and retirement plan that allows employees to make pre-tax and after-tax contributions. Under the plan, participating employees may elect to contribute up to 50% of their eligible earnings (subject to IRS rules and regulations) and are eligible to receive a company match of up to \$600, which was reinstated in 2012. Participating employees become vested in matching contributions on a pro-rata basis over five years of credited service. The contribution expense was \$425 and \$393 for the years ended December 31, 2013 and 2012, respectively.

Caesars maintains several supplemental executive supplemental savings plans ("SERP") to provide additional retirement benefits to a select group of former executives. The expenses charged by Caesars to the Company for employees' participation in these programs are included in the administrative and other services charge discussed above.

Equity Incentive Awards — Caesars maintains equity incentive awards plans in which employees of the Company may participate. Caesars allocates an appropriate amount of cost for these awards to each subsidiary where employees participate.

The Company recognized approximately \$157 and \$162 in equity award options in each of the years ended December 31, 2013 and 2012, respectively, in selling, general, administrative and other expenses within the accompanying statements of income.

Multiemployer Benefit Plans - Certain employees of the Company are covered by union sponsored, collectively bargained, health and welfare plans. The contributions and charges for these plans totaled \$12,578 and \$11,795 for the years ended December 31, 2013 and 2012, respectively, and were included in selling, general, administrative and other expenses within the accompanying statements of income.

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from a single-employer plan in the following aspects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Company chooses to stop participating in some of its multiemployer plans, the

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
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Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a "withdrawal liability".

Multiemployer Pension Plan Participation

<u>Pension Fund</u>	<u>EIN/Pension Plan Number</u>	<u>Pension Protection Act Zone Status ⁽¹⁾</u>		<u>FIP/RP Status ⁽²⁾</u>	<u>Contributions of CEOC on behalf of Bally's Park Place (\$ in millions)</u>		<u>Surcharge Imposed</u>	<u>Expiration Date of Collective-Bargaining Agreement</u>
		<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>		
Pension Plan of the UNITE HERE National Retirement Fund	13-6130178/001	Red	Red	Yes	\$ 3.1	\$ 3.3	No	September 2014
Local 68 Engineers Union Pension Plan ⁽³⁾	51-0176618/001	Yellow	Green	Yes	0.4	0.4	No	April 2014
NJ Carpenters Pension Fund	22-6174423/001	Yellow	Yellow	Yes	0.2	0.2	No	April 2014
Other Funds					<u>0.1</u>	<u>0.1</u>		
					<u>\$ 3.8</u>	<u>\$ 4.0</u>		

1. Represents the Pension Protection Act ("PPA") zone status for applicable plan year beginning January 1, 2013, except where noted otherwise.
2. Indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.
3. Plan years begin July 1.

The zone status is based on information that the Company received from the plan administrator and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than less than 65% funded, plans in the yellow zone are between 60% and less than 80% funded, and plans in the green zone are at least at least 80% funded. All plans detailed in the table above utilized extended amortization provisions to calculate zone status.

Equitization of Intercompany Balances - During June 2013, the Company elected to equitize certain intercompany balances with its parent and affiliates that were previously classified as a receivable/liability. Offset to this was Additional Paid in Capital. This is separately shown on the Statement of Changes in Stockholder's Equity.

Atlantic City Country Club 1, LLC. - Atlantic City Country Club 1, LLC (ACCC) is a wholly owned subsidiary of the Company. The net operating costs of ACCC are allocated to the Company as well as Caesars Atlantic City, Showboat Atlantic City and Harrah's Atlantic City, affiliates of the Company. The Company was charged approximately \$107 and \$171 for the twelve months ended December 31, 2013 and 2012, respectively, for these services. The costs are included in other operating expenses in the accompanying statements of income.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of December 31 consist of the following:

	<u>2013</u>	<u>2012</u>
Casino Receivable (Net of allowance for doubtful accounts \$4,053 in 2013 and \$6,727 in 2012)	\$4,371	\$5,830
Other (Net of allowance for doubtful accounts of \$94 in 2013 and \$16 in 2012)	3,876	13,336
Current Portion of Notes Receivable	346	335
	<u>\$8,593</u>	<u>\$19,501</u>

NOTE 5- OTHER CURRENT ASSETS

Prepaid Expense and Other Current Assets as of December 31 consist of the following:

	<u>2013</u>	<u>2012</u>
Tax Deferred Asset	\$2,184	\$1,866
Other	5,502	1,406
	<u>\$7,686</u>	<u>\$3,272</u>

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

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

	<u>2013</u>	<u>2012</u>
Due from Caesars:	\$0	\$562,184
Investment in wholly owned subsidiaries(see Note 2)	14,398	14,398
Atlantic City Country Club 1, LLC		
Casino Reinvestment Development Authority Investment obligations	21,329	29,207
(net of valuation reserves of \$13,674 in 2013 and \$16,220 in 2012)		
Assets Held for Sale	11,900	0
Other	1,510	1,381
	<u>\$49,137</u>	<u>\$607,170</u>

The amounts due from Caesars as of December 31 are unsecured and non-interest bearing.

BALLY’S PARK PLACE, INC. (Bally’s Atlantic City)
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NOTE 7- LAND, BUILDING AND EQUIPMENT

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

	<u>2013</u>	<u>2012</u>
Land	\$27,865	\$277,433
Buildings and Improvements	8,132	467,491
Furniture, Fixtures and Equipment	16,692	110,967
Construction in progress	4,559	0
	<u>\$57,248</u>	<u>\$855,891</u>
Less accumulated depreciation	<u>(4,476)</u>	<u>(166,706)</u>
	<u>\$52,772</u>	<u>\$689,185</u>

Over time, the Company has experienced deteriorating gaming volumes, and as a result the Company determined it was necessary to complete an assessment for impairment. Upon the failure of step one of the assessment, the Company performed a valuation of its long-lived assets. As a result of these assessments, in September 2013, the Company recorded a tangible asset impairment of \$477,072. With the assistance of third party valuation experts, the Company estimated the fair value of the property starting with a “Replacement Cost New” approach and then deducting appropriate amounts for both functional and economic obsolescence to arrive at the fair value estimates. These analyses are sensitive to management assumptions and the estimates of the obsolescence factors, and increases or decreases in these assumptions and estimates could have a material impact on the analyses.

During the fourth quarter 2013, casino property sales occurred in the Atlantic City market. The pricing of the transactions indicated a substantial decline in market price had occurred for Casinos in Atlantic City. As a result of this triggering event, the Company determined it was necessary to perform a recoverability test of the carrying amount of our Atlantic City properties. It was determined the carrying values of our Atlantic City properties were not recoverable. Therefore, we performed a fair value assessment of the properties. Impairment losses of \$613,250 were recorded in 2013 primarily as a result of the assessment.

NOTE 8- OTHER ASSETS

Other assets as of December 31 consist of the following:

	<u>2013</u>	<u>2012</u>
Intangible asset (net of accumulated amortization of \$0 in 2013 and \$11,037 in 2012)	\$0	\$13,663
Notes Receivable-Net of current portion	9,246	9,591
Tax Deferred Asset	110,231	0
Other	452	415
	<u>\$119,929</u>	<u>\$23,669</u>

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(Unaudited)
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See Note 2 for discussion of Goodwill and Other Intangible Assets.

During the third quarter of 2013, the Company completed its annual assessment of other amortizing intangible assets as of December 31, which resulted in impairment charges of \$11,432. These impairment charges were the result of reduced projections associated with these intangible assets within our long-term operating plan.

NOTE 9- OTHER ACCRUED EXPENSES

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

	<u>2013</u>	<u>2012</u>
Accrued Interest	\$292,695	\$244,464
Accrued Payroll	5,842	6,815
Other	8,078	8,188
	<u>\$306,615</u>	<u>\$259,467</u>

NOTE 10- LONG-TERM DEBT-DUE TO AFFILIATES AND OTHER

Long-term debt-due to affiliates and other as of December 31 consist of the following:

	<u>2013</u>	<u>2012</u>
8.5% Note payable to Harrah's Entertainment Ltd. ("HEL") due January 1, 2019	\$500,000	\$500,000
8.5% Note Payable To HEL due May 31, 2021	33,500	33,500
8.5% Note Payable To HEL due May 31, 2021	50,000	50,000
	<u>\$583,500</u>	<u>\$583,500</u>
Long-term debt-other:	<u>\$4,323</u>	<u>\$1,353</u>

On July 1, 2006, the three promissory notes formerly held by Caesars Entertainment Finance Corporation ("CEFC") were assigned to HEL. Neither the terms nor the amounts of debt were affected by this assignment. The only notable change resulting from the assignment was a change in the timing of interest payments. Prior to the assignment interest payments were made monthly. However, for subsequent tax years, interest payments will be remitted annually, payable in the following year. As of December 31, 2013 and 2012, accrued interest related to the three inter-company notes totaled \$292,695 and \$244,464 respectively. Since the notes are due to an affiliate, a determination of fair value is not considered meaningful.

The Company amended and restated its notes payable to HEL originally due January 1, 2009 in the amount of \$500,000. The new amended and restated note payable has the same terms and conditions and at the same interest rate but with a new maturity date of January 1, 2019.

The Company also amended and restated its notes payable to HEL originally due May 31, 2011 in the amount of \$83,500. The new amended and restated note payable has the same terms and

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
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(Unaudited)
(All dollar amounts in thousands)

conditions and at the same interest rate but with a new maturity date of May 31, 2021.

NOTE 11 - OTHER LIABILITIES

As of December 31, Other Liabilities were as follows:

	<u>2013</u>	<u>2012</u>
Retirement and Other Employee benefit Plans	\$346	\$374
Deferred Tax Liability	<u>45,591</u>	<u>94,714</u>
	<u>\$45,937</u>	<u>\$95,088</u>

NOTE 12 – LEASES

The Company leases equipment used in their operations and classify those leases as either operating or capital leases, for accounting purposes. As of December 31, 2013, the remaining lives of the Company's operating leases ranged from 1 to 2 years. In addition to the minimum rental commitments, certain of our operating leases provide for contingent rentals based on a percentage of revenues in excess of specified amounts.

	Capital Leases
Prior period adjustments	\$ (44)
2014	3,505
2015	2,608
2016	<u>1,943</u>
Total minimum lease payments	<u>8,012</u>
Amounts representing interest	(640)
Present value of net minimum lease payments	<u>7,372</u>
Less current maturities	<u>(3,049)</u>
Capital lease obligations — noncurrent	<u>\$ 4,323</u>

Rent expense, which includes both cancelable and non-cancelable leases for the years ended December 31, 2013 and 2012, was \$2,096 and \$4,887, respectively. These amounts are included in the accompanying Statements of Income.

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NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 13 – INCOME TAX PROVISION

The Company is included in the consolidated federal tax return of Caesars, but files a separate New Jersey tax return.

The tax years that remain open for examination for Caesar's major jurisdictions are 2002 through 2013 for New Jersey due to our execution of New Jersey statute of limitations extensions. The tax years prior to 2010 are no longer subject to examination for U.S. tax purposes.

Significant components of the provision/(benefit) for income taxes for the years ended December 31, 2013 and 2012, are as follows:

Income Tax Provision (Benefit)	<u>2013</u>	<u>2012</u>
Current:		
Federal	\$ (26,222)	\$ 888
State	<u>(283)</u>	<u>385</u>
	(26,505)	1,273
Deferred	<u>(213,284)</u>	<u>1,531</u>
Income tax provision/(benefit)	<u>\$ (239,789)</u>	<u>\$ 2,804</u>

The income tax provision/(benefit) for the years ended December 31, 2013 and 2012, differ from the federal statutory rate of 35% primarily due to the valuation allowance applied to the federal and state deferred tax assets, state income taxes, the impact of nondeductible expenses, federal tax credits and the accrual for uncertain tax positions.

The Company does not have a formal tax sharing agreement in place with its parent entity for federal income tax purposes. Therefore, Caesars reports all of the Company's federal income taxes of which the Company's portion was a benefit of \$28,623 in 2013.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of the Company's deferred tax assets and liabilities as of December 31, 2013 and 2012, were as follows:

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
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(Unaudited)
(All dollar amounts in thousands)

	<u>2013</u>	<u>2012</u>
Deferred tax assets:		
Compensation programs	\$	\$ 554
Allowance for doubtful accounts	1,738	2,798
Contingencies	17,577	16,500
CRDA investment obligation	5,609	5,236
Depreciation and other property related items	132,217	0
Federal tax credit carryovers	1,739	3,483
Intangible assets	2,137	0
Other	606	160
Net operating loss carryovers	<u>2,458</u>	<u>49,059</u>
	164,081	77,790
Valuation Allowance	<u>(47,227)</u>	<u>(22,085)</u>
	<u>116,854</u>	<u>55,705</u>
Deferred tax liabilities:		
Depreciation and other property related items	0	(119,040)
Intangibles	0	(5,581)
Progress jackpot liability	0	(3,262)
Grantor Trust	<u>(4,439)</u>	<u>0</u>
	<u>(4,439)</u>	<u>(127,883)</u>
Net deferred tax liability	<u>\$ 112,415</u>	<u>\$ (72,178)</u>

As of December 31, 2013, the Company also had a New Jersey net operating loss carryforward of \$42,673. The New Jersey NOL will expire in 2031.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing federal and state deferred tax assets. On the basis of this evaluation, as of December 31, 2013, a valuation allowance of \$47,227 has been recorded against the portion of the federal and state deferred tax assets that are not more likely than not to be realized. The amount of the federal and state deferred tax assets considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. The Company accrued approximately \$2,401 and \$2,177 of interest during 2013 and 2012, respectively. In total, the Company had accrued balances of \$21,830 and \$19,161 for the payment of interest and penalties at December 31, 2013 and 2012, respectively.

It is reasonably possible that the amount of unrecognized tax benefits could decrease within the next twelve months. Management estimates that the amount of unrecognized tax benefits will decrease by \$23,480 within the next twelve months.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation - The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, these matters will not have a material effect on the Company's financial position or results of operations.

Insurance Reserve - The Company is self-insured for various levels of general liability coverage. Insurance claims and reserves include the accrual of estimated settlements for known and anticipated claims. Accrued expenses and other current liabilities in the accompanying balance sheets include insurance allowances of \$115 as of December 31, 2013 and 2012. Actual results may differ from these reserve amounts.

CRDA Investment Obligation - The New Jersey Casino Control Act provides, among other things, for an assessment of licenses equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the CRDA. Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to 50 years and bear interest at below-market rate.

As of December 31, CRDA related assets were as follows:

	<u>2013</u>	<u>2012</u>
CRDA Bonds - net of amortized costs	\$11,272	\$11,809
Deposit - net of reserve	8,373	15,268
Direct Investments - net of reserves	1,684	2,130
	<u>\$21,329</u>	<u>\$29,207</u>

The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment. Charges to operations were \$3,620 and \$3,064 for the twelve months ended December 31, 2013 and 2012, respectively, and is included in CRDA (income) expense, in the statements of income.

The funds on deposits are held in an interest-bearing account by the CRDA. Initial obligation deposits are marked down by approximately 33% to represent their fair value and eventual expected conversion into bonds by the CRDA. Once CRDA Bonds are issued we have concluded that the bonds are held-to-maturity since the Company has the ability and the intent to hold these bonds to maturity and under the CRDA, they are not permitted to do otherwise. As such the CRDA Bonds are measured at amortized cost. As there is no market for the CRDA Bonds, its fair value could only be determined based on unobservable inputs. Such inputs are limited to the historical carrying value of the CRDA Bonds that are reduced, consistent with industry practice, by 1/3 of their face value at the time of issuance to represent fair value. The Company accretes such discount over the remaining life of the bonds.

After the initial determination of fair value, the Company will analyze the recoverability of the CRDA Bonds on a quarterly basis and its affect on reported amount based upon the ability and likelihood of bonds to be repaid. When considering recoverability of the CRDA Bonds, the Company

BALLY’S PARK PLACE, INC. (Bally’s Atlantic City)
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(Unaudited)
(All dollar amounts in thousands)

considers the relative credit-worthiness of each bondholder, historical collection experience and other information received from the CRDA. If indications exist that the amount expected to be recovered is less than its carrying value, the asset will be written down to its expected realizable amount.

All the Atlantic City casino properties and the CRDA entered into an agreement with the Atlantic City Alliance (the “ACA”) to provide funding to subsidize the Atlantic City market. This agreement was signed on November 2, 2011 and is set to expire on December 31, 2016. The agreement provides that in exchange for funding, the ACA will create and implement a marketing plan for the AC Industry. As part of the agreement, the AC Industry provided an initial deposit of \$5,000 in December 2011 and will continue to pay \$30,000 annually for the next five years. The Company paid \$2,228 in the twelve months ending December 31, 2013. The Company’s obligation for its portion of future payments is estimated at \$7,430, equal to its fair-share of AC Industry casino revenues.

Atlantic City Conference Center - In June 2013, Caesars established, AC Conference NewCo, LLC (“NewCo”) to construct and operate a new conference center (the "Project") adjacent to Harrah’s Atlantic City. NewCo is a direct wholly owned subsidiary of AC Conference HoldCo, LLC, which is a direct wholly owned subsidiary of Caesars.

Also in June 2013, Caesars signed an agreement with the CRDA regarding a grant for financial assistance in the amount of \$45,000 (the "Project Grant") wherein the CRDA will provide Caesars cash to help fund the construction of the Project. Under the Project Grant, Caesars is obligated to contribute to the CRDA the following:

- \$46,200 of Atlantic City Economic Development Investment Alternative Tax Obligation balances (“Existing Credits”), of which \$1,200 represents a 2.75% administrative fee,
- \$9,500 of CRDA Credits that the CRDA will use towards the construction of the CRDA’s marketplace-style retail development project (the "Donation Credits"), and
- Land parcels with an appraised value of \$7,300 on which the CRDA’s Marketplace Project will be developed (the Marketplace Parcels).

The gross value of the credits and land parcels described above held by the Companies immediately prior to the transaction were as follows:

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(All dollar amounts in thousands)

Existing Credits

Bally's Park Place, Inc.	\$ 23,400
Boardwalk Regency Corporation	10,600
Harrah's Atlantic City Holding, Inc. and Subsidiaries	7,000
Ocean Showboat, Inc. and Subsidiaries	5,200
	<u>\$ 46,200</u>

Donation Credits

Ocean Showboat, Inc. and Subsidiaries	<u>\$ 9,500</u>
---------------------------------------	-----------------

Marketplace Parcels

Bally's Park Place, Inc.	\$ 4,600
Boardwalk Regency Corporation	2,700
	<u>\$ 7,300</u>

In return for the above, the CRDA will deposit \$45,000 into a Project Fund from which Caesars can draw on a pari-passu basis via reimbursements to NewCo based on amounts paid for the Project by NewCo. During 2013, Caesars received \$1,400 in reimbursements from the Project Fund.

NOTE 15 – SUBSEQUENT EVENTS

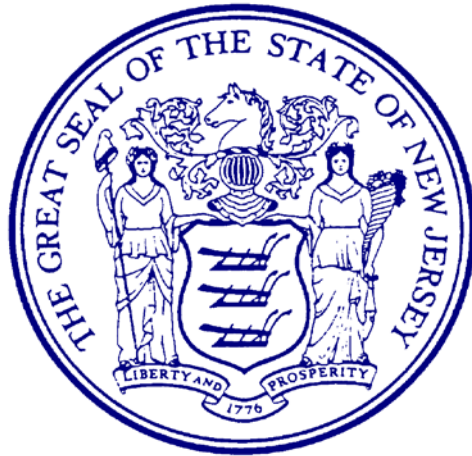
In October 2013, we entered into an agreement to sell the Claridge Hotel Tower, which was part of the Bally's Atlantic City asset group, for \$12,500. The Claridge Hotel Tower assets have been classified as held for sale as of December 31, 2013. This transaction closed in February 2014.

BALLY'S PARK PLACE INC. (BALLY'S ATLANTIC CITY)

ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2013

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

BALLY'S PARK PLACE INC. (BALLY'S ATLANTIC CITY)
ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
FOR THE YEAR ENDED DECEMBER 31, 2013

(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.....	\$2,933		
2	Returned Patrons' Checks.....	5,492		
3	Total Patrons' Checks.....	8,425	\$4,053	\$4,372
4	Hotel Receivables.....	1,370	94	\$1,276
	Other Receivables:			
5	Receivables Due from Officers and Employees....	521		
6	Receivables Due from Affiliates.....	-		
7	Other Accounts and Notes Receivables.....	2,424		
8	Total Other Receivables.....	2,945		\$2,945
9	Totals (Form DGE-205).....	\$12,740	\$4,147	\$8,593

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	Description (g)	Amount (h)
10	Beginning Balance (January 1).....	\$3,533
11	Counter Checks Issued.....	83,010
12	Checks Redeemed Prior to Deposit.....	(77,979)
13	Checks Collected Through Deposits.....	(2,311)
14	Checks Transferred to Returned Checks.....	(3,320)
15	Other Adjustments.....	
16	Ending Balance.....	\$2,933
17	"Hold" Checks Included in Balance on Line 16.....	0
18	Provision for Uncollectible Patrons' Checks.....	\$1,767
19	Provision as a Percent of Counter Checks Issued.....	2.1%

Bally's Park Place Inc. (Bally's Atlantic City)
ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2013

(\$ IN THOUSANDS)

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO:				
1	Table and Other Games	648		\$117	
2	Slot Machines	60		\$61	
3	Administration				
4	Casino Accounting	81			
5	Simulcasting	7			
6	Other				
7	Total - Casino	796	\$21,338	\$178	\$21,516
8	ROOMS	311	7,513	205	7,718
9	FOOD AND BEVERAGE	1,024	13,221		13,221
10	GUEST ENTERTAINMENT	225	951		951
11	MARKETING	128	4,354	176	4,530
12	OPERATION AND MAINTENANCE	287	8,415		8,415
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	7	52	716	768
14	Accounting and Auditing	17	815		815
15	Security	193	6,559		6,559
16	Other Administrative and General	45	2,875	53	2,928
	OTHER OPERATED DEPARTMENTS:				
17	Parking Operations	50	657		657
18	Health Club/Pool Services	28	539		539
19	Telephone	0	298		298
20	Retail Stores	36	819		819
21	Coat Check	0	0		0
22					
23	TOTALS - ALL DEPARTMENTS	3,147	\$68,406	\$1,328	\$69,734