

**TRUMP MARINA ASSOCIATES, LLC**  
**QUARTERLY REPORT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

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



**DIVISION OF FINANCIAL EVALUATION**  
**REPORTING MANUAL**

# TRUMP MARINA ASSOCIATES, LLC

## BALANCE SHEETS

AS OF SEPTEMBER 30, 2007 AND 2006

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$17,513	\$21,374
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2007, \$2,137; 2006, \$2,309		10,652	11,712
4	Inventories .....		2,908	2,882
5	Other Current Assets.....		3,028	3,469
6	Total Current Assets.....		34,101	39,437
7	Investments, Advances, and Receivables.....	6	11,472	9,783
8	Property and Equipment - Gross.....		394,450	359,965
9	Less: Accumulated Depreciation and Amortization.....		(31,218)	(17,100)
10	Property and Equipment - Net.....		363,232	342,865
11	Other Assets.....		104,671	104,943
12	Total Assets.....		\$513,476	\$497,028
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$5,140	\$3,791
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	3	235	2,829
17	Income Taxes Payable and Accrued.....	4	2,011	4,721
18	Other Accrued Expenses.....		11,550	11,513
19	Other Current Liabilities.....	2 & 5	14,573	11,815
20	Total Current Liabilities.....		33,509	34,669
	Long-Term Debt:			
21	Due to Affiliates.....	3	253,781	237,500
22	External.....	3	25	285
23	Deferred Credits .....		15,831	15,793
24	Other Liabilities.....		3,017	286
25	Commitments and Contingencies.....	6	0	0
26	Total Liabilities.....		306,163	288,533
27	Stockholders', Partners', or Proprietor's Equity.....		207,313	208,495
28	Total Liabilities and Equity.....		\$513,476	\$497,028

\* Amounts indicated with an asterisk have been restated to conform to the current presentation.

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

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

# TRUMP MARINA ASSOCIATES, LLC

## STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)
	Revenue:			
1	Casino.....		\$182,578	\$195,058
2	Rooms.....		14,742	14,045
3	Food and Beverage.....		23,378	23,279
4	Other.....		9,766	8,969
5	Total Revenue.....		230,464	241,351
6	Less: Promotional Allowances.....		54,175	53,684
7	Net Revenue.....		176,289	187,667
	Costs and Expenses:			
8	Cost of Goods and Services.....		111,120	113,633
9	Selling, General, and Administrative.....	2	34,257	28,880
10	Provision for Doubtful Accounts.....		755	475
11	Total Costs and Expenses.....		146,132	142,988
12	Gross Operating Profit.....		30,157	44,679
13	Depreciation and Amortization.....		11,991	10,499
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	5	4,096	3,171
16	Income (Loss) from Operations.....		14,070	31,009
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	3	(15,486)	(15,141)
18	Interest Expense - External.....	3	(640)	(1,051)
19	CRDA Related Income (Expense) - Net.....	6	(688)	(662)
20	Nonoperating Income (Expense) - Net.....		568	637
21	Total Other Income (Expenses).....		(16,246)	(16,217)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(2,176)	14,792
23	Provision (Credit) for Income Taxes.....	4	0	1,634
24	Income (Loss) Before Extraordinary Items.....		(2,176)	13,158
25	Extraordinary Items (Net of Income Taxes - 2007, \$0; 2006, \$0 ).....		0	0
26	Net Income (Loss).....		(\$2,176)	\$13,158

\* Amounts indicated with an asterisk have been restated to conform to the current presentation.

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

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

# TRUMP MARINA ASSOCIATES, LLC

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)
	Revenue:			
1	Casino.....		\$65,659	\$71,641
2	Rooms.....		5,565	5,464
3	Food and Beverage.....		9,474	9,447
4	Other.....		4,642	3,885
5	Total Revenue.....		85,340	90,437
6	Less: Promotional Allowances.....		20,792	20,374
7	Net Revenue.....		64,548	70,063
	Costs and Expenses:			
8	Cost of Goods and Services.....		39,694	40,389
9	Selling, General, and Administrative.....	2	12,734	9,647
10	Provision for Doubtful Accounts.....		326	207
11	Total Costs and Expenses.....		52,754	50,243
12	Gross Operating Profit.....		11,794	19,820
13	Depreciation and Amortization.....		4,269	3,425
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	5	1,809	1,140
16	Income (Loss) from Operations.....		5,716	15,255
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	3	(5,314)	(5,047)
18	Interest Expense - External.....	3	(184)	(310)
19	CRDA Related Income (Expense) - Net.....	6	(221)	(264)
20	Nonoperating Income (Expense) - Net.....		199	194
21	Total Other Income (Expenses).....		(5,520)	(5,427)
22	Income (Loss) Before Taxes and Extraordinary Items.....		196	9,828
23	Provision (Credit) for Income Taxes.....	4	0	881
24	Income (Loss) Before Extraordinary Items.....		196	8,947
25	Extraordinary Items (Net of Income Taxes - 2007, \$0; 2006, \$0 ).....		0	0
26	Net Income (Loss).....		\$196	\$8,947

\* Amounts indicated with an asterisk have been restated to conform to the current presentation.

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

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

# TRUMP MARINA ASSOCIATES, LLC STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006  
AND THE NINE MONTHS ENDED SEPTEMBER 30, 2007

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2005.....		\$187,141	\$8,176		\$195,317
2	Net Income (Loss) - 2006.....			14,068		14,068
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....					0
6	Prior Period Adjustments.....					0
7	Restrictive Stock Awards		28			28
8						0
9						0
10	Balance, December 31, 2006.....		187,169	22,244	0	209,413
11	Net Income (Loss) - 2007.....			(2,176)		(2,176)
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16	Restrictive Stock Awards		76			76
17						0
18						0
19	Balance, September 30, 2007.....		\$187,245	\$20,068	\$0	\$207,313

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

# TRUMP MARINA ASSOCIATES, LLC

## STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$8,668	\$24,792 *
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments .....		0	0
3	Proceeds from the Sale of Short-Term Investments .....		0	0
4	Cash Outflows for Property and Equipment.....		(28,567)	(19,964) *
5	Proceeds from Disposition of Property and Equipment.....		0	0
6	CRDA Obligations .....	6	(2,301)	(2,451)
7	Other Investments, Loans and Advances made.....		0	0
8	Proceeds from Other Investments, Loans, and Advances .....		0	0
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(30,868)	(22,415) *
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt .....		0	0
14	Payments to Settle Short-Term Debt.....		0	0
15	Proceeds from Long-Term Debt .....		0	0
16	Costs of Issuing Debt.....		0	0
17	Payments to Settle Long-Term Debt.....		(1,780)	(5,661)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0 *
19	Purchases of Treasury Stock.....		0	0
20	Payments of Dividends or Capital Withdrawals.....		0	0
21	Borrowings under Grid Note Payable from Affili .....	3	16,281	0
22			0	0
23	Net Cash Provided (Used) By Financing Activities.....		14,501	(5,661) *
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(7,699)	(3,284)
25	Cash and Cash Equivalents at Beginning of Period.....		25,212	24,658
26	Cash and Cash Equivalents at End of Period.....		\$17,513	\$21,374
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$13,426	\$14,484
28	Income Taxes.....		\$0	\$175

\* Amounts indicated with an asterisk have been restated to conform to the current presentation.

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

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

# TRUMP MARINA ASSOCIATES, LLC

## STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)
	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
29	Net Income (Loss).....		(\$2,176)	\$13,158
30	Depreciation and Amortization of Property and Equipment.....		11,991	10,499
31	Amortization of Other Assets.....		228	228
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current .....		0	708 *
34	Deferred Income Taxes - Noncurrent .....		0	0
35	(Gain) Loss on Disposition of Property and Equipment.....		0	0
36	(Gain) Loss on CRDA-Related Obligations.....	6	688	662
37	(Gain) Loss from Other Investment Activities.....		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks .....		(915)	(2,258)
39	(Increase) Decrease in Inventories .....		(198)	(333)
40	(Increase) Decrease in Other Current Assets.....		(110)	(794)
41	(Increase) Decrease in Other Assets.....		(257)	1,255 *
42	Increase (Decrease) in Accounts Payable.....		(752)	464 *
43	Increase (Decrease) in Other Current Liabilities .....		(516)	1,193 *
44	Increase (Decrease) in Other Liabilities .....		(146)	(485) *
45	Provision for Losses on Receivables .....		755	475
46	Stock Compensation .....		76	20 *
47	Net Cash Provided (Used) By Operating Activities.....		\$8,668	\$24,792 *

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>			
48	Additions to Property and Equipment.....		(\$28,567)	(\$19,964) *
49	Less: Capital Lease Obligations Incurred.....			
50	Cash Outflows for Property and Equipment.....		(\$28,567)	(\$19,964) *
	<b>ACQUISITION OF BUSINESS ENTITIES:</b>			
51	Property and Equipment Acquired.....			
52	Goodwill Acquired.....			
53	Other Assets Acquired - net .....			
54	Long-Term Debt Assumed.....			
55	Issuance of Stock or Capital Invested.....			
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	<b>STOCK ISSUED OR CAPITAL CONTRIBUTIONS:</b>			
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 *

\* Amounts indicated with an asterisk have been restated to conform to the current presentation.

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

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

**TRUMP MARINA ASSOCIATES, LLC**  
**SCHEDULE OF PROMOTIONAL**  
**EXPENSES AND ALLOWANCES**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

(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	124,553	\$9,183	0	\$0
2	Food	541,373	11,126	0	0
3	Beverage	1,117,424	4,748	0	0
4	Travel	0	0	11,601	2,866
5	Bus Program Cash	42,640	754	0	0
6	Other Cash Complimentaries	970,236	26,578	0	0
7	Entertainment	8,120	349	3,573	351
8	Retail & Non-Cash Gifts	38,565	964	256,324	6,110
9	Parking	0	0	0	0
10	Other	18,891	473	18,158	2,365
11	Total	2,861,802	\$54,175	289,656	\$11,692

\* Promotional Expense - Other includes \$1,457 of comp dollars earned but not redeemed.

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	46,803	\$3,396	0	\$0
2	Food	234,439	4,514	0	0
3	Beverage	436,936	1,857	0	0
4	Travel	0	0	4,373	1,119
5	Bus Program Cash	16,275	301	0	0
6	Other Cash Complimentaries	352,799	9,701	0	0
7	Entertainment	3,478	143	1,835	200
8	Retail & Non-Cash Gifts	19,114	478	69,455	2,032
9	Parking	0	0	0	0
10	Other	16,079	402	8,459	879
11	Total	1,125,923	\$20,792	84,122	\$4,230

\* Promotional Expense - Other includes \$456 of comp dollars earned but not redeemed.



**TRUMP MARINA ASSOCIATES, LLC  
STATEMENT OF CONFORMITY,  
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED SEPTEMBER 30, 2007

1. I have examined this Quarterly Report
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

11/15/2007

Date



Daniel McFadden

Vice President of Finance

Title

7167-11

License Number

On Behalf of:

TRUMP MARINA ASSOCIATES, LLC

Casino Licensee

**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**  
(Unaudited)  
(in thousands)

**NOTE 1 - GENERAL**

*Organization and Operations*

Trump Marina Associates LLC (“Marina Associates” or the “Company”), a New Jersey Limited Liability Corporation is 100% beneficially owned by Trump Entertainment Resorts Holdings, LP (“TER Holdings”), formerly known as Trump Hotels & Casino Resorts Holdings, LP, a Delaware Limited Partnership. Trump Entertainment Resorts, Inc. (“TER”), formerly known as Trump Hotels & Casino Resorts, Inc., a Delaware corporation, currently beneficially owns an approximate 76.5% profits interest in TER Holdings, as both a general and limited partner, and Donald J. Trump (“Mr. Trump”) owns directly and indirectly an approximate 23.5% profits interest in TER Holdings, as a limited partner.

Marina Associates owns and operates the Trump Marina Hotel Casino (“Trump Marina”), a casino hotel located in the marina district in Atlantic City, New Jersey (the “Marina District”). Marina Associates derives its revenue primarily from casino operations, room rental, food and beverage sales, and entertainment revenue. The casino industry in Atlantic City is seasonal in nature with the peak seasons being the spring and summer months.

*Basis of Presentation*

The accompanying financial statements have been prepared pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the “CCC”). Accordingly, certain information and note disclosures normally included in the financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company’s December 31, 2006 Quarterly Report as filed with the CCC.

Subject to the foregoing, the accompanying financial statements have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations, and cash flows for the periods presented, have been made.

Certain reclassifications and disclosures have been made to the prior period financial statements to conform to the current year presentation.

**NOTE 2 – TRUMP ONE UNIFIED PLAYER’S PROGRAM**

In June 2007, we implemented the Trump ONE unified player’s program (“Trump ONE”), our new, tri-property customer loyalty program. Under Trump ONE, our customers are able to accumulate complimentary dollars (“comp dollars”) based upon their slot machine and table games play which may be redeemed at their discretion for complimentary food, beverage and retail items. Unredeemed comp dollars are subject to the terms of the Trump ONE program, including forfeiture based upon the lapsing of time. We record the cost of comp dollars as a selling, general and administrative expense when earned by our customers. The retail value of the complimentary food, beverage and other retail items is recorded as revenue with an offset to promotional allowances at the time our customers redeem comp dollars. We accrued \$906 of selling, general and administrative expense in June 2007 to record the initial comp dollar liability, including consideration of estimated forfeitures.

In addition to comp dollars, our customers have the ability to earn points based on slot machine or table games play that are redeemable in cash (“cash-back points”). We historically have accrued the cost of cash-back points, after consideration of estimated forfeitures, as they are earned. This cost is recorded in promotional allowances. Customers may also receive discretionary complimentary rooms, food and beverage and other services

**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**  
(Unaudited)  
(in thousands)

which are expensed as incurred.

**NOTE 3 – LONG-TERM DEBT**

Long-term debt consists of:

	<b>September 30,</b>	
	<b>2007</b>	<b>2006</b>
8.5% Note payable - TER and TER Funding, due June 1, 2015, interest payable semi-annually due June and December	\$ 237,500	\$ 237,500
8.5% Revolving Grid Note Payable - TER Holdings, due January 1, 2013, interest payable monthly beginning August 2007	\$ 16,281	\$ -
Capital lease obligations - interest rates at 4.3% to 16.7%, secured by equipment financed	260	3,114
	254,041	240,614
Less: current maturities	(235)	(2,829)
Long-term debt, net of current maturities	\$ 253,806	\$ 237,785

8.5% Note Payable

In May 2005, TER Holdings and Trump Entertainment Resorts Funding, Inc., a wholly owned subsidiary of TER Holdings, (collectively, “the Issuers”), issued \$1,250,000 principal amount of 8.5% Senior Secured Notes due June 1, 2015 (the “TER Notes”). From the proceeds of the issuance of the TER Notes, TER Holdings loaned \$237,500 to Marina Associates.

8.5% Revolving Grid Note Payable

In July 2007, Marina Associates entered into a Revolving Grid Note Agreement with TER Holdings, due January 1, 2013, in the principal amount of \$50,000 or so much thereof as may have been advanced hereunder from time to time and remains outstanding on the maturity date, together with any accrued unpaid interest thereon. Interest accrues at a rate of 8.5% and is payable monthly beginning August 2007.

Guarantees

The Company, along with Trump Taj Mahal Associates, LLC (“Taj Associates”) and Trump Plaza Associates, LLC (“Plaza Associates”), guarantees TER Holdings’ and TER Funding’s \$500,000 Credit Facility and TER Notes on a joint and several basis. The Credit Facility is secured by substantially all of the assets of the Issuers and Marina Associates on a priority basis. Therefore, the TER Notes and the guarantee thereof are effectively subordinated to amounts borrowed by TER under the Credit Facility. At September 30, 2007, TER had outstanding borrowings of \$316,250 and \$1,248,969 under the Credit Facility and the TER Notes, respectively.

**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**  
(Unaudited)  
(in thousands)

**NOTE 4 - INCOME TAXES**

*Federal Income Taxes*

The accompanying financial statements do not include a provision for federal income taxes since the Company is a division of TER Holdings, which is taxed as a partnership for federal income tax purposes. Therefore, the Company's income and losses are allocated and reported for federal income tax purposes by TER Holdings' partners.

*State Income Taxes*

The state income tax provision attributable to income (loss) from operations before income taxes for the nine months ended September 30, 2007 and 2006 is as follows:

		<u>2007</u>		<u>2006</u>
Current	\$	-	\$	926
Deferred		-		-
Non-cash charge in lieu of taxes		-		708
	\$	<u>-</u>	\$	<u>1,634</u>

The non-cash charge in lieu of income taxes represents the utilization of pre-organization tax benefits that are reflected as a reduction to goodwill.

*Recently Issued Accounting Pronouncements*

On January 1, 2007, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes," which clarifies the accounting for uncertainty in income taxes recognized in the financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes." FIN 48 provides guidance on the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on classification, interest and penalties, accounting in interim periods, disclosures and transition. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties as a component of income tax expense.

As of September 30, 2007, the Company has unrecognized tax benefits of approximately \$6,298 (including interest) of which \$1,580 would affect its effective tax rate, if recognized. The application of FIN 48 did not have an impact on partner's capital on the date of adoption. It is reasonably possible that certain unrecognized tax benefits related to income tax examinations totaling \$2,011 could be settled during the next twelve months. The application of FIN 48 resulted in reclassifications to the Company's January 1, 2007 income tax related balance sheet accounts.

*Federal and State Income Tax Audits*

The Company is currently involved in an examination with the Internal Revenue Service (the "IRS") concerning the Company's federal partnership income tax return for the tax years 2002 through 2004. While any adjustment which results from this examination could affect its state income tax return, the Company does not believe that adjustments, if any, will have a material adverse effect on its financial condition or results of operations.

During the years 2002 through 2006 state income taxes for the Company's New Jersey operations were computed under the alternative minimum assessment method which expired in 2006. The Company has asserted its

**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**  
(Unaudited)  
(in thousands)

position that New Jersey partnerships are exempt from these taxes and, as such, have not remitted payments of the amounts provided. The New Jersey Division of Taxation has issued an assessment to collect the unpaid taxes for the tax years 2002 and 2003. At September 30, 2007 the Company has accrued \$6,298 for taxes and interest relating to this alternative minimum tax assessment for 2002 and 2003, as well as the open years 2004 through 2006. The Company is currently in discussions with the New Jersey Division of Taxation regarding settlement of these issues.

**NOTE 5 – TRANSACTIONS WITH AFFILIATES**

The Company has engaged in limited intercompany transactions with TER, Trump Taj Mahal Associates Administration (“Trump Administration”), Plaza Associates and Taj Associates, all of which are affiliates of Trump.

Amounts due to/(from) affiliates are as follows:

	<b>September 30,</b>	
	<b>2007</b>	<b>2006</b>
TER .....	\$ 0	\$ (46)
Trump Administration .....	1,269	2,379
Plaza Associates .....	35	24
Taj Associates .....	158	97
Total .....	\$ 1,462	\$ 2,454

Trump Administration, which is a separate division of Taj Associates, provides certain shared services to Marina Associates. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance, advertising and payroll costs as well as complimentary services offered to customers. Trump Administration allocated expenses associated with such services to Marina Associates totaling \$4,096 and \$3,171 during the nine months ended September 30, 2007 and 2006, respectively. Marina Associates reimburses Taj Administration for these allocated expenses.

During January 2007, TER awarded 8,460 restricted shares of TER common stock to an employee of Marina Associates with a grant date fair value of \$150. The restricted shares vest in 2,820 share increments on January 15, 2008, 2009 and 2010. As of September 30, 2007, the remaining unrecognized compensation expense for the outstanding nonvested restricted stock awards to be recognized over the remaining contractual life was \$95.

**NOTE 6 – COMMITMENTS & CONTINGENCIES**

*Legal Proceedings*

Marina Associates and certain of its employees are involved from time to time in various legal proceedings incidental to the Company’s business. While any proceeding or litigation contains an element of uncertainty, management believes that the final outcomes of these matters are not likely to have a material adverse effect on the Company’s results of operations or financial condition. In general, the Company has agreed to indemnify such persons, and its directors, 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 absent a showing of such persons’ gross negligence or malfeasance.

**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**  
(Unaudited)  
(in thousands)

Casino License Renewal

The Company is subject to regulation and licensing by the CCC. The Company's casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of the Company and can be revoked at any time. Due to the uncertainty of any license renewal application, there can be no assurance that the license will be renewed.

In June 2007, the CCC renewed the Company's license to operate Trump Marina for the next five year period through June 2012. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Casino Control 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.

Casino Reinvestment Development Authority Obligations

Pursuant to the provisions of the Casino Control Act, the Company 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, as defined in the Casino Control Act, or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified investments, as defined, or by depositing funds which may be converted to bonds by the Casino Reinvestment Development Authority (the "CRDA"), both of which bear interest at two-thirds of market rates resulting in a fair value lower than cost. The Company is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

At September 30, 2007, our qualifying CRDA investments include approximately \$366 in non-performing bonds, net of a reserve of \$188. These bonds are collateralized by equipment and real property. We record interest income on non-performing bonds as cash interest payments are received. We continue to evaluate the collectibility of these bonds. Future events may result in the need to record additional reserves relating to our investment in these bonds.

**NOTE 7 – SUBSEQUENT EVENT – SETTLEMENT OF PROPERTY TAX APPEALS**

On November 2, 2007, we, together with Taj Associates and Plaza Associates (the "Trump Properties"), entered into a stipulation of settlement with the City of Atlantic City ("City") to settle a series of appealed real property tax assessments relating to Trump Marina, Trump Taj Mahal and Trump Plaza for various tax years through 2007. Payment in accordance with the agreement will be made upon approval by the Tax Court of New Jersey ("Tax Court") and the necessary appropriation by the City. Under the terms of the agreement, the Trump Properties will receive a refund of \$34,000 relating to previously paid taxes consisting of (i) \$12,000 in cash, payable within 30 days of the execution of the agreement, and (ii) \$22,000 in credits to be applied against future real property tax payments as follows: \$4,000 per year in 2009, 2010 and 2011 and \$5,000 per year in 2012 and 2013. Marina Associates estimates its applicable portion of this refund to be approximately \$3,056.

The present value of the Marina Associates' portion of this refund is estimated to be approximately \$2,759 and will be recorded as a reduction to selling, general and administrative expenses once approved by the Tax Court.