

**TRUMP PLAZA 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 PLAZA 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.....		\$17,899	\$21,134
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2007, \$4,345 ; 2006, \$5,212).....		12,289	11,640
4	Inventories .....		3,226	2,172
5	Other Current Assets.....		3,940	4,298
6	Total Current Assets.....		37,354	39,244
7	Investments, Advances, and Receivables.....	6	16,557	14,765
8	Property and Equipment - Gross.....		422,721	397,936
9	Less: Accumulated Depreciation and Amortization.....		(42,910)	(25,654)
10	Property and Equipment - Net.....		379,811	372,282
11	Other Assets.....		91,081	94,019
12	Total Assets.....		\$524,803	\$520,310
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$3,812	\$3,580
14	Notes Payable.....			
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	3	0	4,019
17	Income Taxes Payable and Accrued.....	4	2,284	5,370
18	Other Accrued Expenses.....		16,738	17,074
19	Other Current Liabilities.....	2.5	11,579	24,263
20	Total Current Liabilities.....		34,413	54,306
	Long-Term Debt:			
21	Due to Affiliates.....	3	329,517	303,153
22	External.....	3	0	52
23	Deferred Credits .....		6,434	6,220
24	Other Liabilities.....		19,114	16,236
25	Commitments and Contingencies.....	6	0	0
26	Total Liabilities.....		389,478	379,967
27	Stockholders', Partners', or Proprietor's Equity.....		135,325	140,343
28	Total Liabilities and Equity.....		\$524,803	\$520,310

\* Certain reclassifications have been made to conform to current year 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 PLAZA 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.....		\$211,307	\$226,102
2	Rooms.....		20,535	17,921
3	Food and Beverage.....		23,875	27,144
4	Other.....		8,233	8,381
5	Total Revenue.....		263,950	279,548
6	Less: Promotional Allowances.....		57,947	68,212
7	Net Revenue.....		206,003	211,336
	Costs and Expenses:			
8	Cost of Goods and Services.....		128,676	132,961
9	Selling, General, and Administrative.....	2	38,090	41,838
10	Provision for Doubtful Accounts.....		1,171	1,399
11	Total Costs and Expenses.....		167,937	176,198
12	Gross Operating Profit.....		38,066	35,138
13	Depreciation and Amortization.....		14,645	15,149
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	5	5,179	3,416
16	Income (Loss) from Operations.....		18,242	16,573
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	3	(20,172)	(18,630)
18	Interest Expense - External.....	3	(1,351)	(1,754)
19	CRDA Related Income (Expense) - Net.....	6	(994)	(1,032)
20	Nonoperating Income (Expense) - Net.....		715	653
21	Total Other Income (Expenses).....		(21,802)	(20,763)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(3,560)	(4,190)
23	Provision (Credit) for Income Taxes.....	4	0	873
24	Income (Loss) Before Extraordinary Items.....		(3,560)	(5,063)
25	Extraordinary Items (Net of Income Taxes - 2007, \$0; 2006, \$0 ).....		0	0
26	Net Income (Loss).....		(\$3,560)	(\$5,063)

\* Certain reclassifications have been made to conform to current year 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 PLAZA 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.....		\$78,904	\$81,776
2	Rooms.....		7,655	7,129
3	Food and Beverage.....		9,597	11,377
4	Other.....		3,974	3,843
5	Total Revenue.....		100,130	104,125
6	Less: Promotional Allowances.....		23,296	26,208
7	Net Revenue.....		76,834	77,917
	Costs and Expenses:			
8	Cost of Goods and Services.....		44,692	47,244
9	Selling, General, and Administrative.....	2	12,675	15,204
10	Provision for Doubtful Accounts.....		(74)	620
11	Total Costs and Expenses.....		57,293	63,068
12	Gross Operating Profit.....		19,541	14,849
13	Depreciation and Amortization.....		5,074	5,351
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	5	2,404	1,187
16	Income (Loss) from Operations.....		12,063	8,311
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	3	(6,894)	(6,389)
18	Interest Expense - External.....	3	(512)	(607)
19	CRDA Related Income (Expense) - Net.....	6	(291)	(423)
20	Nonoperating Income (Expense) - Net.....		242	214
21	Total Other Income (Expenses).....		(7,455)	(7,205)
22	Income (Loss) Before Taxes and Extraordinary Items.....		4,608	1,106
23	Provision (Credit) for Income Taxes.....	4	0	312
24	Income (Loss) Before Extraordinary Items.....		4,608	794
	Extraordinary Items (Net of Income Taxes -			
25	2007, \$0; 2006, \$0 ).....		0	0
26	Net Income (Loss).....		\$4,608	\$794

\* Certain reclassifications have been made to conform to current year 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 PLAZA 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.....		\$150,150	(\$8,869)		\$141,281
2	Net Income (Loss) - 2006.....			(6,595)		(6,595)
3	Capital Contributions.....		4,000			4,000
4	Capital Withdrawals.....					0
5	Partnership Distributions.....					0
6	Prior Period Adjustments.....					0
7	Restrictive Stock Awards		143			143
8						0
9						0
10	Balance, December 31, 2006.....		154,293	(15,464)	0	138,829
11	Net Income (Loss) - 2007.....			(3,560)		(3,560)
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16	Restrictive Stock Awards		56			56
17						0
18						0
19	Balance, September 30, 2007.....		\$154,349	(\$19,024)	\$0	\$135,325

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

# TRUMP PLAZA 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..		(\$6,338)	\$19,234 *
	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.....		(18,655)	(29,492)
5	Proceeds from Disposition of Property and Equipment.....		411	
6	CRDA Obligations .....	6	(2,588)	(2,683)
7	Other Investments, Loans and Advances made.....		245	72 *
8	Proceeds from Other Investments, Loans, and Advances .....			
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(20,587)	(32,103) *
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt .....			
14	Payments to Settle Short-Term Debt.....		(2,416)	(7,089)
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	4,000 *
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21	Borrowing under Grid Note Payable from Affil .....	3	21,364	16,000 *
22				
23	Net Cash Provided (Used) By Financing Activities.....		18,948	12,911 *
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(7,977)	42
25	Cash and Cash Equivalents at Beginning of Period.....		25,876	21,092
26	Cash and Cash Equivalents at End of Period.....		\$17,899	\$21,134
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$17,321	\$9,217
28	Income Taxes.....		\$0	\$175

\*Certain reclassifications have been made to conform to current year 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 PLAZA 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).....		(\$3,560)	(\$5,063)
30	Depreciation and Amortization of Property and Equipment.....		14,645	15,120
31	Amortization of Other Assets.....			29
32	Amortization of Debt Discount or Premium.....			
33	Deferred Income Taxes - Current .....			
34	Deferred Income Taxes - Noncurrent .....		20	
35	(Gain) Loss on Disposition of Property and Equipment.....		(404)	
36	(Gain) Loss on CRDA-Related Obligations.....	6	994	1,032
37	(Gain) Loss from Other Investment Activities.....			
38	(Increase) Decrease in Receivables and Patrons' Checks .....		430	358 *
39	(Increase) Decrease in Inventories .....		817	(21)
40	(Increase) Decrease in Other Current Assets.....		(207)	(898)
41	(Increase) Decrease in Other Assets.....		685	254
42	Increase (Decrease) in Accounts Payable.....		(2,128)	(5,507) *
43	Increase (Decrease) in Other Current Liabilities .....		(17,686)	13,805 *
44	Increase (Decrease) in Other Liabilities .....			
45	Stock Compensation .....		56	125 *
46				
47	Net Cash Provided (Used) By Operating Activities.....		(\$6,338)	\$19,234 *

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>			
48	Additions to Property and Equipment.....		(\$18,655)	(\$29,723)
49	Less: Capital Lease Obligations Incurred.....		0	231
50	Cash Outflows for Property and Equipment.....		(\$18,655)	(\$29,492)
	<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	\$4,000 *
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	\$4,000 *

\*Certain reclassifications have been made to conform to current year 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 PLAZA 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	146,690	\$11,854	2,053	\$205
2	Food	566,575	9,041		
3	Beverage	1,500,130	5,683		
4	Travel			13,920	2,088
5	Bus Program Cash	319,398	7,072		
6	Other Cash Complimentaries	984,620	22,294		
7	Entertainment	31,433	1,152	10,629	424
8	Retail & Non-Cash Gifts			191,389	10,688
9	Parking				
10	Other	85,109	851		1,739
11	Total	3,633,955	\$57,947	217,991	\$15,144

\*Promotional Expense-Other includes \$1,739 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	60,189	\$4,830	1,182	\$118
2	Food	231,804	3,736		
3	Beverage	628,515	2,108		
4	Travel			6,147	922
5	Bus Program Cash	115,542	2,562		
6	Other Cash Complimentaries	394,214	8,838		
7	Entertainment	23,117	830	6,011	240
8	Retail & Non-Cash Gifts			54,228	3,233
9	Parking				
10	Other	39,217	392		426
11	Total	1,492,598	\$23,296	67,568	\$4,939

\*Promotional Expense-Other includes \$426 of comp dollars earned but not redeemed.

# TRUMP PLAZA 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 PLAZA ASSOCIATES, LLC

Casino Licensee

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

**NOTE 1 - GENERAL**

*Organization and Operations*

Trump Plaza Associates LLC, (“Plaza 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 approximately 76.5% profits interest in TER Holdings, as both general and limited partner, and Donald J. Trump (“Mr. Trump”) owns directly and indirectly an approximately 23.5% profits interest in TER Holdings, as a limited partner.

Plaza Associates owns and operates the Trump Plaza Hotel and Casino (“Trump Plaza”), a casino hotel located in Atlantic City, New Jersey. Plaza 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 prior year financial statements in order 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 \$1,261 of selling, general and administrative expenses 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 which are expensed as incurred.

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

**NOTE 3 – LONG-TERM DEBT**

Long-term debt consists of:

	September 30,	
	2007	2006
8.5% Note payable - TER and TER Funding, due June 1, 2015, interest payable semi-annually due June and December	\$ 287,153	\$ 287,153
8.5% Revolving Grid Note Payable - TER Holdings, due January 1, 2013, interest payable monthly	42,364	16,000
Capital lease obligations - interest rates at ' from 9.0% to 9.6%, secured by equipment financed	-	4,071
	329,517	307,224
Less: current maturities		(4,019)
Long-term debt, net of current maturities	\$ 329,517	\$ 303,205

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 \$287,500 to Plaza Associates. Under the terms of the Debtors’ reorganization plan, any of the TER Notes issued to the Plan’s disbursing agent and not distributed would revert to TER. During 2007, undistributed amounts included \$1,038 in TER Notes. In connection with this matter, the undistributed TER Notes were retired and Plaza, Associates’ Note Payable was reduced by \$347.

8.5% Revolving Grid Note Payable-TER Holdings

In July 2007, Trump Plaza Associates entered into a Revolving Grid Note Agreement with TER Holdings, due January 1, 2013, in the principal amount of \$75,000 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 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 Marina Associates, LLC (“Marina 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 Plaza 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 PLAZA 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 continuing operations before income taxes for the nine months ended September 30, 2007 and 2006 is as follows:

	<u>2007</u>	<u>2006</u>
Current expense .....	<u>\$ —</u>	<u>\$ 873</u>

*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 \$7,183 (including interest) of which \$1,800 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 \$2,284 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 that results from this examination could affect the 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 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 \$7,183 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.

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

**NOTE 5 – TRANSACTIONS WITH AFFILIATES**

The Company has engaged in limited intercompany transactions with TER, Trump Taj Mahal Associates Administration (“Trump Administration”), Marina 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 .....	\$ -	\$ (73)
Trump Administration .....	552	2,584
Marina Associates .....	(35)	(24)
Taj Associates .....	30	7
Total .....	\$ 547	\$ 2,494

Trump Administration, which is a separate division of Taj Associates, provides certain shared services to Plaza 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 Plaza Associates totaling \$ 5,179 and \$3,416 for the nine months ended September 30, 2007 and 2006. Plaza Associates reimburses Taj Administration for these allocated expenses.

During October 2005, TER awarded 15,000 restricted shares of TER common stock to an employee of Plaza Associates with a grant date fair value of \$266. The restricted shares vest in 5,000 share increments on September 30, 2006, 2007 and 2008. As of September 30, 2007, the remaining unrecognized compensation expense for the nonvested restricted stock to be recognized over the remaining contractual life was \$29.

**NOTE 6 – COMMITMENTS & CONTINGENCIES**

*Legal Proceedings*

Plaza 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 PLAZA 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 Plaza for the next five year period through June 25, 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 \$633 in non-performing bonds, net of a reserve of \$326. 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 Marina 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 Taj Mahal, Trump Plaza, and Trump Marina 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. Plaza Associates estimates its applicable portion of this refund to be approximately \$26,700.

The present value of the Plaza Associates portion of this refund is estimated to be approximately \$24,100 and will be recorded as a reduction to selling, general and administrative expenses once approved by the Tax Court.