TRUMP PLAZA ASSOCIATES, LLC
QUARTERLY REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2008

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, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$15,235	$17,899
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2008, $4,460 ; 2007, $4,345)		17,326	12,289
4	Inventories		3,487	3,226
5	Other Current Assets		5,238	3,940
6	Total Current Assets		41,286	37,354
7	Investments, Advances, and Receivables	8	15,618	16,557
8	Property and Equipment - Gross		433,532	422,721
9	Less: Accumulated Depreciation and Amortization		(60,545)	(42,910)
10	Property and Equipment - Net		372,987	379,811
11	Other Assets	3	37,369	91,081
12	Total Assets		$467,260	$524,803
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$5,681	$3,812
14	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates		0	0
16	External		0	0
17	Income Taxes Payable and Accrued	5	2,284	2,284
18	Other Accrued Expenses		13,227	16,738
19	Other Current Liabilities	4&7	10,950	11,579
20	Total Current Liabilities		32,142	34,413
	Long-Term Debt:			
21	Due to Affiliates	4	330,223	329,517
22	External		0	0
23	Deferred Credits	5	3,082	6,434
24	Other Liabilities	5	17,531	19,114
25	Commitments and Contingencies	8	0	0
26	Total Liabilities		382,978	389,478
27	Stockholders', Partners', or Proprietor's Equity	3	84,282	135,325
28	Total Liabilities and Equity		$467,260	$524,803

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, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)	
	Revenue:				
1	Casino		$204,233	$211,307	
2	Rooms		21,413	20,535	
3	Food and Beverage		23,500	23,875	
4	Other		7,512	8,233	
5	Total Revenue		256,658	263,950	
6	Less: Promotional Allowances	2	56,026	57,947	
7	Net Revenue		200,632	206,003	
	Costs and Expenses:				
8	Cost of Goods and Services		129,376	128,813	*
9	Selling, General, and Administrative	2	34,783	38,162	*
10	Provision for Doubtful Accounts		1,065	1,171	
11	Total Costs and Expenses		165,224	168,146	*
12	Gross Operating Profit		35,408	37,857	*
13	Depreciation and Amortization		14,531	14,645	
	Charges from Affiliates Other than Interest:				
14	Management Fees		0	0	
15	Other	7	6,406	4,970	*
16	Income (Loss) from Operations		14,471	18,242	
	Other Income (Expenses):				
17	Interest Expense - Affiliates	4	(20,907)	(20,172)	
18	Interest Expense - External	4	(1,400)	(1,351)	
19	CRDA Related Income (Expense) - Net	8	352	(994)	
20	Nonoperating Income (Expense) - Net		1,006	715	
21	Total Other Income (Expenses)		(20,949)	(21,802)	
22	Income (Loss) Before Taxes and Extraordinary Items		(6,478)	(3,560)	
23	Provision (Credit) for Income Taxes	5	0	0	
24	Income (Loss) Before Extraordinary Items		(6,478)	(3,560)	
25	Extraordinary Items (Net of Income Taxes - 2007, $0; 2006, $0)				
26	Net Income (Loss)		($6,478)	($3,560)	

* 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 PLAZA ASSOCIATES, LLC
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)	
	Revenue:				
1	Casino		$71,250	$78,904	
2	Rooms		8,357	7,655	
3	Food and Beverage		9,115	9,597	
4	Other		3,161	3,974	
5	Total Revenue		91,883	100,130	
6	Less: Promotional Allowances	2	19,428	23,296	
7	Net Revenue		72,455	76,834	
	Costs and Expenses:				
8	Cost of Goods and Services		43,680	44,662	*
9	Selling, General, and Administrative	2	11,768	12,768	*
10	Provision for Doubtful Accounts		379	(74)	
11	Total Costs and Expenses		55,827	57,356	*
12	Gross Operating Profit		16,628	19,478	*
13	Depreciation and Amortization		4,731	5,074	
	Charges from Affiliates Other than Interest:				
14	Management Fees		0	0	
15	Other	7	2,092	2,341	*
16	Income (Loss) from Operations		9,805	12,063	
	Other Income (Expenses):				
17	Interest Expense - Affiliates	4	(7,038)	(6,894)	
18	Interest Expense - External	4	(428)	(512)	
19	CRDA Related Income (Expense) - Net	8	945	(291)	
20	Nonoperating Income (Expense) - Net		313	242	
21	Total Other Income (Expenses)		(6,208)	(7,455)	
22	Income (Loss) Before Taxes and Extraordinary Items		3,597	4,608	
23	Provision (Credit) for Income Taxes	5	0	0	
24	Income (Loss) Before Extraordinary Items		3,597	4,608	
	Extraordinary Items (Net of Income Taxes -				
25	2007, $0; 2006, $0)		0	0	
26	Net Income (Loss)		$3,597	$4,608	

* 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 PLAZA ASSOCIATES, LLC
STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
AND THE NINE MONTHS ENDED SEPTEMBER 30, 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 2006..........**		$154,293	($15,464)		$138,829
2	Net Income (Loss) - 2007..........			(40,016)		(40,016)
3	Capital Contributions................					0
4	Capital Withdrawals..................					0
5	Partnership Distributions...........					0
6	Prior Period Adjustments..........					0
7	Restricted Stock Awards	7	63			63
8	Non Cash Transaction with					0
9	TER Holding Company		(8,210)			(8,210)
10	**Balance, December 31, 2007..........**		146,146	(55,480)	0	90,666
11	Net Income (Loss) - 2008..........			(6,478)		(6,478)
12	Capital Contributions................					0
13	Capital Withdrawals..................					0
14	Partnership Distributions...........					0
15	Prior Period Adjustments..........					0
16	Restricted Stock Awards	7	94			94
17						0
18						0
19	**Balance, September 30, 2008.........**		$146,240	($61,958)	$0	$84,282

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, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)	
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		($6,276)	($6,093)	*
	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...........................		(5,961)	(18,655)	
5	Proceeds from Disposition of Property and Equipment..........		119	411	
6	CRDA Obligations	8	(2,524)	(2,588)	
7	Other Investments, Loans and Advances made......................				*
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...................		(8,366)	(20,832)	*
	CASH FLOWS FROM FINANCING ACTIVITIES:				
13	Proceeds from Short-Term Debt				
14	Payments to Settle Short-Term Debt.....................................		0	(2,416)	
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	Borrowing under Revolving Grid Note Payable	4	5,049	21,364	
22	CRDA Grant Proceeds	8	3,940		
23	Net Cash Provided (Used) By Financing Activities..................		8,989	18,948	
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		(5,653)	(7,977)	
25	Cash and Cash Equivalents at Beginning of Period..................		20,888	25,876	
26	Cash and Cash Equivalents at End of Period............................		$15,235	$17,899	

	CASH PAID DURING PERIOD FOR:				
27	Interest (Net of Amount Capitalized)......................................		$23,814	$40,229	*
28	Income Taxes..		$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 PLAZA ASSOCIATES, LLC
STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)	
	CASH FLOWS FROM OPERATING ACTIVITIES:				
29	Net Income (Loss).........		($6,478)	($3,560)	
30	Depreciation and Amortization of Property and Equipment...		14,531	14,645	
31	Amortization of Other Assets.........		275	275	*
32	Amortization of Debt Discount or Premium.........				
33	Deferred Income Taxes - Current				
34	Deferred Income Taxes - Noncurrent	5		20	
35	(Gain) Loss on Disposition of Property and Equipment.........		(83)	(404)	
36	(Gain) Loss on CRDA-Related Obligations.........	8	(353)	994	
37	(Gain) Loss from Other Investment Activities.........				
38	(Increase) Decrease in Receivables and Patrons' Checks		908	430	
39	(Increase) Decrease in Inventories		(338)	817	
40	(Increase) Decrease in Other Current Assets.........		(1,735)	(207)	
41	(Increase) Decrease in Other Assets.........		(74)	655	*
42	Increase (Decrease) in Accounts Payable.........		(1,153)	(2,128)	
43	Increase (Decrease) in Other Current Liabilities	4	(11,870)	(17,686)	
44	Increase (Decrease) in Other Liabilities				
45	Restricted Stock Award	7	94	56	
46	....				
47	Net Cash Provided (Used) By Operating Activities.........		($6,276)	($6,093)	*

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.........		($5,961)	($18,655)
49	Less: Capital Lease Obligations Incurred.........		0	0
50	Cash Outflows for Property and Equipment.........		($5,961)	($18,655)
	ACQUISITION OF BUSINESS ENTITIES:			
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
	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

* 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 PLAZA ASSOCIATES, LLC
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008

(UNAUDITED)
($ IN THOUSANDS)

		Promotional Allowances		Promotional Expenses		
Line (a)	**Description (b)**	**Number of Recipients (c)**	**Dollar Amount (d)**	**Number of Recipients (e)**	**Dollar Amount (f)**	
1	Rooms	151,240	$12,347	1,237	$124	
2	Food	506,627	8,688			
3	Beverage	924,514	5,547			
4	Travel			15,958	2,394	
5	Bus Program Cash	298,480	6,761			
6	Promotional Gaming Credits	18,551	468			
7	Complimentary Cash Gifts	882,546	19,929			
8	Entertainment	24,605	816	14,862	594	
9	Retail & Non-Cash Gifts	26,218	1,311	233,228	9,477	
10	Parking			186,962	561	
11	Other	6,368	159	9,095	40	*
12	Total	2,839,149	$56,026	461,342	$13,190	

* Promotional Expense-Other includes the change in the outstanding comp dollar liability from 12/31/07 to 09/30/08.

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008

		Promotional Allowances		Promotional Expenses		
Line (a)	**Description (b)**	**Number of Recipients (c)**	**Dollar Amount (d)**	**Number of Recipients (e)**	**Dollar Amount (f)**	
1	Rooms	51,899	$4,470	866	$87	
2	Food	181,637	3,023			
3	Beverage	337,311	2,024			
4	Travel			5,876	882	
5	Bus Program Cash	108,409	2,446			
6	Promotional Gaming Credits	18,551	468			
7	Complimentary Cash Gifts	250,736	5,858			
8	Entertainment	19,396	580	5,679	226	
9	Retail & Non-Cash Gifts	10,163	508	86,664	3,275	
10	Parking			66,228	199	
11	Other	2,025	51	2,938	157	*
12	Total	980,127	$19,428	168,251	$4,826	

*Promotional Expense-Other includes the change in the outstanding comp dollar liability from 06/30/08 to 09/30/08.

TRUMP PLAZA ASSOCIATES, LLC
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED SEPTEMBER 30, 2008

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.

11/14/2008
Date

Dan 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, 2008
(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"), a Delaware Limited Partnership. Trump Entertainment Resorts, Inc. ("TER"), a Delaware corporation, currently beneficially owns an approximate 76.5% profits interest in TER Holdings, as both 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.

Plaza Associates owns and operates the Trump Plaza Hotel and Casino ("Trump Plaza"), an Atlantic City, New Jersey hotel and casino. Plaza Associates derives its revenue primarily from casino operations, room rental, food and beverage sales, and entertainment. The casino industry in Atlantic City is seasonal in nature with the peak season 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, 2007 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, TER 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. The Company records 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. During June 2007, the Company accrued $1,261 of selling, general and administrative expense to record the initial comp liability, including consideration of estimated forfeitures. As of September 30, 2008, the Company had $1,007 accrued for the estimated cost of the outstanding comp dollar liability.

In addition to comp dollars, our customers have the ability to earn points based on slot machine play that are redeemable in cash ("cash-back points"). The Company historically has 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.

(in thousands)

NOTE 3 - INTANGIBLE ASSETS AND GOODWILL

In accordance with SFAS 142, "Goodwill and Other Intangible Assets" ("SFAS"), goodwill and other indefinite-lived intangible assets are not amortized, but are subject to impairment tests at least annually. SFAS 142 requires that impairment tests be performed more frequently than annually if events or circumstances indicate that the value of goodwill or indefinite-lived intangible assets might be impaired. Due to the current market conditions in which we operate and other factors, we performed an annual and interim goodwill and other intangible assets impairment test as of October 1, 2007 and September 30, 2008 respectively. With the assistance of an independent valuation firm, we used a discounted cash flow methodology in our determination of the estimated fair value of our goodwill and other intangible assets. Our estimated future cash flows assumed under the discounted cash flow approach were negatively impacted by the effects of regional competition, a general weakening of the economy, rising fuel costs and the partial smoking ban in Atlantic City.

Based upon the results of the October 1, 2007 impairment testing, the Company determined that its goodwill, trademarks and customer lists were impaired. As a result, the Company, as of October 1, 2007, recorded a goodwill impairment charge of $16,859 and other intangible asset impairment charges totaling $39,843 relating to its trademarks and customer lists. Such charges were included in other assets on the December 31, 2007 balance sheet and non-operating expense in the statements of income for the quarter and year ended December 31, 2007.

Based upon the results of the impairment testing as of September 30, 2008, the Company determined that its goodwill, trademarks and customer lists were not impaired.

The impairment test procedures performed in accordance with SFAS 142 require comprehensive estimates of the future cash flows of the Company. Due to uncertainties associated with such estimates, actual results could differ from such estimates. A continuation of the previously mentioned conditions may result in the determination that some or all of the Company's remaining intangible assets have become impaired, which could result in additional impairment charges.

A rollforward of trademarks and goodwill is as follows:

	Trademarks	Goodwill
Balance December 31, 2006	$ 62,000	$ 25,069
Non-cash charge in lieu of income taxes	-	-
Non-cash transactions with TER Holdings	-	(8,210)
Trademarks/goodwill impairment charge	(39,843)	(16,859)
Balance December 31, 2007 and September 30, 2008	$ 22,157	$ 0

NOTE 4 – LONG-TERM DEBT

Long-term debt consists of :

	September 30, 2008	September 30, 2007
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 due and payable monthly	43,070	42,364
Total long-term debt	330,223	329,517
Less: current maturities	–	–
Long-term debt, net of current maturities	$ 330,223	$ 329,517

8.5% Note Payable – TER and TER Funding

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.

8.5% Revolving Grid Note Payable – TER Holdings

In July 2007, the Company entered into a Revolving Grid Note ("Grid Note") with TER Holdings. Pursuant to the Grid Note, the Company agreed to repay up to $75,000 of advances made by TER Holdings, including any accrued unpaid interest on outstanding advances thereon. Upon execution of the Grid Note, outstanding amounts due to TER Holdings relating to inter-company borrowings and unpaid interest due on the 8.5% Note Payable were refinanced through the Grid Note.

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 $493,250 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, 2008, TER had outstanding borrowings of $464,989 and $1,248,969 under the Credit Facility and the TER Notes, respectively.

NOTE 5 - 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

Under the New Jersey Casino Control Act, the Company is required to file New Jersey corporation business tax returns.

The Predecessor Company's net operating losses utilized to offset taxable income of the Reorganized Company will be recorded in the provision for income taxes as a non-cash charge in lieu of taxes and as a reduction to certain intangible assets related to the reorganization and increase additional paid-in-capital to the extent certain intangible assets related to the reorganization would be reduced to zero. The term "Predecessor Company" refers to the Company for periods prior to and including May 19, 2005, and the term "Reorganized Company" refers to the Company for periods on and subsequent to May 20, 2005.

There was no state income tax provision during the nine months ended September 30, 2008 and 2007.

At September 30, 2008, the Company had unrecognized tax benefits of approximately $8,456 (including interest) of which $1,798 would affect its effective tax rate, if recognized. The application of Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" did not have an impact on partners' 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 Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties as a component of income tax expense. During the nine months ended September 30, 2008 and 2007, the Company recognized approximately $539 and $390, respectively, in potential interest associated with uncertain tax positions. At September 30, 2008, the Company had approximately $2,328 accrued for the payment of interest on uncertain tax positions. To the extent interest is not assessed with respect to uncertain tax positions of the Reorganized Company, amounts accrued will be reduced and reflected as a reduction of interest expense. To the extent interest is not assessed with respect to uncertain tax positions of the Predecessor Company, amounts accrued prior to the reorganization date will be reduced and the impact will reduce certain intangible assets related to the reorganization in accordance with Emerging Issues Task Force Issue 93-7, "Uncertainties Related to Income Taxes in a Purchase Business Combination" ("EITF 93-7").

Federal and State Income Tax Audits

Tax years 2005 through 2007 remain subject to examination by the federal tax authority. Tax years 1995 through 2007 remain subject to examination by state tax jurisdictions.

From 2002 through 2006, state income taxes for the Company's New Jersey operations were computed under the alternative minimum assessment method. The Company has asserted its position that New Jersey partnerships were 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 through 2003. At September 30, 2008, the Company has accrued $7,969 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 assessments.

NOTE 6 – RECENTLY ISSUED ACCOUNTING PRONOUCEMENTS

In April 2008, the FASB issued FASB Staff Position FAS 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP 142-3"). FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). The intent of FSP 142-3 is to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R and other GAAP. FSP 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early adoption of the standard is prohibited. FAS 142-3 is effective for our fiscal year beginning January 1, 2009. We are currently evaluating the impact of FAS 142-3, but do not believe that the adoption of the standard will have a material impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "Business Combinations" ("SFAS 141(R)"). SFAS 141(R) retained the fundamental requirements in SFAS 141 that the acquisition method of accounting (which SFAS 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. SFAS 141(R), which is broader in scope than that of SFAS 141, which applied only to business combinations in which control was obtained by transferring consideration, applies the same method of accounting (the purchase method) to all transactions and other events in which one entity obtains control over one or more other businesses. SFAS 141(R) also makes certain other modifications to SFAS 141. We are required to apply the provisions of SFAS 141(R) to business combinations for which the acquisition date is on or after January 1, 2009. Earlier application is prohibited. We do not expect the adoption of SFAS 141(R) to have a material effect on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 permits companies to choose to measure many financial instruments and certain other items at fair value. The fair value option established by SFAS 159 permits all companies to choose to measure eligible items at fair value at specified election dates. At each subsequent reporting date, companies shall report in earnings any unrealized gains and losses on items for which the fair value option has been elected. We adopted SFAS 159 effective January 1, 2008 and did not elect the fair value measurement option for any financial assets or liabilities.

(in thousands)

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157") which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements and, accordingly, does not require any new fair value measurements. On February 12, 2008, the FASB issued FASB Staff Position No. FAS 157-2, Effective Date of FASB Statement No. 157 ("FSP 157-2"), delaying the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 for non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Non-financial assets and non-financial liabilities for which we are not yet required to apply the provisions of SFAS 157 include our goodwill and intangible assets and long-lived assets measured at fair value under the provisions of SFAS 142, "Goodwill and Other Intangible Assets" and SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," respectively. We adopted SFAS 157 effective January 1, 2008 for financial assets and liabilities. The adoption of SFAS 157 did not impact our consolidated financial statements. We do not expect that the adoption of the deferment provisions of FSP 157-2 will have a material effect on our consolidated financial statements.

NOTE 7 – TRANSACTIONS WITH AFFILIATES

The Company has engaged in limited inter-company 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:

	September 30, 2008	September 30, 2007
TER	$ –	$ –
Trump Administration	(632)	552
Marina Associates	(151)	(35)
Taj Associates	92	30
Total	$ (691)	$ 547

Plaza Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities that are affiliates of Mr. Trump. 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, which is a separate division of Taj Associates, provides certain shared services to Plaza Associates. Trump Administration allocated expenses associated with such services to Plaza Associates totaling $6,406 and $4,970 for the nine months ended September 30, 2008 and 2007. 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, 2008, the remaining unrecognized compensation expense for the non-vested restricted stock to be recognized over the remaining contractual life was $0.

In January 2008, TER awarded 41,969 restricted shares of TER Common Stock to an employee of Plaza Associates with a grant date fair value of $162. The restricted shares vest in 13,990 share increments on January 7, 2009, 2010 and 2011. As of September 30, 2008, the remaining unrecognized compensation expense for the non-vested restricted stock to be recognized over the remaining contractual life was $90.

NOTE 8 – 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.

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.

During the three and nine months ended September 30, 2008 and 2007, we recognized expense within our operations of $305 and $290 and $897 and 994, respectively, to give effect to the below market rates associated with CRDA deposits and bonds. In addition, during the three and nine months ended September 30, 2008, due to the receipt of grant proceeds which were funded by certain of our CRDA deposits, we recognized $1,250 of income representing the reversal of a previously recognized reserve on these assets.

NJSEA Subsidy Agreement

In April 2004, the casinos located in Atlantic City ("Casinos"), executed an agreement ("NJSEA Subsidy Agreement") with the New Jersey Sports and Exposition Authority ("NJSEA") and the CRDA. The NJSEA Subsidy Agreement provides that the Casinos, on a pro rata basis according to their gross revenues, shall pay in cash and donate from the regular payment of their CRDA obligations a total of $86,000 in four annual installments in October of each of 2004 through 2007 to the NJSEA. It required that the funds be used by the NJSEA through December 31, 2008 to enhance purses, fund breeders' awards and establish account wagering at New Jersey horse racing tracks. During this four year period, the Company's portion of this industry obligation was approximately 6.1%.

The NJSEA Subsidy Agreement further provided for a moratorium until January 2009 on the conduct of casino gaming at any New Jersey racetrack and conditioned the donation of the CRDA funds upon the enactment and funding of the Casino Expansion Fund Act which made funds available, on a pro rata basis, to each of the Casinos for investment in eligible projects in Atlantic City approved by the CRDA. In September 2006, the CRDA approved the new hotel tower presently under construction at the Trump Taj Mahal as an eligible project and, pursuant to October 2006 agreements, authorized grants to the Trump Atlantic City casinos in aggregate amounts of approximately $13,800 from the Atlantic City Expansion Fund and $1,575 from a separate Casino Capital Construction Fund, both administered by the CRDA. During 2008, Trump Atlantic City casinos received a combined total of $4,233 of grant proceeds from the AC Expansion Fund and $677 of grant proceeds from the Casino Capital Construction Fund.

The New Jersey Legislature amended the Casino Control Act, effective April 18, 2008, to permit the Casinos to deduct the amount of certain promotional gaming credits wagered at their slot machines in calculating the tax on gross gaming revenue. The amendment became operative upon the August 14, 2008 certification by the Chair of the CCC to the State Treasurer that the Casinos and Casino Association of New Jersey ("CANJ") had executed a new subsidy agreement with NJSEA for the benefit of the horse racing industry for $30,000 annually for a three-year period ("2008 NJSEA Subsidy Agreement"). In addition, the CCC adopted regulations effective September 22, 2008 which establish procedures by which the Casinos may implement the promotional gaming credit tax deduction.

The 2008 NJSEA Subsidy Agreement provides that the Casinos will pay the NJSEA $90,000 to be used solely for purse enhancements, breeder's purses and expenses to establish off-track wagering facilities which it incurs through 2011. The payments will be made in eleven installments from September 29, 2008 through November 15, 2011 and will total $22,500 in 2008, $30,000 in each of 2009 and 2010 and $7,500 in 2011. Each Casino will pay a share equal to a percentage representing the gross gaming revenue it reported for the prior calendar year compared to that reported by all Casinos for that year. The Company's portion of this industry obligation for 2008 is approximately 5.7%.

The 2008 NJSEA Subsidy Agreement also provides that the NJSEA, all other entities which receive any portion of the payments and affiliates of either shall not operate, conduct, maintain or permit any casino gaming, including video lottery gaming, in any New Jersey location other than Atlantic City prior to 2012 and that the Casinos may bring an action in New Jersey Superior Court against any entity that does so to enforce this prohibition by specific performance.

The 2008 NJSEA Subsidy Agreement further provides that if, prior to 2011, a statewide public question to authorize casino gaming at any New Jersey location other than Atlantic City is approved by the New Jersey Legislature or if, prior to 2012, any such statewide public question is approved by New Jersey voters or any New Jersey legislation is enacted or other New Jersey governmental action is taken authorizing such gaming or any such gaming is actually operated, conducted or maintained, then the Casinos shall make no further payments to NJSEA and, in certain circumstances, NJSEA shall return some or all of the payments it previously received from the Casinos.

The 2008 NJSEA Subsidy Agreement acknowledges the publicly announced intention of the Governor to, by executive order, create a commission to study and report its recommendations for the long term stability of the horse racing industry to the Governor and the Legislature on or about July 1, 2010 and provides that the Casinos, CANJ and NJSEA will work and cooperate in good faith with any such commission and that the NJSEA shall not support legislation for casino gaming in any New Jersey location other than Atlantic City prior to the commission's delivery of its report to the Governor and the Legislature.