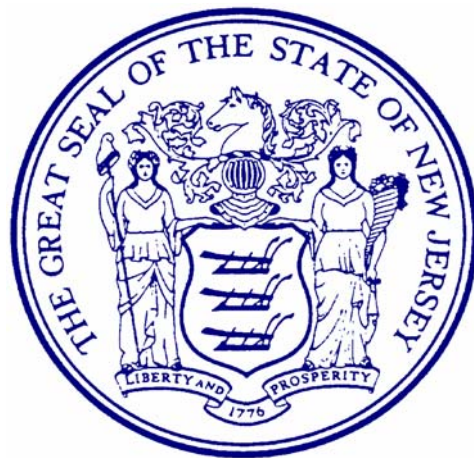


TRUMP PLAZA ASSOCIATES, LLC
QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

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, 2010 AND 2009

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$10,768	\$13,465
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2010, \$6,248 ; 2009, \$6,104).....		11,796	11,866
4	Inventories		1,216	1,068
5	Other Current Assets.....	6	5,754	5,618
6	Total Current Assets.....		29,534	32,017
7	Investments, Advances, and Receivables.....	2 & 12	13,624	16,283
8	Property and Equipment - Gross.....	2, 3 & 8	62,792	32,217
9	Less: Accumulated Depreciation and Amortization.....	2, 3 & 8	(1,915)	(812)
10	Property and Equipment - Net.....	2, 3 & 8	60,877	31,405
11	Other Assets.....	2, 4 & 8	9,265	11,701
12	Total Assets.....		\$113,300	\$91,406
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$2,920	\$3,188
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....	2, 5 & 8	0	347,376
16	External.....	5	293	268
17	Income Taxes Payable and Accrued.....	6	2,384	2,384
18	Other Accrued Expenses.....		12,392	12,103
19	Other Current Liabilities.....	2, 8 & 10	12,769	18,544
20	Total Current Liabilities.....		30,758	383,863
	Long-Term Debt:			
21	Due to Affiliates.....	2, 5 & 8	63,338	0
22	External.....	5	169	441
23	Deferred Credits	6	62	944
24	Other Liabilities.....	2, 6 & 8	11,682	14,478
25	Commitments and Contingencies.....	12	0	0
26	Total Liabilities.....		106,009	399,726
27	Stockholders', Partners', or Proprietor's Equity.....	8	7,291	(308,320)
28	Total Liabilities and Equity.....		\$113,300	\$91,406

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, 2010 AND 2009

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	Revenue:			
1	Casino.....		\$136,856	\$155,771
2	Rooms.....		18,257	18,248
3	Food and Beverage.....		18,319	19,326
4	Other.....		6,345	6,916
5	Total Revenue.....		179,777	200,261
6	Less: Promotional Allowances.....		42,793	46,524
7	Net Revenue.....		136,984	153,737
	Costs and Expenses:			
8	Cost of Goods and Services.....		109,999	113,751
9	Selling, General, and Administrative.....		22,472	28,952
10	Provision for Doubtful Accounts.....		1,396	1,613
11	Total Costs and Expenses.....		133,867	144,316
12	Gross Operating Profit.....		3,117	9,421
13	Depreciation and Amortization.....	8	4,246	8,580
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	10	4,848	5,709
16	Income (Loss) from Operations.....		(5,977)	(4,868)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	1,2,5,8	(4,755)	(21,749)
18	Interest Expense - External.....	5 & 6	(1,103)	(1,153)
19	CRDA Related Income (Expense) - Net.....	2 & 12	(3,057)	40
20	Nonoperating Income (Expense) - Net.....	3, 8 & 11	335,004	(349,414)
21	Total Other Income (Expenses).....		326,089	(372,276)
22	Income (Loss) Before Taxes and Extraordinary Items.....		320,112	(377,144)
23	Provision (Credit) for Income Taxes.....	6	0	(1,910)
24	Income (Loss) Before Extraordinary Items.....		320,112	(375,234)
25	Extraordinary Items (Net of Income Taxes - 2010, \$0; 2009, \$0).....		0	0
26	Net Income (Loss).....		\$320,112	(\$375,234)

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, 2010 AND 2009

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	Revenue:			
1	Casino.....		\$45,829	\$53,332
2	Rooms.....		7,086	7,305
3	Food and Beverage.....		7,647	7,917
4	Other.....		2,720	2,862
5	Total Revenue.....		63,282	71,416
6	Less: Promotional Allowances.....		15,855	16,361
7	Net Revenue.....		47,427	55,055
	Costs and Expenses:			
8	Cost of Goods and Services.....		38,247	38,994
9	Selling, General, and Administrative.....		7,832	9,134
10	Provision for Doubtful Accounts.....		421	620
11	Total Costs and Expenses.....		46,500	48,748
12	Gross Operating Profit.....		927	6,307
13	Depreciation and Amortization.....	8	2,260	1,013
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	10	1,669	1,784
16	Income (Loss) from Operations.....		(3,002)	3,510
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	1,2,5,8	(1,846)	(7,411)
18	Interest Expense - External.....	5 & 6	(376)	(377)
19	CRDA Related Income (Expense) - Net.....	2 & 12	(2,716)	(201)
20	Nonoperating Income (Expense) - Net.....	3, 8 & 11	334,701	227
21	Total Other Income (Expenses).....		329,763	(7,762)
22	Income (Loss) Before Taxes and Extraordinary Items.....		326,761	(4,252)
23	Provision (Credit) for Income Taxes.....	6	0	0
24	Income (Loss) Before Extraordinary Items.....		326,761	(4,252)
25	Extraordinary Items (Net of Income Taxes - 2010, \$0; 2009, \$0).....		0	0
26	Net Income (Loss).....		\$326,761	(\$4,252)

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, 2009
AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2008.....		\$146,265	(\$79,386)	\$0	\$66,879
2	Net Income (Loss) - 2009.....	3 & 4		(379,765)		(379,765)
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....					0
6	Prior Period Adjustments.....					0
7	Restricted Stock Awards	10	65			65
8						0
9						0
10	Balance, December 31, 2009.....		146,330	(459,151)	0	(312,821)
11	Net Income - 1/1/10 - 7/15/10	2, 5 & 8		312,821		312,821
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16	Elimination of Predecessor Co.					0
17	Equity/Deficity	2 & 8	(134,695)	146,330		11,635
18	Net Loss - 7/16/10 - 9/30/10			(4,344)		(4,344)
19	Balance, September 30, 2010.....		\$11,635	(\$4,344)	\$0	\$7,291

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, 2010 AND 2009

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		(\$6,934)	(\$16,545)
	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.....		(631)	(1,239)
5	Proceeds from Disposition of Property and Equipment.....			
6	CRDA Obligations	12	(1,712)	(1,989)
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	Proceeds from CRDA Investments	12		1,893
11				
12	Net Cash Provided (Used) By Investing Activities.....		(2,343)	(1,335)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt.....			
15	Proceeds from Long-Term Debt			
16	Costs of Issuing Debt.....			
17	Payments to Settle Long-Term Debt.....	5	(187)	(68)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21	Borrowings Under Grid Note Payable	5	4,100	12,671
22				
23	Net Cash Provided (Used) By Financing Activities.....		3,913	12,603
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(5,364)	(5,277)
25	Cash and Cash Equivalents at Beginning of Period.....		16,132	18,742
26	Cash and Cash Equivalents at End of Period.....		\$10,768	\$13,465
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$1,285	\$8,337
28	Income Taxes.....		\$0	\$0

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

TRUMP PLAZA ASSOCIATES, LLC

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		\$320,112	(\$375,234)
30	Depreciation and Amortization of Property and Equipment.....	8	4,246	8,580
31	Amortization of Other Assets.....	11	0	62
32	Amortization of Debt Discount or Premium.....			
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent	6	0	(1,810)
35	(Gain) Loss on Disposition of Property and Equipment.....			
36	(Gain) Loss on CRDA-Related Obligations.....	2 & 12	3,057	(40)
37	(Gain) Loss from Other Investment Activities.....			
38	(Increase) Decrease in Receivables and Patrons' Checks		5,099	3,889
39	(Increase) Decrease in Inventories		16	361
40	(Increase) Decrease in Other Current Assets.....		(346)	(602)
41	(Increase) Decrease in Other Assets.....		(307)	(13)
42	Increase (Decrease) in Accounts Payable.....		(1,444)	(324)
43	Increase (Decrease) in Other Current Liabilities		(2,228)	1,327
44	Increase (Decrease) in Other Liabilities		(605)	(2,899)
45	Restricted Stock Awards	10	0	35
46	Impairment Charges & Non-Cash Reorg. Gain	8 & 11	(334,534)	350,123
47	Net Cash Provided (Used) By Operating Activities.....		(\$6,934)	(\$16,545)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$631)	(\$2,016)
49	Less: Capital Lease Obligations Incurred.....		0	777
50	Cash Outflows for Property and Equipment.....		(\$631)	(\$1,239)
	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

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

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED SEPTEMBER 30, 2010

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.

11/15/2010

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

(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. TER Holdings is a wholly-owned subsidiary of Trump Entertainment Resorts, Inc. (“TER”), a Delaware corporation.

Plaza Associates owns and operates the Trump Plaza Hotel 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 revenue. 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, 2009 Quarterly Report as filed with the CCC.

In preparing the accompanying financial statements, the Company has reviewed, as determined necessary by the Company’s management, events that have occurred after September 30, 2010.

From the filing on the Petition Date to the Consummation Date, our predecessor company operated as a debtor-in-possession under the jurisdiction of the Bankruptcy Court (see Note 2). Accordingly, the accompanying financial statements for periods from the Petition Date through the Consummation Date were prepared in accordance with Topic 852 – “Reorganizations” of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) (“ASC 852”) which requires the reporting of pre-petition liabilities subject to compromise on the balance sheet at an estimate of the amount ultimately allowable by the Bankruptcy Court. ASC 852 also requires separate reporting of certain expenses relating to the Debtors’ Chapter 11 Case as reorganization items.

Liabilities subject to compromise in the Balance Sheet as of September 30, 2009, relate to certain of the liabilities of the Debtors incurred prior to the Petition Date. In accordance with ASC 852, liabilities subject to compromise are recorded at the estimated amount that is expected to be allowed as pre-petition claims in the Chapter 11 Case, even if they may be settled for lesser amounts in the future. Adjustments may result from negotiations, actions of the Bankruptcy Court, further developments with respect to disputed claims, rejection of executory contracts and unexpired leases, proofs of claim, implementation of a plan of reorganization or other events.

As of September 30, 2009, liabilities subject to compromise consisted of the following:

	September 30,
	2009
8.5% Note Payable	\$ 287,153
8.5% Revolving Grid Note	60,223
Accrued interest related to Note Payable & Revolving Grid Note	3,405
	<u>\$ 350,781</u>

TRUMP PLAZA ASSOCIATES, LLC
NOTES TO FINANCIAL STATEMENTS
(unaudited)
(in thousands)

During the first quarter of 2009, the Company wrote off as reorganization expense unamortized deferred financing costs totaling \$2,284 related to its 8.5% Note Payable in order to record the debt at the amount of the claim expected to be allowed by the Bankruptcy Court in accordance with ASC 852.

The following table summarizes the net (gain) loss on reorganization and related items and fresh start adjustments for the periods indicated:

	For the Nine Months Ended	
	September 30,	
	2010	2009
Cancellation of indebtedness income	\$ (295,588)	\$ -
Revaluation of assets and liabilities in connection with fresh start reporting	(38,946)	-
Deferred financing costs	-	(2,284)
	<u>\$ (334,534)</u>	<u>\$ (2,284)</u>

The Company was required to accrue interest expense during the Chapter 11 Case only to the extent that it was probable that such interest would be paid pursuant to the proceedings. Given that neither the Original Debtors' Plan nor the AHC Plan (both as defined below) provided for any recovery of interest expense related to the Senior Notes, the Company ceased recording contractual interest expense on the 8.5% Note Payable on October 7, 2009, the date on which the Bankruptcy Court approved both the Original Debtors' Disclosure Statement and the AHC Disclosure Statement. The Company continued to record interest expense under the contractual terms of its Grid Note (as defined below). Total interest expense during the three and nine months ended September 30, 2010 would have been \$3,307 and \$19,147, respectively had the Company recorded interest expense under its contractual agreements through July 16, 2010. For the three and nine months ended September 30, 2009, the Company recognized interest expense in accordance with the terms of all of its debt and capitalized lease obligations.

Upon emergence from Chapter 11, we adopted fresh-start reporting in accordance with ASC 852. Under fresh-start reporting, a new entity was deemed to have been created (on the Consummation Date) for financial reporting purposes and the recorded amounts of assets and liabilities were adjusted to reflect their estimated fair values. The term "Predecessor Company" refers to TER and its subsidiaries for periods prior to and including July 15, 2010 and the term "Reorganized Company" refers to TER and its subsidiaries for periods on and subsequent to July 16, 2010.

As a result of the adoption of fresh-start reporting, the Reorganized Company's post-emergence financial statements are generally not comparable with the financial statements of the Predecessor Company prior to its emergence from bankruptcy, including the historical financial statements included in this report. Due to the adoption of fresh-start reporting, the Predecessor Company and the Reorganized Company financial statements are prepared on different bases of accounting. See Note 8 for a balance sheet showing the impact of fresh-start reporting at July 16, 2010.

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.

TRUMP PLAZA ASSOCIATES, LLC
NOTES TO FINANCIAL STATEMENTS
(unaudited)
(in thousands)

NOTE 2 – CHAPTER 11 CASE

On February 17, 2009 (the “Petition Date”), TER and certain of its direct and indirect subsidiaries (collectively, the “Debtors”) filed voluntary petitions in the United States Bankruptcy Court for the District of New Jersey in Camden, New Jersey (the “Bankruptcy Court”) seeking relief under the provisions of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). These chapter 11 cases were jointly administered under the caption *In re: TCI 2 Holdings, LLC, et al Debtors, Chapter 11 Case Nos.: 09-13654 through 09-13656 and 09-13658 through 09-13664 (JHW)* (the “Chapter 11 Case”).

On August 3, 2009, the Debtors filed their initial joint chapter 11 plan of reorganization with the Bankruptcy Court (as thereafter amended, the “Original Debtors’ Plan”) and the Disclosure Statement relating thereto (the “Original Debtors’ Disclosure Statement”). Following the termination of the Purchase Agreement, dated August 3, 2009 (as thereafter amended as of October 5, 2009), among TER, TER Holdings, BNAC, Inc. and Donald J. Trump (“Mr. Trump”) by Mr. Trump on November 16, 2009, and subsequent negotiations with their principal creditor constituencies, the Debtors decided to withdraw the Original Debtors’ Plan. Further, the Debtors decided to endorse and become co-proponents of the plan of reorganization proposed by the ad hoc committee (the “Ad Hoc Committee”) of the holders of the Debtors’ 8.5% Senior Secured Notes due 2015 (the “Senior Notes”) filed on August 11, 2009, and thereafter amended (the “AHC Plan”) and the Disclosure Statement relating thereto (the “AHC Disclosure Statement”) and entered into an Amended and Restated Noteholder Backstop Agreement dated as of December 11, 2009 with the members of the Ad Hoc Committee. On December 24, 2009, the Debtors and the Ad Hoc Committee filed with the Bankruptcy Court a revised AHC Plan and revised AHC Disclosure Statement (as thereafter amended on January 5, 2010, the “AHC/Debtors Plan” and “AHC/Debtors Disclosure Statement”, respectively), reflecting the Debtors’ support of and co-proponent role with respect to such plan.

On May 7, 2010, TER obtained Bankruptcy Court approval to enter into a \$24,000 secured debtor-in-possession facility (the “DIP Note Purchase Agreement”), by and among the Debtors, Wilmington Trust FSB, as administrative agent and collateral agent (the “DIP Agent”), and the note purchasers party to the DIP Note Purchase Agreement. TER subsequently entered into the DIP Note Purchase Agreement on May 25, 2010, and advances in the amount of \$10,000 were made by the lenders thereunder on June 10, 2010.

The DIP Note Purchase Agreement contained various representations, warranties and covenants by the Debtors, including reporting requirements. The DIP Note Purchase Agreement provided for the payment of interest at a rate per annum equal to 10% payable on the earlier of the maturity date or the date on which an event of default occurred under the DIP Note Purchase Agreement.

On May 7, 2010, the Bankruptcy Court entered an order (the “Confirmation Order”) confirming the Supplemental Modified Sixth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Proposed by the Debtors and the Ad Hoc Committee of Holders of 8.5% Senior Secured Notes Due 2015, as filed with the Bankruptcy Court, in final form, on May 7, 2010 (the “Plan of Reorganization”).

On July 16, 2010 (the “Consummation Date”), the Plan of Reorganization became effective and the transactions contemplated by the Plan of Reorganization were consummated.

The following is a summary of the transactions that occurred pursuant to the Plan of Reorganization. This summary only highlights certain of the substantive provisions of the Plan of Reorganization and is not intended to be a complete description of, or a substitute for a full and complete reading of, the Plan of Reorganization. This summary is qualified in its entirety by reference to the full text of the Plan of Reorganization.

TRUMP PLAZA ASSOCIATES, LLC
NOTES TO FINANCIAL STATEMENTS
(unaudited)
(in thousands)

Pursuant to the Plan of Reorganization, on the Consummation Date, the following occurred:

- TER Holdings, TER and certain subsidiaries of TER (the “Subsidiary Guarantors”), each as reorganized pursuant to the Plan of Reorganization, entered into an Amended and Restated Credit Agreement (the “Amended and Restated Credit Agreement”) with Beal Bank, SSB, as collateral agent and administrative agent, and Icahn Partners LP, Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP and Icahn Partners Master Fund III LP (collectively, “Icahn Partners”), as initial lenders. The indebtedness under the Amended and Restated Credit Agreement represents term loans (collectively, the “Term Loans”), in the total principal amount, as of the Consummation Date, of approximately \$356,375, of which, as of the Consummation Date, \$334,000 comprised the Interest Bearing Component (as defined in the Amended and Restated Credit Agreement) and approximately \$22,375 comprised the Non-Interest Component (as defined in the Amended and Restated Credit Agreement);
- TER entered into a registration rights agreement (the “Registration Rights Agreement”), pursuant to which TER agreed to file with the Securities and Exchange Commission (the “SEC”) no later than 30 days after the Consummation Date, and to use its commercially reasonable efforts to cause to be declared effective by 60 days after the Consummation Date, a registration statement to register for resale the new common stock of TER issued pursuant to the Plan of Reorganization and held by the Backstop Parties (as defined below) and other eligible holders of new common stock who elect to become parties thereto. In addition, pursuant to the Registration Rights Agreement, the Backstop Parties have piggyback registration rights and have agreed to certain limitations on their registration rights, including cutbacks and a holder standstill period;
- TER and TER Holdings entered into an amended and restated services agreement (the “Services Agreement”) with Mr. Trump and Ivanka Trump (“Ms. Trump” and, together with Mr. Trump, the “Trump Parties”), which amends, restates and supersedes the previous services agreement entered into among TER, TER Holdings and Mr. Trump in 2005;
- TER Holdings, TER, and certain of its subsidiaries (collectively, the “Licensee Entities”) entered into a Second Amended and Restated Trademark License Agreement with the Trump Parties (the “Trademark License Agreement”), which amends, restates and supersedes the previous trademark license agreement among TER, TER Holdings and Mr. Trump and provides that the Trump Parties grant the Licensee Entities a royalty-free license to use certain trademarks, service marks, names, domain names and related intellectual property associated with the name “Trump” and the Trump Parties (the “Trump Parties Intellectual Property”) in connection with TER Holdings’ casino and gaming activities relating to TER’s three existing casino properties in Atlantic City, New Jersey (Trump Taj Mahal Casino Resort, Trump Plaza Hotel & Casino and Trump Marina Hotel & Casino), subject to certain terms and conditions. The Trademark License Agreement shall be in effect from the Consummation Date until terminated pursuant to the terms of the Trademark License Agreement, including upon 30 days notice by TER Holdings, failure to use the Licensed Marks (as defined in the Trademark License Agreement) for 90 days, a sale of all of the casino properties, the use by the Licensee Entities of any of the Trump Parties Intellectual Property in a manner inconsistent with the Trademark License Agreement or certain other defaults by the Licensee Entities of the terms and provisions therein;
- aggregate capital contributions of \$225,000 in new equity (in exchange for 7,500,000 shares of TER’s new common stock, or 70% of TER’s new common stock) were made pursuant to a rights offering to eligible holders of the Senior Notes and general unsecured claims (the “Rights Offering”), which was backstopped by members of the Ad Hoc Committee and/or their affiliates (the “Backstop Parties”) (who received 2,142,857 shares of TER’s new common

TRUMP PLAZA ASSOCIATES, LLC
NOTES TO FINANCIAL STATEMENTS

(unaudited)
(in thousands)

stock, or 20% of TER's new common stock, as a backstop fee in consideration for their agreement to provide such backstop commitment);

- the holders of claims under the \$493,250 pre-petition first lien credit facility entered into by TER on December 21, 2007 received, in full and final satisfaction of their claims, (i) \$125,000 in cash from the proceeds of the Rights Offering and (ii) the new Term Loans in the total principal amount of approximately \$356,375 on terms approved by the Bankruptcy Court as set forth in the Amended and Restated Credit Agreement;
- the DIP Note Purchase Agreement was canceled. All outstanding obligations under the DIP Note Purchase Agreement, consisting of \$10,000 of principal and \$100 of accrued interest, together with fees and expenses, were repaid with proceeds from the Rights Offering;
- pursuant to the terms of a plan support agreement (the "DJT Settlement Agreement") dated as of November 16, 2009, entered into among the Trump Parties, The Trump Organization, ACE Entertainment Holdings, Inc. and each of their respective affiliates or entities under the control, directly or indirectly, of the Trump Parties (collectively, the "DJT Parties"), and certain holders of Senior Notes, and in exchange for the waiver of certain claims held by the Trump Parties against the Debtors, and in consideration of the Trump Parties entering into the Trademark License Agreement and the Services Agreement with certain of the Debtors, TER issued to Mr. Trump (i) 535,714 shares of TER's new common stock (representing 5% of TER's new common stock), along with warrants (the "DJT Warrants") to purchase up to an additional 535,714 shares of TER's new common stock (representing 5% of TER's new common stock), at an exercise price of \$123.74 per share, subject to certain anti-dilution provisions. The DJT Warrants expire five years from the Consummation Date;
- the indebtedness evidenced by the Senior Notes and the indenture pursuant to which the Senior Notes were issued were canceled and a pro rata distribution of 535,714 shares of TER's new common stock (representing 5% of TER's new common stock) was made to holders of Senior Notes;
- general unsecured creditors will receive the lesser of (a) \$0.0078 per dollar of the principal or face amount of allowed general unsecured claims or (b) such holder's pro rata share of \$1,206;
- a cash distribution was made in an amount of \$0.0012 per dollar of the principal or face amount of Senior Note claims or allowed general unsecured claims to those holders of Senior Notes (other than the Backstop Parties) and general unsecured creditors who were not eligible to participate in the Rights Offering or did not elect to subscribe for new common stock of TER in the Rights Offering;
- there was no recovery for stockholders or any other holder of equity interests held prior to the Consummation Date, and all equity interests in TER and all limited partnership interests in TER Holdings were canceled on the Consummation Date; and
- A new board of directors of TER was appointed effective as of the Consummation Date.

As the transactions described above were not consummated until July 16, 2010, they are not reflected in the historical financial statements of the predecessor company for periods prior to that date.

Prior to the Consummation Date, the holders of claims under TER's prepetition first lien credit facility and the agent under the pre-petition first lien credit facility appealed the Confirmation Order and commenced other legal proceedings against TER and certain other parties. These proceedings remained pending on the Consummation Date.

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On September 21, 2010, TER and certain of its subsidiaries (as reorganized, the “Reorganized Debtors”) entered into a Global Settlement Agreement (the “Settlement Agreement”), dated as of September 21, 2010, with Beal Bank, SSB (“Beal Bank”), in its capacity as administrative agent and collateral agent under the Prepetition First Lien Credit Agreement and under the Amended and Restated Credit Agreement and as a prior lender under the Prepetition First Lien Credit Agreement, and Icahn Partners, pursuant to which the parties agreed to end all outstanding disputes and litigation between them relating to the Reorganized Debtors, the Debtors’ Chapter 11 Case, and/or the Plan of Reorganization. The description of the Settlement Agreement set forth below is not complete and is qualified in its entirety by the full text of such agreement.

On October 5, 2010, the Bankruptcy Court approved the Settlement Agreement. The settlement terms set forth in the Settlement Agreement became effective on October 6, 2010. Pursuant to the Settlement Agreement, (i) all then pending proceedings involving the parties arising from, relating to, or in any way connected with certain matters that were in litigation relating to the Plan of Reorganization (the “Litigation Matters”) were dismissed and/or withdrawn by the parties with prejudice and (ii) the Amended and Restated Credit Agreement was amended in the manner described below.

The following is a brief description of the Litigation Matters that were dismissed or withdrawn pursuant to the Settlement Agreement and the Bankruptcy Court Approval Order:

- Confirmation Appeal - Beal Bank and Icahn Partners (collectively, the “First Lien Lenders”) appealed the Confirmation Order, which was entered after a nine-day confirmation trial held during the first quarter of 2010. In connection with the Confirmation Appeal, the First Lien Lenders raised numerous issues involving, among others, feasibility, cramdown, market rate of interest, the application of section 1111(b) of the Bankruptcy Code, and the reasonableness of the settlement agreement with Mr. Trump. The Reorganized Debtors moved to have the Confirmation Appeal dismissed on various grounds, including equitable mootness.
- Recharacterization Motion - Prior to confirmation of the Plan of Reorganization, the Debtors filed a motion and certain other related pleadings in the Bankruptcy Court seeking, among other things, to recharacterize a portion of the cash payments paid to the First Lien Lenders during the pendency of the bankruptcy case pursuant to the Final Cash Collateral Order (as defined in the Settlement Agreement) as a repayment of principal of their prepetition loans. Whether recharacterization was appropriate and, if so, the amount to be recharacterized, were to have been the subject of proceedings before the Bankruptcy Court.
- CRDA Lawsuit - On May 28, 2010, prior to the Consummation Date, the First Lien Lenders commenced an adversary proceeding in the Bankruptcy Court asserting that certain of the Debtors’ proposed transactions with the New Jersey Casino Reinvestment Development Authority (the “CRDA”) violated the Prepetition First Lien Credit Agreement and the Final Cash Collateral Order (the “CRDA Lawsuit”). Pursuant to these proposed transactions, as part of the CRDA’s credit donation program, the Debtors were to receive a cash payment of approximately \$9,590 from the CRDA in exchange for a donation of approximately \$28,393 in previous deposits made by the Debtors to the CRDA (the “CRDA Transaction”). Following commencement of this proceeding by the First Lien Lenders, the Debtors agreed not to take any further steps to consummate such transactions until after the Consummation Date, and filed a counterclaim seeking a declaratory judgment that the CRDA Transaction is permitted under the terms of the Amended and Restated Credit Agreement. These issues were to have been determined by the Bankruptcy Court.
- Fee Objections – The Debtors filed a number of objections to certain demands made by the First Lien Lenders for reimbursement of professional fees incurred in connection with the Chapter 11 Case.

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- Prepayment Disallowance Motion - Prior to the Consummation Date, the First Lien Lenders asserted that the \$125,000 cash payment to be received by them on the Consummation Date in accordance with the terms of the Plan of Reorganization would trigger an obligation of the Debtors or Reorganized Debtors to pay a \$4,245 prepayment premium under the Prepetition First Lien Credit Agreement and the Final Cash Collateral Order. In response, the Reorganized Debtors filed a motion in the Bankruptcy Court seeking the disallowance of any prepayment premium asserted.
- Administrative Expense Claims - The First Lien Lenders submitted a formal request to the Reorganized Debtors for payment of administrative expense claims on account of certain purported adequate protection claims they have asserted for diminution in the value in their prepetition collateral. The Reorganized Debtors disputed these amounts.
- Intercreditor Lawsuit - Prior to the confirmation hearing, Beal Bank filed a lawsuit (the "Intercreditor Lawsuit") in New York state court against the members of the Ad Hoc Committee, asserting breaches of the Intercreditor Agreement, dated December 21, 2007, between Beal Bank and U.S. Bank National Association, as indenture trustee for the Senior Notes (the "Intercreditor Agreement"). Among other things, Beal Bank sought a declaratory judgment that the members of the Ad Hoc Committee violated the Intercreditor Agreement by (1) objecting to a competing plan of reorganization filed by Beal Bank and Icahn Partners and prosecuting their own plan of reorganization, and (2) seeking recharacterization of payments made to the First Lien Lenders during the Debtors' chapter 11 cases. In addition, the Intercreditor Lawsuit requested an award of money damages for such alleged violations of the Intercreditor Agreement.

Pursuant to the Settlement Agreement, on October 6, 2010, as noted above, the settlement terms set forth in the Settlement Agreement became effective in accordance with its terms, and the following occurred:

- the Amended and Restated Credit Agreement was deemed to be amended pursuant to a Third Amendment to Amended and Restated Credit Agreement (the "Third Amendment"), as described below, the executed Third Amendment was released from escrow, and new promissory notes, giving effect to the Third Amendment, were issued under the Amended and Restated Credit Agreement, in substitution for the promissory notes originally issued on the Consummation Date;
- Beal Bank and the Icahn Parties executed and filed Stipulations of Dismissal with respect to the Litigation Matters relating to the Plan of Reorganization described above. Upon the filing of such Stipulations of Dismissal, the First Lien Lenders do not have any right or ability to pursue such litigation and the claims asserted therein were dismissed with prejudice. In return, the Reorganized Debtors do not have any right, ability or claim to recharacterize or impair any amounts paid or payable to the First Lien Lenders with respect to any amounts paid or payable on or prior to the Consummation Date pursuant to the Final Cash Collateral Order, the Plan of Reorganization, or the Prepetition First Lien Credit Agreement;
- the First Lien Lenders agreed not to seek any prepayment premiums, penalties, or fees from the Debtors or the Reorganized Debtors arising under or resulting from the Plan of Reorganization or the transactions consummated pursuant to the Plan of Reorganization;
- the First Lien Lenders agreed to support the payment of all the Debtors' professional fees and expenses relating to the Chapter 11 Case, and the payment of any and all fees, costs and expenses, asserted in the fee application filed by the Ad Hoc Committee;
- the First Lien Lenders consented to the CRDA Transaction and agreed that all cash received by the Reorganized Debtors in connection with the CRDA Transaction would be retained by the

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Reorganized Debtors and would not be included in the calculation of available cash flow or net cash proceeds for purposes of the Amended and Restated Credit Agreement or be required to be used to prepay the loans under the Amended and Restated Credit Agreement;

- the Reorganized Debtors paid \$15,000 to Icahn Partners, which satisfied any and all obligations of the Reorganized Debtors under the Prepetition First Lien Credit Agreement to reimburse, advance or indemnify costs, fees, and expenses (including professional fees) incurred by the First Lien Lenders. Upon such payment, the First Lien Lenders released and discharged the Debtors and the Reorganized Debtors from and against any and all liabilities or obligations incurred by such parties; and
- each party mutually waived, released and discharged, each other party (among others) from all claims and proceedings arising from, related to, or in any way connected with the matters which were in litigation relating to the Plan of Reorganization and the Chapter 11 Case.

As stated above, pursuant to the Settlement Agreement, the parties agreed to amend the Amended and Restated Credit Agreement pursuant to the Third Amendment, which became effective (and was released from escrow) on October 6, 2010, the effective date of the Settlement Agreement. Under the Third Amendment, which by its terms was retroactive to July 16, 2010, the initial principal amount of the interest-bearing portion of the term loans under the Amended and Restated Credit Agreement as of the Consummation Date was increased from \$334,000 to \$346,500, and the approximately \$22,375 non-interest portion of the initial principal amount of the term loans under the Amended and Restated Credit Agreement was eliminated in its entirety (and references to the non-interest portion of the term loans in the Amended and Restated Credit Agreement were deleted). As a result, the total principal amount outstanding under the Amended and Restated Credit Agreement decreased from \$356,375 to \$346,500. The entire principal amount of the term loans under the Amended and Restated Credit Agreement bears interest at the fixed annual rate of 12%. The remaining terms of the Amended and Restated Credit Agreement remained unaltered except as otherwise required to implement the Settlement Agreement. Because the Third Amendment was effective retroactively to July 16, 2010, the Consummation Date, it is reflected in TER's consolidated financial statements as of September 30, 2010.

Donald J. Trump's Abandonment of Limited Partnership Interests in TER Holdings

By letter dated February 13, 2009, Mr. Trump notified TER that he had abandoned any and all of his 23.5% direct limited partnership interest in TER Holdings and relinquished any and all rights under the Fourth Amended and Restated Agreement of Limited Partnership of TER Holdings (the "Partnership Agreement") or otherwise with respect to TER Holdings and Mr. Trump's limited partnership interest. TER's consolidated financial statements reflect the allocation of income (loss) to the noncontrolling interest pursuant to the terms of the Partnership Agreement for periods presented prior to the Consummation Date.

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NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	September 30,	
	2010	2009
Land and land improvements	\$ 11,094	\$ 9,543
Building and building improvements	44,995	15,532
Furniture, fixtures and equipment	6,648	6,791
Construction-in-progress	55	351
	<u>62,792</u>	<u>32,217</u>
Less accumulated depreciation and amortization	(1,915)	(812)
Net property and equipment	<u>\$ 60,877</u>	<u>\$ 31,405</u>

During the third quarter of 2010, the Company increased the carrying value of its property and equipment in order to record property and equipment at its fair value as of the Consummation Date. We engaged an independent appraiser to assist us in the allocation of reorganization value to our assets and liabilities (see Note 8) and we utilized the independent appraiser's analysis and other information to make the allocations as of the Consummation Date.

Due to certain events and circumstances, including the continuing negative effects of regional competition on our Predecessor Company's results, the then-pending sale of the Tropicana Casino and Resort in Atlantic City and the legalization of table games and sports betting in Delaware, the Company performed impairment testing related to its long-lived assets in accordance with ASC Topic 360 – "Property, Plant and Equipment" ("ASC 360"), during the second quarter of 2009. Based upon its review, the sum of the estimated undiscounted future cash flows expected to be generated by its long-lived assets were less than the carrying values of those assets. The Company estimated the fair value of the asset group based upon consideration of the cost, income and market approaches to value, as appropriate, and sought the assistance of an independent valuation firm. The Company recorded an asset impairment charge totaling \$331,059. The non-cash impairment charge is included within Nonoperating Income (Expense) in the statement of income for the nine months ended September 30, 2009. In addition, in connection with the impairment testing, the estimated remaining useful life of the building was reduced to 20 years.

NOTE 4 - INTANGIBLE ASSETS AND GOODWILL

In accordance with ASC Topic 350 – "Intangibles – Goodwill and Other ("ASC 350"), the Company reviews its indefinite-lived intangible assets for impairment at least annually and more frequently than annually if events or circumstances indicate that indefinite-lived intangible assets might be impaired.

During 2009, due to the circumstances described above, the Company performed interim impairment testing related to its intangible assets during the second quarter of 2009. Based upon the results of the impairment testing, the Company determined that its trademarks were impaired. As a result, the Company recorded an intangible asset impairment charge totaling \$16,780. The non-cash impairment charge is included within Nonoperating Income (Expense) in the statement of income for the nine months ended September 30, 2009.

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A rollforward of trademarks for the period December 31, 2008 to September 30, 2010 is as follows:

		<u>Trademarks</u>
Balance, December 31, 2008	\$	16,780
Impairment charges		<u>(16,780)</u>
Balance, September 30, 2010	\$	<u>0</u>

NOTE 5 - DEBT

As of September 30, 2010 and 2009, the Company's indebtedness consisted of:

	<u>September 30,</u>	
	<u>2010</u>	<u>2009</u>
8.5% Note Payable - TER Holdings and TER Funding, subject to compromise, due June 1, 2015, interest payable semi-annually due June and December	\$ -	\$ 287,153
12.0% and 8.5%, respectively, Revolving Grid Note - TER Holdings, subject to compromise at September 30, 2009 due January 1, 2013, interest due and payable monthly	63,338	60,223
Capitalized lease obligations, payments due at various dates through 2012, secured by equipment financed, interest at 8.5%	<u>462</u>	<u>709</u>
	63,800	348,085
Less: current maturities and amounts subject to compromise	<u>(293)</u>	<u>(347,644)</u>
Long-term debt, net of current maturities	<u>\$ 63,507</u>	<u>\$ 441</u>

Event of Default

As discussed in Note 2, on February 17, 2009, the Debtors filed voluntary petitions in the Bankruptcy Court seeking relief under the provisions of chapter 11 of the Bankruptcy Code. The filing of the Chapter 11 Case constituted an event of default and therefore triggered repayment obligations under the \$493,250 pre-petition first lien credit agreement entered into by TER and TER Holdings on December 21, 2007 (the "2007 Credit Agreement") and the Senior Notes. As a result, all indebtedness outstanding under the Senior Notes and the 2007 Credit Agreement (which has a cross-default provision with the Senior Notes) became automatically due and payable. During the Chapter 11 Case, actions to collect pre-petition indebtedness, as well as most pending litigation, were stayed and other contractual obligations against the Debtors generally were not permitted to be enforced. Absent an order of the Bankruptcy Court, substantially all pre-petition liabilities were subject to settlement under a plan of reorganization to be approved by the Bankruptcy Court. As described below, the Company guaranteed the indebtedness under the Senior Notes and 2007 Credit Agreement; therefore, the Company classified its intercompany indebtedness within liabilities subject to compromise in its Balance Sheet as of September 30, 2009.

8.5% Note Payable

In May 2005, TER Holdings and TER Funding issued the Senior Notes. From the proceeds of the issuance of the Senior Notes, TER Holdings loaned \$287,500 to Plaza Associates.

As discussed in Note 2, pursuant to the Plan of Reorganization, the Senior Notes and the indenture pursuant to which such notes were issued were cancelled on the Consummation Date. As a result, the 8.5% Note Payable was cancelled on the Consummation Date.

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12.0% and 8.5%, respectively, Revolving Grid Note

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.

Outstanding borrowings under the Revolving Grid Note as of the Consummation Date were adjusted in accordance with the Company’s application of Fresh Start Accounting.

Guarantees

Plaza Associates, along with Trump Taj Mahal Associates LLC (“Taj Associates”) and Trump Marina Associates LLC (“Marina Associates”) guarantees TER Holdings’ and TER Funding’s Amended and Restated Credit Agreement on a joint and several basis. The Amended and Restated Credit Agreement is secured by substantially all of the assets of TER Holdings, TER Funding and Plaza Associates on a priority basis. At September 30, 2010, TER had outstanding borrowings of \$345,665 under the Amended and Restated Credit Agreement.

NOTE 6 - 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 state income tax benefit is as follows:

	Nine Months Ended	
	September 30,	
	2010	2009
Current	\$ -	\$ -
Deferred	-	(1,910)
	<u>\$ -</u>	<u>\$ (1,910)</u>

The deferred income tax benefit reflects the impact of a reduction in the Company’s net deferred tax liabilities.

At September 30, 2010, the Company had unrecognized tax benefits of approximately \$9,852, including interest. In accordance with ASC Topic 805 – “Business Combinations” (“ASC 805”), \$5,741 of unrecognized tax benefits would affect the Company’s effective tax rate, if recognized. It is reasonably possible that certain unrecognized tax benefits related to income tax examinations totaling \$2,384 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, 2010 and

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2009, the Company recognized approximately \$474 and \$462, respectively, in potential interest associated with uncertain tax positions. At September 30, 2010, the Company had approximately \$3,612 accrued for the payment of interest on uncertain tax positions. In accordance with ASC 805, to the extent interest is not assessed with respect to uncertain tax positions of the Company, amounts accrued will be reduced and reflected as a reduction of interest expense.

Federal and State Income Tax Audits

Tax years 2005 through 2009 remain subject to examination by the federal tax authority. The Company has received notification that the Internal Revenue Service (“IRS”) has started an examination of tax year 2005. Tax years 1995 through 2009 remain subject to examination by state tax jurisdictions. The Company has received notification that the New Jersey Division of Taxation has started an examination of tax years 2004 through 2007.

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, 2010, the Company has accrued \$9,353 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.

Chapter 11 Case Implications

Pursuant to the Plan of Reorganization, on the Consummation Date, TER Holdings recognized cancellation of indebtedness income, and as a result, TER Holdings’ partners was required to reduce certain tax attributes such as net operating losses and the tax basis of assets. The reduction of tax attributes and the application of Section 382 of the Internal Revenue Code as a result of the ownership change occurring on the Consummation Date will limit future tax attributes and could result in increased future tax liabilities for TER Holdings’ partners.

NOTE 7 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In April 2010, the FASB issued guidance on accruing for jackpot liabilities. The guidance clarifies that an entity should not accrue jackpot liabilities (or portions thereof) before a jackpot is won if the entity can avoid paying that jackpot. Jackpots should be accrued and charged to revenue when an entity has the obligation to pay the jackpot. This guidance applies to both base jackpots and the incremental portion of progressive jackpots. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. This guidance should be applied by recording a cumulative-effect adjustment to opening retained earnings in the period of adoption. The Company is currently determining the impact of this guidance on its financial statements.

NOTE 8 – FRESH START-REPORTING

We adopted fresh-start reporting upon our emergence from Chapter 11 on the Consummation Date in accordance with ASC 852. We were required to apply the fresh-start reporting provisions of ASC 852 to our financial statements because (i) the reorganization value of the assets of the emerging entity immediately before the date of confirmation was less than the total of all post-petition liabilities and allowed claims and (ii) the holders of existing voting shares of TER’s common stock immediately before confirmation (i.e., the holders of shares of the common stock of the Predecessor Company (the “Old Common Stock”) that were issued and outstanding prior to the commencement of the Chapter 11

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proceedings) received less than 50 percent of the voting shares of the emerging entity. Under ASC 852, application of fresh-start reporting is required on the date on which a plan of reorganization is confirmed by a bankruptcy court, but ASC 852 further provides that fresh-start reporting should not be applied until all material conditions to the plan of reorganization are satisfied. All material conditions to the Plan of Reorganization were satisfied as of July 16, 2010.

Fresh-start reporting required us to adjust the historical cost bases of our assets and liabilities to their fair value as determined by the reorganization value of TER as set forth in the Plan of Reorganization. For purposes of the Plan of Reorganization, the range of reorganization value of the Reorganized Debtors was estimated to be between \$424,000 and \$494,000 by using a variety of analyses and methodologies, including comparable public company analysis, transaction multiple analysis and discounted cash flow analysis. As set forth in the AHC/Debtors Disclosure Statement, as approved by the Bankruptcy Court, the reorganization value was estimated to be \$459,000. The reorganization value was allocated among the Reorganized Company's net assets in conformity with procedures specified by ASC 805 - "Business Combinations" ("ASC 805"). We engaged an independent appraiser to assist us in the allocation of reorganization value to our assets and liabilities and we used the independent appraiser's analysis and other information to make the allocations as of the Consummation Date. The adoption of fresh-start reporting resulted in the following adjustments to Plaza Associates balance sheet as of July 16, 2010:

	Predecessor Company July 16, 2010	Effects of the Plan of Reorganization	Fresh-start Adjustments	Reorganized Company July 16, 2010
Current assets:				
Cash and cash equivalents	\$ 13,073	\$ -	\$ -	\$ 13,073
Accounts receivable, net	12,651	-	-	12,651
Other current assets	5,539	-	1,598 (c)	7,137
Total current assets	<u>31,263</u>	<u>-</u>	<u>1,598</u>	<u>32,861</u>
Net property and equipment	29,991	-	32,893 (d)	62,884
Other long-term assets:				
Intangible assets	13	-	(13) (e)	-
Other assets, net	20,976	-	1,221 (f)	22,197
Total Assets	<u>\$ 82,243</u>	<u>\$ -</u>	<u>\$ 35,699</u>	<u>\$ 117,942</u>
Current liabilities:				
Accounts payable and accrued expenses	\$ 31,541	\$ -	\$ (1,238) (g)	\$ 30,303
Accrued interest payable	3,479	-	-	3,479
Current maturities of long-term debt	355,907	(355,587) (a)	-	320
Total current liabilities	<u>390,927</u>	<u>(355,587)</u>	<u>(1,238)</u>	<u>34,102</u>
Deferred income taxes	62	-	-	62
Long-term debt, net of current maturities	228	60,000 (a)	-	60,228
Other long-term liabilities	13,925	-	(2,010) (h)	11,915
Total (deficit) equity	(322,899)	295,587 (b)	38,947 (i)	11,635
Total liabilities and (deficit) equity	<u>\$ 82,243</u>	<u>\$ -</u>	<u>\$ 35,699</u>	<u>\$ 117,942</u>

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Adjustments to Record the Effects of the Plan of Reorganization

(a) The adjustments to long-term debt reflects the following:

Cancellation of TER's 8.5% Note Payable	\$ 287,153
Re-allocation of parent company debt	8,434
	\$ 295,587

(b) This adjustment represents the net effect of the Plan of Reorganization on total equity deficit.

Fresh Start Reporting Adjustments

The determination of fair value of assets and liabilities is subject to significant estimation and assumptions and there can be no assurances that the estimates, assumptions and values reflected in the valuations will be realized and actual results could vary materially. The preliminary allocation of the reorganization value is subject to additional adjustments to the extent that improved information becomes available.

- (c) This adjustment represents the net effect of adjusting other current assets to their estimated fair values in connection with fresh start reporting.
- (d) This adjustment represents the increase in the carrying value to record property and equipment at its estimated fair value as of the Consummation Date.
- (e) This adjustment records the estimated fair value of intangible assets as of the Consummation Date.
- (f) This adjustment represents the net effect of adjusting other assets to their estimated fair values in connection with fresh start reporting.
- (g) This adjustment represents the net effect of adjusting and recognizing certain current liabilities at their estimated fair values in connection with fresh start reporting.
- (h) This adjustment represents the reduction in the estimated fair value of a long-term commitment to the CRDA.
- (i) This adjustment represents the net effect of fresh start reporting adjustments on total equity deficit.

NOTE 9 – FAIR VALUE MEASUREMENTS

ASC Topic 820 – “Fair Value Measurements and Disclosures” (“ASC 820”) establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for various valuation techniques (market approach, income approach and cost approach). The levels of the hierarchy are described below:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity’s own assumptions.

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The fair value measurements relating to our net property and equipment, intangible assets and CRDA bonds and deposits were determined using inputs within Level 2 of ASC 820's hierarchy. The amounts recorded related to property and equipment, intangible assets and CRDA bonds and deposits are classified within property and equipment, intangible assets and other assets, net, respectively, on the balance sheet as of September 30, 2010 and 2009. CRDA assets are discussed further in Note 12.

NOTE 10 - 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.

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

	September 30,	
	2010	2009
Trump Administration	\$ 1,940	\$ 1,616
Marina Associates	(94)	(27)
Taj Associates	(219)	(49)
Total	<u>\$ 1,627</u>	<u>\$ 1,540</u>

Plaza Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities that are affiliates of TER. 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 \$4,848 and \$5,709 during the nine months ended September 30, 2010 and 2009, respectively. Plaza Associates reimburses Trump Administration for these allocated expenses.

Occasionally, TER awards restricted shares of TER common stock to employees of Plaza Associates. The Company recognized stock-based compensation expense of \$35 during the nine months ended September 30, 2009. There were no restricted shares outstanding at September 30, 2010.

NOTE 11 – NON-OPERATING INCOME (EXPENSE)

Non-operating income (expense) for the nine months ended September 30, 2010 and 2009 consists of:

	2010	2009
Interest income	\$ 469	\$ 708
Cancellation of indebtedness income (Notes 1 & 8)	295,588	-
Revaluation of assets and liabilities in connection with fresh-start reporting (Note 8)	38,947	-
Asset impairment charges (Notes 3 & 4)	-	(347,838)
Reorganization income (expense)*	-	(2,284)
Total	<u>\$ 335,004</u>	<u>\$ (349,414)</u>

* The Company wrote off as reorganization expense its deferred financing costs related to TER Holdings'

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(in thousands)

and TER Fundings' 8.5% Note Payable in order to record its debt instruments at the amount of claim expected to be allowed by the Bankruptcy Court in accordance with ASC Topic 852 – “Reorganizations”.

NOTE 12 - 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.

Chapter 11 Case – As described in Note 2, on the Petition Date, the Debtors filed voluntary petitions in the Bankruptcy Court seeking relief under the Bankruptcy Code.

On May 7, 2010, the Bankruptcy Court entered the Confirmation Order confirming the Plan of Reorganization proposed by the Debtors and the Ad Hoc Committee. On the Consummation Date, the Plan of Reorganization became effective and the transactions contemplated thereby were consummated. See Note 2 for additional information about the Plan of Reorganization, the transactions consummated pursuant thereto and the Settlement Agreement entered into following the Consummation Date of the Plan of Reorganization.

Until the Consummation Date, the Debtors continued to operate their businesses as debtors-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. As debtors-in-possession, the Debtors were authorized to continue to operate as ongoing businesses, and to pay all debts and honor all obligations arising in the ordinary course of their businesses after the Petition Date. However, the Debtors could not pay creditors on account of obligations arising before the Petition Date or engage in transactions outside the ordinary course of business without approval of the Bankruptcy Court, after notice and an opportunity for a hearing.

Under the Bankruptcy Code, actions to collect pre-petition indebtedness, as well as most litigation pending against the Debtors, were stayed. Other pre-petition contractual obligations against the Debtors generally were not permitted to be enforced.

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 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.

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Casino Reinvestment Development Authority Obligations

As required by the provisions of the Casino Control Act, a casino licensee must pay an investment alternative tax of 2.5% of its gross casino revenues as defined in the New Jersey Casino Control Act. However, pursuant to contracts with the CRDA, Trump Taj Mahal, Trump Plaza and Trump Marina (collectively, the “Trump Entities”) each pay 1.25% of their gross casino revenues to the CRDA (the “CRDA Payment”) to fund qualified investments as defined in the Casino Control Act and such CRDA Payment entitles each such casino property to an investment tax credit in an amount equal to twice the amount of the CRDA Payment against the 2.5% investment alternative tax. Qualified investments may include the purchase of bonds issued by the CRDA at a below market rate of interest, direct investment in projects or donation of funds to projects as determined by CRDA. Pursuant to the contracts with CRDA, each of the casino properties is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

For the nine months ended September 30, 2010 and 2009, the Company charged to operations \$3,057 and \$558, respectively, to give effect to the below market interest rates associated with CRDA deposits and bonds. In addition, due to the receipt of proceeds during the nine months ended September 30, 2009 which, as discussed below, were funded by certain of our CRDA deposits, the Company recognized \$598 of income representing the reversal of previously recognized expense.

During March 1999, the Trump Entities and the CRDA entered into an Investment Agreement pursuant to which the Trump Entities invested \$5,000 from certain of their available CRDA Payments to establish a Housing Construction Finance Fund for use by the CRDA for a ten-year term to provide a financing mechanism to enhance its housing initiatives in Atlantic City. At the end of the Fund’s ten-year term, the \$5,000 donation was to be returned to the Trump Entities. During April 2009, the CRDA returned the \$5,000 to the Trump Entities in accordance with the Investment Agreement, with the Company’s portion being \$1,793.

In 1995, the CRDA passed a resolution establishing a Donation Credit Policy to serve as a guide regarding donations made by casino licensees from their available CRDA Payments. During May 2010, and in conformance with that policy, the Trump Entities requested that the CRDA approve cash-back credits in the aggregate amount of \$9,590 in exchange for a donation of \$28,393 of previous deposits made by the Trump Entities to the CRDA Atlantic City Housing Fund, North Jersey Project Fund and South Jersey Housing, Transportation and Green Initiatives Fund (collectively, the “CRDA Transactions”). By resolutions dated May 18, 2010, the CRDA approved the CRDA Transactions.

In connection with the CRDA Transactions, and in order to record the investments at their net realizable value, the Trump Entities recognized \$9,339 of non-cash expense during the period ending September 30, 2010, of which Taj Associates, Plaza Associates and Marina Associates’ portions were \$4,799, \$2,601 and \$1,939, respectively. On October 13, 2010, the Trump Entities received \$9,590 from the CRDA representing the cash-back donation credit of which Taj Associates, Plaza Associates and Marina Associates’ portions were \$4,928, \$2,671 and \$1,991, respectively.

NJSEA Subsidy Agreement

In April 2004, the casinos located in Atlantic City (“Casinos”), including Plaza Associates, executed an agreement (“2004 NJSEA Subsidy Agreement”) with the New Jersey Sports and Exposition Authority (“NJSEA”) and the CRDA. The 2004 NJSEA Subsidy Agreement provided that the Casinos, on a pro rata basis according to their gross revenues, 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. Plaza Associates’ portion of this industry obligation was approximately 6.4%.

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The 2004 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 construction of the Chairman Tower at the Trump Taj Mahal as an eligible project and, pursuant to October 2006 agreements, authorized grants to our 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 2009, Plaza Associates received \$89 of 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. Plaza Associates estimates its portion of this industry obligation is approximately 5.5%.

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.

NOTE 13 – TRUMP PLAZA CLOSURE

On July 16, 2010, Trump Plaza was temporarily closed due to a leak in a water main managed by the utility company that provides it with the necessary cold water for its air conditioning. Trump Plaza reopened a majority of its operations on July 18, 2010 after temporary cooling systems were put in place to remediate the problem. Trump Plaza became fully operational on July 22, 2010. The Company is currently in the process of determining the financial impact that this closure had on its operations and expect to submit an insurance claim for reimbursement of certain losses caused by this closure.