TRUMP TAJ MAHAL ASSOCIATES, LLC

QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2010

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

TRUMP TAJ MAHAL ASSOCIATES, LLC
BALANCE SHEETS

AS OF DECEMBER 31, 2010 AND 2009

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents	3	$26,494	$31,412
2	Short-Term Investments			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2010, $6,057; 2009, $32,094)	3	15,826	23,283
4	Inventories	3	2,151	2,914
5	Other Current Assets	8 & 10	6,804	9,189
6	Total Current Assets		51,275	66,798
7	Investments, Advances, and Receivables	17	17,922	29,085
8	Property and Equipment - Gross	10	376,504	1,230,706
9	Less: Accumulated Depreciation and Amortization	10	(10,659)	(155,857)
10	Property and Equipment - Net	10	365,845	1,074,849
11	Other Assets	3,5&10	14,896	41,485
12	Total Assets		$449,938	$1,212,217
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$8,898	$11,439
14	Notes Payable			
	Current Portion of Long-Term Debt:			
15	Due to Affiliates	7 & 10	0	814,327
16	External	7	354	386
17	Income Taxes Payable and Accrued	8	3,470	3,470
18	Other Accrued Expenses	12	19,589	17,423
19	Other Current Liabilities	13	21,437	52,964
20	Total Current Liabilities		53,748	900,009
	Long-Term Debt:			
21	Due to Affiliates	7 & 10	237,897	0
22	External	7	5,968	6,196
23	Deferred Credits	8	32	13,468
24	Other Liabilities	8	5,816	5,816
25	Commitments and Contingencies	17		
26	Total Liabilities		303,461	925,489
27	Stockholders', Partners', or Proprietor's Equity	10	146,477	286,728
28	Total Liabilities and Equity		$449,938	$1,212,217

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010 AND 2009

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	Revenue:			
1	Casino	3	$398,842	$441,111
2	Rooms	3	55,913	53,214
3	Food and Beverage	3	55,296	55,931
4	Other	3	25,023	25,443
5	Total Revenue		535,074	575,699
6	Less: Promotional Allowances	3	137,600	136,064
7	Net Revenue		397,474	439,635
	Costs and Expenses:			
8	Cost of Goods and Services		282,907	283,026
9	Selling, General, and Administrative	3	57,282	59,433
10	Provision for Doubtful Accounts	3	6,592	12,127
11	Total Costs and Expenses		346,781	354,586
12	Gross Operating Profit		50,693	85,049
13	Depreciation and Amortization	4 & 10	30,813	40,703
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other	14	14,855	13,742
16	Income (Loss) from Operations		5,025	30,604
	Other Income (Expenses):			
17	Interest Expense - Affiliates	7 & 10	(25,108)	(58,321)
18	Interest Expense - External	7 & 8	(1,882)	(1,876)
19	CRDA Related Income (Expense) - Net	17	(6,453)	(146)
20	Nonoperating Income (Expense) - Net	10 & 15	(111,833)	(8,063)
21	Total Other Income (Expenses)		(145,276)	(68,406)
22	Income (Loss) Before Taxes and Extraordinary Items		(140,251)	(37,802)
23	Provision (Credit) for Income Taxes	8 & 10	0	(335)
24	Income (Loss) Before Extraordinary Items		(140,251)	(37,467)
25	Extraordinary Items (Net of Income Taxes - 2010, $0; 2009, $0)			
26	Net Income (Loss)		($140,251)	($37,467)

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2010 AND 2009

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	Revenue:			
1	Casino	3	$86,185	$98,577
2	Rooms	3	12,700	12,671
3	Food and Beverage	3	12,862	13,115
4	Other	3	5,215	6,278
5	Total Revenue		116,962	130,641
6	Less: Promotional Allowances	3	33,254	29,659
7	Net Revenue		83,708	100,982
	Costs and Expenses:			
8	Cost of Goods and Services		68,439	68,981
9	Selling, General, and Administrative	3	16,130	13,015
10	Provision for Doubtful Accounts		2,131	3,727
11	Total Costs and Expenses		86,700	85,723
12	Gross Operating Profit		(2,992)	15,259
13	Depreciation and Amortization	4 & 10	5,539	9,926
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other	14	4,169	3,195
16	Income (Loss) from Operations		(12,700)	2,138
	Other Income (Expenses):			
17	Interest Expense - Affiliates	7 & 10	(7,338)	(6,230)
18	Interest Expense - External	7 & 8	(484)	(450)
19	CRDA Related Income (Expense) - Net	17	(359)	(402)
20	Nonoperating Income (Expense) - Net	10 & 15	56	48
21	Total Other Income (Expenses)		(8,125)	(7,034)
22	Income (Loss) Before Taxes and Extraordinary Items		(20,825)	(4,896)
23	Provision (Credit) for Income Taxes	8 & 10	0	0
24	Income (Loss) Before Extraordinary Items		(20,825)	(4,896)
25	Extraordinary Items (Net of Income Taxes - 2010, \$0; 2009, \$0)			
26	Net Income (Loss)		($20,825)	($4,896)

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009
AND THE TWELVE MONTHS ENDED DECEMBER 31, 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..........**		$371,426	($47,416)		$324,010
2	Net Income (Loss) - 2009..........			(37,467)		(37,467)
3	Capital Contributions................					0
4	Capital Withdrawals..................					0
5	Partnership Distributions...........					0
6	Prior Period Adjustments..........					0
7	Restricted Stock Awards	14	185			185
8						0
9						0
10	**Balance, December 31, 2009..........**		371,611	(84,883)	0	286,728
11	Net Income (Loss)-2010............			(140,251)		(140,251)
12	Capital Contributions................	10	160,092			160,092
13	Capital Withdrawals..................					0
14	Partnership Distributions...........					0
15	Prior Period Adjustments..........					0
16	Elimination of Predecessor Co.					0
17	Equity/Deficit	10	(371,611)	211,519		(160,092)
18						0
19	**Balance, December 31, 2010..........**		$160,092	($13,615)	$0	$146,477

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010 AND 2009

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$4,079	$20,596
	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............................		(3,743)	(20,774)
5	Proceeds from Disposition of Property and Equipment..........			
6	CRDA Obligations	17	(5,197)	(5,803)
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	17	6,752	5,356
11	....			
12	Net Cash Provided (Used) By Investing Activities....................		(2,188)	(21,221)
	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......................................	7	(6,809)	(306)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock..			
20	Payments of Dividends or Capital Withdrawals......................			
21	....			
22	....			
23	Net Cash Provided (Used) By Financing Activities...................		(6,809)	(306)
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		(4,918)	(931)
25	Cash and Cash Equivalents at Beginning of Period...................		31,412	32,343
26	Cash and Cash Equivalents at End of Period.............................		$26,494	$31,412

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).......................................		$36,379	$48,283
28	Income Taxes..			$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 TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010 AND 2009

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)........		($140,251)	($37,467)
30	Depreciation and Amortization of Property and Equipment...	10	30,813	40,703
31	Amortization of Other Assets........		0	122
32	Amortization of Debt Discount or Premium........			
33	Deferred Income Taxes - Current		0	28
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment........			
36	(Gain) Loss on CRDA-Related Obligations........	17	6,453	402
37	(Gain) Loss from Other Investment Activities........			
38	(Increase) Decrease in Receivables and Patrons' Checks		7,377	2,771
39	(Increase) Decrease in Inventories		762	442
40	(Increase) Decrease in Other Current Assets........		(175)	(503)
41	(Increase) Decrease in Other Assets........		450	1,313
42	Increase (Decrease) in Accounts Payable........		(2,541)	2,627
43	Increase (Decrease) in Other Current Liabilities		(10,882)	1,686
44	Increase (Decrease) in Other Liabilities		0	0
45	Restrictive Stock Awards		0	185
46	Impairment Charges, Reorg Exp & Fresh Start	3,7 & 10	112,073	8,287
47	Net Cash Provided (Used) By Operating Activities........		$4,079	$20,596

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment........		($3,858)	($21,544)
49	Less: Capital Lease Obligations Incurred........		115	770
50	Cash Outflows for Property and Equipment........		($3,743)	($20,774)
	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........			
59	Consideration in Acquisition of Business Entities........			
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.

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 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.

31-Mar-11
Date

James L. Wright

Director of Finance
Title

003507-11
License Number

On Behalf of:

TRUMP TAJ MAHAL ASSOCIATES, LLC
Casino Licensee

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

NOTE 1 - GENERAL

Organization and Operations

Trump Taj Mahal Associates LLC ("Taj 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 wholly-owned subsidiary of Trump Entertainment Resorts, Inc. ("TER"), a Delaware corporation.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. Taj Associates derives its revenue 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.

NOTE 2 - CHAPTER 11 PROCEEDINGS

On February 17, 2009 (the "Petition Date"), TER and certain of its direct and indirect subsidiaries, including the Company, (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"). During the bankruptcy proceedings, the Debtors managed their properties and operated their businesses as "debtors-in possession" under the jurisdiction of the Bankruptcy Court.

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.

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.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the rules and regulations of the Casino Control Commission of the State of New Jersey (the "CCC") and notes thereto include the accounts of Taj Associates.

In preparing the accompanying financial statements, the Company has reviewed, as determined necessary by the Company's management, events that have occurred after December 31, 2010 through March 31, 2011, the date the financial statements were available for issuance.

(in thousands)

<u>Accounting Impact of Chapter 11 Case</u>

From the filing on the Petition Date to the Consummation Date, the predecessor company operated as a debtor-in-possession under the jurisdiction of the Bankruptcy Court. Accordingly, the 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 Debtor's Chapter 11 Case as reorganization items.

Liabilities subject to compromise in the Balance Sheet as of December 31, 2009 related to certain 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.

Liabilities subject to compromise consisted of the following:

	Predecessor Company December 31, 2009
8.5% Note Payable	$ 564,327
8.5% Grid Note	250,000
Accrued interest payable related to Note Payable and Grid Note	27,650
	$ 841,977

During the year ended December 31, 2009, the predecessor company wrote off as reorganization expense unamortized deferred financing costs totaling $4,567 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 predecessor 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 initial joint chapter 11 plan of reorganization filed by the Debtors with the Bankruptcy Court (as thereafter amended, the "Original Debtors' Plan") nor 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") (the "AHC Plan") provided for any recovery of interest expense related to the Senior Notes, the predecessor 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 predecessor company continued to record interest expense under the contractual terms of its 8.5% Grid Note. Total interest expense during the period from January 1, 2010 through July 15, 2010 and the year ended December 31, 2009 would have been $38,353 and $71,388, respectively, had the predecessor company recorded interest expense under its contractual agreements.

Upon emergence from Chapter 11, the Company 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 the Company and its subsidiaries for periods prior to and including July 15, 2010 and the term "Reorganized Company" refers to the Company and its subsidiaries for periods on and subsequent to July 16, 2010.

(in thousands)

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 10 for a balance sheet showing the impact of fresh-start reporting at July 16, 2010.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers cash and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Revenue Recognition and Allowance for Doubtful Accounts

The majority of the Company's revenue is derived from gaming activities. As gaming revenues are primarily generated from cash transactions, the Company's revenues do not typically require the use of estimates. Gaming revenues represent the difference between amounts of gaming wins and losses. Revenues from hotel and other services are recognized at the time the related services are performed. The Company extends credit on a discretionary basis to certain qualified patrons. Credit limits are established for approved casino customers following investigations of creditworthiness. The Company maintains an allowance for doubtful accounts based on a specific review of customer accounts as well as a review of the history of write-offs of returned markers. Accounts are written off when it is determined that an account is uncollectible. Recoveries of accounts previously written off are recorded when received. Management believes that the reserve recorded is reasonable; however, these estimates could change based on the actual collection experience with each returned marker.

As discussed in Note 10, the Company adopted fresh-start reporting upon its emergence from chapter 11 on the Consummation Date, which required the Company to record its accounts receivable at net realizable value. As of the Consummation Date, the net realizable value of accounts receivable was determined to be the carrying amount, net of previously established allowances for doubtful accounts. Therefore, previously established allowances for doubtful accounts were eliminated as of the Consummation Date.

Inventories

Inventories of provisions and supplies are carried at the lower of cost (weighted average) or market value.

Property and Equipment

The carrying value of property and equipment acquired prior to July 16, 2010, the date the Plan of Reorganization became effective, is based on its allocation of reorganization value and is being depreciated on the straight-line method using rates based on estimated remaining useful lives. Property and equipment acquired on or after July 16, 2010 is recorded at cost. Property and equipment is depreciated on the straight-line method using rates based on the estimated annual useful lives as follows:

Buildings and building improvements	40 years
Furniture, fixtures and equipment	3 - 10 years
Leasehold improvements	40 years or remaining life of lease

Depreciation expense includes amortization of assets under capital lease obligations.

(in thousands)

Long-Lived Assets

In accordance with ASC Topic 360 – "Property, Plant and Equipment" ("ASC 360"), when events or circumstances indicate that the carrying amount of long-lived assets to be held and used might not be recoverable, the estimated future undiscounted cash flows from the assets is estimated and compared with the carrying amount of the assets. If the sum of the estimated undiscounted cash flows is less than the carrying amount of the assets, an impairment loss would be recorded. The impairment loss would be measured by comparing the fair value of the long-lived asset with its carrying amount. Long-lived assets that are held for sale are reported at the lower of the assets' carrying amount or fair value less costs related to the assets' disposition and are no longer depreciated.

Intangible Assets

In accordance with ASC Topic 350 – "Intangibles – Goodwill and Other" ("ASC 350"), intangible assets are amortized over their estimated useful lives unless their lives are determined to be indefinite. Goodwill and other intangible assets with indefinite lives are not amortized but are subject to tests for impairment at least annually. ASC 350 requires that impairment tests be performed more frequently than annually if events or circumstances indicate that the value of goodwill or intangible assets with indefinite lives might be impaired. See Note 11 regarding intangible asset impairment charges recorded during 2009 resulting from our impairment testing.

Deferred Financing Costs

Financing costs, including underwriters' discounts and direct transactional fees (including accounting, legal and printing) associated with the issuance of debt are capitalized as deferred financing costs and are amortized to interest expense over the terms of the related debt. During 2009, the Company wrote off as reorganization expense its deferred financing costs 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.

Self-Insurance Reserves

Self-insurance reserves represent the estimated amounts of uninsured claims related to employee health medical costs, workers' compensation and personal injury claims that have occurred in the normal course of business. These reserves are established by management based upon specific review of open claims, with consideration of incurred but not reported claims as of the balance sheet date. The costs of the ultimate disposition of these claims may differ from these reserve amounts.

Promotional Allowances

The retail value of accommodations, food, beverage, and other services provided to patrons without charge is included in revenue and deducted as promotional allowances. The estimated costs of providing such promotional allowances are included in cost of goods & services in the accompanying statements of income and consist of the following:

	Year Ended December 31,	
	2010	2009
Rooms	$ 14,845	$ 15,682
Food and Beverage	29,842	29,455
Other	5,436	4,972
	$ 50,123	$ 50,109

Cash discounts based upon a negotiated amount with each affected patron are recognized as promotional allowances on the date the related revenue is recorded. Cash-back program awards based upon earning points for future redemption that are given to patrons are accrued as the patron earns the points. The amount is recorded as promotional allowances in the statements of income.

(in thousands)

Taj Associates offers other incentive programs. These programs include gift giveaways and other promotional programs. Management elects the type of gift and the person to whom it will be offered. Since these awards are not cash awards, Taj Associates records them as costs of goods and services in the statements of income. Such amounts are expensed on the date the award is utilized by the patron.

Gaming Taxes

Atlantic City casinos are required to pay an annual tax of 8.0% on their gross casino revenues. Taj Associates gross revenue tax, net of promotional gaming credit deductions, was $29,548 and $33,544 for the years ended December 31, 2010 and 2009, respectively, and is included on the accompanying statements of income.

Stock-based Compensation

The Company recognizes stock-based compensation in accordance with ASC Topic 718 “Compensation – Stock Compensation” (“ASC 718”). ASC 718 requires the fair value of equity awards to be recognized in the financial statements. Compensation expense is recognized on a straight-line basis over the vesting period for awards granted to employees of the Company by TER.

Advertising Expense

Taj Associates expenses advertising costs as they are incurred. Advertising expense was $5,112 and $4,433 for the years ended December 31, 2010 and 2009, respectively.

Reclassifications

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

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31,	
	2010	2009
Land and land improvements	$ 41,548	$ 196,618
Buildings and building improvements	303,872	900,231
Furniture, fixtures and equipment	31,026	132,938
Construction-in-progress	58	919
	376,504	1,230,706
Less: accumulated depreciation and amortization	(10,659)	(155,857)
Net property and equipment	$ 365,845	$ 1,074,849

As discussed in Note 10, the Company adopted fresh-start reporting upon its emergence from chapter 11 on the Consummation Date. In connection with fresh-start reporting, the Company decreased the carrying value of its property and equipment to record property and equipment at its fair value as of the Consummation Date in accordance with ASC 852.

(in thousands)

NOTE 5 – INTANGIBLE ASSETS

Intangible assets consist of the following:

	Reorganized Company As of December 31, 2010			Predecessor Company As of December 31, 2009		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-Lived Intangible Assets:						
Trademarks	$ 8,700	—	$ 8,700	$ 32,712	—	$ 32,712
Other Intangible Assets:						
Customer relationships (weighted average useful life - 7 years)				$ 7,000	$ (4,616)	$ 2,384
Leasehold interests (weighted average useful life - 1.6 years)				466	(466)	-
Total other intangible assets				$ 7,466	$ (5,082)	$ 2,384

As discussed in Note 10, the Company adopted fresh-start reporting upon its emergence from chapter 11 on the Consummation Date. In connection with fresh-start reporting, the Company decreased the carrying value of its intangible assets to record intangible assets at their fair value as of the Consummation Date in accordance with ASC 852.

In accordance with 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.

The Company recorded amortization expense of $543 and $1,000 during the years ended December 31, 2010 and 2009, respectively.

NOTE 6 - 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 the 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.

The fair value measurements used in the Company's allocation of the reorganization value pursuant to ASC 852 on the Consummation Date relating to its net property and equipment, trademarks 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, trademarks and CRDA bonds and deposits are classified within property and equipment, trademarks and CRDA investments, net, respectively, on the Balance Sheets as of December 31, 2010 and December 31, 2009. CRDA investments are discussed further in Note 17.

(in thousands)

NOTE 7 - DEBT

The Company's indebtedness consists of:

	December 31, 2010	December 31, 2009
12% Revolving Grid Note – TER Holdings, due December 31, 2015, interest due and payable monthly	$ 237,897	$
8.5% Note Payable – TER Holdings and TER Funding, subject to compromise, due June 1, 2015, interest payable semi-annually due June and December	—	564,327
8.5% Revolving Grid Note – TER Holdings, subject to compromise due January 1, 2013, interest due and payable monthly	—	250,000
Capitalized lease obligations, interest rates at 8.5% to12.0% secured by equipment financed	6,322	6,582
	244,219	820,909
Less: current maturities	(354)	(814,713)
Long-term debt, net of current maturities	$ 243,865	$ 6,196

Reorganized Company

12% Revolving Grid Note

On July 16, 2010, the Company entered into an Amended and Restated Revolving Grid Note ("12% Grid Note") with TER Holdings. Pursuant to the 12% Grid Note, the Company agreed to repay up to $250,000 of advances made by TER Holdings, including any accrued unpaid interest on outstanding advances thereon.

Guarantees

Taj Associates, along with Trump Plaza Associates, LLC ("Plaza Associates") and Trump Marina Associates, LLC ("Marina Associates"), guarantees TER Holdings' 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 and Taj Associates on a priority basis. At December 31, 2010, TER had outstanding borrowings of $344,768 under the Amended and Restated Credit Agreement.

Predecessor Company

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 senior secured facility 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. Under the Bankruptcy Code, 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. The Predecessor Company guaranteed the indebtedness under the Senior Notes and 2007 Credit Agreement; therefore, the Predecessor Company classified its intercompany indebtedness within current liabilities in its Balance Sheet as of December 31, 2009.

(in thousands)

8.5% Note Payable

In May 2005, TER Holdings and TER Funding, Inc. issued the Senior Notes. From the proceeds of the issuance of the Senior Notes, TER Holdings loaned $575,000 to Taj Associates. .

8.5% Revolving Grid Note

In July 2007, Taj Associates entered into a Revolving Grid Note ("8.5% Grid Note") with TER Holdings. Pursuant to the 8.5% Grid Note, Taj Associates agreed to repay up to $250,000 of advances made by TER Holdings, including any accrued unpaid interest on outstanding advances thereon.

As of December 31, 2010, long-term debt and capital lease obligations mature as follows:

	Long-Term Debt	Capital Lease Obligations	Total
2011	$ —	$ 1.097	$ 1,097
2012	—	1,052	1,052
2013	—	823	823
2014	—	823	823
2015	237,897	818	238,715
Thereafter	—	9,580	9,580
Total minimum payments	237,897	14,193	252,090
Less: amount representing interest	—	(7,871)	(7,871)
Total value of principal payments	$ 237,897	$ 6,322	$ 244,219

NOTE 8 - 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. At December 31, 2010, the Company has state net operating loss carryforwards of approximately $212,000 available to offset future taxable income. The New Jersey state net operating losses expire from 2011 through 2017.

The state income tax benefit is as follows:

	Year Ended December 31	
	2010	2009
Current	$ —	$ —
Deferred	—	(335)
	$ —	$ (335)

The 2010 reduction in net deferred tax liabilities was recorded as part of Net loss on reorganization related items and fresh start adjustments (see Chapter 11 Case Implications below). The 2009 deferred income tax benefit reflects the impact of a reduction in the Company's net deferred tax liabilities.

(in thousands)

At December 31, 2010, the Company had unrecognized tax benefits of approximately $16,355, including interest. In accordance with ASC Topic 805 – "Business Combinations" ("ASC 805"), which the Company adopted on January 1, 2009, $9,286 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 $3,470 could be settled during the next twelve months.

The following table summarizes the activity related to the Company's unrecognized tax benefits:

Unrecognized tax benefits at December 31, 2009	$	10,212
Increases (decreases) related to current year tax positions		58
Increases (decreases) related to prior years tax positions		—
Decreases related to settled tax positions		—
Decreases related to expired statutes of limitations		—
Unrecognized tax benefits at December 31, 2010	$	10,270

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties as a component of income tax expense. During the years ended December 31, 2010 and 2009, the Company recognized approximately $1,020 and $1,013, respectively, in potential interest associated with uncertain tax positions. At December 31, 2010, the Company had approximately $6,087 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.

The tax effects of significant temporary differences representing deferred tax assets and liabilities, subject to valuation allowances are as follows:

	December 31,	
	2010	**2009**
Deferred tax assets:		
Accruals and prepayments	$ 7,003	$ 6,049
Basis differences on property and equipment, net	53,677	—
Basis differences on intangible assets	6,902	2,614
Net operating loss carryforwards	19,082	12,832
	86,664	21,495
Less: Valuation allowance	(86,516)	(17,095)
	148	4,400
Deferred tax liabilities:		
Basis differences on property and equipment, net	—	(13,257)
Trademarks and other	(148)	(3,344)
	(148)	(16,601)
Net deferred income tax liability	$ —	$ (12,201)

Federal and State Income Tax Audits

Tax years 2006 through 2010 remain subject to examination by the federal tax authority. Tax years 1997 through 2010 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, has 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 December 31, 2010, the Company has accrued $15,373 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 has had 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 realized cancellation of indebtedness income, which is excludable for tax purposes due to the Bankruptcy proceedings. As a result, TER Holdings' partners were required to reduce certain tax attributes such as net operating losses and the tax basis of assets. The reduction of certain tax attributes could result in increased future tax liabilities for TER Holdings' partners. The Company is also currently reviewing the technical merits of a potential tax reporting position as a result of the current year restructuring and related transactions that may result in a substantial additional step-up in the tax basis of the Company's assets.

NOTE 9 – 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 application of this guidance will not have a material effect on the Company's financial statements.

NOTE 10 – FRESH-START REPORTING

TER and its subsidiaries adopted fresh-start reporting upon emergence from chapter 11 on the Consummation Date in accordance with ASC 852. TER and its subsidiaries were required to apply the fresh-start reporting provisions of ASC 852 to its 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 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.

The Company and TER elected to apply "push-down accounting" with regard to the impact of fresh-start reporting on subsidiary financial statements. Fresh-start reporting requires the Company to adjust the historical cost bases of its 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 disclosure statement related to the Plan of Reorganization, as approved by the Bankruptcy Court, the reorganization value was estimated to be $459,000. The reorganization value was allocated among reorganized TER's net assets in conformity with procedures specified by ASC 805 - "Business Combinations" ("ASC 805"). The Company engaged an independent appraiser to assist in the allocation of reorganization value to the Company's assets and liabilities and 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 Taj Associates' balance sheet as of July 16, 2010:

(in thousands)

	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	$ 26,395	$ -		$ -		$ 26,395
Accounts receivable, net	28,064	-		-		28,064
Other current assets	13,531	-		(1,235)	(d)	12,296
Total current assets	67,990	-		(1,235)		66,755
Net property and equipment	1,056,945	-		(682,333)	(e)	374,612
Other long-term assets:						
Intangible assets	34,553	-		(25,853)	(f)	8,700
Other assets, net	27,241	-		(4,292)	(g)	22,949
Total Assets	**$ 1,186,729**	**$ -**		**$ (713,713)**		**$ 473,016**
Current liabilities:						
Accounts payable and accrued expenses	$ 51,238	$ -		$ (539)	(h)	$ 50,699
Accrued interest payable	25,348	(19,780)	(a)	-		5,568
Current maturities of long-term debt	814,679	(814,327)	(b)	-		352
Total current liabilities	891,265	(834,107)		(539)		56,619
Deferred income taxes	13,468	-		(13,436)	(i)	32
Long-term debt, net of current maturities	6,013	244,446	(b)			250,459
Other long-term liabilities	5,816	-				5,816
Total (deficit) equity	272,163	589,661	(c)	(701,734)	(c)	160,090
Total liabilities and (deficit) equity	**$ 1,188,725**	**$ -**		**$ (715,709)**		**$ 473,016**

Adjustments to Record the Effects of the Plan of Reorganization

(a) This adjustment reflects the reduction of accrued interest on the 8.5% Note Payable

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

Elimination of predecessor company debt	$ (814,327)
Re-Allocation of parent company debt	244,446
Net adjustment to total debt	$ (569,881)

(c) 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.

(d) This adjustment represents the net effect of adjusting deferred tax assets and other current assets to their estimated fair values in connection with fresh-start reporting.

(e) This adjustment represents the reduction in the carrying value to record property and equipment at its estimated fair value as of the Consummation Date.

(f) This adjustment records the estimated fair value of intangible assets related to trademarks as of the Consummation Date.

(in thousands)

(g) This adjustment represents the net effect of adjusting other assets to their estimated fair values in connection with fresh-start reporting.

(h) This adjustment represents the net effect of adjusting and recognizing certain current liabilities at their estimated fair values in connection with fresh-start reporting.

(i) This adjustment represents the net effect of adjusting deferred tax liabilities to their estimated fair values in connection with fresh start reporting.

NOTE 11 – PREDECESSOR COMPANY INTANGIBLE ASSET IMPAIRMENT CHARGES

During 2009, due to certain circumstances, including the continuing negative effects of regional competition and a weakened economy on the Company's results, 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 $3,720. The non-cash impairment charge is included within Intangible asset impairment charges in the 2009 statements of income.

NOTE 12 - OTHER ACCRUED EXPENSES

	December 31	
	2010	2009
Accrued advertising/marketing	$ 133	$ 212
Accrued payroll & related	12,359	11,043
Accrued CRDA obligation	1,079	1,250
Gaming tax payable	189	663
Progressive Jackpot accrual	1,063	1,030
Accrued Workers Compensation Claims	1,068	—
Other **	3,698	3,225
Total	$ 19,589	$ 17,423

** None of the individual components of Other exceed 5% of the total.

NOTE 13 – OTHER CURRENT LIABILITIES

	December 31,	
	2010	2009
Accrued Interest	$ 6,087	$ 32,716
Self Insurance	7,834	8,147
Unredeemed Chips and Tokens	2,922	3,279
Advance Deposits	110	196
Patron Deposits	389	751
Trump One Card Liability	2,078	1,407
Due to Affiliates	383	4,483
Other**	1,634	1,985
	$ 21,437	$ 52,964

** None of the individual components of Other exceed 5% of the total.

(in thousands)

NOTE 14 - TRANSACTIONS WITH AFFILIATES

The Company has engaged in certain transactions with TER, Plaza Associates and Marina Associates, all of which are affiliates of Trump. Amounts due to/(from) affiliates are as follows:

	December 31, 2010	December 31, 2009
Marina Associates	$ (1,208)	$ (564)
Plaza Associates	(2,106)	(881)
TER **	3,697	5,928
Total	$ 383	$ 4,483

** 2009 includes interest due to TER on inter-company debt and working capital advances for hotel tower construction.

Taj 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 Taj Mahal Associates Administration, a separate division of Taj Associates ("Trump Administration") provides certain shared services for Taj Associates, Plaza Associates and Marina Associates. Taj Administration allocated expenses associated with such services to Marina Associates and Plaza Associates totaling $12,305 and $13,091 during the years ended December 31, 2010 and 2009, respectively. Marina Associates and Plaza Associates reimburse Taj Administration for these allocated expenses.

TER's predecessor company occasionally awarded restricted shares of its common stock to employees of Taj Associates. The Company recognized stock-based compensation expense of $185 during the year ended December 31, 2009. There were no restricted shares outstanding as of December 31, 2010.

NOTE 15 - NON-OPERATING INCOME (EXPENSE)

Non-operating income (expense) for the years ended December 31, 2010 and 2009 consists of:

	2010	2009
Interest income	$ 240	$ 224
Reorganization Expense *	—	(4,567)
Asset Impairment Charges (Note 5)	—	(3,720)
Fresh-Start Adjustments (Note 3 and 10)	(112,073)	—
Total	$ (111,833)	$ (8,063)

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

NOTE 16 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments included in current assets and current liabilities (other than the 8.5% Note Payable and 8.5% Grid Notes) approximate their fair values because of their short-term nature. The carrying amounts of CRDA bonds and deposits approximate their fair values as a result of allowances established to give effect to below-market interest rates.

(in thousands)

The carrying amount and estimated fair value of our remaining financial instruments at December 31, are as follows:

	2010		2009	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
12% Grid Note	$ 237,897	—	$ —	—
8.5% Grid Note	$ —	—	$ 250,000	—

Due to the intercompany nature of the Grid Note, the fair value of the Grid Note can not be calculated. The Company has not provided the fair value of the 8.5% Note Payable as of December 31, 2009 in the table above as the Note Payable was canceled in connection with the transactions which occurred on the Consummation Date. The Company's other long-term debt was not significant at December 31, 2010 and 2009.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Leases

The Company has entered into leases for certain property and various equipment under operating leases. Rent expense for the years ended December 31, 2010 and 2009 was $3,311 and $3,410, respectively.

Future minimum lease payments under noncancellable operating leases as of December 31, 2010 are as follows:

2011	$ 8,587
2012	3,036
2013	2,830
2014	2,624
2015	2,354
Thereafter	9,852
Total minimum payments	$ 29,283

Certain of these leases contain options to purchase the leased properties at various prices throughout the leased terms.

Casino License Renewal

The Company is subject to regulation and licensing by the New Jersey Casino Control Commission (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 the Taj Mahal 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.

Legal Proceedings

Taj 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 a voluntary petition 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.

Until the Consummation Date, the Debtors operated 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.

Coastal Area Facilities Review Act Agreement

Taj Associates received a permit under the Coastal Area Facilities Review Act ("CAFRA") (which is included as a condition of Taj Associates' casino license) that initially required Taj Associates to begin construction of certain improvements on the Steel Pier by October 1992, which improvements were to be completed within 18 months of the commencement of construction. Taj Associates initially proposed a concept to improve the Steel Pier, the estimated cost of which was $30,000. Such concept was approved by the New Jersey Department of Environmental Protection, the agency which administers CAFRA. In March 1993, Taj Associates obtained a modification of its CAFRA permit providing for an extension of the required commencement and completion dates of the improvements to the Steel Pier for one year, which has been renewed annually, based upon an interim use of the Steel Pier as an amusement park. The pier sublease, pursuant to which Taj Associates leases the Steel Pier to an amusement park operator, terminates on December 31, 2016. The conditions of the CAFRA permit renewal thereafter are under discussion with the New Jersey Department of Environmental Protection.

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 Casino Reinvestment Development Authority ("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. According to the Act, funds on deposit with the CRDA are invested by the CRDA and the resulting interest income is shared two-thirds to the casino and one-third to the CRDA. Further, the Act requires that CRDA bonds be issued at statutory rates established at two-thirds of the average rate of the Bond Buyer Weekly 25 Revenue Bond Index for bonds available for purchase during the last 26 weeks preceding the date the CRDA issues its bond. The Company records charges to expense equal to one-third of its obligation to reflect the lower return on investment at the date the obligation arises. Pursuant to the contract with the CRDA, the Company is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

(in thousands)

For the years ended December 31, 2010 and 2009, the Company charged to operations $1,654 and $1,846, respectively, to give effect to the below market interest rates associated with CRDA deposits and bonds.

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 Company requested that the CRDA approve cash-back credits in the amount of $4,928 in exchange for a donation of $14,589 of previous deposits made by the Company to the CRDA Atlantic City Housing Fund, North Jersey Project Fund and South Jersey Housing, Transportation and Green Initiatives Fund (collectively, the "CRDA Transaction"). By resolution dated May 18, 2010, the CRDA approved the CRDA Transaction.

In connection with the CRDA Transaction, and in order to record the investments at their net realizable value, the Company recognized $4,799 of non-cash expense during the period from January 1, 2010 through July 15, 2010. On October 13, 2010, the Company received $4,928 from the CRDA representing the cash-back donation credit.

In addition, due to the receipt of proceeds which, as discussed below, were funded by certain of the Company's CRDA deposits, the Company recognized income representing the reversal of previously recognized expense of $1,700 during the year ended December 31, 2009.

During March 1999, Trump Taj Mahal, Trump Plaza, Trump Marina (collectively, the "Trump Entities") and the CRDA entered into an Investment Agreement pursuant to which the Trump Entities agreed to donate $5,000 from certain of their CRDA deposits to establish a Housing Construction Financing Fund (the "Fund"). The Fund was established for a ten-year period and functioned as a supporting mechanism of the CRDA's housing initiatives. 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 (of which $2,643 related to the Company) in accordance with the Investment Agreement.

CRDA investments reflected on the accompanying balance sheets are comprised of the following:

	December 31, 2010	December 31, 2009
CRDA deposits, net of allowances of $768 and $13,643, respectively	$ 15,788	$ 26,922
CRDA bonds, net of allowances of $0 and $1,267, respectively	2,134	2,163
	$ 17,922	$ 29,085

As discussed in Note 10, the Company adopted fresh-start reporting upon its emergence from chapter 11 on the Consummation Date, which required the Company to record its CRDA bonds and investments at net realizable value. As of the Consummation Date, the net realized value of the Company's CRDA bonds and investments was determined to be the carrying amount, net of previously established reserves and allowances. Therefore, previously established reserves and allowances were eliminated as of the Consummation Date.

Entertainment-Retail District Project

In September 2001, the CRDA approved a proposal by Trump Plaza Associates to construct a casino hotel facility as an entertainment-retail district project on a site on the Atlantic City Boardwalk ("District Project").

Under the terms of the approval, the Trump Entities could elect not to proceed with the District Project and upon notice of such election; the CRDA would provide them with $4,752.

In December 2010, the Trump Entities provided the CRDA with the appropriate notice and the $4,752 (of which $1,824 related to Taj Associates) was received on December 21, 2010. This transaction had no effect on the Company's results of operations during the year ended December 31, 2010.

In January 2011, the Trump Entities became aware that the CRDA had deducted the $4,752 collectively from the Trump Entities' investment alternative tax obligation accounts. The Trump Entities have advised the CRDA that they believe the CRDA had no authority to deduct the amounts from their accounts and have demanded that the CRDA return $4,752 to their respective account balances.

NJSEA Subsidy Agreement

In April 2004, the casinos located in Atlantic City ("Casinos"), including Taj 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 breeder's awards and establish account wagering at New Jersey horse racing tracks. Taj Associates' portion of this industry obligation was approximately 10.4%.

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 TER's Atlantic City casinos in aggregate amounts of approximately $13,800 from the Atlantic City Expansion Fund ("ACEF") and $1,575 from a separate Casino Capital Construction Fund ("CCCF"), both administered by the CRDA. During 2009, Taj Associates received $2,643 of grant proceeds available to it from the ACEF and the remaining $100 of grant proceeds available to it from the CCCF.

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 a 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. Taj Associates estimates its portion of this industry obligation is approximately 10.8%.

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 18 - EMPLOYEE BENEFIT PLANS

The Company participates in a retirement savings plan for its nonunion employees under Section 401(k) of the Internal Revenue Code ("401(k) Plan"). The 401(k) Plan is sponsored by TER Holdings. The Company may elect to match a portion of participants' contributions on an annual basis as determined by management. As part of a cost savings initiative, the Company reduced and subsequently ceased matching contributions during 2009. Matching contributions under the 401(k) Plan were $224 for the year ended December 31, 2009.

Approximately 1,900 of our employees were represented by six labor unions as of December 31, 2010. Five of the six collective bargaining agreements are scheduled to expire during 2011. The Company makes payments to various trusteed multi-employer pension plans under industry-wide union agreements. The payments are based on the hours worked by, or gross wages paid to, covered employees. Under the Employee Retirement Income Security Act, the Company may be liable for its share of the plans' unfunded liabilities, if any, if the plans are terminated or if the Company withdraws from participation in such plans. Pension expense for the years ended December 31, 2010 and 2009, was $4,362 and $4,172, respectively.

NOTE 19 – SEVERANCE COSTS

Due to the continuation of declining gaming revenues and an increasingly competitive market, the Company significantly reduced its workforce as part of a cost containment strategy during the fourth quarter of 2010. In connection with the reduction in workforce, the Company incurred approximately $2,668 in severance costs. Such amount is included in selling, general and administrative expenses in the accompanying statements of income for the year ended December 31, 2010.

TRUMP TAJ MAHAL CASINO RESORT
ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2010

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

TRUMP TAJ MAHAL CASINO RESORT
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2010

(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

Line (a)	Description (b)	Account Balance (c)	Allowance (d)	Accounts Receivable (Net of Allowance) (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks................................	$9,256		
2	Returned Patrons' Checks....................................	9,016		
3	Total Patrons' Checks..	18,272	$5,781	$12,491
4	Hotel Receivables..	1,445	276	$1,169
	Other Receivables:			
5	Receivables Due from Officers and Employees....			
6	Receivables Due from Affiliates...........................			
7	Other Accounts and Notes Receivables................	2,166		
8	Total Other Receivables....................................	2,166		$2,166
9	Totals (Form CCC-205)..	$21,883	$6,057	$15,826

UNDEPOSITED PATRONS' CHECKS ACTIVITY

Line (f)	Description (g)	Amount (h)
10	Beginning Balance (January 1)..	$10,232
11	Counter Checks Issued..	309,002
12	Checks Redeemed Prior to Deposit..	(242,759)
13	Checks Collected Through Deposits..	(50,597)
14	Checks Transferred to Returned Checks..	(16,622)
15	Other Adjustments..	
16	Ending Balance..	$9,256
17	"Hold" Checks Included in Balance on Line 16..	0
18	Provision for Uncollectible Patrons' Checks..	$6,431
19	Provision as a Percent of Counter Checks Issued...	2.1%

TRUMP TAJ MAHAL CASINO RESORT
EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2010

($ IN THOUSANDS)

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO:				
1	Table and Other Games	1,074			
2	Slot Machines	82			
3	Administration	4			
4	Casino Accounting	153			
5	Simulcasting	11			
6	Other	10			
7	Total - Casino	1,334	$34,618	$12	$34,630
8	ROOMS	451	9,975	304	10,279
9	FOOD AND BEVERAGE	996	21,540	0	21,540
10	GUEST ENTERTAINMENT	219	2,862	69	2,931
11	MARKETING	127	7,630	709	8,339
12	OPERATION AND MAINTENANCE	233	9,822	0	9,822
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	2	153	371	524
14	Accounting and Auditing	92	4,109	236	4,345
15	Security	211	6,178	0	6,178
16	Other Administrative and General	65	7,817	273	8,090
	OTHER OPERATED DEPARTMENTS:				
17	TRANSPORTATION	84	1,477	0	1,477
18	HEATLH CLUB	9	278	0	278
19	RETAIL OPERATIONS	17	505	0	505
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	3,840	$106,964	$1,974	$108,938

TRUMP TAJ MAHAL CASINO RESORT
ANNUAL GROSS REVENUE TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2010

Line		
	CASINO WIN:	
1.	Table and Other Games	$ 144,327,704
2.	Slot Machines	258,070,652
3.	Total Casino Win	402,398,356
4.	Adjustments	20,268
5.	Gross Revenue (line 3 plus line 4)	402,418,624
6.	Deduction for Eligible Promotional Gaming Credits	33,173,083
7.	Taxable Gross Revenue (line 5 minus line 6)	369,245,541
8.	Tax on Gross Revenue - Reporting Year (8% of line 7)	29,539,643
9.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years	9,184
10.	Total Taxes on Gross Revenue (the sum of lines 8 and 9)	29,548,827

Under penalties of perjury, I declare that I have examined this Annual Gross Revenue Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

February 16, 2011
Date

Ford Palmer

Casino Controller 4086-11