

**TRUMP MARINA ASSOCIATES, LLC  
QUARTERLY REPORT**

**FOR THE QUARTER ENDED JUNE 30, 2011**

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



**OFFICE OF FINANCIAL INVESTIGATIONS  
REPORTING MANUAL**

# TRUMP MARINA ASSOCIATES, LLC

## BALANCE SHEETS

AS OF JUNE 30, 2011 AND 2010

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$856	\$10,252
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2011, \$1,462; 2010, \$4,872).....	1	3,200	6,808
4	Inventories .....		0	906
5	Other Current Assets.....	6	8	3,701
6	Total Current Assets.....		4,064	21,667
7	Investments, Advances, and Receivables.....	11	8,425	12,709
8	Property and Equipment - Gross.....	2 & 4	0	25,986
9	Less: Accumulated Depreciation and Amortization.....	2 & 4	0	(2,062)
10	Property and Equipment - Net.....	2 & 4	0	23,924
11	Other Assets.....		916	2,851
12	Total Assets.....		\$13,405	\$61,151
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$702	\$3,466
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....	5	0	30,853
16	External.....		0	0
17	Income Taxes Payable and Accrued.....	6	2,011	2,011
18	Other Accrued Expenses.....		1,571	9,362
19	Other Current Liabilities.....	9	7,070	11,861
20	Total Current Liabilities.....		11,354	57,553
	Long-Term Debt:			
21	Due to Affiliates.....	2 & 5	18,658	0
22	External.....		0	0
23	Deferred Credits .....	6	8	8
24	Other Liabilities.....	6	2,939	2,946
25	Commitments and Contingencies.....	11	0	0
26	Total Liabilities.....		32,959	60,507
27	Stockholders', Partners', or Proprietor's Equity.....		(19,554)	644
28	Total Liabilities and Equity.....		\$13,405	\$61,151

Note: Trump Marina ceased operations on 5/24/11. See Note 2 for additional details.

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

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

# TRUMP MARINA ASSOCIATES, LLC

## STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	Revenue:			
1	Casino.....		\$48,242	\$71,612
2	Rooms.....		4,850	7,156
3	Food and Beverage.....		5,331	8,604
4	Other.....		2,134	3,566
5	Total Revenue.....		60,557	90,938
6	Less: Promotional Allowances.....		15,473	22,476
7	Net Revenue.....		45,084	68,462
	Costs and Expenses:			
8	Cost of Goods and Services.....		42,078	60,741
9	Selling, General, and Administrative.....		5,509	10,573
10	Provision for Doubtful Accounts.....		563	802
11	Total Costs and Expenses.....		48,150	72,116
12	Gross Operating Profit.....		(3,066)	(3,654)
13	Depreciation and Amortization.....	4	481	1,338
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	9	1,669	2,556
16	Income (Loss) from Operations.....		(5,216)	(7,548)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	1 & 5	(2,283)	(1,150)
18	Interest Expense - External.....	5 & 6	(344)	(287)
19	CRDA Related Income (Expense) - Net.....	11	(192)	(302)
20	Nonoperating Income (Expense) - Net.....	10	(496)	75
21	Total Other Income (Expenses).....		(3,315)	(1,664)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(8,531)	(9,212)
23	Provision (Credit) for Income Taxes.....	6	0	0
24	Income (Loss) Before Extraordinary Items.....		(8,531)	(9,212)
25	Extraordinary Items (Net of Income Taxes - 2011, \$0; 2010, \$0).....		0	0
26	Net Income (Loss).....		(\$8,531)	(\$9,212)

Note: Trump Marina ceased operations on 5/24/11. See Note 2 for additional details.

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

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

# TRUMP MARINA ASSOCIATES, LLC

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2011 AND 2010

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	Revenue:			
1	Casino.....		\$18,487	\$37,387
2	Rooms.....		1,892	3,902
3	Food and Beverage.....		1,958	4,815
4	Other.....		957	2,260
5	Total Revenue.....		23,294	48,364
6	Less: Promotional Allowances.....		6,009	12,308
7	Net Revenue.....		17,285	36,056
	Costs and Expenses:			
8	Cost of Goods and Services.....		15,819	31,727
9	Selling, General, and Administrative.....		1,984	5,085
10	Provision for Doubtful Accounts.....		291	389
11	Total Costs and Expenses.....		18,094	37,201
12	Gross Operating Profit.....		(809)	(1,145)
13	Depreciation and Amortization.....	4	114	641
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	9	603	1,309
16	Income (Loss) from Operations.....		(1,526)	(3,095)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	1 & 5	(816)	(608)
18	Interest Expense - External.....	5 & 6	(173)	(135)
19	CRDA Related Income (Expense) - Net.....	11	(70)	(158)
20	Nonoperating Income (Expense) - Net.....	10	(533)	25
21	Total Other Income (Expenses).....		(1,592)	(876)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(3,118)	(3,971)
23	Provision (Credit) for Income Taxes.....	6	0	0
24	Income (Loss) Before Extraordinary Items.....		(3,118)	(3,971)
25	Extraordinary Items (Net of Income Taxes - 2011, \$0; 2010, \$0).....		0	0
26	Net Income (Loss).....		(\$3,118)	(\$3,971)

Note: Trump Marina ceased operations on 5/24/11. See Note 2 for additional details.

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

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

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

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010  
AND THE SIX MONTHS ENDED JUNE 30, 2011

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2009.....		\$422,271	(\$412,415)	\$0	\$9,856
2	Net Income (Loss) - 2010.....			(20,879)		(20,879)
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....					0
6	Prior Period Adjustments.....					0
7	Elimination of Predecessor Co.					0
8	Equity/Deficit	1	(422,271)	422,271		0
9						0
10	Balance, December 31, 2010.....		0	(11,023)	0	(11,023)
11	Net Income (Loss) - 2011.....			(8,531)		(8,531)
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16						0
17						0
18						0
19	Balance, June 30, 2011.....		\$0	(\$19,554)	\$0	(\$19,554)

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

**TRUMP MARINA ASSOCIATES, LLC**  
**STATEMENTS OF CASH FLOWS**  
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010  
(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		(\$11,047)	(\$5,843)
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments .....		0	0
3	Proceeds from the Sale of Short-Term Investments .....		0	0
4	Cash Outflows for Property and Equipment.....		(130)	(678)
5	Proceeds from Disposition of Property and Equipment.....		31,336	0
6	CRDA Obligations .....	11	(798)	(856)
7	Other Investments, Loans and Advances made.....		0	0
8	Proceeds from Other Investments, Loans, and Advances .....		0	0
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		30,408	(1,534)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt .....		0	0
14	Payments to Settle Short-Term Debt.....		0	0
15	Proceeds from Long-Term Debt .....		0	0
16	Costs of Issuing Debt.....		0	0
17	Payments to Settle Long-Term Debt.....		0	0
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....		0	0
20	Payments of Dividends or Capital Withdrawals.....		0	0
21	(Repayments)/Borrowings of Grid Note Payable .....	2 & 5	(29,918)	4,927
22				
23	Net Cash Provided (Used) By Financing Activities.....		(29,918)	4,927
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(10,557)	(2,450)
25	Cash and Cash Equivalents at Beginning of Period.....		11,413	12,702
26	Cash and Cash Equivalents at End of Period.....		\$856	\$10,252
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$0	\$16
28	Income Taxes.....		\$0	\$0

Note: Trump Marina ceased operations on 5/24/11. See Note 2 for additional details.

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

**TRUMP MARINA ASSOCIATES, LLC**  
**STATEMENTS OF CASH FLOWS**  
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010  
(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
29	Net Income (Loss).....		(\$8,531)	(\$9,212)
30	Depreciation and Amortization of Property and Equipment.....	4	481	1,338
31	Amortization of Other Assets.....		0	0
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current .....		0	0
34	Deferred Income Taxes - Noncurrent .....		0	0
35	(Gain) Loss on Disposition of Property and Equipment.....		0	0
36	(Gain) Loss on CRDA-Related Obligations.....	11	192	302
37	(Gain) Loss from Other Investment Activities.....		567	0
38	(Increase) Decrease in Receivables and Patrons' Checks .....		3,716	(64)
39	(Increase) Decrease in Inventories .....		193	(43)
40	(Increase) Decrease in Other Current Assets.....		2,459	(563)
41	(Increase) Decrease in Other Assets.....		337	448
42	Increase (Decrease) in Accounts Payable.....		(1,756)	(404)
43	Increase (Decrease) in Other Current Liabilities .....		(8,705)	2,363
44	Increase (Decrease) in Other Liabilities .....		0	(8)
45	.....		0	0
46	.....		0	0
47	Net Cash Provided (Used) By Operating Activities.....		(\$11,047)	(\$5,843)

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>			
48	Additions to Property and Equipment.....		(\$130)	(\$678)
49	Less: Capital Lease Obligations Incurred.....		0	0
50	Cash Outflows for Property and Equipment.....		(\$130)	(\$678)
	<b>ACQUISITION OF BUSINESS ENTITIES:</b>			
51	Property and Equipment Acquired.....			
52	Goodwill Acquired.....			
53	Other Assets Acquired - net .....			
54	Long-Term Debt Assumed.....			
55	Issuance of Stock or Capital Invested.....			
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	<b>STOCK ISSUED OR CAPITAL CONTRIBUTIONS:</b>			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

Note: Trump Marina ceased operations on 5/24/11. See Note 2 for additional details.

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

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

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

FOR THE QUARTER ENDED JUNE 30, 2011

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.

8/15/2011

Date



Daniel McFadden

Vice President of Finance

Title

7167-11

License Number

On Behalf of:

TRUMP MARINA ASSOCIATES, LLC

Casino Licensee



**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

(unaudited)  
(in thousands)

**NOTE 1 – GENERAL**

*Organization and Operations*

Trump Marina Associates LLC (“Marina Associates” or the “Company”), a New Jersey limited liability corporation, is 100% beneficially owned by Trump Entertainment Resorts Holdings, LP (“TER Holdings”), a Delaware limited partnership. TER Holdings is a wholly-owned subsidiary of Trump Entertainment Resorts, Inc. (“TER”), a Delaware corporation.

Until May 24, 2011, Marina Associates owned and operated the Trump Marina Hotel Casino (“Trump Marina”), a casino hotel located in the marina district in Atlantic City, New Jersey (the “Marina District”). See Note 2 for additional information regarding the sale of Trump Marina. Marina Associates derived 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, 2010 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 June 30, 2011.

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.

*Accounting Impact of Chapter 11 Case*

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 ASC 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.

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. The Company recorded interest expense under the contractual terms of the 8.5% Grid Note.

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

**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

(unaudited)  
(in thousands)

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.

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.

**NOTE 2 – TRUMP MARINA SALE**

On February 11, 2011, TER and its subsidiary, Marina Associates, entered into the Asset Purchase Agreement dated as of February 11, 2011 (the “Asset Purchase Agreement”) with Landry's A/C Gaming, Inc. (“Landry’s A/C”) and its affiliate Landry’s Restaurants, Inc. (“Landry’s”), providing for the sale of the Trump Marina (the “Property”) to Landry's A/C. Landry's A/C subsequently assigned its rights under the Asset Purchase Agreement to its newly formed affiliate, Golden Nugget Atlantic City, LLC (“Golden Nugget”).

On May 24, 2011, TER and Marina Associates completed the sale of the Property to Golden Nugget pursuant to the Asset Purchase Agreement. At the closing, Golden Nugget acquired substantially all of the assets of, and assumed certain liabilities related to, the business conducted at the Property.

The cash proceeds of the sale were \$37,348, after giving effect to certain adjustments as of the closing date as set forth in the Asset Purchase Agreement and before transaction expenses. The proceeds are subject to certain post-closing adjustments, including adjustments based on working capital balances as of the closing of the sale, as set forth in the Asset Purchase Agreement.

In connection with the Asset Purchase Agreement, TER Holdings entered into a Transitional Services Agreement dated as of February 11, 2011, with Landry's A/C, which was subsequently assigned to Golden Nugget (the “TSA”). Under the TSA, the parties agreed to facilitate the purchaser's purchase of Trump Marina by creating a transition and separation plan. Pursuant to the TSA, TER provides certain services relating to information technology for the benefit of Golden Nugget for a period of up to one year following consummation of the sale of Trump Marina. TER is reimbursed for its costs of providing such services.

**NOTE 3 – 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”).

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.

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

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	<b>June 30,</b>	
	<b>2011</b>	<b>2010</b>
Land and land improvements	\$ -	\$ 7,961
Building and building improvements	-	13,346
Furniture, fixtures and equipment	-	4,653
Construction-in-progress	-	26
	-	25,986
Less accumulated depreciation and amortization	-	(2,062)
Net property and equipment	\$ -	\$ 23,924

As discussed in Note 2, at the closing, Golden Nugget acquired substantially all of the assets of, and assumed certain liabilities related to, the business conducted at Trump Marina.

**NOTE 5 - DEBT**

As of June 30, 2011 and 2010, the Company's indebtedness consisted of:

	<b>June 30,</b>	
	<b>2011</b>	<b>2010</b>
12% Revolving Grid Note - TER Holdings, due December 31, 2015, interest due and payable monthly	\$ 18,658	\$ -
8.5% Revolving Grid Note - TER Holdings, subject to compromise, due January 1, 2013, interest due and payable monthly	-	30,853
	18,658	30,853
Less: current maturities	-	(30,853)
Long-term debt, net of current maturities	\$ 18,658	\$ -

**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 \$50,000 of advances made by TER Holdings, including any accrued unpaid interest on outstanding advances thereon.

**Guarantees**

Marina Associates, along with Trump Taj Mahal Associates LLC ("Taj Associates") and Trump Plaza Associates LLC ("Plaza 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 Marina Associates on a priority basis. At June 30, 2011, TER had outstanding borrowings of \$303,035 under the Amended and Restated Credit Agreement.

**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

(unaudited)  
(in thousands)

**Predecessor Company**

*Event of Default*

As discussed in Note 3, 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. 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 June 30, 2010.

*8.5% 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 \$50,000 of advances made by TER Holdings, including any accrued unpaid interest on outstanding advances thereon.

**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.

There was no state income tax provision during the three and six months ended June 30, 2011 and 2010.

At June 30, 2011, the Company had unrecognized tax benefits of approximately \$9,338, including interest. In accordance with ASC Topic 805 – "Business Combinations" ("ASC 805"), \$4,950 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 \$2,011 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. The Company recognized approximately \$173 and \$344, during the three and six months ended June 30, 2011, respectively, and \$137 and \$271 during the three and six months ended June 30, 2010, respectively, in potential interest associated with uncertain tax positions. At June 30, 2011, the Company had approximately \$3,646 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.

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

*Federal and State Income Tax Audits*

Tax years 2006 through 2010 remain subject to examination by the federal tax authority. Tax years 2002 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, 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 June 30, 2011, the Company has accrued \$8,596 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 recognized 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 2010 restructuring and related transactions that may result in a substantial step-up in the tax basis of the Company's assets.

**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 became 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 adoption of this guidance on January 1, 2011 had no impact on our financial statements.

During March 2011, certain amendments to the New Jersey Casino Control Act ("the Act") became effective which, among other things, allowed a casino licensee to terminate a progressive slot machine jackpot or in-house linked progressive slot machine jackpots by providing a minimum of thirty days notice to patrons provided that such game is permanently removed from all of its casino floors. In connection with this amendment, in March 2011, we recognized \$461 of income representing the reversal of progressive slot machine jackpot accruals in accordance with the guidance issued by the FASB. Such amount is included in Casino Revenues during the six months ended June 30, 2011.

During April 2011, certain amendments to the Act became effective which, among other things, allowed a casino licensee to terminate table game progressive payout wagers by providing a minimum of thirty days notice to patrons provided that such game is permanently removed from all of its casino floors. In connection with this amendment, we recognized \$121 of income during the three and six months ended June 30, 2011 representing the reversal of accruals related to table game progressive payout wagers.

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

**NOTE 8 – 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.

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 June 30, 2011 and 2010. CRDA assets are discussed further in Note 11.

**NOTE 9 - TRANSACTIONS WITH AFFILIATES**

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

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

Trump Administration	415	1,535
Plaza Associates	62	61
Taj Associates	233	665
Total	\$ 762	\$ 2,261

Marina 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 Marina Associates. Trump Administration allocated expenses associated with such services to Marina Associates totaling \$1,669 and \$2,556 during the six months ended June 30, 2011 and 2010, respectively. Marina Associates reimburses Trump Administration for these allocated expenses.

**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

(unaudited)  
(in thousands)

**NOTE 10 – NON-OPERATING INCOME (EXPENSE)**

Non-operating income (expense) for the six months ended June 30, 2011 and 2010 consists of:

	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
Interest income	\$ 71	\$ 75
Loss on sale of Trump Marina (Note 2)	(567)	-
Total	<u>\$ (496)</u>	<u>\$ 75</u>

**NOTE 11 - COMMITMENTS & CONTINGENCIES**

*Legal Proceedings*

Marina Associates and certain of its employees are involved from time to time in various legal proceedings incidental to the Company's business. While any proceeding or litigation contains an element of uncertainty, management believes that the final outcomes of these matters are not likely to have a material adverse effect on the Company's results of operations or financial condition. In general, the Company has agreed to indemnify such persons, and its directors, against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings absent a showing of such persons' gross negligence or malfeasance.

*Chapter 11 Case* – As described in Note 3, 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.

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.

The Reorganized Debtors are currently in the process of reviewing over one thousand claims which were filed in the Chapter 11 Case. The Bankruptcy Court, by court order, extended the Reorganized Debtors' deadline to file objections to claims through June 28, 2011 (the "Claims Objection Deadline"). A wide variety of claims, which include, but are not limited to claims asserted by personal injury claimants, vendors, state and local taxing authorities, and former employees have been filed in the Chapter 11 Case. To date the Reorganized Debtors have filed several motions and have obtained several court orders which have expunged certain claims, and have resolved certain claims through negotiation and settlement. The Reorganized Debtors filed a series of claim objections prior to the Claims Objection Deadline which are currently pending before the Bankruptcy Court.

**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

(unaudited)  
(in thousands)

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”), the Company pays 1.25% of its 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 the Company 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 contract with the CRDA, the Company is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

For the six months ended June 30, 2011 and 2010, the Company charged to operations \$192 and \$302, respectively, to give effect to the below market interest rates associated with CRDA deposits and bonds.

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

	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
CRDA deposits, net of allowances of \$476 and \$5,185, respectively	\$ 6,102	\$ 10,371
CRDA bonds, net of allowances of \$0 and \$1,636, respectively	2,323	2,338
	<u>\$ 8,425</u>	<u>\$ 12,709</u>

As discussed in Note 1, 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 realizable 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 \$1,306 related to Marina Associates) was received on December 21, 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 advised the CRDA that they believe the CRDA had no authority to deduct the amounts from their accounts and demanded that the CRDA return \$4,752 to their respective account balances.

In July 2011, the CRDA approved an amendment to the terms of the approval, subject to the execution of certain releases by the CRDA and the Trump Entities, the approval of the Treasurer of the State of New Jersey and the expiration of the time allowed for review of the resolution by the Governor, whereby an additional \$2,595 would be returned to the Trump Entities from their investment alternative tax obligation accounts in order to provide the agreed upon return on investment.



**TRUMP MARINA ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**

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*NJSEA Subsidy Agreement*

In August 2008, the casinos located in Atlantic City (“Casinos”) entered into a Purse Enhancement Agreement (the “2008 Subsidy Agreement”) with the New Jersey Sports & Exposition Authority (the “NJSEA”) and the CRDA in the interest of further deferring or preventing the proliferation of competitive gaming at New Jersey racing tracks through December 31, 2011. In addition to the continued prohibition of casino gaming in New Jersey outside of Atlantic City, legislation was enacted to provide for the deduction of certain promotional gaming credits from the calculation of the tax on casino gross revenue.

Under the terms of the 2008 Subsidy Agreement, the Casinos are required to make scheduled payments to the NJSEA totaling \$90,000 to be used for certain authorized purposes (the “Authorized Uses”) as defined by the 2008 Subsidy Agreement. In the event any of the \$90,000 is not used by the NJSEA for the Authorized Uses by January 1, 2012, the unused funds shall be returned by the NJSEA to the Casinos on a pro rata basis based upon the share each casino contributed. For each year, each casino’s share of the scheduled payments will equate to a percentage representing its gross gaming revenue for the prior calendar year compared to the gross gaming revenues for that period for all Casinos. Each casino, solely and individually, shall be responsible for its respective share of the scheduled amounts due. In the event that any casino fails to make its payment as required, the remaining Casinos shall have the right, but not the obligation, to cure a payment delinquency.

Up until the sale of Trump Marina (as discussed in Note 2), we had been expensing our share of the \$90,000, estimated to be approximately \$3,997 based on our actual market share of gross gaming revenue, on a straight-line basis beginning January 1, 2009 through December 31, 2011.

Pursuant to the Asset Purchase Agreement, all promotional gaming credits attributable or related to the Company are to be maintained by the Company or its affiliates. The Company has not yet received the full recovery of its pro rata share of the costs of the 2008 Subsidy Agreement. The Company has transferred its rights to future promotional gaming credits and the associated benefits of such credits to Taj Associates. Subsequent to this transfer, Taj Associates began to deduct the transferred promotional gaming credits from the calculation of the tax on casino gross revenue. In addition, Taj Associates began to expense the unamortized balance of the Company’s share of the \$90,000 subsidy. Such amount was \$111 for the three and six months ended June 30, 2011. We recorded expense of \$222 and \$555 during the three and six months ended June 30, 2011, respectively, and \$333 and \$654 during the three and six months ended June 30, 2010, respectively.

*Casino License Renewal*

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

In June 2007, the CCC renewed the Company’s license to operate Trump Marina for the next five-year period through June 2012. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Casino Control Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino’s business and property, subject to all valid liens, claims and encumbrances.

# TRUMP MARINA ASSOCIATES, LLC EMPLOYMENT AND PAYROLL REPORT

AT MAY 31, 2011

(\$ 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	360			
2	Slot Machines	58			
3	Administration	0			
4	Casino Accounting	71			
5	Simulcasting	0			
6	Other	8			
7	Total - Casino	497	\$5,245	\$86	\$5,331
8	ROOMS	154	1,427	0	1,427
9	FOOD AND BEVERAGE	424	3,269	0	3,269
10	GUEST ENTERTAINMENT	6	189	30	219
11	MARKETING	69	1,432	25	1,457
12	OPERATION AND MAINTENANCE	116	1,850	0	1,850
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	2	27	146	173
14	Accounting and Auditing	33	607	24	631
15	Security	118	1,315	0	1,315
16	Other Administrative and General	18	708	12	720
	OTHER OPERATED DEPARTMENTS:				
17	Transportation	38	297	0	297
18	Health Club	2	20	0	20
19	Retail	12	70	0	70
20	Marina	6	17	0	17
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	1,495	\$16,473	\$323	\$16,796