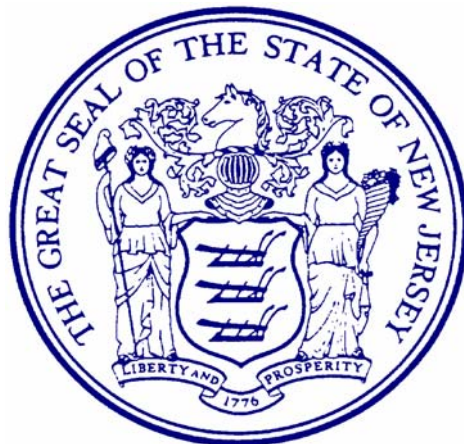


**TRUMP PLAZA ASSOCIATES, LLC
QUARTERLY REPORT
FOR THE QUARTER ENDED JUNE 30, 2012**

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

TRUMP PLAZA ASSOCIATES, LLC

BALANCE SHEETS

AS OF JUNE 30, 2012 AND 2011

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$9,599	\$11,695
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2012, \$1,681; 2011, \$1,663).....		7,523	9,873
4	Inventories		483	882
5	Other Current Assets.....	6	1,832	2,552
6	Total Current Assets.....		19,437	25,002
7	Investments, Advances, and Receivables.....	11 & 12	12,418	12,890
8	Property and Equipment - Gross.....		66,773	66,672
9	Less: Accumulated Depreciation and Amortization.....		(13,013)	(8,999)
10	Property and Equipment - Net.....		53,760	57,673
11	Other Assets.....		1,397	5,609
12	Total Assets.....		\$87,012	\$101,174
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$2,831	\$2,675
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	3	0	286
17	Income Taxes Payable and Accrued.....	6	0	2,384
18	Other Accrued Expenses.....		7,588	9,522
19	Other Current Liabilities.....	9	8,413	15,619
20	Total Current Liabilities.....		18,832	30,486
	Long-Term Debt:			
21	Due to Affiliates.....	3, 4 & 12	68,161	71,679
22	External.....	3	0	0
23	Deferred Credits	6	62	62
24	Other Liabilities.....	6	4,869	9,471
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		91,924	111,698
27	Stockholders', Partners', or Proprietor's Equity.....		(4,912)	(10,524)
28	Total Liabilities and Equity.....		\$87,012	\$101,174

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

TRUMP PLAZA ASSOCIATES, LLC

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	Revenue:			
1	Casino.....		\$54,088	\$73,637
2	Rooms.....		9,977	11,053
3	Food and Beverage.....		7,371	8,532
4	Other.....	8	2,368	4,398
5	Total Revenue.....		73,804	97,620
6	Less: Promotional Allowances.....		20,719	27,251
7	Net Revenue.....		53,085	70,369
	Costs and Expenses:			
8	Cost of Goods and Services.....		47,677	58,714
9	Selling, General, and Administrative.....	4	(6,369)	9,924
10	Provision for Doubtful Accounts.....		194	565
11	Total Costs and Expenses.....		41,502	69,203
12	Gross Operating Profit.....		11,583	1,166
13	Depreciation and Amortization.....		1,869	5,264
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	9	1,664	2,528
16	Income (Loss) from Operations.....		8,050	(6,626)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	3	(4,488)	(4,110)
18	Interest Expense - External.....	3	(315)	(783)
19	CRDA Related Income (Expense) - Net.....	11	(145)	(92)
20	Nonoperating Income (Expense) - Net.....	5, 7 & 10	1,085	5,734
21	Total Other Income (Expenses).....		(3,863)	749
22	Income (Loss) Before Taxes and Extraordinary Items.....		4,187	(5,877)
23	Provision (Credit) for Income Taxes.....	6	0	0
24	Income (Loss) Before Extraordinary Items.....		4,187	(5,877)
25	Extraordinary Items (Net of Income Taxes - 2012 \$0; 2011, \$0).....		0	0
26	Net Income (Loss).....		\$4,187	(\$5,877)

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

TRUMP PLAZA ASSOCIATES, LLC

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2012 AND 2011

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	Revenue:			
1	Casino.....		\$27,165	\$39,096
2	Rooms.....		5,519	6,496
3	Food and Beverage.....		4,219	4,729
4	Other.....		1,219	1,599
5	Total Revenue.....		38,122	51,920
6	Less: Promotional Allowances.....		11,152	15,908
7	Net Revenue.....		26,970	36,012
	Costs and Expenses:			
8	Cost of Goods and Services.....		24,046	29,409
9	Selling, General, and Administrative.....	4	(10,270)	5,395
10	Provision for Doubtful Accounts.....		120	339
11	Total Costs and Expenses.....		13,896	35,143
12	Gross Operating Profit.....		13,074	869
13	Depreciation and Amortization.....		988	2,679
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	0
15	Other.....	9	817	1,179
16	Income (Loss) from Operations.....		11,269	(2,989)
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	3	(2,244)	(1,992)
18	Interest Expense - External.....	3	(152)	(389)
19	CRDA Related Income (Expense) - Net.....	11	(106)	(43)
20	Nonoperating Income (Expense) - Net.....	10	95	128
21	Total Other Income (Expenses).....		(2,407)	(2,296)
22	Income (Loss) Before Taxes and Extraordinary Items.....		8,862	(5,285)
23	Provision (Credit) for Income Taxes.....	6	0	0
24	Income (Loss) Before Extraordinary Items.....		8,862	(5,285)
25	Extraordinary Items (Net of Income Taxes - 2012, \$0; 2011, \$0).....		0	0
26	Net Income (Loss).....		\$8,862	(\$5,285)

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

TRUMP PLAZA ASSOCIATES, LLC

STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
AND THE SIX MONTHS ENDED JUNE 30, 2012

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2010.....		\$11,634	(\$16,281)		(\$4,647)
2	Net Income (Loss) - 2011.....			(4,452)		(4,452)
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....					0
6	Prior Period Adjustments.....					0
7	_____					0
8	_____					0
9	_____					0
10	Balance, December 31, 2011.....		11,634	(20,733)	0	(9,099)
11	Net Income (Loss) - 2012.....			4,187		4,187
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, 2012.....		\$11,634	(\$16,546)	\$0	(\$4,912)

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

TRUMP PLAZA ASSOCIATES, LLC
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		(\$5,040)	(\$1,359)
	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.....		(304)	(2,183)
5	Proceeds from Disposition of Property and Equipment.....		0	0
6	CRDA Obligations	11	(735)	(881)
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.....		(1,039)	(3,064)
	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.....	3	(122)	(111)
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	Borrowings (Repayments) of Grid Note Payable	3	3,576	3,355
22			
23	Net Cash Provided (Used) By Financing Activities.....		3,454	3,244
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(2,625)	(1,179)
25	Cash and Cash Equivalents at Beginning of Period.....		12,224	12,874
26	Cash and Cash Equivalents at End of Period.....		\$9,599	\$11,695
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$1,226	\$1,123
28	Income Taxes.....		\$0	\$0

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

TRUMP PLAZA ASSOCIATES, LLC

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		\$4,187	(\$5,877)
30	Depreciation and Amortization of Property and Equipment.....		1,869	5,264
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.....		18	0
36	(Gain) Loss on CRDA-Related Obligations.....	11	145	92
37	(Gain) Loss from Other Investment Activities.....		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		4,012	1,867
39	(Increase) Decrease in Inventories		134	38
40	(Increase) Decrease in Other Current Assets.....		(434)	638
41	(Increase) Decrease in Other Assets.....		356	489
42	Increase (Decrease) in Accounts Payable.....		187	(386)
43	Increase (Decrease) in Other Current Liabilities		(867)	(3,023)
44	Increase (Decrease) in Other Liabilities		(532)	(461)
45	Income from Property Tax Settlement	4	(14,115)	0
46			0	0
47	Net Cash Provided (Used) By Operating Activities.....		(\$5,040)	(\$1,359)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$304)	(\$2,183)
49	Less: Capital Lease Obligations Incurred.....		0	0
50	Cash Outflows for Property and Equipment.....		(\$304)	(\$2,183)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....		\$0	\$0
52	Goodwill Acquired.....		0	0
53	Other Assets Acquired - net		0	0
54	Long-Term Debt Assumed.....		0	0
55	Issuance of Stock or Capital Invested.....		0	0
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

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

TRUMP PLAZA ASSOCIATES, LLC
SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES

FOR THE SIX MONTHS ENDED JUNE 30, 2012
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	67,385	\$5,343	51	\$4
2	Food	124,612	1,818	13,557	192
3	Beverage	406,928	2,152	0	0
4	Travel	0	0	1,399	437
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	839,623	10,546	0	0
7	Complimentary Cash Gifts	26,557	649	0	0
8	Entertainment	0	0	550	50
9	Retail & Non-Cash Gifts	12,725	169	32,327	533
10	Parking	0	0	60,779	182
11	Other	392	42	564	71
12	Total	1,478,222	\$20,719	109,227	\$1,469

FOR THE THREE MONTHS ENDED JUNE 30, 2012

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	36,931	\$2,891	30	\$2
2	Food	64,665	976	6,222	72
3	Beverage	206,976	1,095	0	0
4	Travel	0	0	694	253
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	467,648	5,791	0	0
7	Complimentary Cash Gifts	12,461	298	0	0
8	Entertainment	0	0	150	20
9	Retail & Non-Cash Gifts	6,219	83	14,272	193
10	Parking	0	0	29,701	89
11	Other	158	18	258	33
12	Total	795,058	\$11,152	51,327	\$662

*No item in this category (Other) exceeds 5%.

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

FOR THE QUARTER ENDED JUNE 30, 2012

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Division'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.S.A. 5:12-84a(1)-(5) during the quarter.

8/15/2012

Date



Daniel McFadden

Vice President of Finance

Title

7167-11

License Number

On Behalf of:

TRUMP PLAZA ASSOCIATES, LLC

Casino Licensee

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

NOTE 1 – GENERAL

Organization and Operations

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

Plaza Associates owns and operates the Trump Plaza Hotel Casino (“Trump Plaza”), an Atlantic City, New Jersey hotel and casino. Plaza Associates derives its revenue primarily from casino operations, room rental, food and beverage sales, and entertainment revenue. The casino industry in Atlantic City is seasonal in nature with the peak season being the spring and summer months.

Chapter 11 Case

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.

On January 10, 2012, the Bankruptcy Court issued its final decree and order closing the Chapter 11 Case.

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”) and the New Jersey Division of Gaming Enforcement (the “DGE”). 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, 2011 Quarterly Report as filed with the CCC and DGE.

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, 2012.

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.

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

NOTE 2 - RECENTLY ADOPTED 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 the Company's 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, the Company recognized \$618 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.

NOTE 3 - DEBT

	June 30,	
	2012	2011
12% Revolving Grid Note - TER Holdings, due December 31, 2015, interest due and payable monthly	\$ 68,161	\$ 71,679
Capitalized lease obligations, payments due in 2012, secured by equipment financed, interest at 8.5%	-	286
	68,161	71,965
Less: current maturities	-	(286)
Long-term debt, net of current maturities	\$ 68,161	\$ 71,679

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 \$75,000 of advances made by TER Holdings, including any accrued unpaid interest on outstanding advances thereon.

Guarantees

Plaza Associates, along with Trump Taj Mahal Associates LLC ("Taj 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 Plaza Associates on a priority basis. At June 30, 2012, TER had outstanding borrowings of \$293,720 under the Amended and Restated Credit Agreement.

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

NOTE 4 - CITY OF ATLANTIC CITY REAL PROPERTY TAX APPEALS

During June 2012, Plaza Associates, Taj Associates and Marina Associates settled with the City of Atlantic City (the "City") with respect to their challenges to the real estate tax assessments for each of their casino properties for the tax years 2008 through 2012. Under the settlement terms, the City agreed to provide Taj Associates with a credit for previously paid real estate taxes in the total amount of \$54,000, to be applied against future real estate tax payments related to Taj Associates as follows: \$15,000 in 2013; \$9,000 per year in each of 2014, 2015 and 2016; and \$12,000 in 2017. The City has the option to issue a cash refund at any time for the unused portion of the credit. As part of the settlement, the Company agreed to pay real estate taxes for 2012 based upon the City's 2012 assessment. In addition, the City confirmed its intention to assess Trump Plaza at \$250.0 million for tax year 2013 (a 66% reduction from the 2012 assessment), and the Company agreed not to challenge such 2013 assessment. The settlement terms are set forth in a Settlement Agreement entered into as of June 13, 2012 among Plaza Associates, Taj Associates and Marina Associates (along with Golden Nugget Atlantic City, LLC, which purchased the former Trump Marina Hotel Casino during 2011) and the City ("Settlement Agreement").

The present value of the settlement, net of estimated legal fees and other expenses, was recorded as a reduction to Selling, General and Administrative Expense and was estimated to be approximately \$39,204, of which \$14,115 relates to Plaza Associates. The Company is currently disputing the computation of certain fees incurred related to the appeals.

Pursuant to an Assignment Agreement entered into effective June 19, 2012 between TER Holdings and Plaza Associates, Plaza Associates transferred and assigned all of its rights, title and interest in all of its rights and benefits under the Settlement Agreement, specifically its allocated portion of the Refund/Credit (as defined in the Settlement Agreement), net of related legal fees, to TER Holdings. The consideration for such assignment was the reduction of Plaza Associates' Revolving Grid Note in the amount of \$14,115, the estimated present value of Plaza Associates' allocable portion of the Refund/Credit, net of related legal fees.

Property taxes reflected on the statements of operations for the three and six months ended June 30, 2012 include \$708 of expense to record the six-month effect of an 11.1% increase in the City's 2012 property tax rate, which is retroactive to January 1, 2012.

NOTE 5 – INCOME RELATED TO UTILITY AGREEMENTS

On February 27, 2012, the Company entered into various agreements with one of its utility providers. In consideration for entering into the agreements, the Company received \$955 in cash. The Company recognized \$883 of income, net of related expenses, in connection with entering into these agreements. Such amount is reflected in Nonoperating Income in the statement of income during the six months ended June 30, 2012.

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.

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

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, 2012 and 2011.

At June 30, 2012, the Company had unrecognized tax benefits of \$363, including interest. In accordance with ASC Topic 805 –“Business Combinations” (“ASC 805”), none of the Company’s unrecognized tax benefits would affect its effective tax rate, if recognized. During the second quarter of 2012, \$480 of the Company’s unrecognized tax benefits at December 31, 2012 were settled as discussed below.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties as a component of income tax expense. The Company did not recognize any interest associated with uncertain tax positions during the three and six months ended June 30, 2012. The Company recognized interest associated with uncertain tax positions of \$211 and \$419 during the three and six months ended June 30, 2011, respectively.

Federal and State Income Tax Audits

Tax years 2008 through 2011 remain subject to examination by federal and state tax authorities.

From 2002 through 2006, state income taxes for TER’s New Jersey operations were computed under the alternative minimum assessment method. During December 2011, the Company entered into a Stipulation and Consent Order (the “Stipulation”) with the State of New Jersey, Department of Treasury and Division of Taxation (the “Division”, and together with the Company, the “Parties”), settling certain claims for unpaid taxes that were asserted by the Division in the Chapter 11 bankruptcy proceedings commenced by the Company in 2004 and the Chapter 11 Case. The Stipulation was approved by order of the Bankruptcy Court and became final and non-appealable on December 19, 2011 (the “Effective Date”).

Under the terms of the Stipulation, the Parties agreed to resolve any and all claims of the Division against the Company relating to New Jersey Corporation Business Tax for periods prior to the 2009 bankruptcy (including the Division's claim for unpaid taxes relating to the years 2002 through 2006 under the alternative minimum assessment method (“AMA”) of determining tax liability). On the Effective Date, pursuant to the Stipulation, the claim asserted by the Division in the Company's 2009 bankruptcy proceedings was reduced to \$1,480 (the “Settlement Payment”) and was deemed to be an allowed priority tax claim, as defined in the Plan of Reorganization, in the amount of \$1,480.

Pursuant to the Stipulation, in December 2011, the Company paid the first installment of the Settlement Payment, totaling \$1,000, to the Division. The second and final installment payment of \$480 was paid by the Company to the Division on April 30, 2012.

Chapter 11 Case Implications

Pursuant to the Plan of Reorganization, on the Consummation Date, TER Holdings realized cancellation of indebtedness income, and as a result, was required to reduce certain tax attributes such as net operating loss carryforwards (“NOLs”) and the tax basis of its assets. Effective January 1, 2011, TER fully reduced its federal NOLs and credit carryforwards generated prior to 2011 as a result of the realized cancellation of indebtedness income pursuant to the applicable provisions of the Internal Revenue Code (the “Code”). The reduction of tax attributes and the application of Section 382 of the Code, as a result of the ownership change occurring on the Consummation Date, could result in increased future tax liabilities for TER Holdings’ partners. TER Holdings is also reviewing the technical merits of a potential tax reporting position as a result of the Plan of Reorganization and related transactions that may result in a substantial additional step-up in the tax basis of its assets. The additional tax basis step-up in its assets resulting from

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this tax reporting position, if any, would be subject to the application of Section 382 of the Code as a result of the ownership change which occurred on the Consummation Date. Any increased deferred tax assets, if any, from this tax reporting position would be offset by a full valuation allowance for financial statement purposes.

NOTE 7 – INCOME RELATED TO DEED AMENDMENT

Pursuant to an Agreement (the “2011 Trump Plaza/Boardwalk Agreement”) entered into on March 14, 2011 between the Company and Boardwalk Florida Enterprises, LLC (“Boardwalk”), the owner of certain real property in Atlantic City that was acquired from Trump Plaza Associates in 2005, the Company and Boardwalk agreed that the deed provision restricting the development of gaming activities on such real property would be discharged and released and replaced with new contractual restrictions set forth in the 2011 Trump Plaza/Boardwalk Agreement. In connection with its execution of the 2011 Trump Plaza/Boardwalk Agreement and the related deed modification, the Company received \$5,465 during March 2011. Such amount is reflected in Nonoperating Income in the statement of income during the six months ended June 30, 2011.

NOTE 8 – INSURANCE PROCEEDS

On July 16, 2010, Trump Plaza was temporarily closed due to a leak in a water main managed by the utility company that provides Trump Plaza with the necessary cold water for its air conditioning. Trump Plaza reopened the majority of its operations on July 18, 2010 after temporary cooling systems were put in place to remediate the problem. Trump Plaza became fully operational on July 22, 2010. The Company filed a business interruption claim with its insurance carrier and received insurance proceeds totaling \$2,085, of which \$1,551 was received during 2011. The Company recorded the \$1,551 of insurance proceeds in other revenues during the six months ended June 30, 2011.

NOTE 9 - TRANSACTIONS WITH AFFILIATES

The Company engages in certain transactions with TER Holdings, Taj Associates, Trump Administration and Marina Associates, all of which are affiliates. Amounts due to affiliates are as follows:

	June 30,	
	2012	2011
Trump Administration	\$ 1,993	\$ 3,252
Marina Associates	388	(62)
Taj Associates	426	170
Total	<u>\$ 2,807</u>	<u>\$ 3,360</u>

Plaza Associates engages in various transactions with 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, but are not limited to, certain shared professional fees, insurance, advertising and payroll costs.

Trump Taj Mahal Associates Administration, a separate division of Taj Associates (“Trump Administration”) provides certain shared services to Plaza Associates. Trump Administration allocated expenses associated with such services to Plaza Associates totaling \$1,664 and \$2,528 during the six months ended June 30, 2012 and 2011, respectively. Plaza Associates reimburses Trump Administration for these allocated expenses.

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On May 24, 2011, TER and Marina Associates completed the sale of the Trump Marina Hotel Casino ("Trump Marina") to Golden Nugget Atlantic City, LLC ("Golden Nugget"), an affiliate of Landry's Restaurants, Inc., pursuant to the Asset Purchase Agreement dated as of February 11, 2011, (as amended, the "Asset Purchase Agreement"). 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 Trump Marina.

NOTE 10 – NON-OPERATING INCOME (EXPENSE)

	Six Months Ended	
	June 30,	
	2012	2011
Interest income	\$ 202	\$ 269
Income related to Utility Agreements (Note 5)	883	-
Income related to Deed Amendment (Note 7)	-	5,465
Total	\$ 1,085	\$ 5,734

NOTE 11 - COMMITMENTS & CONTINGENCIES

Casino License Renewal

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

In June 2007, the CCC renewed the Company's license to operate Trump Plaza for the next five-year period through June 2012. The Company and certain individuals have resubmitted the required documentation supporting a renewal of their qualification and licensure and are authorized to continue to operate while the DGE performs its investigations. 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

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

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Chapter 11 Case

As described in Note 1, on the Petition Date, the Debtors filed voluntary petitions in the Bankruptcy Court seeking relief under 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 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.

On July 16, 2010, the Plan of Reorganization became effective and the transactions contemplated by the Plan of Reorganization were consummated.

On January 10, 2012, the Bankruptcy Court issued its final decree and order closing the Chapter 11 Case.

Notwithstanding the entry of the final decree and order closing the Chapter 11 Case, the Bankruptcy Court has retained jurisdiction to determine the allowance of the claims filed against the Company. Interim distributions have been made in 2012 to holders of certain allowed Class 5 and Class 7 Claims as defined in the Plan of Reorganization. A number of disputed claims have yet to be resolved. If and when these claims are allowed, the claimants will receive distributions pursuant to the Plan of Reorganization.

Casino Reinvestment Development Authority Obligations

As required by the provisions of the New Jersey 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 a contract 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 the 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. We recognized expense of \$145 and \$92 during the six months ended June 30, 2012 and 2011, respectively, to give effect to the below market interest rates associated with CRDA deposits and bonds.

NJSEA Subsidy Agreement

In August 2008, the casinos located in Atlantic City (the “Casinos”) entered into a Purse Enhancement Agreement (the “2008 Subsidy Agreement”) with 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.

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Under the terms of the 2008 Subsidy Agreement, the Casinos were required to make scheduled payments to the NJSEA totaling \$90,000 which was 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 was not used by the NJSEA for the Authorized Uses by January 1, 2012, the unused funds would 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 equated to the 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, was responsible for its respective share of the scheduled amounts due. In the event that any casino failed to make its payment as required, the remaining Casinos had the right, but not the obligation, to cure a payment delinquency.

The Company expensed its share of the \$90,000, approximately \$4,938, based on its actual market share of gross gaming revenue, on a straight-line basis over the term of the 2008 Subsidy Agreement. The Company recorded expense of \$411 and \$823 during the three and six months ended June 30, 2011.

Atlantic City Tourism District

In February 2011, as part of the State of New Jersey's plan to revitalize Atlantic City's casino and tourism industries, a law was enacted requiring the creation of a tourism district (the “Tourism District”) to be administered and managed by the CRDA. The Tourism District includes each of the Atlantic City casino properties, along with certain other tourism related areas of Atlantic City. The law requires, among other things, the creation of a public-private partnership between the CRDA and a private entity that represents existing and future casino licensees. The private entity, known as The Atlantic City Alliance (the “ACA”), was established in the form of a not-for-profit corporation, of which the Company is a member. The public-private partnership established between the ACA and the CRDA is for an initial term of five years. Its general purpose is to revitalize and market the Tourism District. The law requires that a \$5,000 contribution be made to this effort by all casinos prior to 2012, followed by an annual amount of \$30,000 to be contributed by the casinos commencing January 1, 2012 for a term of five years. Each casino's portion of the annual contributions will equate to the percentage representing its gross gaming revenue for the prior calendar year compared to the aggregate gross gaming revenues for that period for all casinos. During the three and six months ended June 30, 2012, we recognized \$309 and \$577 of expense related to our portion of the \$30,000 contribution to be made during 2012. During the three and six months ended June 30, 2011, we recognized \$61 and \$123 of expense related to our portion of the \$5,000 contribution to be made prior to 2012.

Boardwalk Revitalization Project

During 2004, the Boardwalk Revitalization Fund was established by the CRDA to fund eligible boardwalk revitalization projects. The Boardwalk Revitalization Fund may be funded by a portion of the proceeds of the issuance and sale of certain Parking Fee Revenue Bonds and Atlantic City Fund Investment Alternative Tax Obligations.

During November 2011, the CRDA approved Taj Associates’ application for the restoration of its building façade and other elements along its Boardwalk level, its three connecting grand staircases and its open-air second level promenade for its entire frontage along the Atlantic City Boardwalk (the “Boardwalk Façade Project”) and approved a fund reservation in the amount of \$6,859 from such funds to be appropriated from the Company’s and Taj Associates’ remaining designated share of the Boardwalk Revitalization Fund.

A Project Grant Agreement dated as of March 30, 2012 was entered into by and between the CRDA and Taj Associates and Plaza Associates (the “Project Grant Agreement”). Pursuant to the Project Grant Agreement, the amount available from the Boardwalk Revitalization Fund to fund the Boardwalk Façade Project shall not exceed \$6,859 and excess amounts necessary to complete the Project, if any, shall be borne by Taj Associates.

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NOTE 12 – 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.

Balances Measured at Fair Value

	June 30, 2012				June 30, 2011			
	Balance	Level 1	Level 2	Level 3	Balance	Level 1	Level 2	Level 3
CRDA investments, net \$	12,418		\$ 12,418		\$ 12,890		\$ 12,890	

The fair value measurements relating to the Company’s CRDA bonds and deposits were determined using inputs within Level 2 of ASC 820’s hierarchy. CRDA assets are discussed in Note 11.

Balances Disclosed at Fair Value

The carrying amounts of financial instruments included in current assets and current liabilities approximate their fair values due to their short-term nature. The carrying amounts of CRDA investments approximate their fair value as a result of allowances established to give effect to below-market interest rates.

The estimated fair values of other financial instruments are as follows:

	June 30, 2012			
	Amount Outstanding	Carrying Value	Estimated Fair Value	Fair Value Hierarchy
12% Revolving Grid Note	\$ 68,161	\$ 68,161	\$ 68,161	Level 2
	June 30, 2011			
	Amount Outstanding	Carrying Value	Estimated Fair Value	Fair Value Hierarchy
12% Revolving Grid Note	\$ 71,679	\$ 71,679	\$ 71,679	Level 2

The carrying amount of the Grid Note approximates its fair value. The Company’s other long-term debt was not significant at June 30, 2012 and June 30, 2011.