

**GOLDEN NUGGET ATLANTIC CITY, LLC
QUARTERLY REPORT**

FOR THE QUARTER ENDED SEPTEMBER 30, 2011

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



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

GOLDEN NUGGET ATLANTIC CITY, LLC

BALANCE SHEETS

AS OF SEPTEMBER 30, 2011 *

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$23,126	
2	Short-Term Investments.....			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2011 \$335 ; 2010, \$0).....		3,161	
4	Inventories		779	
5	Other Current Assets.....		1,690	
6	Total Current Assets.....		28,756	0
7	Investments, Advances, and Receivables.....		415	
8	Property and Equipment - Gross.....		64,255	
9	Less: Accumulated Depreciation and Amortization.....		(596)	
10	Property and Equipment - Net.....		63,659	0
11	Other Assets.....		9,743	
12	Total Assets.....		\$102,573	\$0
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$8,366	
14	Notes Payable.....			
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....			
16	External.....		1,037	
17	Income Taxes Payable and Accrued.....			
18	Other Accrued Expenses.....		9,718	
19	Other Current Liabilities.....		653	
20	Total Current Liabilities.....		19,774	0
	Long-Term Debt:			
21	Due to Affiliates.....			
22	External.....		45,271	
23	Deferred Credits			
24	Other Liabilities.....			
25	Commitments and Contingencies.....			
26	Total Liabilities.....		65,045	0
27	Stockholders', Partners', or Proprietor's Equity.....		37,528	
28	Total Liabilities and Equity.....		\$102,573	\$0

* Golden Nugget Atlantic City, LLC began operations on May 24, 2011

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

GOLDEN NUGGET ATLANTIC CITY, LLC

STATEMENTS OF INCOME

FOR THE PERIOD MAY 24 THROUGH SEPTEMBER 30, 2011*

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	Revenue:			
1	Casino.....		\$48,915	
2	Rooms.....		7,307	
3	Food and Beverage.....		6,520	
4	Other.....		3,413	
5	Total Revenue.....		66,155	0
6	Less: Promotional Allowances.....		16,359	
7	Net Revenue.....		49,796	0
	Costs and Expenses:			
8	Cost of Goods and Services.....		41,970	
9	Selling, General, and Administrative.....		4,193	
10	Provision for Doubtful Accounts.....		336	
11	Total Costs and Expenses.....		46,499	0
12	Gross Operating Profit.....		3,297	0
13	Depreciation and Amortization.....		596	
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	
15	Other.....		0	
16	Income (Loss) from Operations.....		2,701	0
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....			
18	Interest Expense - External.....		(1,440)	
19	CRDA Related Income (Expense) - Net.....		(208)	
20	Nonoperating Income (Expense) - Net.....		1,475	
21	Total Other Income (Expenses).....		(173)	0
22	Income (Loss) Before Taxes and Extraordinary Items.....		2,528	0
23	Provision (Credit) for Income Taxes.....			
24	Income (Loss) Before Extraordinary Items.....		2,528	0
25	Extraordinary Items (Net of Income Taxes - 2011, \$0; 2010, \$0).....			
26	Net Income (Loss).....		\$2,528	\$0

* Golden Nugget Atlantic City, LLC began operations on May 24, 2011

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

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GOLDEN NUGGET ATLANTIC CITY, LLC

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011 *

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	Revenue:			
1	Casino.....		\$34,930	
2	Rooms.....		5,439	
3	Food and Beverage.....		4,737	
4	Other.....		2,581	
5	Total Revenue.....		47,687	0
6	Less: Promotional Allowances.....		11,682	
7	Net Revenue.....		36,005	0
	Costs and Expenses:			
8	Cost of Goods and Services.....		30,519	
9	Selling, General, and Administrative.....		3,018	
10	Provision for Doubtful Accounts.....		296	
11	Total Costs and Expenses.....		33,833	0
12	Gross Operating Profit.....		2,172	0
13	Depreciation and Amortization.....		518	
	Charges from Affiliates Other than Interest:			
14	Management Fees.....		0	
15	Other.....		0	
16	Income (Loss) from Operations.....		1,654	0
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....		0	
18	Interest Expense - External.....		(870)	
19	CRDA Related Income (Expense) - Net.....		(148)	
20	Nonoperating Income (Expense) - Net.....		18	
21	Total Other Income (Expenses).....		(1,000)	0
22	Income (Loss) Before Taxes and Extraordinary Items.....		654	0
23	Provision (Credit) for Income Taxes.....			
24	Income (Loss) Before Extraordinary Items.....		654	0
25	Extraordinary Items (Net of Income Taxes - 2011, \$ _____; 2010, \$ _____).....			
26	Net Income (Loss).....		\$654	\$0

* Golden Nugget Atlantic City, LLC began operations on May 24, 2011

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

GOLDEN NUGGET ATLANTIC CITY, LLC STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE PERIOD MAY 24 THROUGH SEPTEMBER 30, 2011 *

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2009.....					\$0
2	Net Income (Loss) - 20__.....					0
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, 2010.....		0	0	0	0
11	Net Income (Loss) - 5/24 -9/30.....			2,528		2,528
12	Capital Contributions.....		35,000			35,000
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16	_____.....					0
17	_____.....					0
18	_____.....					0
19	Balance, September 30, 2011.....		\$35,000	\$2,528	\$0	\$37,528

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

GOLDEN NUGGET ATLANTIC CITY, LLC

STATEMENTS OF CASH FLOWS

FOR THE PERIOD MAY 24 THROUGH SEPTEMBER 30, 2011 *

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$6,963	\$0
	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.....		(22,894)	0
5	Proceeds from Disposition of Property and Equipment.....			
6	CRDA Obligations		(623)	
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances			
9	Cash Outflows to Acquire Business Entities.....		(33,544)	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(57,061)	0
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt.....			
15	Proceeds from Long-Term Debt		66,097	
16	Costs of Issuing Debt.....		(4,723)	
17	Payments to Settle Long-Term Debt.....		(23,150)	
18	Cash Proceeds from Issuing Stock or Capital Contributions...		35,000	0
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21				
22				
23	Net Cash Provided (Used) By Financing Activities.....		73,224	0
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		23,126	0
25	Cash and Cash Equivalents at Beginning of Period.....			
26	Cash and Cash Equivalents at End of Period.....		\$23,126	\$0
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....			
28	Income Taxes.....		\$0	

The accompanying notes are an integral part of the financial statements.
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GOLDEN NUGGET ATLANTIC CITY, LLC

STATEMENTS OF CASH FLOWS

FOR THE PERIOD MAY 24 THROUGH SEPTEMBER 30, 2011 *

(UNAUDITED)

(\$ IN THOUSANDS)

AMENDED JULY 25, 2012

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		\$2,528	
30	Depreciation and Amortization of Property and Equipment.....		596	
31	Amortization of Other Assets.....			
32	Amortization of Debt Discount or Premium.....		332	
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment.....			
36	(Gain) Loss on CRDA-Related Obligations.....		208	
37	(Gain) Loss from Other Investment Activities.....		(1,453)	
38	(Increase) Decrease in Receivables and Patrons' Checks		(3,161)	
39	(Increase) Decrease in Inventories		(484)	
40	(Increase) Decrease in Other Current Assets.....		(456)	
41	(Increase) Decrease in Other Assets.....		(5,138)	
42	Increase (Decrease) in Accounts Payable.....		8,366	
43	Increase (Decrease) in Other Current Liabilities		5,625	
44	Increase (Decrease) in Other Liabilities			
45				
46				
47	Net Cash Provided (Used) By Operating Activities.....		\$6,963	\$0

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$26,255)	
49	Less: Capital Lease Obligations Incurred.....		3,361	
50	Cash Outflows for Property and Equipment.....		(\$22,894)	\$0
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....		(\$38,000)	
52	Goodwill Acquired.....			
53	Other Assets Acquired - net		4,456	
54	Long-Term Debt Assumed.....			
55	Issuance of Stock or Capital Invested.....			
56	Cash Outflows to Acquire Business Entities.....		(\$33,544)	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$35,000	\$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.....		\$35,000	\$0

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

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

**GOLDEN NUGGET ATLANTIC CITY, LLC
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED SEPTEMBER 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 Division of Gaming Enforcement'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 requirements contained in N.J.S.A. 5:12-84(a)1-5 during the quarter.

July 25, 2012

Date



Keith Crede

Vice President Finance

Title

6939-11

License Number

On Behalf of:

GOLDEN NUGGET ATLANTIC CITY, LLC

Casino Licensee

GOLDEN NUGGET, LLC AND SUBSIDIARIES
NOTES TO CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Golden Nugget, LLC (the “Company,” “GNLLC,” ”we” or “us”) is the parent of Golden Nugget Atlantic City, LLC (“GNAC”). GNAC operates the Golden Nugget Atlantic City hotel and casino in Atlantic City, NJ. We are wholly owned by Fertitta Entertainment Holdings, LLC and an affiliate of Landry’s, Inc, which also owns the Golden Nugget hotels and casinos in Las Vegas and Laughlin, NV. On May 24, 2011, GNAC purchased the assets of Trump Marina Associates, LLC for approximately \$38.0 million.

We had no operations prior to May 24, 2011.

Use of Estimates

The condensed consolidated financial statements included herein have been prepared without audit. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. In the opinion of management, all adjustments, consisting of normal recurring items and estimates necessary for a fair presentation of the results for interim periods have been made. Estimates are used for, but not limited to, the assessment of recoverability of long lived assets; costs to settle unpaid claims and the redemptions of cash back points. Actual results could differ from those estimates.

Revenue Recognition and Promotional Allowances

Casino revenue is the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs (“casino front money”) and for chips in the customer’s possession (“outstanding chip liability”). Casino revenues are recognized net of certain sales incentives. We record sales incentives as a reduction of revenue. In addition, accruals for the cost of cash-back points in point-loyalty programs, such as points earned in slot players clubs, are recorded as a reduction of revenue.

Hotel, food and beverage, entertainment and other operating revenues are recognized as services are performed. The retail value of accommodations, food and beverage, and other services furnished to hotel-casino guests without charge is included in gross revenue and then deducted as promotional allowances.

The estimated retail value of such promotional allowances is included in operating revenues as follows:

	Three Months Ended September 30, 2011	For the Period From May 24, 2011 (Inception) Through September 30, 2011
Rooms	\$ 2,294	\$ 3,174
Food & Beverage	2,241	3,195
Other	210	298
	<u>\$ 4,745</u>	<u>\$ 6,667</u>

The estimated cost of providing such promotional allowances is primarily included in casino expenses as follows:

	Three Months Ended September 30, 2011	For the Period From May 24, 2011 (Inception) Through September 30, 2011
Rooms	\$ 1,515	\$ 2,044
Food & Beverage	2,604	3,930
Other	362	437
	<u>\$ 4,481</u>	<u>\$ 6,411</u>

GOLDEN NUGGET, LLC AND SUBSIDIARIES
NOTES TO CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Financial Instruments

Generally Accepted Accounting Principles (GAAP) establishes a hierarchy for fair value measurements, such that Level 1 measurements include unadjusted quoted market prices for identical assets or liabilities in an active market, Level 2 measurements include quoted market prices for identical assets or liabilities in an active market which have been adjusted for items such as effects of restrictions for transferability and those that are not quoted but are observable through corroboration with observable market data, including quoted market prices for similar assets, and Level 3 measurements include those that are unobservable and of a highly subjective measure.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate the carrying amounts due to their short maturities. The fair value of our long-term debt instruments are estimated based on quoted market prices, where available, or on the amount of future cash flows associated with each instrument, discounted using our current borrowing rate for comparable debt instruments. The estimated fair values of our significant long-term debt, including the current portions, are as follows:

	September 30, 2011	
	Carrying Value	Fair Value
Libor + 8.5% (floor 1.5%) Revolving credit facility due November 2015	\$ 6,500	\$ 6,143
4.8% - 8.0% Various equipment loans due May 2013 through July 2014	3,308	3,308
Libor + 8.5% (floor 1.5%) First Lien Term Loan due May 2016	36,500	34,493
	\$ 46,308	\$ 43,944

Casino License Renewal

We are subject to regulation and licensing by the Division of Gaming Enforcement (“DGE”) and are currently operating under a temporary license issued by the DGE on May 24, 2011. During the formal licensing process, our license is held in trust to be in compliance with the DGE regulations. We expect to receive full licensure approval in the near future.

Recently Issued and Adopted Accounting Pronouncements

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements* (“ASU No. 2010-06”). The new standard addresses, among other things, guidance regarding activity in Level 3 fair value measurements. Portions of ASU No. 2010-06 that relate to the Level 3 activity disclosures are effective for the annual reporting period beginning after December 15, 2010. We are currently evaluating the potential impact this guidance may have on our consolidated financial statements.

In December 2010, the FASB issued ASU 2010-29, “Business Combinations (Topic 805).” This ASU specifies that if a company presents comparative financial statements, the company should disclose revenue and earnings of the combined entity as though the business combination that occurred during the year had occurred as of the beginning of the comparable prior annual reporting period only. The ASU also expands the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the pro forma revenue and earnings. This ASU is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. We have adopted this ASU and included all required disclosures in the notes to the financial statements.

In May 2011, the FASB issued ASU 2011-04, “Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” This ASU clarifies the application of certain existing fair value measurement guidance and expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This guidance is effective for interim and annual periods beginning on or after December 15, 2011, applied prospectively. The adoption of this guidance is not expected to have a material impact on our consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, “Testing Goodwill for Impairment”. The ASU provides the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the results of the qualitative analysis indicate it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the quantitative two-step impairment test, which is required under current U.S. GAAP, would not be

GOLDEN NUGGET, LLC AND SUBSIDIARIES
NOTES TO CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

necessary. The ASU is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this guidance is not expected to have an impact on our consolidated financial statements.

In September, 2011, the FASB issued ASU No. 2011-09, “Compensation – Retirement Benefits – Multiemployer Plans (Subtopic 715-80).” The amendments in this ASU require that employers provide, on an annual basis, additional separate disclosures for all individually significant multiemployer pension plans and multiemployer other postretirement benefit plans. The revisions do not change the current recognition and measurement guidance for an employer’s participation in a multiemployer plan. The ASU is effective for fiscal years ending after December 15, 2012 for nonpublic entities. Early adoption is permitted and retrospective application is required. We are currently reviewing the effects of ASU No. 2011-9. The adoption of this guidance will likely require us to provide additional disclosures, but will not have an impact on our consolidated financial statements.

Segment Reporting

GNAC owns and operates the Golden Nugget Atlantic City hotel and casino which consists of one property in Atlantic City, New Jersey. This property includes gaming, hotel, dining, entertainment, retail and other related amenities. Management believes that this property meets all of the criteria for aggregating operating segments with similar economic characteristics, products and services, production processes, class of customers, distribution methods, and regulatory environment. As such GNAC is comprised of one reportable segment.

2. ACQUISITION OF THE ASSETS OF TRUMP MARINA ASSOCIATES, LLC

On May 24, 2011, GNAC purchased the assets of Trump Marina Associates, LLC for approximately \$38.0 million in cash, plus the assumption of certain additional working capital liabilities to expand the Golden Nugget name into the second largest gaming market in America. The purchase price and planned capital improvements were funded by a \$36.5 million first lien term loan due in 2016, a \$20.0 million delayed draw term loan due in 2016, a \$10.0 million revolving credit facility due in 2015 and a \$35.0 million capital contribution.

A summary of assets acquired and liabilities assumed in the acquisition is set forth below:

Estimated fair value of assets acquired	
Current assets.....	\$ 5,716
Property and equipment.....	38,000
Total assets acquired.....	<u>43,716</u>
Estimated fair value of liabilities assumed	
Current liabilities.....	(5,716)
Other long term liabilities.....	-
Total liabilities assumed.....	<u>(5,716)</u>
Allocated purchase price.....	38,000
Less: Cash acquired.....	<u>(4,187)</u>
Net cash paid.....	<u>\$ 33,813</u>

The acquisition was accounted for in accordance with ASC Topic 805, Business Combinations (“ASC 805”). Accordingly, the purchase price was preliminarily allocated to the assets acquired and liabilities assumed based on their estimated fair value at the acquisition date. The allocations reflect various provisional estimates that were available at the time and are subject to change during the purchase price allocation period as valuations are finalized.

Under ASC 805, acquisition related costs (i.e., advisory, legal, valuation and other professional fees) are not included as a component of consideration transferred, but are accounted for as expenses in the periods in which the costs are incurred. As of September 30, 2011, we have incurred approximately \$0.2 million in acquisition related costs. These amounts are included in general and administrative expense in our consolidated financial statements.

GOLDEN NUGGET, LLC AND SUBSIDIARIES
NOTES TO CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

3. ACCRUED LIABILITIES

Accrued liabilities consisted of the following:

	September 30, 2011
Salaries and related benefits	\$ 6,342
Gaming related, excluding taxes	2,336
Taxes, other than income taxes	1,528
Interest payable and other	153
Total accrued liabilities	\$ 10,359

4. LONG TERM DEBT

In May 2011, we completed a \$66.5 million credit facility consisting of a \$10.0 million revolving credit facility, a \$36.5 million first lien term loan, and a \$20.0 million delayed draw term loan. The \$20.0 million delayed draw term loan will be used as needed to finance the remodeling of the hotel and casino. The revolving credit facility expires on November 30, 2015 and the first lien term loan and delayed draw term loan mature on May 31, 2016 and November 30, 2016, respectively. Both the term loans and the revolving credit facility bear interest at Libor or the bank's base rate, plus a financing spread of 8.5% at September 30, 2011. In addition, the credit facility requires a commitment fee on the unfunded portion of the \$10.0 million revolving credit facility. The first lien term loan requires one percent of the outstanding principal balance due annually to be paid in equal quarterly installments commencing on June 30, 2012, with the balance due on maturity. Principal of the delayed draw term loan is due at maturity. We have granted liens on substantially all real property and personal property as collateral under the credit facility and guarantee the credit facility.

The delayed draw term loan will be funded by our parent and bears interest identical to the first lien term loan, may not be repaid until the first lien term loan and revolver have been repaid in full and is subordinated to the first lien term loan and revolver with respect to collateral. The loan is guaranteed by our parent and one of its subsidiaries. In addition, our parent has committed to provide up to \$21.0 million in additional funds in the form of unsecured subordinated payment in kind (PIK) indebtedness by January 15, 2012, as needed to complete the renovations, which will also be guaranteed by the subsidiary.

In addition to the credit facility, we have entered into a number of equipment loans for the purchase of gaming hardware and software. These loans have maturities ranging from May 2013 to July 2014 and bear interest at rates ranging from 4.8% to 8.0%. Principal and interest payments are due monthly.

Our debt agreements contain various restrictive covenants including maximum capital expenditures, limitations on dividend payments and other restricted payments as defined in the agreements. Commencing June 2012, we are also subject to restrictive covenants including maximum leverage and interest coverage. In addition, we hold certain interest payments in escrow which are classified as restricted cash in our consolidated balance sheet. As of September 30, 2011, the delayed draw term loan was undrawn and our available borrowing capacity under the revolving credit facility was approximately \$3.5 million.

Long-term debt is comprised of the following:

	September 30, 2011
\$10.0 million revolving credit facility, Libor + 8.5% (floor 1.5%) due November 2015	\$ 6,500
Various equipment loans, 4.8% - 8.0% principal and interest paid monthly, due May 2013 - July 2014	3,308
\$36.5 million First Lien Term Loan, Libor + 8.5% (floor 1.5%) \$91,000 principal paid quarterly beginning June 30, 2012, due May 2016	36,500
Total debt	46,308
Less current portion	(1,037)
Long-term debt	\$ 45,271

GOLDEN NUGGET, LLC AND SUBSIDIARIES
NOTES TO CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

5. EMPLOYEE BENEFIT PLAN

Certain of our employees are covered by union-sponsored, collective bargained, multi-employer health and welfare and defined benefit pension plans. We recorded expenses of \$1.4 million for the three months ended September 30, 2011, and \$2.2 million for the period from May 24, 2011 (inception) through September 30, 2011. The plans' sponsors have not provided sufficient information to permit us to determine our share of unfunded vested benefits, if any. However, based on available information, we do not believe that unfunded amounts attributable to our casino operations are material.

We are self-insured up to certain limits for most health care benefits for our non-union employees. The liability for claims filed and estimates of claims incurred but not reported is included in the accrued liabilities caption in the accompanying consolidated balance sheets.

We sponsor a retirement savings plan under Section 401(k) of the Internal Revenue Code covering our non-union employees. The plan is available to certain employees with at least six months of service. For those employees who were previously employed by Trump Marina Associates, LLC, for at least six months, participation in the plan was made available beginning June 1, 2011. The plan allows eligible employees to defer, within prescribed limits, a percentage of their income on a pre-tax basis through contributions to the plan. We match on a discretionary basis, subject to a vesting schedule. We recorded no charges for matching contributions for the period ended September 30, 2011.

6. COMMITMENTS AND CONTINGENCIES

Casino Reinvestment Development Authority Obligation

As required by the provisions of the New Jersey Casino Control Act (the "Act"), a casino licensee must pay an investment alternative tax of 2.5% of its gross casino revenues as defined in the 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 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 CRDA, the Company is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

For the period ended September 30, 2011, the Company charged to other expense \$208,000 to give effect to the below market interest rates associated with CRDA deposits.

CRDA deposits, net of allowances of \$208,000, reflected on the accompanying balance sheet as of September 30, 2011 are \$415,000.

Building Commitments

As of September 30, 2011, we estimate aggregate capital expenditures for the next twelve months to be approximately \$54.0 million.

General Litigation

We are subject to legal proceedings and claims that arise in the ordinary course of business. We do not believe that the outcome of any of these matters will have a material adverse effect on our financial position, results of operations or cash flows.

7. TRANSACTIONS WITH AFFILIATES

Trademark Licensing Agreement

We license the Golden Nugget trademark pursuant to a five-year Trademark License Agreement (the "Agreement") with an affiliate, GNLV, Corp., which commenced on May 24, 2011. Under the Agreement, we are granted a nonexclusive license to use the Golden Nugget trademarks and other marks in connection with the marketing and operation of our hotel and casino property. Fees payable under the agreement include license fees of \$0.25 million per year and royalty fees equal to 3% of certain non-gaming revenues above \$55.0 million during each year of the license term.

Shared Services Agreement

We have entered into a Shared Services Agreement (SSA) with an affiliate, Landry's, Inc. ("Landry's"). Pursuant to the SSA, the parties agree to cooperatively develop and implement joint programs for the procurement and implementation of certain products and services including insurance and risk management, legal, information technology, entertainment,

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general purchasing, financial planning and accounting, human resources and employee benefit administration, marketing, strategic and tactical business planning, retail and executive management. The SSA provides for the reimbursement of expenses if either party incurs costs in excess of its proportional share.

Tenant Agreement

We have entered into certain lease agreements with wholly owned subsidiaries of Landry's wherein they operate restaurants in our casino property and we receive rental payments. Moreover, we routinely enter into certain transactions with affiliated companies. These transactions have been entered into between related parties and are not the result of arm's-length negotiations. Accordingly, the terms of the transactions may have been more or less favorable to us than might have been obtained from unaffiliated third parties. Rental revenue from the Landry's subsidiaries totaled \$79,000 for the three months ended September 30, 2011, and \$104,000 for the period from May 24, 2011 (inception) through September 30, 2011.

8. SUBSEQUENT EVENTS

We have evaluated subsequent events through November 14, 2011, which is the date our financial statements were issued.