TRUMP PLAZA 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 PLAZA ASSOCIATES, LLC
BALANCE SHEETS

AS OF JUNE 30, 2011 AND 2010

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$11,695	$13,961
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2011, $1,663; 2010, $6,086)	1	9,873	10,454
4	Inventories		882	1,391
5	Other Current Assets	5	2,552	4,298
6	Total Current Assets		25,002	30,104
7	Investments, Advances, and Receivables	12	12,890	17,275
8	Property and Equipment - Gross	3	66,672	33,404
9	Less: Accumulated Depreciation and Amortization	3	(8,999)	(3,298)
10	Property and Equipment - Net	3	57,673	30,106
11	Other Assets		5,609	8,990
12	Total Assets		$101,174	$86,475
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$2,675	$4,903
14	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates	4	0	356,335
16	External	4	286	308
17	Income Taxes Payable and Accrued	5	2,384	2,384
18	Other Accrued Expenses		9,522	12,472
19	Other Current Liabilities	10	15,619	15,342
20	Total Current Liabilities		30,486	391,744
	Long-Term Debt:			
21	Due to Affiliates	4	71,679	0
22	External	4	0	240
23	Deferred Credits	5	62	62
24	Other Liabilities	5	9,471	13,899
25	Commitments and Contingencies	12	0	0
26	Total Liabilities		111,698	405,945
27	Stockholders', Partners', or Proprietor's Equity	1	(10,524)	(319,470)
28	Total Liabilities and Equity		$101,174	$86,475

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, 2011 AND 2010

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	Revenue:			
1	Casino		$73,637	$91,027
2	Rooms		11,053	11,171
3	Food and Beverage		8,532	10,672
4	Other		4,398	3,625
5	Total Revenue		97,620	116,495
6	Less: Promotional Allowances		27,251	26,938
7	Net Revenue		70,369	89,557
	Costs and Expenses:			
8	Cost of Goods and Services		58,714	71,752
9	Selling, General, and Administrative		9,924	14,640
10	Provision for Doubtful Accounts		565	975
11	Total Costs and Expenses		69,203	87,367
12	Gross Operating Profit		1,166	2,190
13	Depreciation and Amortization	3	5,264	1,986
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other	10	2,528	3,179
16	Income (Loss) from Operations		(6,626)	(2,975)
	Other Income (Expenses):			
17	Interest Expense - Affiliates	1 & 4	(4,110)	(2,909)
18	Interest Expense - External	4 & 5	(783)	(727)
19	CRDA Related Income (Expense) - Net	12	(92)	(341)
20	Nonoperating Income (Expense) - Net	7 & 11	5,734	303
21	Total Other Income (Expenses)		749	(3,674)
22	Income (Loss) Before Taxes and Extraordinary Items		(5,877)	(6,649)
23	Provision (Credit) for Income Taxes	5	0	0
24	Income (Loss) Before Extraordinary Items		(5,877)	(6,649)
25	Extraordinary Items (Net of Income Taxes - 2011, $0; 2010, $0)		0	0
26	Net Income (Loss)		($5,877)	($6,649)

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, 2011 AND 2010

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	Revenue:			
1	Casino		$39,096	$48,411
2	Rooms		6,496	6,044
3	Food and Beverage		4,729	6,017
4	Other		1,599	1,914
5	Total Revenue		51,920	62,386
6	Less: Promotional Allowances		15,908	14,757
7	Net Revenue		36,012	47,629
	Costs and Expenses:			
8	Cost of Goods and Services		29,409	37,419
9	Selling, General, and Administrative		5,395	7,226
10	Provision for Doubtful Accounts		339	511
11	Total Costs and Expenses		35,143	45,156
12	Gross Operating Profit		869	2,473
13	Depreciation and Amortization	3	2,679	964
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other	10	1,179	1,627
16	Income (Loss) from Operations		(2,989)	(118)
	Other Income (Expenses):			
17	Interest Expense - Affiliates	1 & 4	(1,992)	(1,459)
18	Interest Expense - External	4 & 5	(389)	(360)
19	CRDA Related Income (Expense) - Net	12	(43)	(180)
20	Nonoperating Income (Expense) - Net		128	106
21	Total Other Income (Expenses)		(2,296)	(1,893)
22	Income (Loss) Before Taxes and Extraordinary Items		(5,285)	(2,011)
23	Provision (Credit) for Income Taxes	5	0	0
24	Income (Loss) Before Extraordinary Items		(5,285)	(2,011)
25	Extraordinary Items (Net of Income Taxes - 2011, $0; 2010, $0)		0	0
26	Net Income (Loss)		($5,285)	($2,011)

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, 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..........**		$146,330	($459,151)	$0	($312,821)
2	Net Income (Loss) - 2010..........			308,174		308,174
3	Capital Contributions................	1	11,634			11,634
4	Capital Withdrawals..................					0
5	Partnership Distributions...........					0
6	Prior Period Adjustments...........					0
7	Elimination of Predecessor Co.					0
8	Equity/Deficit	1	(146,330)	134,696		(11,634)
9						0
10	**Balance, December 31, 2010..........**		11,634	(16,281)	0	(4,647)
11	Net Income (Loss) - 2011..........			(5,877)		(5,877)
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..................**		$11,634	($22,158)	$0	($10,524)

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, 2011 AND 2010

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		($1,359)	($1,794)
	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............................		(2,183)	(688)
5	Proceeds from Disposition of Property and Equipment...........			
6	CRDA Obligations	12	(881)	(1,098)
7	Other Investments, Loans and Advances made.......................		0	0
8	Proceeds from Other Investments, Loans, and Advances			
9	Cash Outflows to Acquire Business Entities...........................		0	0
10	....		0	0
11	....			
12	Net Cash Provided (Used) By Investing Activities....................		(3,064)	(1,786)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt.....................................		0	0
15	Proceeds from Long-Term Debt			
16	Costs of Issuing Debt..			
17	Payments to Settle Long-Term Debt......................................	4	(111)	(101)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock..			
20	Payments of Dividends or Capital Withdrawals......................			
21	Borrrowings Under Grid Note Payable	4	3,355	1,510
22	....			
23	Net Cash Provided (Used) By Financing Activities...................		3,244	1,409
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		(1,179)	(2,171)
25	Cash and Cash Equivalents at Beginning of Period...................		12,874	16,132
26	Cash and Cash Equivalents at End of Period.............................		$11,695	$13,961

Line	Description	Notes	2011	2010
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).......................................		$1,123	$1,814
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, 2011 AND 2010

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)............		($5,877)	($6,649)
30	Depreciation and Amortization of Property and Equipment...	3	5,264	1,986
31	Amortization of Other Assets............		0	0
32	Amortization of Debt Discount or Premium............			
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent		0	0
35	(Gain) Loss on Disposition of Property and Equipment.........			
36	(Gain) Loss on CRDA-Related Obligations............	12	92	341
37	(Gain) Loss from Other Investment Activities............			
38	(Increase) Decrease in Receivables and Patrons' Checks		1,867	3,770
39	(Increase) Decrease in Inventories		38	(134)
40	(Increase) Decrease in Other Current Assets............		638	(512)
41	(Increase) Decrease in Other Assets............		489	(120)
42	Increase (Decrease) in Accounts Payable............		(386)	539
43	Increase (Decrease) in Other Current Liabilities		(3,023)	(617)
44	Increase (Decrease) in Other Liabilities		(461)	(398)
45	....		0	0
46	....		0	0
47	Net Cash Provided (Used) By Operating Activities............		($1,359)	($1,794)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2011 (c)	2010 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment............		($2,183)	($688)
49	Less: Capital Lease Obligations Incurred............			
50	Cash Outflows for Property and Equipment............		($2,183)	($688)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired............			
52	Goodwill Acquired............			
53	Other Assets Acquired - net			
54	Long-Term Debt Assumed............			
55	Issuance of Stock or Capital Invested............			
56	Cash Outflows to Acquire Business Entities............		$0	$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions............		$0	$0
58	Less: Issuances to Settle Long-Term Debt............		0	0
59	Consideration in Acquisition of Business Entities............		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions......		$0	$0

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

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED 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 <u>N.J.A.C.</u> 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 PLAZA ASSOCIATES, LLC
Casino Licensee

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

NOTE 1 – GENERAL

Organization and Operations

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

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

Basis of Presentation

The accompanying financial statements have been prepared pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the "CCC"). Accordingly, certain information and note disclosures normally included in the financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 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 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. During 2010, the company did not record contractual interest expense on the 8.5% Note Payable due 2015. The company continued to record interest expense under the contractual terms of its 8.5% Grid Note. Total interest expense would have been $7,921 and $15,840, respectively during the three and six months ended June 30, 2010 had the Company recorded interest expense under its contractual agreements.

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

(in thousands)

As a result of the adoption of fresh-start reporting, the Reorganized Company's post-emergence financial statements are generally not comparable with the financial statements of the Predecessor Company prior to its emergence from bankruptcy, including the historical financial statements included in this report. Due to the adoption of fresh-start reporting, the Predecessor Company and the Reorganized Company financial statements are prepared on different bases of accounting.

NOTE 2 – CHAPTER 11 PROCEEDINGS

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

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.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	June 30, 2011	June 30, 2010
Land and land improvements	$ 11,094	$ 9,542
Building and building improvements	45,344	15,532
Furniture, fixtures and equipment	10,149	8,304
Construction-in-progress	85	26
	66,672	33,404
Less accumulated depreciation and amortization	(8,999)	(3,298)
Net property and equipment	$ 57,673	$ 30,106

As discussed in Note 1, the Company adopted fresh-start reporting upon its emergence from chapter 11 on the Consummation Date. In connection with fresh-start reporting, the Company increased the carrying value of its property and equipment to record property and equipment at its fair value as of the Consummation Date in accordance with ASC 852.

(in thousands)

NOTE 4 - DEBT

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

	June 30, 2011	June 30, 2010
12% Revolving Grid Note - TER Holdings, due December 31, 2015, interest due and payable monthly	$ 71,679	$ -
8.5% Note Payable - TER Holdings and TER Funding, subject to compromise, due June 1, 2015, interest payable semi-annually due June and December	-	287,153
8.5% Revolving Grid Note - TER Holdings, subject to compromise, due January 1, 2013, interest due and payable monthly	-	69,182
Capitalized lease obligations, payments due at various dates through 2012, secured by equipment financed, interest at 8.5%	286	548
	71,965	356,883
Less: current maturities	(286)	(356,643)
Long-term debt, net of current maturities	$ 71,679	$ 240

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 $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, 2011, TER had outstanding borrowings of $303,035 under the Amended and Restated Credit Agreement.

Predecessor Company

Event of Default

As discussed in Note 2, on February 17, 2009, the Debtors filed voluntary petitions in the Bankruptcy Court seeking relief under the provisions of chapter 11 of the Bankruptcy Code. The filing of the Chapter 11 Case constituted an event of default and therefore triggered repayment obligations under the $493,250 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% Note Payable

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

.

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

NOTE 5 - 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 $10,448, including interest. In accordance with ASC Topic 805 – "Business Combinations" ("ASC 805"), $5,741 of unrecognized tax benefits would affect the Company's effective tax rate, if recognized. It is reasonably possible that certain unrecognized tax benefits related to income tax examinations totaling $2,384 could be settled during the next twelve months.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties as a component of income tax expense. The Company recognized approximately $211 and $419, during the three and six months ended June 30, 2011, respectively and $150 and $305 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 $4,195 accrued for the payment of interest on uncertain tax positions. In accordance with ASC 805, to the extent interest is not assessed with respect to uncertain tax positions of the Company, amounts accrued will be reduced and reflected as a reduction of interest expense.

Federal and State Income Tax Audits

Tax years 2006 through 2010 remain subject to examination by the federal tax authority. Tax years 1995 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 $9,936 for taxes and interest relating to this alternative minimum tax assessment for 2002 and 2003, as well as the open years 2004 through 2006. The Company has had discussions with the New Jersey Division of Taxation regarding settlement of these assessments.

Chapter 11 Case Implications

Pursuant to the Plan of Reorganization, on the Consummation Date, TER Holdings realized cancellation of indebtedness income which is excludable for tax purposes due to the Bankruptcy proceedings. As a result, TER Holdings' partners were required to reduce certain tax attributes such as net operating losses and the tax basis of assets. The reduction of certain tax attributes could result in increased future tax liabilities for TER Holdings' partners. The Company is also currently reviewing the technical merits of a potential tax reporting position as a result of the 2010 restructuring and related transactions that may result in a substantial step-up in the tax basis of the Company's assets.

NOTE 6 - 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 $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 7 – INCOME RELATED TO DEED AMENDMENT

Pursuant to an Agreement (the "2011 Trump Plaza/Boardwalk Agreement") entered into on March 14, 2011 between Trump Plaza Associates and Boardwalk Florida Enterprises, LLC ("Boardwalk"), the owner of certain real property in Atlantic City that was acquired from Trump Plaza Associates in 2005, Trump Plaza Associates 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 on March 14, 2011. Such amount is included in the statement of income for 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 recognized the $1,551 of insurance proceeds as other revenues during the six months ended June 30, 2011.

(in thousands)

NOTE 9 – FAIR VALUE MEASUREMENTS

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

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

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 12.

NOTE 10 - TRANSACTIONS WITH AFFILIATES

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

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

	June 30,	
	2011	**2010**
Trump Administration	$ 3,252	$ 2,050
Marina Associates	(62)	(61)
Taj Associates	170	(95)
Total	$ 3,360	$ 1,894

Plaza Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities that are affiliates of TER. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance, advertising and payroll costs as well as complimentary services offered to customers.

Trump Administration, which is a separate division of Taj Associates, provides certain shared services to Plaza Associates. Trump Administration allocated expenses associated with such services to Plaza Associates totaling $2,528 and $3,179 during the six months ended June 30, 2011 and 2010, respectively. Plaza Associates reimburses Trump Administration for these allocated expenses.

(in thousands)

NOTE 11 – NON-OPERATING INCOME (EXPENSE)

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

	June 30,	
	2011	**2010**
Interest income	$ 269	$ 303
Income related to Deed Amendment (Note 7)	5,465	-
Total	$ 5,734	$ 303

NOTE 12 - COMMITMENTS & CONTINGENCIES

Legal Proceedings

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

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

On May 7, 2010, the Bankruptcy Court entered the Confirmation Order confirming the Plan of Reorganization proposed by the Debtors and the Ad Hoc Committee. On the Consummation Date, the Plan of Reorganization became effective and the transactions contemplated thereby were consummated.

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.

(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 $92 and $341, 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:

	June 30, 2011	June 30, 2010
CRDA deposits, net of allowances of $215 and $8,753, respectively	$ 8,983	$ 13,325
CRDA bonds, net of allowances of $0 and $3,244, respectively	3,907	3,950
	$ 12,890	$ 17,275

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 $1,622 related to Plaza Associates) was received on December 21, 2010. This transaction had no effect on the Company's results of operations during the period from July 16, 2010 through December 31, 2010.

In January 2011, the Trump Entities became aware that the CRDA had deducted the $4,752 collectively from the Trump Entities' investment alternative tax obligation accounts. The Trump Entities 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.

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.

We expense our share of the $90,000, estimated to be approximately $4,938 based on our actual market share of gross gaming revenue, on a straight-line basis from January 1, 2009 through December 31, 2011. We recorded expense of $411 and $823 during the three and six months ended June 30, 2011, respectively and $411 and $818 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 Plaza for the next five-year period through June 2012. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Casino Control Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.