

3.3 **Conditions Precedent to Advances by the Trustee and the Bank Agent.** The obligation (a) of the Trustee to make Advances from the Second Mortgage Proceeds Account to the Second Mortgage Funding Account, and (b) of the Bank Agent to make Advances from the Bank Proceeds Account are each subject to the prior satisfaction of each of the conditions precedent set forth in this Section 3.3:

3.3.1 Certain Operative Documents.

(a) Each Material Contract shall be in full force and effect except (i) for amendments to Material Contracts not prohibited by Section 6.1 or by the Financing Agreements, (ii) to the extent the Project Entities have entered into a replacement Material Contract to the extent required or permitted by Section 7.1.6, and (iii) to the extent terminated in accordance with their respective terms; and

(b) Each Financing Agreement shall be in full force and effect, without amendment since the date of its execution and delivery, and in a form which was provided to the Bank Agent and the Trustee prior to the Closing Date, except for amendments to the Financing Agreements to the extent permitted under the Facility Agreements or to the extent terminated in accordance with their respective terms.

3.3.2 Representations and Warranties. Each representation and warranty of:

(a) Each Project Entity set forth in Article 4 or in any Material Contract shall be true and correct in all material respects as if made on such date (except that any representation and warranty that relates expressly to an earlier date shall be deemed made only as of such earlier date), unless, with respect to any Advance prior to the Initial Bank Advance Date, the failure of any such representation and warranty referred to in this clause (a) to be true and correct could not reasonably be expected to result in a Material Adverse Effect; and

(b) To the Project Entities' knowledge, each Major Project Participant (other than any Project Entity) set forth in any of the Material Contracts shall be true and correct in all material respects as if made on such date (except that any representation and warranty that relates expressly to an earlier date shall be deemed made only as of such earlier date) unless the failure of any such representation and warranty referred to in this clause (b) to be true and correct could not reasonably be expected to result in a Material Adverse Effect, in each case, as certified by the Project Entities in the relevant Advance Request.

3.3.3 Default. No Default or Event of Default shall have occurred and be continuing.

3.3.4 Advance Request and Advance Confirmation Notice.

(a) Delivery to the Disbursement Agent, each Funding Agent and the Construction Consultant of an Advance Request, together with all then required attachments, exhibits and certificates. Such Advance Request shall request an Advance in an amount sufficient to pay all amounts due and payable for work performed on the Project through the last day of the period covered by such Advance Request and sufficient to pay the amounts required by Section 2.4.2.

(b) Delivery to the Funding Agents of an executed Advance Confirmation Notice, *provided* that the Trustee shall not receive copies of the Advance Confirmation Notices following the Exhaustion of the Second Mortgage Proceeds Account.

3.3.5 Consultant Certificates and Reports. Delivery to each of the applicable Funding Agents and the Disbursement Agent, of (a) the Construction Consultant Advance Certificate approving the corresponding Advance Request, and (b) the Architect's Advance Certificate with respect to the Advance, and (c) the General Contractor Advance Certificate with respect to the Advance.

3.3.6 As-Built Survey. At the time of the first Advance Request occurring more than 45 days after completion of the foundation work for each phase of the Project, the Project Entities shall cause an updated as-built survey to be delivered to the Construction Consultant and the Disbursement Agent satisfactory in form and substance to the Title Insurer and the Bank Agent.

3.3.7 Project Security. All of the Security Documents shall continue to be in full force and effect and all actions necessary or desirable (including all filings) to perfect the security interests granted therein as a valid security interest over the Project Security thereunder having the priority contemplated therefor by this Agreement and the Security Documents shall have been taken or made. All property, rights and assets required for the Project shall be free and clear of all encumbrances except for Permitted Liens.

3.3.8 In Balance Requirement. The Project Entities shall have submitted an In Balance Report demonstrating that the In Balance Test is satisfied.

3.3.9 No Restriction. No order, judgment or decree of any court, arbitrator or governmental authority shall purport to enjoin or restrain the Bank Lenders or the Trustee from making the Advances to be made by them on the requested Advance Date.

3.3.10 Violation of Law. The making of the requested Advance shall not violate any law.

3.3.11 Material Adverse Effect. Since the Closing Date, there shall not have occurred any change in the economics or feasibility of constructing and/or operating the Project, or in the financial condition, business or property of the

Project Entities, any of which could reasonably be expected to have a Material Adverse Effect.

3.3.12 No Suspension of Performance. Construction of the Project is proceeding materially in accordance with the Project Schedule and the plans and specifications for the Project (including any Final Plans and Specifications then delivered) and no Major Project Participant or first tier Subcontractor under the Prime Construction Agreement or party to a Subcontract with a total contract amount or value in excess of \$25,000,000 has suspended performance or otherwise repudiated its obligation to perform any duty or obligation under its respective Material Contract or Subcontract (unless such suspended or repudiated Material Contract or Subcontract is permitted to be, and actually has been, replaced, or a replacement is determined not to be necessary, pursuant to Section 7.1.5 or Section 7.1.6).

3.3.13 Funding of Equity. Solely with respect to the initial Advance of funds from the Second Mortgage Proceeds Account, the entire amount of the Equity Proceeds Account has been, or shall concurrently be, applied to the payment of Project Costs.

3.3.14 Updated Consultant Certificates and Reports. Solely with respect to the initial Advance of funds from the Bank Proceeds Account made concurrently with or after Exhaustion of the Second Mortgage Proceeds Account, each of the Funding Agents and the Disbursement Agent shall have received an updated Construction Consultant Report which is consistent with the Construction Consultant Engagement Agreement and in form and substance satisfactory to the Bank Agent which will address (i) construction progress for the period from the Closing Date through the Initial Bank Advance Date and (ii) the Final Plans and Specifications that have been completed through such period to the extent not theretofore delivered.

3.3.15 Subcontracts.

(a) Solely with respect to the initial Advance of funds from the Second Mortgage Proceeds Account (other than any Advance made solely to pay interest on the Second Mortgage Notes), there shall be in place fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 75% of the Total Hard Costs.

(b) Solely with respect to the first Advance which occurs following October 1, 2007, there shall be in place fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 85% of the Total Hard Costs.

(c) Solely with respect to the Initial Bank Advance Date, there shall be in place (i) fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 95% of the Total Hard Costs, and (ii) fixed

price contracts in respect of not less than 50% of the Costed FF&E.

(d) In each case specified in clauses (a) through (c) above, the Project Entities shall have certified in the Project Entities' Advance Certificate that such Subcontracts and Contracts are consistent with the Resort Budget, the Project Schedule and the plans and specifications for the Project then in effect.

(e) In the case of each Advance from the Bank Proceeds Account made concurrently with or after Exhaustion of the Second Mortgage Proceeds Account, the Project Entities shall have delivered a copy of (i) each Contract or series of related Contracts with the same Person entered into between the Project Entities and any Contractor with a contract price (or expected aggregate amount to be paid in the case of "cost plus" contracts) in excess of \$25,000,000, (ii) each first tier Subcontract with a contract price (or expected aggregate amount to be paid in the case of "cost plus" contracts) in excess of \$25,000,000 (or any or series of related Contracts with the same person), and (iii) a copy of any Payment and Performance Bond required pursuant to Section 5.8 to the Disbursement Agent, the Construction Consultant and Bank Agent promptly after mutual execution and delivery thereof.

3.3.16 Liens. In the case of each Advance from the Bank Proceeds Account made concurrently with or after Exhaustion of the Second Mortgage Proceeds Account, the Project Entities shall have delivered to the Disbursement Agent an updated lien release summary chart substantially in the form of Appendix 11 to the Advance Request and duly executed acknowledgments of payments and releases of mechanics' and materialmen's liens substantially in the form of Exhibit I (with modifications required by Nevada law) from the required Contractors described below for all work, services and materials, including equipment and fixtures of all kinds, done, performed or furnished for the construction of the Project from the last day covered by the immediately preceding Advance Request through the last day covered by the current Advance Request except for such work, services and materials the payment for which does not exceed, in the aggregate \$50,000,000 and is being disputed in good faith pursuant to NRS Chapter 624, so long as (1) such proceedings shall not involve any substantial danger of the sale, forfeiture or loss of the Project or the Site, as the case may be, title thereto or any interest therein and shall not interfere in any material respect with the Project or the Site, and (2) adequate cash reserves have been provided therefor through an allocation in the relevant Remaining Cost Report. The Contractors required to provide such lien releases are those party to a Contract with a Project Entity and each of such direct Contractor's first tier trade subcontractors and materialmen, in each case performing work with a contract price (or expected aggregate amount to be paid in the case of "cost-plus" Contracts) in excess of \$500,000.

Notwithstanding the foregoing, if the Project Entities or any Contractor do not

obtain any of the waivers and releases of liens required under the foregoing provisions of this Section 3.3.16 (collectively, "Outstanding Releases"), then instead of delivering such Outstanding Releases and as a condition to any progress or other payment from the proceeds of the requested Advance, the Project Entities may obtain and provide to the Disbursement Agent from the Title Insurer bonds or endorsements to the title insurance policies insuring the lien free status of the work; *provided, however*, that at no time shall the aggregate of all Outstanding Releases represent work with an aggregate value in excess of \$50,000,000.

3.3.17 Title Policy Endorsements. The Disbursement Agent shall have received a commitment from the Title Insurer, attached to the Advance Request, evidencing the Title Insurer's unconditional commitment to issue an endorsement to the Bank Agent's and/or Trustee's Title Policy in the form of a 122 CLTA Endorsement insuring the continuing priority of the Lien of its Deed of Trust as security for the requested Advance and confirming and/or insuring that there are no intervening liens or encumbrances which may then or thereafter take priority over the Lien of such Deed of Trust other than (i) Permitted Encumbrances, (ii) such intervening liens or encumbrances securing amounts the payment of which is being disputed in good faith by the Borrowers pursuant to NRS Chapter 624, so long as (A) in the case of disbursements from the Second Mortgage Notes Proceeds Account, the Company has certified that the Title Insurer has delivered to the Trustee an endorsement to its title policy to assure against loss due to the priority of such lien or encumbrance or (B) in the case of Advances under the Bank Credit Facility, the Disbursement Agent has received confirmation from the Bank Agent that the Title Insurer has delivered to the Bank Agent any endorsement to its Title Policy required or desirable to assure against loss due to the priority of such lien or encumbrance, and (iii) Permitted Mechanics Liens.

3.3.18 [Intentionally Omitted].

3.3.19 Plans and Specifications. In the case of each Advance from the Bank Proceeds Account made concurrently with or after Exhaustion of the Second Mortgage Proceeds Account, the Construction Consultant shall to the extent set forth in the Construction Consultant Advance Certificate have approved all Plans and Specifications which, as of the date of the relevant Advance Request, constitute Final Plans and Specifications to the extent not theretofore approved.

3.3.20 Litigation. In the case of each Advance from the Bank Proceeds Account made concurrently with or after Exhaustion of the Second Mortgage Proceeds Account, no action, suit, proceeding or investigation of any kind shall have been instituted or, to the Project Entities' knowledge, pending or threatened, including actions or proceedings of or before any Governmental Authority, to which any Project Entity, the Project or, to the knowledge of the Project Entities, any Major Project Participant (other than any Project Entity), is a party or is subject, or by which any of them or any of their properties or the Project are bound that could

reasonably be expected to have a Material Adverse Effect nor are the Project Entities aware of any reasonable basis for any such action, suit, proceeding or investigation and no injunction or other restraining order shall have been issued and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding if the same could reasonably be expected to have a Material Adverse Effect.

3.3.21 Adverse Information. In the case of each Advance from the Bank Proceeds Account made concurrently with or after Exhaustion of the Second Mortgage Proceeds Account, the Bank Agent shall not have become aware after the date hereof of any information or other matter affecting any Loan Party, Turnberry Residential, the Project or the transactions contemplated hereby that taken as a whole is inconsistent in a material and adverse manner with the information or other matter disclosed to them concerning such Persons and the Project, taken as a whole.

3.3.22 Unincorporated Materials. In the case of each Advance from the Bank Proceeds Account made concurrently with or after Exhaustion of the Second Mortgage Proceeds Account, delivery to the Disbursement Agent and the Construction Consultant of a written inventory substantially in the form of Appendix 13 to the Advance Request (but in any event with such changes as are reasonably acceptable to the Disbursement Agent) identifying all Unincorporated Materials and stating the value thereof, together with evidence reasonably satisfactory to the Construction Consultant and the Disbursement Agent that the following conditions have been satisfied:

(a) all Unincorporated Materials for which full payment has previously been made or is being made with the proceeds of the Advance to be disbursed are, or will be upon full payment, owned by the Project Entities, as evidenced by the bills of sale, certificates of title or other evidence reasonably satisfactory to the Construction Consultant, and all lien rights or claims of the supplier have been or will be released simultaneously with such full payment and all amounts, if any, required to be paid to the supplier thereof with respect to the installation of such Unincorporated Materials (including any Retainage Amounts);

(b) the Project Entities believe that the Unincorporated Materials consist of components that conform to the Plans and Specifications and that will be ready for incorporation into the Project reasonably promptly following delivery thereof;

(c) all Unincorporated Materials are properly inventoried, securely stored, protected against theft and damage at the Site or at such other location which has been specifically identified by its address to the Construction Consultant and the Disbursement Agent (or if the Project Entities cannot provide the address of the current storage location, the Project Entities shall list the name and address of the applicable

contracting party supplying or manufacturing such Unincorporated Materials);

(d) with respect to any Unincorporated Materials as to which deposit or other partial payments have been made or will be made out of the requested Advance (but which have not been and will not be fully paid after giving effect to the requested Advance), the Project Secured Parties have, or will have upon payment with the proceeds of the requested Advance, a perfected security interest in the Project Entities' rights to the Unincorporated Materials and the Contracts therefor, with the priority therein contemplated by the Security Documents;

(e) with respect to (i) Unincorporated Materials not stored at the Site from a single or Affiliated suppliers (of which the Project Entities are aware that such suppliers is an Affiliate) with a contract price (or expected aggregate amount to be paid in the case of "cost-plus" Contracts) in excess of \$5,000,000, and (ii) any Contracts for Unincorporated Materials with a contract price (or expected aggregate amount to be paid in the case of "cost plus" Contracts) in excess of \$5,000,000 (excluding, in the case of both clauses (i) and (ii) above, items located outside of the United States or in transit from jurisdictions outside of the United States or vendors located outside of the United States), the Project Entities shall have executed and delivered to the Disbursement Agent such additional security documents (including, without limitation, financing statements, security agreements, collateral access agreements, consents of manufacturers, vendors, warehousemen and bailees) reasonably requested by the Disbursement Agent necessary to grant the Secured Parties such security interest in the Project Entities' rights to such Unincorporated Materials or Contracts;

(f) are insured against casualty, loss and theft for an amount equal to their replacement costs in accordance with Exhibit D;

(g) the value of Unincorporated Materials located at the Site but not expected to be incorporated into the Project within the ensuing calendar month at any time is not more than \$25,000,000 (or any greater amount approved on a case by case basis pursuant to clause (k) below);

(h) the amounts paid by the Project Entities in respect of Unincorporated Materials not at the Site at any one time is not more than \$50,000,000 (or any greater amount approved on a case by case basis pursuant to clause (k) below);

(i) the amount of contract deposits paid by the Project Entities in respect of Unincorporated Materials at any one time is not more than \$50,000,000 (or any greater amount approved on a case by case basis pursuant to clause (k) below);

(j) the Construction Consultant shall have confirmed the accuracy of the certification required in subparagraph (c), and in connection therewith the Construction Consultant may, but shall not be required to, visit the site of and inspect the Unincorporated Materials at the Project Entities' expense; and

(k) The Disbursement Agent and the Construction Consultant, at the request of the Borrowers, may from time to time mutually agree to increase the thresholds set forth in Sections 3.3.22 (e), (g), (h) and (i).

3.3.23 Retail Advances. In the case of each Advance from the Bank Proceeds Account made concurrently with or after Exhaustion of the Second Mortgage Proceeds Account, the Retail Agent and the Retail Lenders shall, on the date specified in the relevant Advance Request, make any Advances required of them pursuant to that Advance Request.

3.3.24 Other Documents. In the case of each Advance from the Bank Proceeds Account, the Bank Agent shall have received such other documents and evidence as are customary for transactions of this type as the Bank Agent may reasonably request in order to evidence the satisfaction of the other conditions set forth above.

Notwithstanding the foregoing provisions of this Section 3.3, even if the conditions set forth in this Section 3.3 have not been satisfied in respect of any particular Advance Date then, unless a Stop Funding Notice stating that an Event of Default has occurred has been delivered by the Controlling Person:

(i) on the next date upon which any Debt Service is due in respect of the Second Mortgage Notes (but not on any subsequent dates), the Trustee shall apply any remaining balances in the Second Mortgage Proceeds Account to pay such Debt Service;

(ii) the Bank Agent shall apply the remaining balances contained in the Bank Proceeds Account (or, shall cause the making of Loans under the Bank Credit Facility) to the extent required (x) to pay Debt Service on the Bank Credit Facility on the next date upon which such Debt Service is due if such due date is prior to the Initial Bank Advance Date and (y) in all other cases, on the dates described below:

(A) first, to pay Debt Service associated with the Bank Credit Facility during the one month period following such Scheduled Advance Date (on each date upon which such Debt Service is required to be paid); and

(B) thereafter, to the making of Advances to the Interest Account on the Scheduled Advance Date in the amount

required to pay the portion of the scheduled interest associated with the Second Mortgage Notes requested on that Scheduled Advance Date which will not be satisfied pursuant to clause (i).

3.4 Concerning the Letters of Credit. The Borrowers may request the issuance of Letters of Credit under the Bank Credit Facility at any time and from time to time following the Closing Date (and the issuance date thereof need not be on an Advance Date and shall not constitute an Advance for purposes hereof), *provided* that:

- (a) Prior to the Initial Bank Advance Date, the aggregate effective amount of such Letters of Credit, and any unreimbursed draws with respect thereto, shall not exceed \$50,000,000;
- (b) The amount and terms of such Letters of Credit shall comply with the provisions of the Bank Credit Agreement;
- (c) As of the most recent Advance Date, all of the applicable conditions precedent set forth in this Section 3 shall have been satisfied;
- (d) No Default or Event of Default shall have occurred and shall remain continuing;
- (e) The Construction Consultant shall have concurred that the issuance of the requested Letter of Credit supports the payment of Project Costs; and
- (f) The requested Letter of Credit shall comply with the procedural matters set forth in Section 3 of the Bank Credit Agreement.

3.5 Conditions Precedent to Advances by the Retail Agent and the Retail Lenders.

3.5.1 Shared Cost Advances. The obligation of the Retail Agent and the Retail Lenders to make Advances under the Retail Facility for Shared Costs is subject only to the prior satisfaction of the conditions precedent set forth in this Section 3.5.1:

- (1) Advance Request. The Project Entities shall have requested the payment of amounts payable from the Retail Facility for Shared Costs pursuant to Article 2 (it being understood that the related Advance Request may be amended in any fashion, and omit any attachment to the extent approved by the Controlling Person).
- (2) No Prohibited Scope Change. There shall not have been any Scope Change to items constituting Shared Costs which is inconsistent with Section 6.2, and the Resort Budget shall not have been amended in a

manner with respect to Shared Costs which is materially inconsistent with Section 6.4, except with the consent of the Retail Agent, provided that the Retail Agent and the Retail Lender shall not be entitled to refuse to fund pursuant to this Section 3.5.1(2) to the extent that the Project Entities shall have, from a source of funds other than the Retail Facility (or the Project Secured Parties on their behalf), paid for or shall concurrently pay or shall have reserved for payment in the Requested Cost Reports any costs associated with any such inconsistent Scope Change or change in respect of Shared Costs.

(3) Advance by Bank Lenders. The Initial Bank Advance Date shall have occurred (or shall concurrently occur) and the Bank Agent shall, on the date specified in the relevant Advance Request, make any Advances required of it pursuant to that Advance Request, (i) without having waived any condition precedent to such Advances, or (ii) to the extent that the Bank Agent waives any such condition, without having received any additional benefit as consideration for such waiver for which the Retail Agent and the Retail Lenders did not receive a pro rata share of the same benefit (it being agreed that the continued progress of the Project shall not, in and of itself, constitute such a benefit).

(4) Advance Within Limits. The aggregate principal amount of Advances made to the Retail Affiliate under the Retail Facility for Shared Costs shall not exceed the Retail Lenders Shared Cost Commitment.

(5) Documents Enforceable. The Retail Facility Agreement and the Retail Security Documents shall continue to be enforceable in accordance with their respective terms.

(6) No Prohibition. No order, judgment or decree of any court, arbitrator or governmental authority shall purport to enjoin or restrain the Retail Lenders from making the Advances to be made by them on the Advance Date.

(7) Retail Air Space Lease. The Retail Air Space Lease shall not have been surrendered and shall remain in full force and effect, and the Retail Air Space Lease shall not have been terminated or cancelled for any reason or any circumstances whatsoever (except, in each such case, to the extent converted to a valid fee interest in accordance with the terms thereof).

Notwithstanding any other provision of this Agreement or the Operative Documents to the contrary, (a) there shall be no other conditions to the making of Advances for Shared Costs by the Retail Agent and the Retail Lenders pursuant to the Retail Facility, and the Retail Agent and the Retail Lenders shall make all requested Advances for Shared Costs pursuant to the Retail Facility upon satisfaction of the conditions set forth in this Section

3.5.1 and (b) the Disbursement Agent and the other parties hereto shall not purport to waive the conditions set forth in this Section 3.5 without the prior consent of the Retail Agent.

3.5.2 Other Retail Costs Advances. The obligation of the Retail Agent and the Retail Lenders to make Advances under the Retail Facility for Other Retail Costs is subject only to the prior satisfaction of the conditions precedent set forth in this Section 3.5.2:

(1) Advance Request: Delivery to the Disbursement Agent and Construction Consultant of an Advance Request requesting the payment of amounts payable from the Retail Facility for Other Retail Costs, together with all then required attachments, exhibits and certificates.

(2) Miscellaneous Conditions. The conditions set forth in Section 3.5.1 (other than the conditions set forth in clauses (1), (2) (3) and (4) thereof shall be satisfied in respect of the requested Advance.

(3) Advance Within Limits. After giving effect to the requested Advance, the aggregate principal amount of Advances made to Retail Affiliate under the Retail Facility for Other Retail Costs shall not exceed \$62,000,000.

(4) No Defaults. No Default or Event of Default shall have occurred and be continuing.

(5) Absence of Liens. Other than in connection with any Advance or portion thereof made for the payment of Leasing Commissions, the Disbursement Agent shall have received duly executed acknowledgments of payments and releases of mechanics' and materialmen's liens substantially in the form of Exhibit I (with any modifications required by Nevada Law or, in the case of an Advance or portion thereof made for the payment of Tenant Allowances, in such form as is permitted under the applicable retail lease) from the parties listed in clauses (i) and (ii) below for all work, services and materials, including equipment and fixtures of all kinds, done, performed or furnished with respect to Other Retail Costs (other than Leasing Commissions) from the last day covered by the immediately preceding Advance Request delivered under this Section 3.5.2 through the last day covered by the current Advance Request except for such work, services and materials the payment for which is being disputed in good faith in accordance with NRS Chapter 624 and not otherwise prohibited by the terms of the Retail Facility Agreement. The Persons required to provide such lien releases are each laborer, supplier, contractor, subcontractor or material furnisher party to a fixed price or guaranteed maximum price contract in privity with the Retail Affiliate or, in the case of an Advance or portion thereof made for the payment of Tenant Allowances, the applicable retail tenant, and each of such laborer's,

supplier's, contractor's, subcontractor's or material furnisher's first tier trade subcontractors and materialmen, in each case performing work with a contract price (or expected aggregate amount to be paid in the case of "cost-plus" contracts) in excess of \$100,000.

Notwithstanding the foregoing, if the Retail Affiliate (or any of the foregoing Persons) does not obtain any of the waivers and releases of liens required under the foregoing provisions of this clause (5) (collectively, "Retail Outstanding Releases"), then instead of delivering such Retail Outstanding Releases and as a condition to any progress or other payment from the proceeds of the requested Advance, the Retail Affiliate may obtain and provide to the Disbursement Agent from the Title Insurer bonds or endorsements to the title insurance policies insuring the lien free status of the work; provided, however, that at no time shall the aggregate of all Retail Outstanding Releases represent work with an aggregate value in excess of \$3,000,000. Notwithstanding anything to the contrary contained herein, (i) in no event shall Retail Agent make any Advances for amounts being contested by Retail Affiliate (unless such amounts are being paid to the applicable laborer, supplier, contractor or material furnisher with whom the Retail Affiliate is contesting the amounts owed) and (ii) in the case of an Advance or portion thereof made for the payment of Tenant Allowances, the lien waivers described in this clause (5) shall only be required to satisfy this condition to the extent that the retail tenants receiving such Tenant Allowances are required by the terms of the applicable retail leases to provide such lien waivers to the Retail Affiliate.

(6) Title Policy Endorsements. The Disbursement Agent shall have received a commitment from the Title Insurer, attached to the Advance Request, evidencing the Title Insurer's unconditional commitment to issue a CLTA form 122 endorsement to the Retail Lender's Title Policy insuring the continuing priority of the Lien of the Retail Security Documents (in the amount of the then outstanding principal balance of the Loan (after giving effect to the funding of the applicable Advance)) as security for the requested Advance and confirming and/or insuring that there are no intervening liens or encumbrances which may then or thereafter take priority over the respective Liens of the Deeds of Trust other than Permitted Encumbrances (as defined in the Retail Facility Agreement) and such other intervening liens or encumbrances securing amounts the payment of which is being disputed in good faith by the Retail Affiliate, so long as the Disbursement Agent has received confirmation from the Retail Agent that the Title Insurer has delivered to Retail Agent any endorsement to the Retail Lender's Title Policy required or desirable to assure against loss to the Retail Lenders due to the priority of such lien or encumbrance.

(7) Construction Consultant Advance Certificate. With respect to any Advance the proceeds of which will be applied by (or on behalf of) the

Retail Affiliate for the payment of tenant improvement work (other than tenant improvement work funded by means of Tenant Allowances), the Construction Consultant shall have delivered a Construction Consultant Advance Certificate approving the corresponding Advance Request.

(8) In Balance Requirement. The Retail Affiliate is in compliance with (and the Retail Agent has reasonable evidence that, after giving effect to the funding of the applicable Advance the Retail Agent shall remain in compliance with) Section 5.1.34 of the Retail Facility Agreement.

(9) Violation of Law. The making of the requested Advance shall not violate any law.

(10) Retail Unincorporated Materials. With respect to any Advance the proceeds of which will be applied by (or on behalf of) the Retail Affiliate for the payment of tenant improvement work (other than tenant improvement work performed or contracted for by tenants and funded by means of Tenant Allowances), delivery of evidence reasonably satisfactory to the Construction Consultant and the Disbursement Agent that the following conditions have been satisfied:

(A) all Retail Unincorporated Materials for which full payment has previously been made or is being made with the proceeds of the Advance to be disbursed are, or will be upon full payment, owned by the Retail Affiliate, as evidenced by the bills of sale, certificates of title or other evidence reasonably satisfactory to the Construction Consultant, and all lien rights or claims of the supplier have been or will be released simultaneously with such full payment and all amounts, if any, required to be paid to the supplier thereof with respect to the installation of such Retail Unincorporated Materials (including any Retainage Amounts);

(B) the Retail Affiliate believes that the Retail Unincorporated Materials consist of components that conform to any Plans and Specifications (as defined in the Retail Facility Agreement) and that will be ready for incorporation into the retail component of the Project reasonably promptly following delivery thereof;

(C) all Retail Unincorporated Materials are properly inventoried, securely stored, protected against theft and damage at the construction site at the Site or at such other location which has been specifically identified by its address to the Construction Consultant and the Disbursement Agent (or if the Retail Affiliate cannot provide the address of the current storage location, the Retail Affiliate shall list the name and address of the applicable contracting party supplying or manufacturing such Retail Unincorporated Materials);

(D) with respect to any Retail Unincorporated Materials as to which deposit or other partial payments have been made or will be made out of the requested Advance (but which have not been and will not be fully paid after giving effect to the requested Advance), the Retail Agent on behalf of the Retail Lenders have, or will have upon payment with the proceeds of the requested Advance, a perfected security interest in the Retail Affiliate's rights to the Retail Unincorporated Materials and the Contracts therefor, with the priority therein contemplated by the Retail Security Documents.

(E) With respect to (i) Retail Unincorporated Materials not stored at the construction site of the retail component of the Project from a single or Affiliated suppliers (of which the Retail Affiliate are aware that such suppliers is an Affiliate) with a contract price (or expected aggregate amount to be paid in the case of "cost-plus" Contracts) in excess of \$2,000,000, and (ii) any Contracts for Retail Unincorporated Materials with a contract price (or expected aggregate amount to be paid in the case of "cost plus" Contracts) in excess of \$2,000,000 (excluding items located outside of the United States or in transit from jurisdictions outside of the United States), the Retail Affiliate shall have executed and delivered to the Disbursement Agent such additional security documents (including, without limitation, financing statements, security agreements, collateral access agreements, consents of manufacturers, vendors, warehousemen and bailees) reasonably requested by the Disbursement Agent as are necessary to grant the Retail Agent on behalf of the Retail Lenders such security interest in the Retail Affiliate's rights to such Retail Unincorporated Materials or Contracts;

(F) are insured against casualty, loss and theft for an amount equal to their replacement costs in accordance with Exhibit D;

(G) the value of Retail Unincorporated Materials located at the construction site of the retail component within the Project but not expected to be incorporated into the retail component within the ensuing calendar month at any time is not more than \$4,000,000 (or any greater amount approved on a case by case basis pursuant to clause (k) below);

(H) the amounts paid by the Retail Affiliate in respect of Retail Unincorporated Materials not at the Site at any one time is not more than \$4,000,000 (or any greater amount approved on a case by case basis pursuant to clause (k) below);

(I) the amount of contract deposits paid by the Retail Affiliate

in respect of Retail Unincorporated Materials at any one time is not more than \$4,000,000 (or any greater amount approved on a case by case basis pursuant to clause (k) below);

(J) the Construction Consultant shall have confirmed the accuracy of the certification required in subparagraph (c), and in connection therewith the Construction Consultant may, but shall not be required to, visit the site of and inspect the Retail Unincorporated Materials at the Retail Affiliate's expense; and

(K) The Retail Agent, Disbursement Agent and the Construction Consultant, at the request of the Retail Affiliate, may from time to time collectively agree to increase the thresholds set forth in Sections 3.5.2 (10)(e), (g), (h) and (i).

(11) Costs and Expenses. With respect to any Advance for tenant improvements, Disbursement Agent and/or Retail Agent may require an inspection of the Site to inspect the progress of the work for which the Advance Request relates and all materials being used in connection therewith and to examine all plans and shop drawings relating thereto which are or may be kept at the Site and are in the possession of the Retail Affiliate (or for which the Retail Affiliate has the right to make available to the Retail Agent). Retail Affiliate shall pay all reasonable out-of-pocket expenses reasonably incurred by Retail Agent in processing the Advance Request including, without limitation, any inspection costs (whether performed by Retail Agent or an independent inspector selected by Retail Agent) and reasonable legal fees and expenses.

(12) Evidence of Licenses and Permits. If reasonably required by Retail Agent, Retail Agent shall have received evidence reasonably satisfactory to Retail Agent that the Retail Affiliate possesses all rights, licenses, permits and authorizations, governmental or otherwise, necessary to undertake the Advance.

(13) Satisfactory Leasing with respect to Leasing Commissions. With respect to any Advance relating to leasing commissions, (a) such leasing commission shall be (i) market, reasonable and customary for properties similar to the retail component of the Project and the portion of the retail component leased for which a commission is due or (ii) being paid pursuant to the Leasing Agreement (as defined in the Retail Facility Agreement) previously entered into in accordance with the Retail Facility Agreement, (b) the amount of such leasing commission is (i) determined pursuant to an arms length transactions between Retail Affiliate and each such leasing agent to which a commission is due or (ii) being paid pursuant to the Leasing Agreement (as defined in the Retail Facility Agreement) previously entered into in accordance with the Retail Facility Agreement; (c) the lease for which such leasing commission is due has

been entered into in accordance with the terms of the Retail Facility Agreement or, if Retail Agent's approval is not required, conforms with all requirements set forth in Section 5.1.17 of the Retail Facility Agreement and (d) Retail Agent shall have received a certificate from the leasing agent that, other than as set forth in such certificate (and provided such sums set forth on such certificate are not delinquent), no further sums are due to it in connection with the applicable lease.

(14) Satisfactory Leasing with respect to Tenant Improvement Allowances. With respect to any Advance relating to tenant improvement allowances, (a) such tenant improvement allowance shall be market, reasonable and customary for properties similar to the retail component of the Project and the portion of the Retail Air Space Parcels leased for which such tenant improvement allowance is due, (b) the amount of such tenant improvement allowance is determined pursuant to arms length transactions between Retail Affiliate the applicable tenant, (c) the lease for the tenant receiving such tenant improvement allowance has been approved by Retail Agent in accordance with the terms of the Retail Credit Agreement or, if Retail Agent's approval is not required, conforms with all requirements set forth in Section 5.1.17 of the Retail Credit Agreement, (d) to the extent such Advance request is for payment of a Tenant Allowance to a tenant Retail Agent shall have received evidence reasonably satisfactory to Retail Agent (including, but not limited to, copies of any items that such tenant is required to deliver pursuant to the terms of its lease) that such tenant allowance is then due from Retail Affiliate to such tenant pursuant to the terms of such tenant's lease and (e) if requested by Retail Agent for any completed tenant improvements, Retail Agent shall have received a written certificate from the tenant(s) for which such tenant improvements have been performed stating that (i) such tenant improvements have been completed in a manner satisfactory and acceptable to such tenant(s) and (ii) Retail Affiliate is not in default under the applicable tenant's lease.

Notwithstanding anything to the contrary contained herein, Retail Lenders shall only be obligated to make Advances under this Agreement for Other Retail Costs set forth in the Retail Budget, as amended from time to time and for Shared Costs (and only then upon satisfaction of the terms and conditions contained in this Agreement).

3.6 No Waiver or Estoppel.

3.6.1 The occurrence of the Closing Date and making of any Advance hereunder shall not preclude any Funding Agent from later asserting that (and enforcing any remedies it may have if) any representation, warranty or certification made or deemed made by the Project Entities in connection with such Advance was not true and accurate when made in all material respects (or, in respect of Advances solely from the Second Mortgage Proceeds Account, such representation, warranty or certification was not correct in a manner which

results in a Material Adverse Effect). No course of dealing or waiver by any Funding Agent or Secured Party in connection with any condition precedent to any Advance under this Agreement or any Facility Agreement shall impair any right, power or remedy of any such Funding Agent or Secured Party with respect to any other condition precedent, or be construed to be a waiver thereof; nor shall the action of any Funding Agent or Secured Party in respect of any Advance affect or impair any right, power or remedy of any Funding Agent or Secured Party in respect of any other Advance.

3.6.2. Unless otherwise notified to the Project Entities by a Funding Agent or Secured Party and without prejudice to the generality of Section 3.6.1, the right of any Funding Agent or Secured Party to require compliance with any condition under this Agreement or its respective Facility Agreement which may be waived by such Funding Agent or Secured Party in respect of any Advance is expressly preserved for the purpose of any subsequent Advance.

3.7 Waiver of Conditions.

3.7.1 At such times as the Trustee is the Controlling Person, the Trustee shall be entitled to waive (in accordance with the terms of the Indenture) the conditions precedent under Section 3.3 of this Agreement without consent by the other Funding Agents.

3.7.2 At such times as the Bank Agent is the Controlling Person, the Bank Agent shall be entitled to waive the conditions precedent under Section 3.3 without the consent of the other Funding Agents.

3.7.3 The Retail Agent shall at all times be entitled to waive the conditions precedent under Section 3.5 without the consent of the other Funding Agents.

3.8 **Previously Paid Project Costs.** If, at any time and from time to time, the Project Entities shall be unable to satisfy the conditions precedent to any Advance set forth in Sections 3.3, 3.4 or 3.5 (other than Section 3.3.8), the Project Entities shall be entitled to allow Affiliates (other than any Project Entity) to pay Project Costs then due and owing (which payment may be additional equity contributions by such Affiliates to the Project Entities) and to later reimburse such Affiliates for the payments of such Project Costs (which reimbursement may take the form of distributions to such Affiliates) from Resort Sources or Retail Sources, as applicable, at the time (if any) that the Project Entities are able to satisfy the conditions precedent to Advances set forth in Section 3.3, 3.4 or 3.5, as applicable; *provided, however*, that with respect to the Retail Affiliate, any such costs so advanced by an Affiliate thereof (i) may not constitute Indebtedness of the Retail Affiliate towards such Affiliate unless the same is subordinated to the obligations under the Retail Facility pursuant to documentation reasonably satisfactory to the Retail Agent (which shall permit reimbursement of such amounts subject to clause (ii) below but shall also include a provision to the effect that such Affiliate agrees to forbear from the exercise of any remedies against the Retail Affiliate for failure to repay the same until payment in full of the Retail Facility) and (ii) may not be reimbursed to such Affiliate at any time when an Event of Default has occurred and is continuing or if the Retail Affiliate would be rendered insolvent or

will be unable to pay its debts as the same become due and payable.

3.9 Loss Proceeds. If, at any time:

(a) an Event of Loss occurs that causes the In Balance Test to no longer be satisfied; and

(b) as a result thereof, and in order to cause the In Balance Test to be satisfied pending receipt of any Loss Proceeds in connection with such Event of Loss and the deposit of such Loss Proceeds into the Loss Proceeds Account, any Affiliate of the Project Entities (other than any Project Entity) deposits or causes to be deposited additional equity contributions into the Equity Funding Account;

then, upon deposit of Loss Proceeds in respect of such Event of Loss into the applicable Loss Proceeds Account and so long as no Default or Event of Default has occurred and is continuing or would occur after giving effect thereto, the Project Entities shall be entitled to submit a request for an Advance (in form and substance, and with such attachments, certificates and exhibits, as reasonably requested by the Disbursement Agent) requesting an Advance to be used to make a reimbursement to such Affiliate (which reimbursement may take the form of a distribution to such Affiliate) in an amount equal to the lesser of (i) the amount of the Loss Proceeds received and deposited into such Loss Proceeds Account and (ii) the amount of such additional cash equity contribution deposited into the Equity Funding Account. Such Advance shall be made for such purpose so long as the conditions precedent set forth in Section 3.3 are satisfied.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

The Project Entities make all of the following representations and warranties to and in favor of (a) the Funding Agents, the Lenders and the Disbursement Agent as of the Closing Date, (b) the Disbursement Agent on each Advance Date, and (c) each Project Secured Parties, as of the date of the making of each Advance by that Project Secured Party, in each case except as such representations relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date):

4.1 Organization.

4.1.1 As of the Closing Date, each of the Loan Parties is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite corporate or limited liability company power and authority to carry on its business as now conducted and (i) to own or hold under lease and operate the properties it purports to own or hold under lease, (ii) to carry on its business as now being conducted and as now proposed to be conducted in respect of the Project, (iii) to incur Indebtedness and create a Lien on its property, and (iv) to execute, deliver and perform under each of the

Operative Documents to which each is a party.

4.1.2 As of the date of each Advance, each of the Project Entities and each Completion Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite corporate or limited liability company power and authority to carry on its business as then conducted and (i) to own or hold under lease and operate the properties it purports to own or hold under lease, (ii) to carry on its business as then being conducted and as then proposed to be conducted in respect of the Project, (iii) to incur Indebtedness and create a Lien on its property, and (iv) to execute, deliver and perform under each of the Operative Documents to which each is a party.

4.2 **Authorization; No Conflict.** Each of the Loan Parties has taken all necessary corporate or limited liability company action, as the case may be, to authorize the execution, delivery and performance of the Financing Agreements and the other Operative Documents to which each is a party, and neither the execution, delivery or performance thereof nor the consummation of the transactions contemplated thereby by each such Loan Party, (a) contravenes the formation documents or any other Legal Requirement then applicable to or binding on each such Loan Party in any material respect, (b) contravenes or results in any breach or constitutes any default under, or results in or requires the creation of any Lien upon any of such Loan Party's properties or under any security or agreement or instrument to which such Loan Party is a party or by which it or any of its respective properties may be bound, except for Permitted Liens or (c) does or will require the consent or approval of any Person other than as set forth on Exhibits G and H.

4.3 **Legality, Validity and Enforceability.** Each of the Operative Documents to which the Loan Parties are a party is a legal, valid and binding obligation of each such Loan Party, as the case may be, enforceable against the Loan Parties, as the case may be, in accordance with its terms, subject only to bankruptcy and similar laws and principles of equity. None of the Operative Documents to which the Loan Parties are a party have been amended or modified except in accordance with this Agreement.

4.4 **Compliance with Law, Permits and Operative Documents.** As of the Closing Date, each Loan Party is in compliance with all Legal Requirements and Permits and Operative Documents to which it is a party in all material respects, and no notices of violation of any Permit or Operative Document relating to the Project have been issued, entered or received by any Loan Party. As of the date of each Advance, each of the Project Entities is in compliance with all Legal Requirements and Permits and Operative Documents to which it is a party, and no notices of violation of any Permit or Operative Document relating to the Project have been issued, entered or received by any of the Project Entities, in each case, except for non-compliance or violations that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.5 **Permits.** There are no material Permits that are required or will become required under existing Legal Requirements for the ownership, development, construction, financing or operation of the Project, other than the Permits described in Exhibit G. Exhibit G accurately states the stage in construction by which each such Permit is required to be obtained. Each

Permit described in Exhibit G as required to be obtained by the date that this representation is deemed to be made is in full force and effect and is not at such time subject to any appeals or further proceedings or to any unsatisfied condition (that is required to be satisfied by the date that this representation is deemed to be made) that could reasonably be expected to materially and adversely modify any such Permit, to revoke any such Permit, to restrain or prevent the construction or operation of the Project or otherwise impose adverse conditions on the Project or the financing contemplated under the Financing Agreements. Each Permit described in Exhibit G as not required to have been obtained by the date that this representation is deemed to be made (other than the gaming license) is of a type that is routinely granted on application and compliance with the conditions for issuance. The Project Entities have no reason to believe that any Permit so indicated will not be obtained before it becomes necessary for the ownership, development, construction, financing or operation of the Project or that obtaining such Permit will result in undue expense or delay. Neither the Project Entities nor any of their Affiliates are in violation of any condition in any Permit the effect of which could reasonably be expected to have a Material Adverse Effect.

4.6 Litigation. There are no pending or, to the Project Entities' knowledge, threatened actions, suits, proceedings or investigations of any kind, including actions or proceedings of or before any Governmental Authority, to which any Project Entity or Major Project Participant (other than any Project Entity) is a party or is subject, or by which any of them or any of their properties or the Project are bound that could reasonably be expected to have a Material Adverse Effect nor, are the Project Entities aware of any reasonable basis for any such action, suit, proceeding or investigation.

4.7 Financial Statements.

4.7.1 The financial statements of Parent and its consolidated Subsidiaries, and Las Vegas Holdings and its consolidated Subsidiaries, delivered to the Lenders pursuant to Section 3.1 on the Closing Date were prepared in conformity with GAAP, consistently applied and fairly present in all material respects the financial position (on a consolidated basis) of the entities described in such financial statements as of the respective dates thereof and the results of operations and cash flows (on a consolidated basis) of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to the absence of footnote disclosures and changes resulting from audit and normal year-end adjustments. As of the Closing Date, Parent and its Subsidiaries do not have any material "Guarantee Obligations" (as defined in the Bank Credit Agreement), contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph and that are required to be reflected in such financial statements (other than as reflected on Exhibit O).

4.7.2 As of the Closing Date, since December 31, 2006, there has been no development or event that has or could reasonably be expected to have a

Material Adverse Effect. As of each Advance Date following the Closing Date, there has been no development or event that has or could reasonably be expected to have a Material Adverse Effect since the Closing Date.

4.7.3 With respect to the financial statements required pursuant to Section 6.1 of the Bank Credit Agreement, the audited balance sheets as of the required date of delivery of (i) Parent and its consolidated Subsidiaries, and (ii) Las Vegas Holdings and its consolidated Subsidiaries, and the related consolidated and consolidating statements of income and of cash flows for the periods then ended, present fairly in all material respects the consolidated and consolidating financial condition of (i) Parent and its consolidated Subsidiaries and (ii) Las Vegas Holdings and its consolidated Subsidiaries, respectively, as at such date, and the respective consolidated and consolidating results of its operations and its consolidated and consolidating cash flows for the period then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein).

4.7.4 The pro forma consolidated balance sheet of Las Vegas Holdings delivered pursuant to Section 3.1.14 fairly presents the consolidated pro forma financial position of Las Vegas Holdings as of the Closing Date in accordance with GAAP, after giving effect to all transactions contemplated to occur on the Closing Date, except for the absence of footnotes and normal year-end adjustments, and there are no material contingent liabilities of Las Vegas Holdings and its Subsidiaries not reflected thereon.

4.8 Security Interests.

(a) The security interests granted to the Secured Parties pursuant to the Security Documents (i) constitute as to personal property included in the Project Security and, with respect to subsequently acquired personal property included in the Project Security, will constitute, a perfected security interest under the UCC and/or other applicable law and (ii) have, and, with respect to such subsequently acquired property, will have been perfected under the UCC and/or other applicable law as aforesaid, and (A) as among the Secured Parties, with the priority contemplated by the Project Lenders Intercreditor Agreement and the Retail Intercreditor Agreement but as to each Secured Party only to the extent that it is a party to the relevant Intercreditor Agreement and (B) as between the Secured Parties and any third Persons, grant the Secured Parties superior priority and rights over the rights of any such third Persons now existing or hereafter arising whether by way of mortgage, lien, security interests, encumbrance, assignment or otherwise, subject to the rights and priorities of Permitted Liens. All such action as is necessary has been taken to establish and perfect the Secured Parties' rights in and to the Project Security, including any recording, filing, registration, giving of notice or

other similar action. As of the Closing Date, no filing, recordation, re-filing or re-recording is necessary to perfect and maintain the perfection of the interest, title or Liens of the Security Documents except those which have been made, except for any filings or recordings for Liens as to which the Title Insurer has issued or committed to issue its Title Policies. The Project Entities have properly delivered or caused to be delivered to the Disbursement Agent all Project Security that requires perfection of the Lien and security interest described above by possession.

(b) No authorization, approval or other action by, and no notice to or filing with, any Governmental Authority is required for either (i) the pledge or grant by the Project Entities of the Liens purported to be created in favor of the Secured Parties pursuant to any of the Security Documents, or (ii) the exercise by the Disbursement Agent, or the other Secured Parties of any rights or remedies in respect of any Project Security (whether specifically granted or created pursuant to any of the Security Documents or created or provided for by applicable law), except for filings or recordings contemplated by Section 4.8(a), *provided* that it is acknowledged that pursuant to Nevada Gaming Laws, once the companies are licensed by or registered with the Nevada Gaming Authorities, the approval of the pledge of the Equity Interests in the Companies by the Nevada Gaming Authorities will be required in order for such pledge of the Equity Interests in the Companies to remain effective and that foreclosure upon the Equity Interests and certain other assets of the Companies may only be accomplished in accordance with the requirements of Nevada Gaming Laws.

(c) Except as may have been filed in favor of the Funding Agents or with respect to UCC financing statements for which termination statements will be filed in connection with the Indebtedness to be refinanced on the Closing Date, no effective UCC financing statement, fixture filing or other instrument similar in effect covering all or any part of the Project Security is on file in any filing or recording office other than in connection with Permitted Liens.

(d) All information supplied to the Disbursement Agent and the Funding Agents by or on behalf of the Loan Parties or any of their Affiliates with respect to any of the Project Security is accurate and complete in all material respects.

4.9 Defaults.

4.9.1 There is no default or event of default under any of the Financing Agreements; and

4.9.2 There is no Default or Event of Default hereunder.

4.10 **Taxes.** The Project Entities have filed, or caused to be filed, all tax and informational returns that are required to have been filed by them in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments payable by them, to the extent the same have become due and payable (other than (a) those taxes that it is contesting in good faith and by appropriate proceedings and (b) those taxes not yet due, provided that with respect to each of clause (a) and (b) the Project Entities have established reserves therefor by allocating, in the relevant Remaining Cost Report, amounts that are adequate for the payment thereof and are required by GAAP).

4.11 **Representations and Warranties.**

4.11.1 All representations and warranties of each Project Entity contained in the Material Contracts are true and correct as of each date when made or deemed made, except to the extent that any failure to be true and correct could not reasonably be expected to have a Material Adverse Effect.

4.11.2 To the best knowledge of the Project Entities, all representations and warranties of each party to each Material Contract (other than the Project Entities), are true and correct as of each date when made or deemed made, except to the extent that any failure to be true and correct could not reasonably be expected to have a Material Adverse Effect.

4.12 **Environmental Laws.**

(a) Except as set forth in the Phase I Report, the Project Entities are, and within the period of all applicable statutes of limitation have been, in material compliance with all applicable Environmental Laws.

(b) Except as set forth in the Phase I Report, to the knowledge of the Project Entities, Hazardous Substances are not present at, on, under, in, or about the Site, or at any other location (including, without limitation, any location to which Hazardous Substances have been sent for re-use or recycling or for treatment, storage or disposal) which could reasonably be expected to (i) give rise to liability of any of the Project Entities under any applicable Environmental Law or otherwise result in costs to any of the Project Entities that could reasonably be expected to have a Material Adverse Effect, or (ii) materially interfere with any of the Project Entities' continued operations, or (iii) materially impair the fair saleable value of the Site.

(c) There is no judicial, administrative or arbitral proceeding (including any notice of violation or alleged violation) under or relating to any Environmental Law to which any of the Project Entities are, or to the knowledge of the Project Entities will be, named as a party that is pending or, to the knowledge of the Project Entities, threatened (in the case of each Advance Date after the Closing Date, except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse

Effect).

(d) No Project Entity has received any written request for information, or been notified that it is a potentially responsible party, under or relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act or any similar Environmental Law, in each case with respect to the Site.

(e) No Project Entity has entered into or agreed to any consent, decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral, or other forum for dispute resolution, relating to compliance with or liability under any Environmental Law or Environmental Claim (in the case of each Advance Date after the Closing Date, in each case with respect to the Site and except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect).

(f) No Project Entity has assumed or retained, by contract or operation of law, any liabilities of any kind, fixed or contingent, known or unknown, under any Environmental Law or with respect to any Hazardous Substances, in each case with respect to the Site (in the case of each Advance Date after the Closing Date, except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect).

(g) Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, or as set forth in the Phase I Report, (i) Hazardous Materials Activities are not presently occurring, and, to the Project Entities' knowledge, have not previously occurred, at, on, under, in or about the Site, and (ii) none of the Project Entities have ever engaged in any Hazardous Materials Activities at any location.

4.13 Utilities. All utility services necessary for the construction and the operation of the Project for its intended purposes are or will be available at the Site as and when required on commercially reasonable terms.

4.14 In Balance Test. As of each Advance Date which occurs on or following the initial Advance from the Second Mortgage Proceeds Account, the In Balance Test is satisfied.

4.15 Sufficiency of Interests and Contracts.

4.15.1 The Borrowers own the Retained Site and the Site Easements in fee simple subject only to the matters described in the Title Policies. Other than those services to be performed and materials to be supplied that can be reasonably expected to be commercially available when and as required, the Borrowers own or hold under lease all of the property interests and have entered into all documents and agreements necessary to develop, construct, complete,

own and operate the Project (including access to municipal or other sufficient water rights) in accordance with all Legal Requirements and the Project Schedule and as contemplated in the Operative Documents.

4.15.2 Each of the Funding Agents have received a true, complete and correct copy of each of the Material Contracts in effect or required to be in effect as of the date this representation is made or deemed made. A list of all Contracts having a total contract amount or value in excess of \$5,000,000 (excluding Contracts entered into in the ordinary course of business for services or materials that are easily obtained from replacement contractors or vendors on similar terms) is attached hereto as Exhibit J. Each Material Contract is in full force and effect, enforceable against the Persons party thereto in accordance with its terms, subject only to bankruptcy and similar laws and principles of equity.

4.15.3 All conditions precedent to the obligations of the respective parties (other than the Project Entities) under the Material Contracts have been satisfied or will be satisfied on or prior to the required stage in the development, construction or operation of the Project (except to the extent immaterial to the prosecution of the completion of the Project), and the Project Entities have no reason to believe that any such unsatisfied condition precedent which could reasonably be expected to have a Material Adverse Effect cannot be satisfied on or prior to the appropriate stage in the development, construction or operation of the Project.

4.16 Intellectual Property.

(a) The Project Entities own or have the right to use all patents, trademarks, permits, service marks, trade names, copyrights, franchises, formulas, licenses and other rights with respect thereto, that are necessary for the operation of their business as contemplated in the Operative Documents, except where failure to obtain such rights could not reasonably be expected to have a Material Adverse Effect. Nothing has come to the attention of the Project Entities to the effect that any product, process, method, substance, part or other material presently contemplated to be sold by or employed by the Project Entities in connection with their business will infringe any license or other right owned by any other Person.

(b) Pursuant to the Intellectual Property License Agreements, the Project Entities have valid licenses to use the "Fontainebleau" federal trademark and associated trademarks and intellectual property reasonably necessary for and in connection with the operation of the Project. The Intellectual Property License Agreements are the legal, valid and binding obligation of the licensor thereunder, enforceable in accordance with its terms.

4.17 Budgets and Remaining Cost Reports.

4.17.1 Each of the Budgets delivered on the Closing Date:

- (a) are, to the Project Entities knowledge, as of the date of their delivery, based on reasonable assumptions as to all legal and factual matters material to the estimates set forth therein;
- (b) are, as of the date of their delivery, consistent with the provisions of the Operative Documents in all material respects;
- (c) set forth (for each Line Item Category, and in total), as of the date of their delivery, the amount of all reasonably anticipated Project Costs required to achieve Final Completion; and
- (d) fairly represent, as of the date of their delivery, the Project Entities expectations as to the matters covered thereby.

4.17.2 Each Remaining Cost Report delivered hereunder is in the form attached as Appendix 8 to Exhibit C-1, and sets forth:

- (a) In column D headed "Resort Budget":
 - (1) for the "Debt Service Through Scheduled Opening Date" line item, the total amount of cash Debt Service anticipated to be accrued in respect of the Indebtedness of the Companies through the Scheduled Opening Date (as in effect from time to time);
 - (2) for each Line Item Category, an amount no less than the total anticipated Project Costs from the commencement through the completion of the work contemplated by such Line Item Category, as determined by the Project Entities.
 - (3) In each other line item, the associated anticipated expenses through Final Completion as determined by the Project Entities.

The Disbursement Agent shall be entitled to rely on certifications to such effect from the Project Entities or the Construction Consultant in approving any determination made by the Project Entities;

- (b) In column N, headed "Balance to Complete" an aggregate amount equal to the remaining anticipated Project Costs through the Final Completion Date (which amount is accurate as to each item set forth in such column);
- (c) In the section headed "In Balance Test Adjustments" for In Balance calculations:

- (1) the Unallocated Contingency Balance; and
 - (2) the Required Minimum Cash Support, Required Minimum Liquidity Account, and the Required Minimum Excess Revolver Support Amount and any additional Cash Support delivered for the Completion Guarantees;
- (d) with respect to Project Costs previously incurred, is true and correct in all material respects; and
- (e) sets forth, as of the date of their delivery, and based on reasonable assumptions as to all legal and factual matters material to the estimates set forth therein, the amount of all reasonably anticipated Project Costs required to achieve Final Completion.

4.18 Fees and Enforcement. Other than amounts that have been paid in full or will have been paid in full by the dates when due, no fees or taxes, including without limitation stamp, transaction, registration or similar taxes, are required to be paid by the Project Entities for the legality, validity, or enforceability of this Agreement or any of the other Operative Documents.

4.19 ERISA. Either (a) there are no ERISA Plans or Multiemployer Plans for the Project Entities or any member of the Controlled Group or (b) to the extent that the following could not reasonably be expected to have a Material Adverse Effect, (i) the Project Entities and each member of the Controlled Group have fulfilled in all material respects their obligations (if any) under the minimum funding standards of ERISA and the Code for each ERISA Plan and for contributions to any Multiemployer Plan; (ii) each ERISA Plan is in compliance in all material respects with the currently applicable provisions of ERISA and the Code; (iii) neither the Project Entities nor any member of the Controlled Group have incurred any liability to the PBGC or an ERISA Plan under Title IV of ERISA (other than liability or contributions for premiums due in the ordinary course).

4.20 Subsidiaries. As of the Closing Date, each of the Subsidiaries of Parent are shown on Exhibit K and Parent does not have any Subsidiaries or owns the whole or any part of the issued share capital or other direct ownership interest of any company or corporation or other Person except as shown on Exhibit K.

4.21 Labor Disputes and Acts of God. Neither the business nor the properties of any Project Entity, nor, to the knowledge of the Project Entities, any Major Project Participant are affected by any Force Majeure Event, that could reasonably be expected to have a Material Adverse Effect.

4.22 Liens.

4.22.1 As of the Closing Date, except for Permitted Liens, the Project Entities have not secured or agreed to secure any Indebtedness by any Lien upon any of their present or future revenues or assets or Equity Interests and the Project

Entities do not have outstanding any Lien or obligation to create Liens on or with respect to any of their properties or revenues, other than Permitted Liens and as provided in the Security Documents.

4.22.2 As of each Advance Date, except for Permitted Liens, the Project Entities have not secured or agreed to secure any Indebtedness by any Lien upon any of their present or future revenues or assets or Equity Interests and the Project Entities do not have outstanding any Lien or obligation to create Liens on or with respect to any of their properties or revenues, other than Permitted Liens and as provided in the Security Documents.

4.23 **Title.** Each of the Project Entities owns and has good, legal and beneficial title to the property which each company purports to grant Liens pursuant to the Security Documents free and clear of all Liens, except Permitted Liens.

4.24 **Investment Company Act.** Neither the Project Entities nor any of their respective Affiliates are an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940.

4.25 **Project Schedule.** To the Project Entities' knowledge, the Project Schedule accurately specifies in summary form the work that the Project Entities propose to complete in each calendar quarter from the Closing Date through the Final Completion of the Project, all of which is expected to be achieved.

4.26 **Legal Parcel.** The Site has been properly subdivided or is entitled to exception therefrom, and constitutes a separate legal lot or parcel. The lease of the Retail Air Space Parcels does not constitute a violation of the Nevada subdivision map act or any similar Nevada law governing subdivision of real property.

4.27 **Location of Accounts and Records.** The Project Entities' books of accounts and records are located at the address for notices set forth for the Project Entities in Section 11.1. The federal employer identification numbers shown on Exhibit K for Parent and each of its Subsidiaries are accurate.

4.28 **Margin Regulations.** None of the Project Entities are engaged principally, or as one of its principal activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (as defined in Regulations T, U or X of the Federal Reserve Board), and no part of the proceeds of the Advances or the revenues from the Project will be used by the Project Entities to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying any such margin stock or otherwise in violation of Regulations T, U or X.

4.29 **Governmental Regulation.** No Project Entity is subject to regulation under any federal or state statute or regulation which may limit or condition its ability to incur Indebtedness other than (following the granting of Nevada gaming licenses to the Project Entities), as required by Nevada Gaming Law.

4.30 **Solvency.** As of the Closing Date, the Companies are, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection with the Operative Documents will be and will continue to be, Solvent on a consolidated basis. As of each Advance Date, the Companies and their respective Subsidiaries are Solvent on a consolidated basis.

4.31 **Plans and Specifications.** The Plans and Specifications (a) are, to the Project Entities' knowledge, based on reasonable assumptions as to all legal and factual matters material thereto, (b) are, and except to the extent permitted under Sections 6.1 and 6.2 will be from time to time, consistent with the provisions of the Operative Documents in all material respects, (c) have been prepared in good faith with due care, and (d) fairly represent the Project Entities' expectation as to the matters covered thereby. The Final Plans and Specifications (i) have been prepared in good faith with due care, and (ii) are accurate in all material respects and fairly represent the Project Entities' expectation as to the matters covered thereby.

The parties hereto acknowledge and agree that all knowledge of Parent and its Subsidiaries shall be imputed to the Project Entities in the making of the representations set forth herein, both as of the Closing Date and as of each Advance Date. All of these representations and warranties shall survive the Closing Date and the making of the Advances until, with respect to each Funding Agent and the Lenders, the Obligations under such Funding Agent's and Lenders' respective Facilities have been repaid in full in immediately available funds and their respective Facility Agreements and the other respective Financing Agreements and the commitments thereunder have terminated.

ARTICLE 5

AFFIRMATIVE COVENANTS

The Project Entities jointly and severally covenant and agree for the benefit of the Funding Agents, the Lenders and the Disbursement Agent that until this Agreement is terminated pursuant to Section 11.18, they shall:

5.1 Use of Proceeds.

5.1.1 **Deposits.** Except as permitted by Section 6.8, deposit or cause to be deposited all funds received by or on behalf of the Project Entities prior to the Opening Date into the applicable Account specified in Article 2 of this Agreement, *provided* that:

- (a) the Project Entities shall also deposit or cause to be deposited into the applicable Account all Loss Proceeds received following the Opening Date but prior to the Final Completion Date;
- (b) the Project Entities may establish and maintain other accounts for the purposes described in Section 6.8; and
- (c) the income and receipts of the Retail Affiliate shall not be subject

to this Section 5.1.1.

5.1.2 Project Costs. Apply Advances made hereunder only to (i) pay Project Costs in accordance with the terms of this Agreement and the Financing Agreements, (ii) to repay Loans under the Bank Revolving Facility made to reimburse draws on any Letters of Credit under the Bank Credit Facility or (iii) to reimburse Affiliates to the extent permitted by Sections 3.8 and 3.9. The Project Entities shall use the proceeds of Advances made by the Retail Lenders under Section 3.5.1 solely to pay for Shared Costs and of Advances made by the Retail Lenders under Section 3.5.2 solely to pay for Other Retail Costs.

5.2 **Diligent Construction of the Project**. Take or cause to be taken all action, make or cause to be made all contracts and do or cause to be done all things necessary to construct the Project diligently in accordance with the Prime Construction Agreement, the Final Plans and Specifications and the other Operative Documents.

5.3 **Reports; Cooperation; Financial Statements.**

5.3.1 Prior to the Final Completion Date, deliver to the Bank Agent, the Retail Agent, the Construction Consultant and the Disbursement Agent together with each month's Advance Request (or if no Advance Request is submitted during any calendar month, within 20 days following the end of such calendar month), a monthly status report describing in reasonable detail the progress of the construction of the Project since the immediately preceding report hereunder, including without limitation, the cost incurred to the end of such month, an estimate of the time and cost required to complete the Project and such other information which the Bank Agent, the Retail Agent or the Disbursement Agent may reasonably request including information and reports reasonably requested by the Construction Consultant.

5.3.2 Deliver to the Bank Agent, the Retail Agent and the Disbursement Agent together with each month's final Advance Request (or if no Advance Request is submitted during any calendar month, within 20 days after the end of such calendar month), a monthly status report describing in reasonable detail the progress of the leasing activities with respect to the Project, if any, and all leases, if any, that have been entered into since the immediately preceding report hereunder.

5.3.3 Deliver to the Bank Agent, the Retail Agent, the Construction Consultant and the Disbursement Agent together with each month's Advance Request (or if no Advance Request is submitted during any calendar month, within 20 days after the end of such calendar month), all progress reports provided by each Contractor pursuant to the Material Contracts and such additional information as the Funding Agents or the Disbursement Agent may reasonably request.

5.4 **Notices**. Promptly, upon an officer of such Project Entity acquiring notice or giving notice, or upon an officer of such Project Entity obtaining knowledge thereof, as the case

may be, provide to the Disbursement Agent, the Construction Consultant and the Funding Agents written notice of:

5.4.1 Any Default or Event of Default of which the Project Entities have knowledge, describing such Default or Event of Default and any action being taken or proposed to be taken with respect thereto.

5.4.2 Any event, occurrence or circumstance which reasonably could be expected to cause the In Balance Test to fail to be satisfied or render the Project Entities incapable of, or prevent the Project Entities from (a) achieving the Opening Date on or before the Scheduled Opening Date, or (b) meeting any material obligation of the Project Entities under the Prime Construction Agreement or the other Material Contracts as and when required thereunder.

5.4.3 Any termination or event of default or notice thereof under any Material Contract or any notice under NRS 624.610 issued by any Contractor.

5.4.4 Any (a) fact, circumstance, condition or occurrence at the Site that results in noncompliance with any Environmental Law that has resulted or could reasonably be expected to result in a Material Adverse Effect, and (b) pending or, to the Project Entities' knowledge, threatened, Environmental Claim against the Project Entities or any Contractor arising in connection with its occupying or conducting operations on or at the Project or the Site which could reasonably be expected to have a Material Adverse Effect.

5.4.5 Any change in the Responsible Officers of the Project Entities, and such notice shall include a certified specimen signature of any new officer so appointed and, if requested by any Funding Agent or the Disbursement Agent, satisfactory evidence of the authority of such new Responsible Officer.

5.4.6 Any proposed material change in the nature or scope of the Project or the business or operations of the Project Entities.

5.4.7 Any notice of any material schedule delay delivered under the Prime Construction Agreement and all remedial plans and updates thereof.

5.4.8 Any other event or development which could reasonably be expected to have a Material Adverse Effect.

5.4.9 Promptly upon any Person becoming a Subsidiary of any of the Project Entities, written notice thereof.

5.4.10 "Substantial Completion" or "Final Completion" certificates or notices thereof delivered under any Material Contract.

5.5 **Material Contracts and Permits.** If requested by the Disbursement Agent or the Construction Consultant, deliver to the Disbursement Agent, the Funding Agents and the

Construction Consultant promptly, but in no event later than 20 days after the receipt thereof by the Project Entities, copies of (a) all Material Contracts and Permits described on Exhibit G that are obtained or entered into by the Project Entities after the Closing Date, (b) any amendment, supplement or other modification to any such Permit received by the Project Entities after the Closing Date.

5.6 Storage Requirements for Off-Site Materials and Deposits. Cause all Unincorporated Materials to be stored and identified in accordance with the requirements of Section 3.3.22.

5.7 Plans and Specifications. Maintain at the Site a complete set of Final Plans and Specifications, as in effect from time to time and provide the Construction Consultant and each Funding Agent with all requested access thereto upon reasonable notice.

5.8 Payment and Performance Bonds. Cause the General Contractor to cause each Contractor listed on Exhibit W to provide a Payment and Performance Bond prior to the date of the initial Advance from the Second Mortgage Proceeds Account. The Project Entities shall also cause the General Contractor to cause each Contractor (working under any first tier Contracts with an aggregate value or contract price of more than \$25,000,000 entered into following the Closing Date), within 15 calendar days after execution of its Contract, to provide a Payment and Performance Bond to secure its obligations under that Contract, *provided* that in consultation with the Construction Consultant, the Disbursement Agent may agree to eliminate or reduce the requirement of a Payment Performance Bond with respect to any Contract, or extend the period for delivery thereof. Each such Payment and Performance Bond shall name the Bank Agent and the Trustee as additional obligees and shall otherwise be in substantially the form of Exhibit L or as otherwise approved by the Disbursement Agent. Promptly after receipt thereof, deliver the originals of such Payment and Performance Bonds to the Disbursement Agent with a copy to the Construction Consultant.

5.9 Retainage Amounts. Unless the Disbursement Agent otherwise agrees in consultation with the Construction Consultant, withhold from each payment to the General Contractor a retainage amount equal to 10% of each payment to be made to each first and second tier Contractor performing labor at the Site under the General Contractor pursuant to its respective Subcontract; *provided, however*, that at such time as (i) the applicable Contractor shall have completed 50% of the work under its respective Subcontract and (ii) if a Payment and Performance Bond is required under Section 5.8 or Section 3.1.33 with respect to such Subcontract and to the extent required pursuant to the terms of the Payment and Performance Bond and applicable Legal Requirements in order to prevent a suretyship defense to performance under such Payment and Performance Bond, the Project Entities shall have obtained a "Consent of Surety to Reduction in or Partial Release of Retainage" (AIA form G707A) from the surety that issued such Payment and Performance Bond and delivered such consent to the Disbursement Agent with a copy to the Construction Consultant, then the Project Entities may terminate the requirement of further retainage to the extent that the cumulative retainage is equal to 5% of the contract value (as adjusted by change orders, if any). Upon the substantial completion of the work under each Contract, the Construction Consultant may consent to any reduction of the retainage amounts previously retained under that Subcontract and the corresponding amount required to be withheld under this Section 5.9, or release of any previously retained amount.

5.10 Construction Consultant.

5.10.1 Cooperate and direct the Architect and the General Contractor to cooperate with the Construction Consultant in the performance of the Construction Consultant's duties hereunder and under the Construction Consultant Engagement Agreement, *provided* that the Construction Consultant shall provide reasonable prior notice to the Project Entities prior to communicating with the Architect or Contractors. Without limiting the generality of the foregoing, the Project Entities shall and shall direct the Architect and the General Contractor to: (i) communicate with and promptly provide all invoices, documents, plans and other information reasonably requested by the Construction Consultant relating to the work, (ii) authorize any subcontractors or subconsultants of any tier to communicate directly with the Construction Consultant regarding the progress of the work, (iii) provide the Construction Consultant with access to the Site and, subject to required safety precautions, the construction areas, (iv) solely in the case of the General Contractor, provide the Construction Consultant with reasonable working space and access to telephone, copying and telecopying equipment and (v) otherwise facilitate the Construction Consultant's review of the construction of the Project and preparation of the certificates required hereby.

5.10.2 Pay or cause to be paid to the Construction Consultant out of the Advances made hereunder all amounts required hereunder and under the Construction Consultant Engagement Agreement.

5.10.3 In addition to any other consultation required hereunder, following the end of each quarter, upon the request of any Funding Agent, consult with any such Person regarding any adverse event or condition identified in any report prepared by the Construction Consultant.

5.11 **Insurance.** At all times maintain in full force and effect the insurance policies and programs listed on Exhibit D.

5.12 Application of Insurance and Condemnation Proceeds.

5.12.1 If any Event of Loss occurs with respect to the Project, (i) promptly upon discovery or receipt of notice thereof, provide written notice thereof to the Disbursement Agent with respect to any Event of Loss over \$100,000, and (ii) diligently pursue all their rights to compensation against all relevant insurers, reinsurers and/or Governmental Authorities, as applicable, in respect of such event to the extent that the Project Entities have a reasonable basis for a claim for compensation or reimbursement, including, without limitation, under any insurance policy required to be maintained hereunder.

5.12.2 All amounts and proceeds (including instruments) in respect of any Event of Loss, including the proceeds of any insurance policy required to be maintained by the Project Entities hereunder (collectively, "Loss Proceeds")

shall be applied as provided in this Section. All Loss Proceeds shall be paid by the insurers, reinsurers, Governmental Authorities or other payors directly to the Disbursement Agent for deposit in the Resort Loss Proceeds Account, provided that to the extent that such Loss Proceeds are payable in respect of property of the Retail Affiliate, then such Loss Proceeds shall be remitted to the Retail Loss Proceeds Account.

5.12.3 If any Loss Proceeds are paid directly to the Project Entities or any Funding Agent or Lender (i) such Loss Proceeds shall be received in trust for the Disbursement Agent, (ii) such Loss Proceeds shall be segregated from other funds of the Project Entities or such other Person, and (iii) the Project Entities or such other Person shall pay (or, if applicable, the Project Entities shall cause such of its affiliates to pay) such Loss Proceeds over to the Disbursement Agent in the same form as received (with any necessary endorsement). In the event that for a period of 90 days after any Loss Proceeds are remitted to the Disbursement Agent, the Project Entities are not entitled to obtain Advances pursuant to this Agreement, then the Project Entities shall use all other such proceeds and all funds on deposit in the Retail Loss Proceeds Account and the Resort Loss Proceeds Account to prepay the Bank Loans, the Second Mortgage Notes and the Retail Facility in accordance with the Bank Credit Agreement, the Second Mortgage Indenture and the Retail Facility Agreement (with the Retail Facility receiving (in addition to any funds contained in the Retail Loss Proceeds Account) that portion of any Loss Proceeds which are proportionately equal to the percentage of Shared Costs which have been Advanced by the Retail Lenders).

5.13 Compliance with Material Contracts. Duly and promptly comply with their respective obligations, and enforce all of their respective rights under all Material Contracts, except where the failure to comply or enforce such rights, as the case may be, could not reasonably be expected to have a Material Adverse Effect.

5.14 Utility Easement Modifications. Cause all utility or other easements that would interfere in any material respect with the construction or maintenance of the Improvements within the Project to be removed as expeditiously as possible. In any event, the Project Entities shall remove such easements before they interfere in any material respect with the prosecution in accordance with the Project Schedule of the work involved with the Project, and in any event, prior to the Completion Date. In the event such easements are not removed prior to such time as is reasonably determined by the Construction Consultant and the Project Entities fail to provide title insurance to the Project Secured Parties in a form reasonably satisfactory to them insuring over any loss the Project Secured Parties may suffer as a result of Project Entities' failure to so remove such easements, then the Project Entities (a) agree that the Disbursement Agent shall have the right to authorize such advances as it deems appropriate in order to remove or insure over the utility easements as exceptions to the title insurance policies in favor of the Project Secured Parties, and (b) hereby grant to the Disbursement Agent an irrevocable power of attorney to take such further steps in the name of the Project Entities as the Construction Consultant determines are appropriate in order to remove or insure over such easements.

5.15 **Retail Leasing Arrangements.** Diligently pursue the objectives of the leasing and marketing plan (as amended from time to time in accordance with the Retail Facility Agreement) for the Retail Air Space Lease submitted by the Retail Affiliate to the Retail Lender, and will use all commercially reasonable efforts to achieve the objectives of that leasing and marketing plan (as amended from time to time in accordance with the Retail Facility Agreement).

ARTICLE 6

NEGATIVE COVENANTS

The Project Entities covenant and agree, with and for the benefit of the Funding Agents, the Lenders and the Disbursement Agent that until this Agreement is terminated pursuant to Section 11.18, they shall not:

6.1 **Waiver, Modification and Amendment.**

6.1.1 Directly or indirectly enter into, amend, modify, terminate (except in accordance with its terms), supplement or waive a right or permit or consent to the amendment, modification, termination (except in accordance with its terms), supplement or waiver of any of the provisions of, or give any consent under:

(a) any Permit, the effect of which could reasonably be expected to have a Material Adverse Effect;

(b) any material provision of any Payment and Performance Bond supporting a Contractor's obligations in excess of \$25,000,000 if the result thereof is materially adverse to the Funding Agents, the Lenders or the Disbursement Agent; or

(c) any Contract unless entering into, amending, modifying or terminating such Contract:

(1) could not reasonably be expected to have a Material Adverse Effect;

(2) the Project Entities concurrently comply with the procedures set forth in Section 6.1.2 and Section 6.2; and

(3) does not result in a prospective failure of the In Balance Test to be satisfied unless the Project Entities concurrently comply with the provisions of Section 6.9.1.

6.1.2 Notwithstanding Section 6.1.1, the Project Entities may:

(a) enter into Contracts consistent with the Plans and Specifications, the Project Schedule and the Budgets, as each is in effect from time to time, provided that:

- (i) for each Material Contract, the Project Entities shall concurrently submit to the Disbursement Agent an Additional Contract Certificate together with all exhibits, attachments and certificates required thereby, each duly completed and executed;
 - (ii) if entering into such Contract will result in any amendment of the Budgets, the Project Entities have complied with the requirements of Section 6.4;
 - (iii) if entering into such Contract will have the effect of a Scope Change, the Project Entities have complied with the provisions of Section 6.2; and
 - (iv) if a Payment and Performance Bond is required under Section 5.8 with respect to such Contract, the Project Entities shall have obtained and delivered such Payment and Performance Bond to the Disbursement Agent within the time period required under Section 5.8; or
- (b) from time to time, amend any Contracts if the amendment could not reasonably be expected to have a Material Adverse Effect. Each such amendment shall be in writing and shall identify with particularity all changes being made, provided that:
- (i) for Material Contracts, the Project Entities have submitted to the Disbursement Agent a Contract Amendment Certificate together with all exhibits, attachments and certificates required thereby each duly completed and executed;
 - (ii) if such amendment will result in an amendment to either of the Budgets, the Project Entities have complied with the requirements of Section 6.4;
 - (iii) if such amendment will have the effect of a Scope Change, the Project Entities have complied with the provisions of Section 6.2; and
 - (iv) if a Payment and Performance Bond is required under Section 5.8 with respect to such Contract after giving effect to the amendment or was delivered under Section 3.1.33 with respect to such Contract and except to the extent such amendment does not effect a change of the greater of \$1,000,000 or 10% or more to the aggregate contract price or value under such Contract, the Project Entities shall have obtained the written consent of the surety that issued such Payment and Performance Bond to such amendment and delivered such consent to the Disbursement Agent with a copy to the Construction Consultant.

6.2 Scope Changes.

6.2.1 Scope Changes.

(a) Without obtaining the consent of the Bank Agent, direct, consent to or enter into any Scope Change if such Scope Change will result in the Project being inconsistent with the standards described on Exhibit M-1;

(b) Without obtaining the consent of both (i) the Bank Agent, and (ii) the Trustee acting in accordance with the Second Mortgage Indenture, direct, consent to or enter into any Scope Change if such Scope Change will result in the Project being inconsistent with the standards described on Exhibit M-2;

(c) direct, consent to or enter into any Scope Change with respect to any Line Item Category in the Resort Budget if such Scope Change will increase the aggregate amount of the Project Costs reflected in the Resort Budget in any amount unless both:

(i) the Project Entities have accounted for such increase by means of any combination of:

(A) receipt of common equity contributions to the Companies in the amount of such increase (other than from funds already in the Accounts) and such contributions are deposited in the Equity Funding Account or applied to the temporary reduction of any outstanding Revolving Loans under the Bank Credit Agreement; or

(B) the allocation of Realized Savings obtained with respect to a Line Item Category of the Resort Budget in the amount of such increase to pay for such Scope Change; or

(C) allocation of the Unallocated Contingency Balance (but the aggregate of the amounts allocated to pay for Scope Changes pursuant to this clause (C) shall not, as of any date, exceed the lesser of (i) 50% of the amount by which (a) the "Unallocated Contingency" in column N of the Remaining Cost Report exceeds (b) the "Required Minimum Contingency" line item in the In Balance Test Adjustments section of the Remaining Cost Report; or (ii) \$25,000,000).

(ii) the Project Entities amend the Resort Budget to the extent required under Section 6.4.1 so as to reflect the proposed Scope Change;

(d) direct, consent to or enter into any Scope Change if such Scope Change would increase the amount of Other Retail Costs except to the extent that the Retail Affiliate is in compliance with Section 5.1.34 of the Retail Facility Agreement;

(e) direct, consent to or enter into any Scope Change if such Scope Change results in any of the following circumstances (in each case, as determined by the Project Entities and set forth in a certificate of the Project Entities delivered to the Disbursement Agent and the Funding Agent, which certificate shall be countersigned by the Construction Consultant in the case of any Scope Change which is not a Minor Scope Change):

(i) could reasonably be expected to result in the delay of the Opening Date beyond the Scheduled Opening Date;

(ii) could reasonably permit or result in any materially adverse modification of, or materially impairs the enforceability of, any material warranty under the Prime Construction Agreement or any other Contract and could materially and adversely impact the Project;

(iii) is not permitted by a Contract and could materially and adversely impact the Project;

(iv) could reasonably present a significant risk of the revocation or material adverse modification of any material Permit;

(v) could reasonably cause the Project or any portion thereof not to comply in all material respects with all Legal Requirements (provided that the Construction Consultant shall be entitled to determine that no violation of any Legal Requirement will occur on the basis of a certification by the Project Entities to such effect unless the Construction Consultant is aware of any inaccuracies in such certification); or

(vi) could reasonably result in a material adverse modification to, or cancellation or termination of any insurance policy required to be maintained by the Project Entities pursuant to Section 5.11.

Prior to implementing any Scope Change (other than a Minor Scope Change or the acceptance of non-conforming work), the Project Entities shall submit an Additional Contract Certificate or Contract Amendment Certificate and otherwise comply with the provisions of Sections 6.1.2(a) or (b), as applicable. Prior to implementing any Scope Change (including a Minor Scope Change but excluding the acceptance of non-conforming work) under any Contract as to which the Project Entities are required to obtain a Payment and Performance Bond pursuant

to Section 5.8 or Section 3.1.33 except to the extent such Scope Change does not effect a change of the greater of \$1,000,000 or 10% or more to the aggregate contract price or value under such Contract, the Project Entities shall obtain the written consent of the surety under the relevant Payment and Performance Bond to such Scope Change.

6.2.2 Substantial and Final Completion. Accept (or be deemed to have confirmed) any notice of "Substantial Completion" or "Final Completion" of all or any portion of the Project issued by any Contractor under any Material Contract without the written approval of the Construction Consultant and the Architect.

6.3 **Amendment to Operative Documents.** Enter into any agreement (other than this Agreement and the Financing Agreements) restricting its ability to amend any of the Financing Agreements or other Operative Documents.

6.4 **Resort Budget and Project Schedule Amendments.** Directly or indirectly, amend, modify, allocate, re-allocate or supplement or permit or consent to the amendment, modification, allocation, re-allocation or supplementation of, any of the Line Item Categories or other provisions of the Resort Budget or modify or extend the Scheduled Opening Date except as follows:

6.4.1 Permitted Budget Amendments.

(a) Concurrently with the implementation of any Scope Change that increases the amount of Project Costs necessary to achieve Final Completion, the Project Entities shall submit a Budget/Schedule Amendment Certificate and amend the Resort Budget in accordance with the provisions of Section 6.4.1(c) and (d) below to the extent necessary so that the amount set forth therein for each Line Item Category shall reflect all Scope Changes that have been made to such Line Item Category.

(b) The Project Entities may, from time to time, amend the Resort Budget in accordance with the provisions of Section 6.4.1(c), (d) and (e) in order to increase, decrease or otherwise reallocate amounts allocated to specific Line Item Categories of the Resort Budget.

(c) The Project Entities shall implement any amendment to the Resort Budget by delivering to the Disbursement Agent a Budget/Schedule Amendment Certificate together with all exhibits, attachments and certificates required thereby, each duly completed and executed. Such Budget/Schedule Amendment Certificate shall describe with particularity the Line Item Category increases, decreases, contingency allocations, and other proposed amendments to the Resort Budget.

(d) Increases to the aggregate amount budgeted for any Line Item Category in the Resort Budget will only be permitted to the extent the

increase does not result in the failure of the In Balance Test to be satisfied.

(e) Decreases to the aggregate amount budgeted for any Line Item Category of the Resort Budget will only be permitted upon obtaining Realized Savings in such Line Item Category.

(f) Notwithstanding the foregoing provisions of this clause neither Budget will be increased or decreased by reason of any change in any Line Item in the other Budget.

6.4.2 Permitted Schedule Amendments. The Project Entities may, from time to time, amend the Project Schedule, by complying with the provisions of Section 6.4.1(c) and (d) with respect to the changes in the Resort Budget that will result from the extension of the Scheduled Opening Date and delivering to the Disbursement Agent a Budget/Schedule Amendment Certificate:

(a) containing a revised Project Schedule and if applicable, reflecting any new Scheduled Opening Date; and

(b) attaching a certificate of the Construction Consultant to the effect the resulting changes to the Project Schedule will not result in the Opening Date occurring following the Outside Date.

If an Event of Loss or a Force Majeure Event occurs, then the Project Entities shall be permitted to extend the Outside Date beyond March 31, 2010 to the extent that the Project Entities certify in writing, and the Construction Consultant confirms, to the Disbursement Agent that such extension corresponds to the amount of time reasonably necessary to overcome any delays caused by the Event of Loss or Force Majeure Event; provided that no such extension may extend the Outside Date beyond September 30, 2010.

6.4.3 Amendment Certificates. Upon submission of the Budget/Schedule Amendment Certificate to the Disbursement Agent, together with all exhibits, attachments and certificates required pursuant thereto, each duly completed and executed, such amendment shall become effective hereunder, and the relevant Budget and, if applicable, the Project Schedule and the Scheduled Opening Date, shall thereafter be as so amended.

6.5 **Opening Date.** Permit the Opening Date to occur unless each of the Opening Date Certificates have been delivered, provided that the Disbursement Agent may, in consultation with the Construction Consultant waive or modify any of the Opening Date Certificates in any manner required to permit the Opening Date provided that all of the conditions in the body of this Agreement are satisfied and all material amenities associated with the Project are substantially complete, and may permit any corresponding modification of any General Contractor's Advance Certificate delivered concurrently with or after the Project Entities' Opening Date Certificate.

6.6 Zoning and Contract Changes and Compliance. (a) Initiate or consent to or acquiesce to any zoning downgrade of the Site or seek any material variance under any existing zoning ordinance except, in each case, to the extent such downgrade or variance could not reasonably be expected to materially and adversely affect the occupancy, use or operation of the Project, (b) use or permit the use of the Site in any manner that could result in such use becoming a non-conforming use (other than a non-conforming use otherwise in compliance with applicable land use laws, rules and regulations by virtue of a variance) under any zoning ordinance or any other applicable land use law, rule or regulation or (c) initiate or consent to or acquiesce to any change in any laws, requirements of Governmental Authorities or obligations created by private contracts which now or hereafter could reasonably be likely to materially and adversely affect the occupancy, use or operation of the Project.

6.7 Unincorporated Materials. Cause or permit (a) the value of Unincorporated Materials located at the Site but not expected to be incorporated into the Project within the ensuing calendar month to exceed the amounts set forth in Section 3.3.22 (as adjusted from time to time pursuant to Section 3.3.22(j)).

6.8 Deposit Account Arrangements. Prior to the Opening Date, open or maintain any bank, deposit or any other accounts at any financial institution other than:

- (a) the Accounts provided for herein;
- (b) any accounts for payroll, acceptance of advance deposits in respect of the Project, acceptance of deposits for the purchase of Condo Units that are not Bonded Condo Deposits, and other similar matters in the ordinary course of business none of which shall constitute an "Account" hereunder or shall be subject to this Agreement, *provided* that (i) none of the proceeds of the Advances hereunder shall be deposited therein (other than Advances for payroll amounts to the extent constituting Project Costs), and (ii) each such account (other than any payroll or zero-balance accounts) shall be subject to control agreements in favor of (x) in the case of the Companies, (1) the Bank Agent and (2) the Trustee, and (y) in the case of the Retail Affiliate, the Retail Agent.

Notwithstanding anything herein to the contrary, the Project Entities may cause to be deposited into any such account for acceptance of advance deposits or Condo Unit deposits any such advance deposits in respect of the Project or deposits for Condo Units which are not Bonded Condo Deposits, refund any such deposits from such accounts, pay payroll expenses from any such account established for such purpose and receive and make payments from such accounts described in clause (b) above in the ordinary course of business.

6.9 In Balance Test.

6.9.1 At any time from and after the initial Advance of funds from the Second Mortgage Proceeds Account, permit the In Balance Test to fail to be satisfied on two consecutive Scheduled Advance Dates, *provided* that to the extent that any

Force Majeure Event exists as of any such Scheduled Advance Date, then no default shall exist under this sentence until a third consecutive Scheduled Advance Date occurs upon which the In Balance Test is not satisfied. Without limiting the ability of the Project Entities to satisfy the In Balance Test in another manner consistent with this Agreement, the Project Entities may from time to time take any of the following actions (or any combination thereof) to cause the In Balance Test to be satisfied:

- (a) Induce Turnberry Residential to provide additional Cash Support for its Completion Guaranty;
- (b) Induce Parent or other Solvent Persons which are reasonably acceptable to the Bank Agent to provide the Bank Agent and the Trustee with additional Completion Guaranties or Cash Support; or
- (c) Deposit additional cash resulting from contributions to the permanent equity capital of the Companies into the Equity Funding Account;

provided that the Project Entities shall not be entitled to increase the Cash Support Amount to an amount which is in excess of \$200,000,000.

6.9.2 To the extent that, as of any date of determination, the amount of the Available Funds is in excess of the Remaining Costs, then the Project Entities may request that the Disbursement Agent release Cash Support to the extent of such excess; provided that the Project Entities shall not be entitled by this Section 6.9.2 to request:

- (a) the release of the Liquidity Account; or
- (b) the release of any Cash Support to the extent that the resulting Cash Support would be less than \$50,000,000 minus the cumulative amount of all drawings which have then been made pursuant to Completion Guaranties pursuant to this Agreement;
- (c) any release of Cash Support if any Default or Event of Default has occurred and remains continuing.

Each such request shall be in writing and shall provide supporting detail of the Project Entities' calculation of the In Balance Test in a manner reasonably acceptable to the Disbursement Agent and the Bank Agent. The Disbursement Agent, the Construction Consultant and the Bank Agent shall promptly review any such request submitted by the Project Entities and, provided that the Disbursement Agent, the Construction Consultant and the Bank Agent agree with the Project Entities calculations submitted pursuant to this Section, the Disbursement Agent shall promptly and in any event within ten Banking Days following any such request release Cash Support in the amount requested.

6.10 **LEED Shortfalls.**

In the event that a LEED Shortfall Amount is determined to exist, the Companies shall obtain contributions to their permanent equity capital (in addition to any other contributions to their capital which may be required by reason of the failure of the In-Balance Test to be satisfied, or otherwise), within sixty days following the date upon which such LEED Shortfall Amount first exists in the amount thereof, *provided* that to the extent that a LEED Shortfall Amount exists prior to April 6, 2008, no such contribution shall be required until the later of the last day of such sixty day period and June 6, 2008 (the "LEED Calculation Date"). Notwithstanding anything in this Agreement to the contrary, until the LEED Calculation Date, the Project Entities shall not be required to recognize as Project Costs or Remaining Cost (whether in the Budget, Remaining Cost Report, the representations hereunder or otherwise) any additional costs arising by reason of any change in Nevada State laws governing the partial sales and use tax exemption of the Project arising by reason of its proposed qualification pursuant to the Leadership in Energy and Environmental Design ("LEED") program, and the Project Entities shall at all times be entitled to use the proceeds of the Advances hereunder to pay such costs.

ARTICLE 7

EVENTS OF DEFAULT

7.1 **Events of Default.** The occurrence of any of the following events shall constitute an event of default ("Event of Default") hereunder:

7.1.1 **Other Financing Documents.** The occurrence of an "Event of Default" under and as defined by any one or more of the Facility Agreements, *provided* that from and after the date upon which any such "Event of Default" is cured or waived in accordance with the terms of the applicable Facility Agreement, it shall no longer constitute an Event of Default hereunder.

7.1.2 **Inability to Deliver Advance Request.** The failure of the Project Entities to submit an Advance Request which is approved (including by waiver of the applicable conditions) on two consecutive Scheduled Advance Dates, *provided* that to the extent that such failure results from any Force Majeure Event or to the extent that on each such Scheduled Advance Date the Project Entities receive funds pursuant to Sections 3.8 and 3.9 in an amount which is sufficient to pay all Project Costs which are scheduled to be paid on such Scheduled Advance Dates, then one additional Advance Date may pass.

7.1.3 Representations.

- (a) Any representation, warranty or certification confirmed or made on the Closing Date pursuant to this Agreement or any Financing Agreement by any of the Project Entities shall be found to have been incorrect in any material respect; or
- (b) Any representation, warranty or certification confirmed or made by any of the Project Entities in this Agreement on any date following the Closing Date but prior to the Initial Bank Advance Date (including any Advance Request or other certificate submitted with respect to this Agreement) shall be found to have been incorrect when made or deemed to be made, unless the failure of any such representation and warranty to be true and correct could not reasonably be expected to result in a Material Adverse Effect; or
- (c) Any representation, warranty or certification confirmed or made by any of the Project Entities in this Agreement on or following the Initial Bank Advance Date (including any Advance Request or other certificate submitted with respect to this Agreement) shall be found to have been incorrect when made or deemed to be made in any material respect; or
- (d) Any representation, warranty or certification confirmed or made by any of the Project Entities in any Material Contract or any certificate submitted with respect to any Material Contract shall be found to have been incorrect in any material respect when made or deemed to be made except to the extent that any failure to be true and correct could not reasonably be expected to have a Material Adverse Effect.

7.1.4 Covenants.

- (a) The Project Entities shall fail to perform or observe any of their respective obligations under Sections 5.1, 5.8, 5.9, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6 or 6.9.1;
- (b) The Project Entities shall fail to perform or observe any of their respective obligations under Sections 5.4.1, 5.4.7, 5.7 or 5.14 within five days after a Responsible Officer of the Project Entities obtaining actual knowledge thereof;
- (c) The Project Entities shall fail to at all times maintain in full force and effect the insurance policies and programs listed on Exhibit D (except 30 days grace after notice from the Controlling Person shall be allowed in the case of automobile, workers compensation, pollution liability and design errors and omissions insurance); or
- (d) The Project Entities shall fail to perform or observe any of their

obligations under Articles 5 or 6 (other than those listed in Sections 7.1.4(a), (b) or (c)) where such default shall not have been remedied within 30 days after the earlier of (i) the Project Entities or any other Project Entity becoming aware of such breach or default or (ii) notice of such failure from the Disbursement Agent or any Funding Agent to the Project Entities.

7.1.5 Breach of Contracts.

(a) The General Contractor or any Project Entity shall breach or default (after giving effect to applicable cure and grace periods) under any term, condition, provision, covenant, representation or warranty contained in any Contract with a contract price or value in excess of \$100,000,000 and such breach or default (i) has had or could reasonably be expected to have a Material Adverse Effect and (ii) continues unremedied for thirty days after the earlier of (A) the Project Entities becoming aware of such breach or default or (B) receipt by the Project Entities of notice from the Disbursement Agent or any Funding Agent of such breach or default; or

(b) Any party thereto (other than the General Contractor or a Project Entity) shall breach or default under any term, condition, provision, covenant, representation or warranty contained in any Contract with a contract price or value in excess of \$100,000,000 and such breach or default could reasonably be expected to result in a Material Adverse Effect and shall continue unremedied for thirty days after the earlier of (i) the Project Entities becoming aware of such breach or default or (ii) receipt by the Project Entities of notice from the Disbursement Agent or any Funding Agent of such breach or default; provided, however, that:

(A) if the breach or default is reasonably susceptible to cure within 60 days but cannot be cured within such 30 days despite such other party's good faith and diligent efforts to do so, the cure period shall be extended as is reasonably necessary beyond such 30 day period (but in no event longer than 60 days) if remedial action reasonably likely to result in cure is promptly instituted within such 30 day period and is thereafter diligently pursued until the breach or default is corrected; and

(B) no Default or Event of Default shall be deemed to have occurred as a result of such breach if the Project Entities provide written notice to the Funding Agents within ten Banking Days after the Project Entities becoming aware of such breach that the Project Entities intend to replace such Contract (or that replacement is not necessary) and (1) the Project Entities obtain a replacement obligor or obligors reasonably acceptable to the Disbursement Agent (in consultation with the Construction Consultant) for the affected

party (if in the judgment of the Disbursement Agent (in consultation with the Construction Consultant) a replacement is necessary), (2) the Project Entities enter into a replacement Contract in accordance with Section 6.1 within 60 days of such breach (if in the reasonable judgment of the Disbursement Agent (in consultation with the Construction Consultant) a replacement is necessary); *provided, however* that the replacement Contract may require the Project Entities to pay amounts to the replacement obligor in excess of those that would have been payable under the breached Contract if such additional payments in the reasonable judgment of the Disbursement Agent, in consultation with the Construction Consultant, do not cause the In Balance Test to fail to be satisfied and (3) such breach or default, after considering any replacement obligor and replacement Contract and the time required to implement such replacement, has not and could not reasonably be expected to have a Material Adverse Effect; or

(c) The Project Entities shall have received, and the right to stop work thereunder shall thereafter become effective, a "stop work" notice under NRS 624.610 or otherwise with respect to any Contract with a contract price or value in excess of \$50,000,000.

7.1.6 Termination or Invalidity of Material Contracts; Abandonment of Project.

(a) Any of the Material Contracts with a contract price or value in excess of \$100,000,000 shall have terminated (other than in accordance with its express terms), become invalid or illegal, or otherwise ceased to be in full force and effect, *provided* that with respect to any such Material Contract other than the Prime Construction Agreement, no Default or Event of Default shall be deemed to have occurred as a result of such termination if the Project Entities provide written notice to the Funding Agents within ten Banking Days after any Project Entity becoming aware of such Contract ceasing to be in full force and effect; and

(i) the Project Entities obtain a replacement obligor or obligors reasonably acceptable to the Disbursement Agent (in consultation with the Construction Consultant), for the affected party (if in the judgment of the Disbursement Agent (in consultation with the Construction Consultant) a replacement is necessary);

(ii) the Project Entities enter into a replacement Contract in accordance with Section 6.1 within 60 days of such termination; *provided, however* that the replacement Contract may require the Project Entities to pay additional amounts to the replacement obligor that would have otherwise been payable under the terminated Contract if such additional payments in the reasonable

judgment of the Disbursement Agent, in consultation with the Construction Consultant, do not cause the In Balance Test to fail to be satisfied; or

(b) The Project Entities shall (i) abandon the Project or (ii) for a period in excess of ten days otherwise cease to pursue the operations of the Project, except to the extent resulting from a Force Majeure Event.

7.1.7 Government Authorizations. The Project Entities fail to observe, satisfy or perform, or there is a violation or breach of, any of the terms, provisions, agreements, covenants or conditions attaching to or under the issuance to such Person of any Permit or any such Permit or any provision thereof is suspended, revoked, cancelled, terminated or materially and adversely modified or fails to be in full force and effect or any Governmental Authority challenges or seeks to revoke any such Permit if such failure to perform, violation, breach, suspension, revocation, cancellation, termination or modification could reasonably be expected to have a Material Adverse Effect.

7.1.8 Future Advances. With respect to any of the Deeds of Trust, if any "borrower" (as that term is defined in NRS 106.310) who may send a notice pursuant to NRS 106.380(1), (i) delivers, sends by mail or otherwise gives, or purports to deliver, send by mail or otherwise give, to a beneficiary under any of the Deeds of Trust (A) any notice of an election to terminate the operation of any such Deed of Trust as security for any secured obligation, including, without limitation, any obligation to repay any "future advance" (as defined in NRS 106.320) of "principal" (as defined in NRS 106.345), or (B) any other notice pursuant to NRS 106.380(1), (ii) records a statement pursuant to NRS 106.380(3), or (iii) causes any Deed of Trust, any secured obligation, or any Secured Party to be subject to NRS 106.380(2), 106.380(3) or 106.400.

7.2 **Remedies.** Upon the occurrence and during the continuation of an Event of Default, the Controlling Person may, subject to the terms of the Project Lender Intercreditor Agreement, and without further notice of default, presentment or demand for payment, protest or notice of non-payment or dishonor, or other notices or demands of any kind, all such notices and demands being waived (to the extent permitted by applicable law) notify the Project Entities and each Funding Agent of its determination that it will not permit further Advances hereunder. Thereafter, each of the Funding Agents may exercise any or all rights and remedies at law or in equity (in any combination or order that the Funding Agents may elect, subject to the foregoing), including without limitation or prejudice to the Funding Agents' other rights and remedies, the following:

7.2.1 refuse, and the Funding Agents shall not be obligated, to make any Advances or make any payments from any Account or other funds held by the Disbursement Agent by or on behalf of the Project Entities or suspend or terminate the Commitments; and

7.2.2 exercise any and all rights and remedies available to it under any of the

Financing Agreements (including the exercise of rights in respect of each Account in which that Funding Agent has been granted a Lien in accordance with this Agreement).

ARTICLE 8

THE CONSTRUCTION CONSULTANT

8.1 **Removal and Fees.** The Bank Agent may, in its sole discretion, remove the Construction Consultant and, upon such removal, a replacement acceptable to the Bank Agent shall be appointed in consultation with the Project Entities. Notice of any replacement Construction Consultant shall be given by the Bank Agent to the Funding Agent, the Disbursement Agent and the Project Entities. All reasonable fees and expenses of the Construction Consultant (whether the original ones or replacements) shall be paid by the Project Entities. No other Funding Agent shall have the right to remove the Construction Consultant or appoint a replacement. The Project Entities have reviewed the Construction Consultant Engagement Agreement and hereby agree to reimburse the Disbursement Agent and the Funding Agents for the fees of the Construction Consultant set forth therein.

8.2 **Duties.** The Construction Consultant is obligated to the Funding Agents to carry out the activities required of them in this Agreement and in the Construction Consultant Engagement Agreement. The Project Entities acknowledge that they will not have any cause of action or claim against the Construction Consultant resulting from any decision made or not made, any action taken or not taken or any advice given by the Construction Consultant in the due performance in good faith of its duties.

8.3 **Acts of Disbursement Agent.** The Disbursement Agent will take such actions as any Funding Agent or the Project Entities may reasonably request to cause the Construction Consultant to act diligently in the issuance of all certificates required to be delivered by the Construction Consultant and to otherwise fulfill their obligations to the Funding Agents.

ARTICLE 9

THE DISBURSEMENT AGENT

9.1 **Appointment and Acceptance.** Each of the Funding Agents hereby irrevocably appoints and authorizes the Disbursement Agent to act on its behalf hereunder and under the Control Agreements (including any future Control Agreements which may hereafter be executed). The Disbursement Agent accepts such appointments and agrees to exercise commercially reasonable efforts and utilize commercially prudent practices in the performance of its duties hereunder consistent with those of similar institutions holding collateral, administering construction loans and disbursing disbursement control funds.

9.2 **Duties and Liabilities of the Disbursement Agent Generally.**

9.2.1 Meetings, Etc. Commencing upon execution and delivery hereof, the Disbursement Agent shall have the right to meet periodically at reasonable

times, upon three Banking Days' notice, with representatives of the Project Entities, the Construction Consultant, the General Contractor, the Architect and such other Contractors, employees, consultants or agents as the Disbursement Agent shall reasonably request to be present for such meetings. The Disbursement Agent may perform such inspections and tests of the Project as it deems reasonably appropriate in the performance of its duties hereunder. In addition, the Disbursement Agent shall have the right at reasonable times upon prior notice to review all information (including Contracts) supporting the amendments to the Resort Budget, amendments to any Contracts, Advance Requests, to inspect materials stored at the Site or at any other location, to review the insurance required pursuant to the terms of the Financing Agreements, to confirm receipt of endorsements from the Title Insurer insuring the continuing priority of the liens of the Deeds of Trust as security for each Advance hereunder, and to examine the Plans and Specifications and all shop drawings relating to the Project. The Disbursement Agent is authorized to contact any Contractor for purposes of confirming receipt of progress payments. The Disbursement Agent shall be entitled to examine, copy and make extracts of the books, records, accounting data and other documents of the Project Entities, including without limitation bills of sale, statements, receipts, conditional and unconditional lien releases, contracts or agreements, which relate to any materials, fixtures or articles incorporated into the Project. From time to time, at the request of the Disbursement Agent, the Project Entities shall make available to the Disbursement Agent a Project Schedule. The Project Entities agree to cooperate with the Disbursement Agent in assisting the Disbursement Agent to perform its duties hereunder and to take such further steps as the Disbursement Agent reasonably may request in order to facilitate the Disbursement Agent's performance of its obligations hereunder.

9.2.2 Powers, Rights and Remedies. The Disbursement Agent is authorized to take such actions and to exercise such powers, rights and remedies under this Agreement and the Control Agreements as are specifically delegated or granted to the Disbursement Agent by the terms hereof or thereof, together with such powers, rights and remedies as are reasonably incidental thereto. The Disbursement Agent agrees to act in accordance with the instructions of the Controlling Person and, in the absence of such instructions, shall take such actions or refrain from acting as it deems reasonable subject to any express requirements of this Agreement.

Neither the Funding Agents nor the Disbursement Agent shall instruct the securities intermediary under any Control Agreement to take an action inconsistent with the Project Entities' instructions except to the extent expressly permitted by this Agreement or the relevant Control Agreement.

9.2.3 Notice of Events of Default. If the Disbursement Agent is notified that an Event of Default or a Default has occurred and is continuing, the Disbursement Agent shall promptly and in any event within five Banking Days

provide notice to each of the Funding Agents of the same and otherwise shall exercise such of the rights and powers vested in it by this Agreement and the documents constituting or executed in connection with this Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the reasonable administration of its own affairs.

9.2.4 No Risk of Own Funds. None of the provisions of this Agreement shall require the Disbursement Agent to expend or risk its own funds or otherwise to incur any personal financial liability in the performance of any of its duties hereunder or under the Control Agreements, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

9.2.5 No Imputed Knowledge. Notwithstanding anything to the contrary in this Agreement, the Disbursement Agent shall not be deemed to have knowledge of any fact known to it in any capacity other than the capacity of Disbursement Agent, or by reason of the fact that the Disbursement Agent is also a Funding Agent or Lender. The Disbursement Agent's duties and functions hereunder shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon the Disbursement Agent in its capacity as a Funding Agent or as a Lender. The Disbursement Agent shall have the same rights and powers hereunder as any other Funding Agent or Lender and may exercise the same as though it were not performing its duties and functions hereunder. The Disbursement Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of banking, trust, financial advisory or other business with the Project Entities or any of their Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from the Project Entities for services in connection with this Agreement and otherwise without having to account for the same to the Lenders. Each party hereto acknowledges that, as of the Closing Date, Bank of America is the Disbursement Agent hereunder and acting as securities intermediary under the Control Agreements in respect of the Accounts (other than the Second Mortgage Proceeds Account), a Funding Agent and as a Lender under certain of the Facilities.

9.3 **Particular Duties and Liabilities of the Disbursement Agent.**

9.3.1 Reliance For Instructions. The Disbursement Agent may, from time to time, in the event that any matter arises as to which specific instructions are not provided herein or in a Control Agreement (as applicable), request directions from the Funding Agents or the Controlling Person with respect to such matters and may refuse to act until so instructed and shall be fully protected in acting or refusing to act in accordance with such instructions. The Disbursement Agent is further authorized by the Funding Agents and the Lenders to enter into agreements supplemental to this Agreement for the purpose of curing any formal

defect, inconsistency, omission or ambiguity in this Agreement (without any consent or approval by the Funding Agents or the Lenders) *provided* that in no event shall the Disbursement Agent enter into any supplemental agreement in respect of this Agreement with respect to Sections 3.5, 3.7.3, 5.11 or 5.12, or any other provision of this Agreement directly materially and adversely affecting the rights of the Retail Agent, without the consent of the Retail Agent.

9.3.2 Reliance Generally. The Disbursement Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it on reasonable grounds to be genuine and to have been signed or presented by the proper party or parties. Notwithstanding anything else in this Agreement to the contrary, in performing its duties hereunder, including approving any Advance Requests, making any other determinations or taking any other actions hereunder, the Disbursement Agent shall be entitled to rely on certifications from the Project Entities (and, where contemplated herein, certifications from third parties, including the Construction Consultant) as to satisfaction of any requirements and/or conditions imposed by this Agreement. The Disbursement Agent shall not be required to conduct any independent investigation as to the accuracy, veracity or completeness of any such items or to investigate any other facts or circumstances to verify compliance by the Project Entities with their obligations hereunder.

9.3.3 Court Orders. The Disbursement Agent is authorized, in its exclusive discretion, to obey and comply with all writs, orders, judgments or decrees issued by any court or administrative agency affecting any money, documents or things held by the Disbursement Agent. The Disbursement Agent shall not be liable to any of the parties hereto, their successors, or representatives by reason of the Disbursement Agent's compliance with such writs, orders, judgments or decrees, notwithstanding the fact that such writ, order, judgment or decree is later reversed, modified, set aside or vacated.

9.3.4 Requests of the Project Entities. Any request, direction, order or demand of the Project Entities mentioned herein shall be sufficiently evidenced (unless other evidence in respect thereof be herein specifically required) by an instrument signed by one of its Responsible Officers, and any resolution of the Project Entities may be evidenced to the Disbursement Agent by a copy thereof certified by the Secretary or an Assistant Secretary of the Project Entities.

9.3.5 Reliance on Opinions of Counsel. The Disbursement Agent may consult with counsel and any written opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder or under any Control Agreement in good faith and in accordance with such opinion of counsel.

9.3.6 Action through Agents or Attorneys. The Disbursement Agent may execute any of the trusts or powers hereunder or perform any duties hereunder or

under any Control Agreement either directly or by or through agents or attorneys appointed with due care, and the Disbursement Agent shall not be responsible for any act on the part of any agent or attorney so appointed.

9.3.7 Marshaling of Assets. The Disbursement Agent need not marshal in any particular order any particular part or piece of the Project Security held by the Disbursement Agent in its capacity as Disbursement Agent hereunder or under any Control Agreement, or any of the funds or assets that the Disbursement Agent may be entitled to receive or have claim upon.

9.3.8 Disagreements.

(a) In the event of any disagreement between a Funding Agent and the Project Entities or any other Person or Persons whether or not named herein, and adverse claims or demands are made in connection with or for any of the investments or amounts held pursuant to this Agreement or under any Control Agreement, the Disbursement Agent shall be entitled at its option to refuse to comply with any such claim or demand so long as such disagreement shall continue, and in so doing, the Disbursement Agent shall not be or become liable for damages or interest to such Funding Agent or the Project Entities or any other Person or Persons for the Disbursement Agent's failure or refusal to comply with such conflicting or adverse claims or demands. The Disbursement Agent shall be entitled to continue so to refrain and refuse so to act until:

(i) the rights of the adverse claimants have been fully adjudicated in the court assuming and having jurisdiction of the claimants and the investments and amounts held pursuant to this Agreement or under any Control Agreement; or

(ii) all differences shall have been adjusted by agreement, and the Disbursement Agent shall have been notified thereof in writing by all persons deemed by the Disbursement Agent, in its sole discretion, to have an interest therein.

(b) In addition, the Disbursement Agent may file a suit in interpleader for the purpose of having the respective rights of all claimants adjudicated, and may deposit with the court all of the investments and amounts held pursuant to this Agreement or under any Control Agreement. The Project Entities agree to pay all costs and reasonable counsel fees incurred by the Disbursement Agent in such action, said costs and fees to be included in the judgment in any such action.

9.4 **Segregation of Funds and Property Interest.** Except as otherwise expressly provided in the Financing Agreements, monies and other property received by the Disbursement Agent shall, until used or applied as herein provided, be held for the purposes for which they were received, and shall be segregated from other funds except to the extent required herein or

by law. To the extent that the Disbursement Agent also acts as securities intermediary, (a) the Disbursement Agent shall note in its records that all funds and other assets in the Accounts described in Section 2.2, have been pledged to the Secured Parties (as their interests appear in the matrix set forth in that Section) and that the Disbursement Agent is holding such items for such Secured Parties. Accordingly, it is the intention of the parties that all such funds and assets shall not be within the bankruptcy "estate" (as such term is used in 11 U.S.C. § 541) of the Disbursement Agent. The Disbursement Agent shall not be under any liability for interest on any monies received by it hereunder, except as otherwise specified in this Agreement. The Disbursement Agent hereby expressly waives any right of set-off or similar right it may have against or in relation to the Accounts and any monies, Cash Equivalents or other amounts on deposit therein.

9.5 Compensation and Reimbursement of the Disbursement Agent. The Project Entities covenant and agree to pay to the Disbursement Agent from time to time, and the Disbursement Agent shall be entitled to, the fees set forth in the letter agreement between the Project Entities and the Disbursement Agent, and the Project Entities will further pay or reimburse the Disbursement Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Disbursement Agent in accordance with any of the provisions of the Financing Agreements or the documents constituting or executed in connection with the Project Security including any Control Agreements (including the reasonable compensation and the reasonable expenses and disbursements of its counsel and of all persons not regularly in its employ). The obligations of the Project Entities under this Section 9.5 to compensate the Disbursement Agent and to pay or reimburse the Disbursement Agent for reasonable expenses, disbursements and advances shall constitute additional indebtedness (and shall be deemed permitted indebtedness under each Financing Agreement) hereunder and shall survive the satisfaction and discharge of this Agreement.

9.6 Qualification of the Disbursement Agent. Any successor to the initial Disbursement Agent hereunder shall at all times be a corporation with offices in New York City, New York which (a) is authorized to exercise corporation trust powers, (b) is subject to supervision or examination by the applicable Governmental Authority, (c) shall have a combined capital and surplus of at least \$500,000,000, (d) shall have a long-term credit rating of not less than A- or A3, respectively, by S&P or Moody's; and provided, that any such bank with a long-term credit rating of A- or A3 shall not cease to be eligible to act as Disbursement Agent upon a downward change in either such rating of no more than one category or grade of such minimum rating, as the case may be; and (e) with respect to any replacement of the Person acting as Disbursement Agent as of the Closing Date, shall be acceptable to each of the Bank Agent and the Trustee acting pursuant to the Project Lender Intercreditor Agreement (and so long as no Event of Default then exists shall be approved by the Project Entities, such approval not to be unreasonably withheld or delayed). In case at any time the Disbursement Agent shall cease to be eligible in accordance with the provisions of this Section 9.6, the Disbursement Agent shall resign immediately upon appointment of a successor Disbursement Agent in accordance with Section 9.7.

9.7 Resignation and Removal of the Disbursement Agent. The Trustee (until the Exhaustion of the Second Mortgage Proceeds Account), and the Bank Agent (at any time

thereafter) shall have the right should they reasonably determine that the Disbursement Agent has breached or failed to perform its obligations hereunder or has engaged in willful misconduct or gross negligence, upon the expiration of 30 days following delivery of written notice of substitution to the Disbursement Agent, each of the Funding Agents and the Project Entities, to cause the Disbursement Agent to be relieved of its duties hereunder and to select a substitute disbursement agent to serve hereunder. The Disbursement Agent may resign at any time upon 45 days' written notice to all parties hereto. Such resignation shall take effect upon the earlier of receipt by the Disbursement Agent of an instrument of acceptance executed by a successor disbursement agent meeting the qualifications set forth in Section 9.6 and consented to by the other parties hereto or 45 days after the giving of such notice. Upon selection of a substitute disbursement agent, the Funding Agents and the Project Entities and the substitute disbursement agent shall enter into an agreement substantially identical to this Agreement and, upon appointment of a substitute Disbursement Agent, the Disbursement Agent shall promptly transfer to the substitute Disbursement Agent originals of all books, records, and other documents in the Disbursement Agent's possession relating to this Agreement.

9.8 Merger or Consolidation of the Disbursement Agent. Any corporation into which the Disbursement Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Disbursement Agent shall be a party, or any corporation succeeding to the corporate trust business of the Disbursement Agent, shall, if eligible hereunder, be the successor of the Disbursement Agent hereunder; provided, that such corporation shall be eligible under the provisions of Section 9.6 without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

9.9 Statements; Information.

9.9.1 Monthly Statements. The Disbursement Agent shall provide to the Funding Agents and the Project Entities a monthly statement of all deposits to, and disbursements from, each Account (other than in respect of the Second Mortgage Proceeds Account) and interest and earnings credited to each account established and maintained hereunder and under the other Operative Documents. The Disbursement Agent shall forward to the Funding Agents any such statements delivered to it by the securities intermediaries under the Control Agreements.

9.9.2 Information Requests. The Disbursement Agent shall, at the expense of the Project Entities (i) as promptly as is reasonably practicable after receipt of any reasonable written request by the Project Entities or any Funding Agent, but not more frequently than monthly (unless a Default or an Event of Default shall have occurred), provide the Project Entities or such Funding Agent, as the case may be, with such information as the Project Entities or such Funding Agent may reasonably request regarding all categories, amounts, maturities and issuers of investments made by the Disbursement Agent pursuant to this Agreement and regarding amounts available in the Accounts, and (ii) upon the reasonable

written request of the Project Entities, arrange with the Project Entities for a mutually convenient time for a Responsible Officer of the Reviewing Accountant to visit the offices of the Disbursement Agent to examine and take copies of records relating to and instruments evidencing the investments made by the Disbursement Agent pursuant to this Agreement.

9.10 Limitation of Liability. The Disbursement Agent's responsibility and liability under this Agreement shall be limited as follows: (a) the Disbursement Agent does not represent, warrant or guaranty to the Funding Agents or the Lenders the performance by the Project Entities, the General Contractor, the Construction Consultant, the Architect, or any other Contractor of their respective obligations under the Operative Documents and shall have no duty to inquire of any Person whether a Default or an Event of Default has occurred and is continuing; (b) the Disbursement Agent shall have no responsibility to the Project Entities, the Funding Agents or the Lenders as a consequence of performance by the Disbursement Agent hereunder except for any bad faith, fraud, gross negligence or willful misconduct of the Disbursement Agent as finally judicially determined by a court of competent jurisdiction; (c) the Project Entities shall remain solely responsible for all aspects of their business and conduct in connection with the Project, including but not limited to the quality and suitability of the Plans and Specifications, the supervision of the work of construction, the qualifications, financial condition and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants and property managers, the accuracy of all applications for payment, and the proper application of all disbursements; and (d) the Disbursement Agent is not obligated to supervise, inspect or inform the Project Entities of any aspect of the development, construction or operation of the Project or any other matter referred to above. The Bank Agent, the Retail Agent and the Representative (on behalf of the Trustee and the Second Mortgage Holders) have each made their own independent investigation of the financial condition and affairs of the Project Entities in connection with the making of the extensions of credit contemplated by the Financing Agreements and has made and shall continue to make its own appraisal of the creditworthiness of the Project Entities. Except as specifically set forth herein, the Disbursement Agent shall not have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of the Funding Agents or Lenders or to provide any Funding Agent or Lender with any credit or other information with respect thereto. The Disbursement Agent shall not have, by reason of this Agreement, a fiduciary relationship in respect of any Person; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon the Disbursement Agent any obligations in respect of this Agreement except as expressly set forth herein or therein. The Disbursement Agent shall have no duties or obligations hereunder except as expressly set forth herein, shall be responsible only for the performance of such duties and obligations and shall not be required to take any action otherwise than in accordance with the terms hereof. The provisions of this Article 9 are solely for the benefit of the Disbursement Agent and the Funding Agents and Lenders and the Project Entities shall have no rights as third party beneficiaries of any of the provisions thereof. In performing its functions and duties under this Agreement, the Disbursement Agent does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for the Project Entities or any of their Affiliates. Neither the Disbursement Agent nor any of its officers, directors, employees or agents shall be in any manner liable or responsible for any loss or damage arising by reason of any act or omission to

act by it or them hereunder or in connection with any of the transactions contemplated hereby, including, but not limited to, any loss that may occur by reason of forgery, false representations, the exercise of its discretion, or any other reason, except as a result of their bad faith, fraud, gross negligence or willful misconduct as finally judicially determined by a court of competent jurisdiction.

ARTICLE 10

SAFEKEEPING OF ACCOUNTS

10.1 Application of Funds in Accounts. Amounts deposited in the Accounts shall be applied as provided in this Agreement. The Disbursement Agent shall at all times act and direct the securities intermediaries under the Control Agreements so as to implement the application of funds provisions and procedures herein set forth. The Disbursement Agent is hereby authorized to reduce to cash any Cash Equivalent (without regard to maturity) in any Account in order to make any application required hereunder.

10.2 Event of Default. Upon the occurrence and during the continuance of an Event of Default of which it has written notice from a Funding Agent, the Disbursement Agent shall not deposit or cause to be deposited any amounts into the Payment Accounts, the Interest Account or the Cash Management Account, unless instructed to the contrary by the relevant Controlling Person. The Disbursement Agent is hereby irrevocably authorized by the Project Entities to apply, or cause to be applied, amounts in any Account and any other sums held under any Control Agreement to the payment of Debt Service or other amounts or obligations due or payable to the Secured Parties (in each case, only to the extent that such Secured Party holds a Lien in the relevant Account) when instructed to do so by the Controlling Person.

10.3 Perfection. The Disbursement Agent shall take any steps, from time to time, requested by the Bank Agent or the Trustee to confirm or cause the securities intermediaries under the Control Agreements to confirm and maintain the priority of their respective security interests in the Accounts.

10.4 Second Mortgage Proceeds Account. Notwithstanding any other provision hereof, the parties hereto acknowledge that the security interest granted under the Security Documents to the Trustee in the Second Mortgage Proceeds Account (including any Cash Equivalents held therein) is for the sole and exclusive benefit of the Trustee on behalf of the Second Mortgage Holders.

10.5 Bank Proceeds Account. Notwithstanding any other provision hereof, the parties hereto acknowledge that the security interest granted under the Security Documents to the Bank Agent in the Bank Proceeds Account (including any Cash Equivalents held therein) is for the sole and exclusive benefit of the Bank Agent and the Bank Lenders, and subject to the terms of the Project Lenders Intercreditor Agreement, only the Bank Agent shall have the right to direct the Disbursement Agent with respect thereto.

10.6 Retail Funding Account and Retail Payments Account. Notwithstanding any other provision hereof, the parties hereto acknowledge that the security interest granted under the

Retail Facility Security Documents to the Retail Agent in the Retail Funding Account and the Retail Payment Account (including any Cash Equivalents held therein) is for the sole and exclusive benefit of the Retail Agent and the Retail Lenders.

ARTICLE 11

MISCELLANEOUS

11.1 **Addresses.** Any communications between the parties hereto or notices provided herein to be given may be given to the following addresses:

If to the Project Entities: c/o Fontainebleau Las Vegas, LLC,
Whitney Thier, Esquire
General Counsel
2827 Paradise Road
Las Vegas, NV 89109
Telephone No.: (702) 495-8108
Facsimile No.: (702) 495-8112

If to the Bank Agent: Donna F. Kimbrough,
Assistant Vice President
Bank of America, N.A.
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Telephone No.: (214) 209-1569
Facsimile No.: (214) 290-9436

If to the Trustee: Wells Fargo Bank, N.A., as Trustee
Corporate Trust Services
MAC N9311-110
625 Marquette Avenue
Minneapolis, MN 55479
Attention: Fontainebleau Resorts Account Manager
Telephone (612) 316-4305
Telecopier: (612) 667-9825

If to the Retail Agent: Lehman Brothers Holdings Inc., as Retail Agent
c/o Lehman Brothers Holdings
399 Park Avenue
New York, New York 10022
Attention: Josh Freedman
Facsimile No.: (212) 713-1278

If to the Disbursement Agent: Bank of America, N.A., as Disbursement Agent for
Fontainebleau Resorts
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Telephone No.: (214) 209-1569
Facsimile No.: (214) 290-9436

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service, or (c) if sent by prepaid telex, or by telecopy with correct answer back received. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given on the day (if a Banking Day and, if not, on the next following Banking Day) on which it is validly transmitted if transmitted before 4:00 p.m., recipient's time, and if transmitted after that time, on the next following Banking Day; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location by notice to the other parties in the manner set forth hereinabove.

11.2 Further Assurances. From time to time the Project Entities shall execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Funding Agents or the Disbursement Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Operative Documents, or of more fully perfecting or renewing the rights of the Funding Agents and the Lenders with respect to the Project Security (or with respect to any additions thereto or replacements or proceeds or products thereof or with respect to any other property or assets hereafter acquired by any Project Entity which may be deemed to be part of the Project Security) pursuant hereto or thereto. Upon the exercise by the Funding Agents, the Disbursement Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Operative Documents which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, the Project Entities shall execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Funding Agent, the Disbursement Agent or such Lender may be required to obtain from the Project Entities for such governmental consent, approval, recording, qualification or authorization.

11.3 Delay and Waiver. No delay or omission to exercise any right, power or remedy accruing upon the occurrence of any Default or Event of Default or any other breach or default of the Project Entities under this Agreement shall impair any such right, power or remedy of the Funding Agents, the Lenders, the Disbursement Agent or any other Secured Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring, nor shall any waiver of any single Default, Event

of Default or other breach or default be deemed a waiver of any other Default, Event of Default or other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any of the Funding Agents, the Lenders, the Disbursement Agent or any other Secured Party, of any Default, Event of Default or other breach or default under this Agreement or any other Financing Agreement, or any waiver on the part of any of the Funding Agents, the Lenders, the Disbursement Agent or any other Secured Party, of any provision or condition of this Agreement or any other Operative Document, must be in writing and shall be effective only to the extent in such writing specifically set forth. All remedies, either under this Agreement or any other Financing Agreement or by law or otherwise afforded to any of the Funding Agents, the Lenders, the Disbursement Agent or any other Secured Party, shall be cumulative and not alternative.

11.4 Additional Security; Right to Set-Off. Regardless of the adequacy of any other collateral, any Secured Party may execute or realize on its security interest in any deposits or other sums credited by or due from any such Person to the Project Entities, may apply any such deposits or other sums to or set them off against the Project Entities' obligations to the Project Secured Parties under this Agreement and the other Financing Agreements at any time after the occurrence and during the continuance of any Event of Default.

11.5 Entire Agreement. This Agreement and any agreement, document or instrument attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings in respect to the subject matter hereof, all of which negotiations and writings are deemed void and of no force and effect.

11.6 Governing Law. This Agreement shall be governed by the laws of the State of New York of the United States of America and shall for all purposes be governed by and construed in accordance with the laws of such state without regard to the conflict of law rules thereof other than Section 5-1401 of the New York General Obligations Law, *provided, however*, that to the extent any terms of this Agreement are incorporated in and made part of any other Financing Agreement, any such term so incorporated shall for all purposes be governed by and construed in accordance with the law governing the Financing Agreement into which such term is so incorporated.

11.7 Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and the parties hereto shall enter into good faith negotiations to replace the invalid, illegal or unenforceable provision.

11.8 Headings. Paragraph headings have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such paragraph headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

11.9 Limitation on Liability. NO CLAIM SHALL BE MADE BY THE PROJECT ENTITIES OR ANY OF THEIR AFFILIATES AGAINST THE FUNDING AGENTS, THE LENDERS, THE DISBURSEMENT AGENT, THE CONTROLLING PERSON OR ANY OTHER SECURED PARTY OR ANY OF THEIR RESPECTIVE AFFILIATES, DIRECTORS,

EMPLOYEES, ATTORNEYS OR AGENTS FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (WHETHER OR NOT THE CLAIM THEREFOR IS BASED ON CONTRACT, TORT OR DUTY IMPOSED BY LAW), IN CONNECTION WITH, ARISING OUT OF OR IN ANY WAY RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE OTHER OPERATIVE DOCUMENTS OR ANY ACT OR OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH; AND THE PROJECT ENTITIES HEREBY WAIVE, RELEASE AND AGREE NOT TO SUE UPON ANY SUCH CLAIM FOR ANY SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

11.10 Waiver of Jury Trial. ALL PARTIES TO THIS AGREEMENT HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER FINANCING AGREEMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF ANY PARTY TO THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE FUNDING AGENTS, DISBURSEMENT AGENT AND EACH OF THE OTHER LENDERS AND SECURED PARTIES TO ENTER INTO THIS AGREEMENT.

11.11 Consent to Jurisdiction. Any legal action or proceeding by or against the Project Entities or with respect to or arising out of this Agreement may be brought in or removed to the courts of the State of New York, in and for the County of New York, or of the United States of America for the Southern District of New York. By execution and delivery of this Agreement, the Project Entities, accept, for themselves and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts for legal proceedings arising out of or in connection with this Agreement and irrevocably consents to the appointment of the Corporation Service Company as its agent to receive service of process in New York, New York. Nothing herein shall affect the right to serve process in any other manner permitted by law or any right to bring legal action or proceedings in any other competent jurisdiction, including judicial or non-judicial foreclosure of real property interests which are part of the Project Security. The Project Entities further agree that the aforesaid courts of the State of New York and of the United States of America for the Southern District of New York shall have exclusive jurisdiction with respect to any claim or counterclaim of the Project Entities based upon the assertion that the rate of interest charged by or under this Agreement, or under the other Financing Agreements is usurious. The Project Entities hereby waive any right to stay or dismiss any action or proceeding under or in connection with any or all of the Project, this Agreement or any other Operative Document brought before the foregoing courts on the basis of *forum non-conveniens*.

11.12 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Notwithstanding the foregoing, the Project Entities may not assign or otherwise transfer any of their rights under this Agreement.

11.13 **Reinstatement.** This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Project Entities' obligations hereunder or under the other Financing Agreements, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by the Secured Parties. In the event that any payment or any part thereof is so rescinded, reduced, restored or returned, such obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

11.14 **No Partnership; Etc.** The Secured Parties and the Project Entities intend that the relationship between them shall be solely that of creditors and debtors. Nothing contained in this Agreement or in any of the other Financing Agreements shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership by or between the Secured Parties and the Project Entities or any other Person. The Secured Parties shall not be in any way responsible or liable for the debts, losses, obligations or duties of the Project Entities or any other Person with respect to the Project or otherwise. All obligations to pay real property or other taxes, assessments, insurance premiums, and all other fees and charges arising from the ownership, operation or occupancy of the Project and to perform all obligations under the agreements and contracts relating to the Project shall be the sole responsibility of the Project Entities.

11.15 **Costs and Expenses.**

11.15.1 Reimbursement of Costs. The Project Entities shall (subject to the limitations set forth herein and, with respect to each Funding Agent, to the express provisions of the Financing Agreements or any other fee letters or engagement letters to which such Funding Agent is a party) pay the reasonable legal, engineering, other professional and all other fees and costs of the Funding Agents, and the Disbursement Agent and their consultants and advisors, the reasonable travel expenses and other out-of-pocket costs incurred by each of them in connection with the preparation, negotiation, execution and delivery, and where appropriate, registration of the Operative Documents (and all matters incidental thereto), the syndication of the Loans, the administration of the transactions contemplated by the Operative Documents (including, without limitation, the administration of this Agreement, the other Operative Documents and the Security Documents) and the preservation or enforcement of any of their respective rights or in connection with any amendments, waivers or consents required under the Financing Agreements or the Operative Documents provided that this shall not require the payment by any of the other Project Entities of any expenses, fees or costs attributable to the Retail Affiliate or the Retail Budget. The Trustee and the Bank Agent shall be entitled to charge the Second Mortgage Proceeds Account and the Bank Proceeds Account, and the Bank Agent shall be entitled to make Advances under the Bank Credit Facility, for the direct payment of such expenses.

11.15.2 Indemnity. The Project Entities shall indemnify, defend and hold harmless the Funding Agents, the Lenders, the Construction Consultant, the Disbursement Agent, each of their respective affiliates and each of their

respective officers, directors, partners, trustees, employers, affiliates, shareholders, advisors, agents, attorneys, attorneys-in-fact, representatives and "controlling persons" (within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended), (collectively, the "Indemnitees") from and against and reimburse the Indemnitees for any and all present and future claims, expenses, obligations, liabilities, losses, damages, injuries (to person, property, or natural resources), penalties, stamp or other similar taxes, actions, suits, judgments, reasonable costs and expenses (including any legal or other expenses reasonably incurred by them in connection with the investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as witness with respect to, any lawsuits, investigations, claims or other proceedings (whether or not such Indemnitee is a formal party thereto)) of whatever kind or nature, whether or not well founded, meritorious or unmeritorious, demanded, asserted or claimed against any such Indemnitee including any liability resulting from any delay or omission to pay any such tax (collectively, "Claims") arising in any manner out of or in connection with this Agreement, the Financing Documents or any other Operative Documents, the use of proceeds therefrom, the development, construction, ownership and operation of the Project, the transactions contemplated by this Agreement or any other Operative Document, any other transaction related hereto or thereto of any claim, litigation, investigation or proceeding relating to any of the foregoing (regardless of whether any Indemnitee is a party hereto or thereto) including without limitation (a) any and all Claims arising in connection with the release or presence of any Hazardous Substances at the Site or the Project, whether foreseeable or unforeseeable, including all costs of removal and disposal of such Hazardous Substances, all reasonable costs required to be incurred in (i) determining whether the Project is in compliance and (ii) causing the Project to be in compliance, with all applicable Legal Requirements, all reasonable costs associated with claims for damages to persons or property, and reasonable attorneys' and consultants' fees and court costs, (b) any and all Claims arising out of or based upon any untrue statement or alleged untrue statement of material fact contained in any preliminary or final prospectus or any other similar disclosure document or in any amendment or supplement thereto, any omission or alleged omission to state in any preliminary or final prospectus or any other similar disclosure document or in any amendment or supplement thereto any material fact required to be stated therein or necessary to make the statements therein not misleading or (c) any and all Claims arising in any matter out of, relating to or in connection with any conduct by any Loan Party or their respective employees or agents or any action or failure to act undertaken by any book-running manager under the Facility Agreements at any Loan Party's request or with any Loan Party's consent. No Indemnitee shall be liable for any damages arising from the use by unauthorized Persons of information or other materials sent through electronic, telecommunication or other information transmission systems that are intercepted by other Persons.

11.15.3 Gross Negligence. The indemnity obligation of the Project Entities pursuant to this Section 11.15 shall not apply with respect to an Indemnitee, to the extent arising as a result of the fraud, bad faith, gross negligence or willful misconduct of such Indemnitee, as finally judicially determined by a court of competent jurisdiction, but shall continue to apply to other Indemnitees.

11.15.4 Unenforceability. To the extent that the undertaking in the preceding paragraphs of this Section 11.15 may be unenforceable because it is violative of any law or public policy, the Project Entities will contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of such undertakings.

11.15.5 Foreclosure. The provisions of this Section 11.15 shall survive foreclosure of the Security Documents and satisfaction or discharge of the Project Entities' obligations hereunder, and shall be in addition to any other rights and remedies of any Indemnitee.

11.15.6 Payment Due Dates. Any amounts payable by the Project Entities pursuant to this Section 11.15 shall be payable within ten Banking Days after the Project Entities receive an invoice for such amounts from any applicable Indemnitee, and if not paid when due shall bear interest at the highest default rate set forth in any of the Financing Agreements from and after such applicable date until paid in full in immediately available funds.

11.15.7 Actions; Counsel. In case any action or proceeding shall be instituted involving any Indemnitee for which indemnification is to be sought hereunder, then such Indemnitee shall promptly notify the Project Entities of the commencement of any action or proceeding; *provided, however,* that the failure so to notify the Project Entities shall not relieve the Project Entities from any liability that the Project Entities may have to such Indemnitee pursuant to Section 11.15.2 or from any liability that the Project Entities may have to such Indemnitee.

11.15.8 Settlement. Any Indemnitee against whom any Claim is made shall be entitled, after consultation with the Project Entities and upon consultation with legal counsel wherein such Indemnitee is advised that such Claim is reasonably meritorious, to compromise or settle any such Claim if such Indemnitee determines in its reasonable discretion that failure to compromise or settle such Claim could reasonably subject such Indemnitee to material liability. Any such compromise or settlement shall be binding upon the Project Entities for purposes of this Section 11.15.

11.15.9 Distinct Obligations. Nothing in this Section 11.15 is intended to create any liability of the Retail Affiliate for any amount attributable to the Resort Budget or the other Project Entities or by the other Project Entities for any amounts attributable to the Retail Budget or the Retail Affiliate.

11.16 Agreements Among Funding Agents and Other Secured Parties. The Project Entities acknowledge that the parties thereto have entered into the Intercreditor Agreements, and agree that the agreements set forth therein do not violate any obligation to the Project Entities. The Project Entities agree not to take any action to invalidate or challenge the validity of, or assert in writing the invalidity of any provisions of the Intercreditor Agreements. As among the Secured Parties, no provision hereof shall be deemed to relieve or in any way affect the Secured Parties' respective obligations or liabilities under the Intercreditor Agreements. Except for the Retail Affiliate, the Project Entities are not a third party beneficiary of the Intercreditor Agreements and shall have no right to enforce the same against any party. Each of the Funding Agents and the Lenders shall be entitled to deliver copies of the credit documentation among the Project Entities and the other Funding Agents and Lenders to prospective assignees and participants under its respective Facility Agreements subject to its respective obligations in respect of confidentiality to the Project Entities, without restriction as to the other Funding Agents or Lenders.

11.17 Counterparts. This Agreement may be executed in one or more duplicate counterparts (including by facsimile) and when signed by all of the parties listed below shall constitute a single binding agreement.

11.18 Termination. Subject to Section 11.13, this Agreement shall terminate and be of no further force or effect upon completion of the transactions contemplated by Section 2.23, provided that (a) the provisions of Article 9, Section 11.15 and Section 11.21 shall survive the termination of this Agreement, and (b) the Disbursement Agent shall continue to retain any amounts in the Liquidity Account in the manner contemplated by this Agreement and subject to the Control Agreements established pursuant to this Agreement for the benefit of the Bank Agent and the Trustee, provided that amounts contained in the Liquidity Account shall thereafter be disbursed in accordance with Section 7.24 of the Bank Credit Agreement (as amended from time to time in accordance with the provisions of the Bank Credit Agreement) and when all funds in such Account have been fully disbursed in accordance with such Section 7.24 of the Bank Credit Agreement the Disbursement Agent shall terminate the Control Agreement established on such Account pursuant to this Agreement. In addition, the Trustee shall cease to be a party to this Agreement on the date that the Second Mortgage Proceeds Account is Exhausted. On such date, (i) the Trustee shall have no further rights or obligations hereunder, (ii) neither the Trustee nor the Second Mortgage Holders shall be entitled to any of the benefits of this Agreement, and (iii) this Agreement shall automatically be amended to delete all references to the Trustee and the Second Mortgage Holders to reflect that the Trustee is no longer a party to this Agreement and to further reflect that neither the Trustee nor the Second Mortgage Holders shall be entitled to any of the benefits of this Agreement; provided however that the Trustee and the Second Mortgage Holders shall continue to (a) be permitted to correct the amount of Debt Service in respect of the Second Mortgage Notes set forth in an Advance Request as provided in Section 2.4.4(c), (b) receive copies of certificates delivered by the Project Entities pursuant to Sections 2.21, 2.22 and 2.23, (c) receive notices delivered under Sections 5.4 and 9.2.3, (d) approve Scope Changes as and to the extent set forth in Section 6.2.1(b), (e) receive the benefit of control agreements entered into pursuant to clause (ii)(x)(2) of the proviso in Section 6.8(b), (f) receive the benefit of the indemnity provisions of Section 11.15 and (g) receive the benefits of the amendment provisions of Section 11.19, and the Trustee shall be entitled to enforce this proviso as a third

party beneficiary.

11.19 Amendments. The Bank Agent and the Disbursement Agent are authorized by each of the other Funding Agents to enter into amendments to this Agreement requested by the Project Entities for the purpose of curing any formal defect, inconsistency, omission or ambiguity in this Agreement (without any consent or approval by the other Funding Agents or the Lenders). From the Exhaustion of the Second Mortgage Proceeds Account, the Bank Agent may also amend this Agreement or waive any Default or Event of Default without the consent of the Trustee, the Second Mortgage Holders, the Retail Agent or the Retail Lenders; *provided, however,* that (a) any such waiver by the Bank Agent shall not, without the consent of a majority in interest of the Retail Lenders constitute a waiver of any Default or Event of Default which otherwise independently (not by cross-default or cross-reference to another agreement) constitutes a default or event of default under the Retail Facility; (b) the Bank Agent shall not, without the consent of the Trustee, be permitted to amend Sections 11.6, 11.10, the proviso in the last sentence of Section 11.18 or any of the Sections of this Agreement cross referenced in such proviso to the extent any such amendment would adversely affect the rights of the Trustee as set forth in such proviso and (c) notwithstanding anything to the contrary contained in this Agreement, in no event shall this Agreement be amended in a manner which would (i) have the effect of modifying the provisions of Sections 3.5, 3.7.3, 5.11 or 5.12, (ii) have the effect of modifying any of the Sections or definitions cross referenced or used in Sections 3.5, 3.7.3, 5.11 or 5.12 (unless such modification would not materially and adversely affect such Sections 3.5, 3.7.3, 5.11 or 5.12 as the same relate to the Retail Agent or Retail Lenders) or (iii) increase any of the obligations of the Retail Agent or Retail Lenders hereunder, change the character of the Shared Costs for which the Retail Lenders must fund Advances, increase the liabilities of the Retail Agent or Retail Lender hereunder in any manner, change the order of funding required hereunder in a manner affecting the Retail Agent or Retail Lenders, affect the Retail Agent and the Retail Lender's security interest in the Retail Accounts, diminish the right of the Retail Agent to receive information or reports hereunder, or modify any of the definitions relating to the Shared Costs, Retail Lender's Shared Cost Commitment, Other Retail Costs or the Retail Budget), in each case without the prior written consent of the Retail Agent. Neither the Bank Agent nor the Trustee may amend or waive any of the conditions to the making of Advances by the Retail Agent and the Retail Lenders set forth in Section 3.5.

11.20 [Intentionally Omitted]

11.21 Confidentiality. Each of the Funding Agents and the Disbursement Agent agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other instrument, document or agreement executed in connection herewith or any action or

proceeding relating to this Agreement or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under the Financing Agreements, or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Project Entities and their obligations, (g) with the consent of any Project Entity or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to them or their respective Affiliates on a nonconfidential basis from a source other than Project Entities.

As used in this Section "Information" means all information received from any Loan Party other than any such information that is available to the Funding Agent or the Disbursement Agent on a nonconfidential basis prior to disclosure by any Loan Party, provided that, in the case of information received after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

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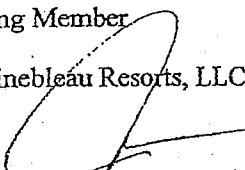
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their officers thereunto duly authorized as of the day and year first above written.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Delaware limited liability company

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: 
Title: Executive Chairman

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation

By: _____
Title: _____

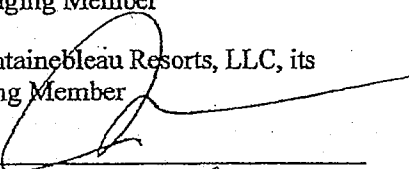
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: 
Title: Executive Chairman

[Master Disbursement Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their officers thereunto duly authorized as of the day and year first above written.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Delaware limited liability company

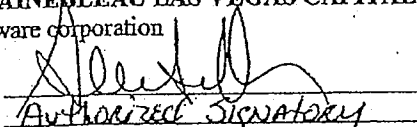
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: _____
Title: _____

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation

By: 
Title: Authorized Signatory

FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: _____
Title: _____

[Master Disbursement Agreement]

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: _____
Title: Executive Chairman

BANK OF AMERICA, N.A., as Bank Agent

By: _____
Donna F. Kimbrough
Title: Assistant Vice President

WELLS FARGO BANK, N.A., as Trustee

By: _____
Lynn M. Steiner
Title: Vice President

[Master Disbursement Agreement]

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: _____
Title: _____

BANK OF AMERICA, N.A., as Bank Agent

By: Donna F. Kimbrough
Donna F. Kimbrough
Title: Assistant Vice President

WELLS FARGO BANK, N.A., as Trustee

By: _____
Lynn M. Steiner
Title: Vice President

[Master Disbursement Agreement]

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

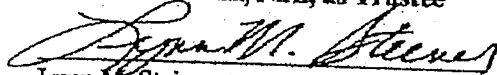
By: Fontainebleau Resorts, LLC,
its Managing Member

By: _____
Title: _____

BANK OF AMERICA, N.A., as Bank Agent

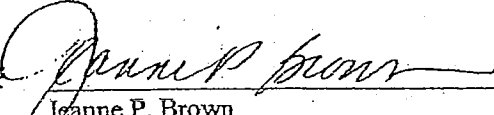
By: _____
Donna F. Kimbrough
Title: Assistant Vice President

WELLS FARGO BANK, N.A., as Trustee

By: 
Lynn M. Steiner
Title: Vice President

[Master Disbursement Agreement]

BANK OF AMERICA, N.A., as Disbursement Agent

By: 
Jeanne P. Brown
Title: Vice President

LEHMAN BROTHERS HOLDINGS INC., as Retail Agent

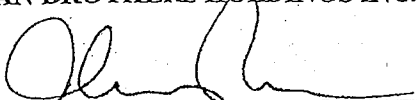
By: _____
Title: _____

[Master Disbursement Agreement]

BANK OF AMERICA, N.A., as Disbursement Agent

By: _____
Jeanne P. Brown
Title: Vice President

LEHMAN BROTHERS HOLDINGS INC., as Retail Agent

By: 
Title: _____
Charlene Thomas
Authorized Signatory

[Master Disbursement Agreement]

**EXHIBIT A to the
Disbursement Agreement**

DEFINITIONS

"Accounts" means each of the accounts described in Section 2.2, and any other accounts or sub-accounts established pursuant hereto from time to time.

"Additional Contract Certificate" means an Additional Contract Certificate substantially in the form of Exhibit S.

"Additional Contract" means any Contract entered into after the Closing Date.

"Advance" means:

(a) with respect to the Bank Credit Facility, a transfer of funds from the Bank Proceeds Account into the Bank Funding Account (other than pursuant to Section 2.6.4(c));

(b) with respect to the Second Mortgage Notes, a transfer of funds from the Second Mortgage Proceeds Account to the Second Mortgage Funding Account (other than pursuant to Section 2.6.4(b));

(c) with respect to the Retail Facility, an advance of Loans (as defined in the Retail Facility Agreement) deposited in the Retail Funding Account; and

(d) any transfer of funds from any of the other Accounts (other than the Payment Accounts) to the Payment Accounts or the Cash Management Account or the Interest Account.

"Advance Confirmation Notice" means an Advance Confirmation Notice, substantially in the form of Exhibit E hereto.

"Advance Date" means the date on which an Advance is requested to be made pursuant to an Advance Request.

"Advance Request" means (i) in connection with any Advance from the Equity Funding Account prior to the initial disbursement of funds from the Second Mortgage Proceeds Account, a written notice delivered by the Companies pursuant to Section 3.2, (ii) in connection with any Advance under the Retail Facility solely for Other Project Costs, a written request by the Retail Affiliate in the required form attached to the Retail Facility Agreement, together with each of the applicable reports described in Sections 2.07, 2.09, 2.10 and 2.11, certifying that the amounts requested are due and payable in connection with the applicable retail lease and that all applicable conditions set forth in Section 3.5.2 have been satisfied or waived in accordance with this Agreement, and (iii) in all other cases, an advance request and certificate substantially in the form of Exhibit C-1 hereto.

"Advance Request Transfer Report" means, for each Advance Date, a report prepared by the Project Entities in the appropriate version of the form attached to Exhibit C-1 as Appendix 5.

"Affiliate" as applied to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by," and "under common control with") as applied to any Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Affiliate Subordination Agreement" means the Affiliate Subordination Agreement dated as of the Closing Date executed by the Parent, Turnberry Residential, the General Contractor and the Companies in favor of the Bank Agent and the Trustee, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"Anticipated Bonded Condo Deposits" means, as of each date of determination, the lesser of (a) the amounts set forth in the matrix below opposite that date, and (b) \$75,000,000 *minus* the aggregate amount of the Bonded Condo Deposits which have then been remitted to the Bonded Condo Proceeds Account:

<u>Dates Occurring During the Period:</u>	<u>Amount</u>
Closing Date through June 2008	\$75,000,000
July 2008 – September 2008	\$50,000,000
October 2008 – December 2008	\$25,000,000
January 2009 – February 2009	\$10,000,000
Later Months	\$0

"Architect" means Bergman Walls & Associates.

"Architect's Advance Certificate" means an advance certificate in the form of Exhibit C-3 hereto confirming the substantial conformity of construction undertaken to date with the Final Plans and Specifications for the Project.

"Architect's Agreement" means the Agreement between the Project Entities and the Architect dated as of April 2, 2007.

"Available Funds" means, as of each date of determination, the sum of:

- (i) the Projected Interest Income; *plus*
- (ii) the Anticipated Bonded Condo Deposits; *plus*
- (iii) the balance of the Equity Funding Account; *plus*

- (iv) the balance of the Cash Management Account; *plus*
- (v) the balance of the Second Mortgage Proceeds Account; *plus*
- (vi) the balance of the Bank Proceeds Account; *plus*
- (vii) the Delay Draw Term Loan Availability; *plus*
- (viii) the Bank Revolving Availability *minus* \$40,000,000; *plus*
- (ix) the Debt Service Commitment Portion; *plus*
- (x) the Cash Support Amount (but not in excess of \$200,000,000); *plus*
- (xi) the Retail Lenders Shared Cost Commitment *minus* the amount of the Advances theretofore made under the Retail Facility for Shared Costs; *plus*
- (xii) the cash balances then contained in the Resort Payment Account, the Interest Account and the Resort Loss Proceeds Account in each case as adjusted in column C of the Current Available Sources Report.

"Available Resort Sources to Final Completion" has the meaning set forth in Section 2.15.

"Available Retail Sources to Final Completion" has the meaning set forth in Section 2.15.

"Available Sources to Final Completion Report" means a report prepared by the Project Entities in the form attached to Exhibit Q-1 as Appendix 3.

"Bank Agent" means Bank of America, N.A., in its capacity as Administrative Agent under the Bank Credit Agreement and its successors in such capacity.

"Bank Agent Fee Letter" means the letter agreement dated as of the Closing Date among the Borrowers and the Bank Agent.

"Bank Credit Agreement" means the Credit Agreement of even date herewith, among the Borrowers, the Bank Agent, and the Bank Lenders, or any refinancings thereof.

"Bank Credit Facility" means, the credit facilities provided under the Bank Credit Agreement.

"Bank Deed of Trust" means the Deed of Trust dated of even date herewith made by the Borrowers, as trustors, in favor of Nevada Title Company, as trustee, for the benefit of the Bank Agent, as beneficiary.

"Bank Funding Account" means the Account of that name described in Section 2.2.

"Bank Lenders" means (a) the financial institutions which are now, or may in the future become, parties to the Bank Credit Agreement and (b) the counterparties to Interest Rate Agreements that are permitted to be secured by the Bank Security Documents, in each case, or their successors or

assignees in such capacity as lenders or counterparties, as the case may be, under the Bank Credit Agreement.

"Bank Proceeds Account" means an account established with the Bank Agent pursuant to the Bank Credit Agreement, into which the proceeds of Disbursement Agreement Loans made pursuant to the Bank Credit Agreement will be deposited, which Account is further described in Section 2.2. Pursuant to the Flow of Funds Memo, it is anticipated that the Initial Term Loans under the Bank Credit Agreement will be deposited into the Bank Proceeds Account on the Closing Date, and that Delay Draw Term Loans and Revolving Loans which are Disbursement Agreement Loans made pursuant to the Bank Credit Agreement will also be deposited into the Bank Proceeds Account.

"Bank Revolving Availability" means, as of each date of determination, the aggregate principal amount available to be drawn on that date under the Bank Revolving Facility.

"Bank Revolving Facility" means the revolving loan credit facility described in and made available from time to time to the Borrowers by the Bank Lenders under the Bank Credit Agreement.

"Bank Revolving Facility Completion Reserve Amount" means, as of each date of determination, (a) the amount determined as of the Opening Date by the Funding Order for Final Completion Report as outlined in Section 2.16.2, minus (b) the amount of the cumulative Advances thereafter made from the Bank Revolving Facility pursuant to Section 2.10(b)(xi).

"Bank Security Documents" means the Bank Deed of Trust, each Completion Guaranty, the Affiliate Subordination Agreement, and any other guaranties, deeds of trust, security agreements or Control Agreements executed from time to time by any Loan Party and/or any of their direct or indirect Affiliates in favor of the Bank Agent or the Bank Lenders to guaranty or secure the obligations under the Bank Credit Facility.

"Banking Day": (i) for all purposes other than as covered by clauses (ii) and (iii) below, a day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York or Las Vegas, Nevada (or, to the extent affecting the Trustee, the Second Mortgage Proceeds Account, or payments made with respect to the Second Mortgage Notes, Minneapolis Minnesota) are authorized or required by law to close, (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, any day which is a Banking Day described in clause (i) above and which is also a day for trading by and between banks in Dollar deposits in the New York interbank eurodollar market and (iii) with respect to all notices and determinations in connection with Letters of Credit and payments of principal and interest on Reimbursement Obligations (as such terms are used in the Bank Credit Agreement), a day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by law to close.

"Bankruptcy" means, with respect to any Person, that (i) a court having jurisdiction over any Project Security shall have entered a decree or order for relief in respect of such Person in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order has not been stayed;

or any other similar relief shall have been granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against such Person, under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction over any Project Security for the appointment of a receiver; liquidator, sequestrator, trustee, custodian or other officer having similar powers over such Person, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of such Person, for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of such Person, and any such event described in this clause (ii) shall continue for 60 days unless dismissed, bonded or discharged; or (iii) such Person shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or such Person shall make any assignment for the benefit of creditors, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due and payable or if the fair market value of its assets does not exceed its aggregate liabilities; or (iv) such Person shall, or the board of directors, manager or managing member of such Person (or any committee thereof) shall, adopt any resolution or otherwise authorize any action to approve any of the actions referred to in clause (iii) above.

"Bankruptcy Code" means Title 11 of the United States Code as amended from time to time, or any successor statute thereto.

"Bonded Condo Deposits" means deposits for the purchase of Condo Units that have been bonded in accordance with NRS 116.411.

"Bonded Condo Proceeds Account" means the Account of that name described in Section 2.2.

"Borrowers" means has the meaning set forth in the preamble hereto.

"Budget/Schedule Amendment Certificate" means a Budget/Schedule Amendment Certificate substantially in the form of Exhibit M-4 hereto.

"Budgets" means, collectively, the Retail Budget and the Resort Budget.

"Building Department" means the Clark County Building Department.

"Cash Equivalents" means (a) United States dollars; (b) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (as long as the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than one year from the date of acquisition; (c) interest-bearing demand or time deposits (which may be represented by certificates of deposit) issued by banks having general obligations rated (on the date of acquisition thereof) at least "A" or the equivalent by S&P or Moody's or, if not so rated, secured

at all times, in the manner and to the extent provided by law, by collateral security consisting of property of the type specified in clause (a) or (b) of this definition, with a market value of no less than the amount of monies so invested; (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c) above; (e) commercial paper having the highest rating obtainable from Moody's or S&P and in each case maturing within six months after the date of acquisition; and (f) money market funds or mutual funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (e) of this definition.

"Cash Management Account" means the Account of that name described in Section 2.2. The Cash Management Account may be used by the Project Entities to pay any Project Costs.

"Cash Support" means, as of each date of determination, the sum of (a) the undrawn amount of the letter of credit delivered to the Disbursement Agent pursuant to Section 3.1.21 (including any increases to the amount thereof), (b) any other letters of credit hereafter delivered to the Disbursement Agent in support of any Completion Guaranty, issued by a financial institution reasonably acceptable to the Disbursement Agent and in a form which is similar to the letter of credit referred to in clause (a) or otherwise reasonably acceptable to the Disbursement Agent, and (c) any Cash Equivalents hereafter pledged by Persons other than the Project Entities in support of any Completion Guaranty.

"Cash Support Amount" means, as of each date of determination, the sum of (a) the then available undrawn amount of the Completion Guaranties, but only to the extent the payment thereof is supported by Cash Support, plus (b) the then remaining amount of the Liquidity Account.

"Certificate of Occupancy" means a permanent certificate of occupancy or a temporary certificate of occupancy for the Project issued by the Building Department in respect of all material amenities associated with the Project and pursuant to applicable Legal Requirements which permanent or temporary certificate of occupancy shall be in full force and effect and, in the case of a temporary certificate of occupancy, if such temporary certificate of occupancy shall provide for an expiration date, the number of days in the period from the Opening Date to such expiration date shall be not less than 133% of the number of days that the Construction Consultant estimates it will take to complete the Punchlist Items (assuming reasonable diligence in performing the same) pursuant to the Construction Consultant's Opening Date Certificate.

"Claims" has the meaning given in Section 11.15.2.

"Closing Date" means the first date on which each of the conditions precedent listed in Section 3.1 have been satisfied or waived.

"Closing Financing Agreements" has the meaning given in Section 3.1.1(a).

"Code" means the Internal Revenue Code of 1986, as at any time amended.

"Commitment" means, (a) with respect to the Bank Credit Facility, the aggregate principal

amount of all Loans to the Project Entities which may be made under such Facility and (b) with respect to each other Facility, the aggregate principal amount of all Loans or other advances to the Project Entities which may be made under such Facility, as specified in the applicable Facility Agreement.

"Companies" means, collectively, Las Vegas Holdings and its Subsidiaries.

"Completion" means that each of the following has occurred:

- (a) the Opening Date has occurred;
- (b) all Contractors have been paid in full (other than (A) Retainage Amounts and other amounts that, as of the Completion Date, are being withheld from the Contractors in accordance with the provisions of the Contracts, (B) amounts being contested in good faith in accordance with NRS Chapter 624 so long as adequate reserves have been established through an allocation in the Remaining Cost Report and (C) amounts payable in respect of Punchlist Items to the extent not covered by the foregoing clause (A));
- (c) for Punchlist Items:
 - (1) a list of any remaining Punchlist Items shall have been delivered to the Construction Consultant and the Disbursement Agent by the Project Entities and approved by the Construction Consultant as a reasonable final punchlist (such approval not to be unreasonably withheld); and
 - (2) to the extent not covered by the then existing Contracts, a written agreement with all Contractors performing work with respect to Punchlist Items shall have been entered into by the Project Entities and such Contractors detailing the cost of remaining Punchlist Items and shall have been delivered to the Construction Consultant and the Disbursement Agent by the Project Entities and approved by the Construction Consultant and the Disbursement Agent;
- (d) the Title Insurer shall have issued a title insurance endorsement updating the date of the policy and containing no exceptions for mechanics liens with respect to all work performed at the Site prior to the Completion Date;
- (e) the General Contractor shall have delivered its Completion Certificate certifying the "substantial completion" of the work under the Prime Construction Agreement and such certifications shall have been accepted by the Project Entities and the Construction Consultant in accordance with Section 6.2.2; and
- (f) for each Contract and Subcontract for which a Payment and

Performance Bond is required pursuant to Section 5.8 or Section 3.1.33 and for which the Project Entities (or the applicable Contractor) will release retainage as a result of Completion being achieved, the Project Entities shall have delivered from the surety under each such Payment and Performance Bond (i) a "Consent of Surety to Reduction in or Partial Release of Retainage" (AIA form G707A) if a partial release of Retainage Amounts held under such Contract or Subcontract will be made or (ii) a "Consent of Surety to Final Payment" (AIA form G707) if a release of all Retainage Amounts held under such Contract or Subcontract will be made).

"Completion Certificates" means, collectively, the Completion Certificates substantially in the form of Exhibits P-1, P-2, P-3, and P-4, hereto to be delivered by the Project Entities, the Construction Consultant, the Architect and the General Contractor, respectively.

"Completion Date" means the date on which the Disbursement Agent countersigns the Project Entities Completion Certificate acknowledging that Completion has occurred.

"Completion Guarantors" means Turnberry Residential (together with its successors and permitted assigns under the Completion Guaranty described in clause (a) of the definition thereof) and each other Person which delivers a Completion Guaranty or Cash Support to the Disbursement Agent pursuant to Section 6.9.1.

"Completion Guaranties" means, collectively, (a) the Completion Guaranty of even date herewith executed by Turnberry Residential in favor of the Bank Agent and the Trustee, and (b) each other completion guaranty hereafter delivered by a Completion Guarantor pursuant to Section 6.9.1.

"Completion Guaranty Availability" means, as of each date of determination, the aggregate amount then available for drawings under the Completion Guaranties in accordance with their terms; *provided* that such amounts may only be used for the purposes described in Section 2.6.6.

"Completion Guaranty Proceeds Account" means one or more accounts established in the name of a Completion Guarantor to hold Cash Support.

"Completion Reserve Calculation Date" means the Advance Date which immediately precedes the publicly announced scheduled Opening Date.

"Condo Unit" means a condominium or condominium-hotel unit in the Project (and related common area elements including airspace above the highest point of the Project).

"Consents" means consents to the collateral assignment by the Project Entities of Material Contracts substantially in the form of Exhibit H hereto, with such modifications as may be reasonably acceptable to the Bank Agent.

"Construction Consultant" means (a) Inspection and Valuation International, Inc. or any other construction consultant appointed by the Bank Agent with the approval of the "Required

Lenders" (as defined in the Bank Credit Agreement) and (b) in respect of Advances for Other Retail Costs only, any other construction consultant appointed by the Retail Agent in accordance with the terms of the Retail Facility Agreement.

"Construction Consultant Advance Certificate" means (i) in the case of an Advance solely under Section 3.5.2, a certificate of the Construction Consultant confirming that, based upon its review, it is not aware of any material errors in the information contained in the Advance Request or supporting reports, and (ii) in all other cases, a certificate of the Construction Consultant, substantially in the form of Exhibit C-2 to this Agreement.

"Construction Consultant Closing Certificate" means a closing certificate in the form of Exhibit B-2 hereto.

"Construction Consultant Engagement Agreement" means the engagement letter dated as of May 21, 2007 by and among the Construction Consultant, the Retail Agent and Bank of America, N.A., as Disbursement Agent and Bank Agent.

"Construction Consultant Report" means a preliminary report of the Construction Consultant delivered to the Disbursement Agent, the Bank Agent, the Retail Agent and the Representative pursuant to Section 3.1 and stating that (a) the Construction Consultant has reviewed the Material Contracts, the Plans and Specifications, and other material information deemed necessary by the Construction Consultant for the purpose of evaluating whether the Project can be constructed and completed in the manner contemplated by the Operative Documents, and (b) based on its review of such information, the Construction Consultant is of the opinion that the Project can be constructed in the manner contemplated by the Operative Documents and, in particular, that the Project can be constructed and completed in accordance with the Material Contracts and the Plans and Specifications within the parameters set by the Project Schedule and the Budgets.

"Contract Amendment Certificate" means a Contract Amendment Certificate, substantially in the form of Exhibit M-3 hereto.

"Contractors" means the General Contractor and any architects, consultants, designers, contractors, Subcontractors, suppliers, laborers or any other Persons engaged by any of the Project Entities in connection with the design, engineering, installation and construction of the Project.

"Contracts" means, collectively, the contracts entered into, from time to time, between any Project Entity, or by the General Contractor on behalf of the Project Entities, and any Contractor for performance of services or sale of goods in connection with the design, engineering, installation or construction of the Project (including the Prime Construction Agreement and the Architect Agreement).

"Control Agreements" means (a) the Control Agreements of even date herewith executed by the Project Entities in respect of the Accounts in favor of the Disbursement Agent and the Pledges described in Section 2.2, and (b) any other control agreement entered into on or after the Closing Date granting or confirming the rights of the Lenders in any deposit, brokerage or other similar

account.

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Project Entities, are treated as a single employer under Section 414(b) or 414(c) of the Code.

"Controlling Person" means (a) until Exhaustion of the Second Mortgage Proceeds Account, the Trustee and (b) thereafter, the Bank Agent.

"Costed FF&E" means, as of each date of determination, the costs described in column "D" (headed "Resort Budget") in the row titled "Costed FF&E" in the Remaining Cost Report prepared as of that date in respect of the Line Items for "Rooms FF&E" "Hotel and F&B Operating Equipment," "Kitchen Equipment," "Exterior Signage" and "Common Area FF&E".

"Current Available Resort Sources" has, as of each Advance Date, the applicable meaning set forth in Section 2.09 (as applicable).

"Current Available Retail Sources" has, as of each Advance Date, the applicable meaning set forth in Section 2.09 (as applicable).

"Current Available Sources Report" means, for each Advance Date, a report prepared by the Project Entities in the appropriate version of the form attached to Exhibit C-1 as Appendix 3.

"Debt Service" means all principal repayments, interest or premium, if any, commitment fees, undrawn fees, letter of credit fees, agency fees, expenses and other amounts payable or accrued from time to time under any of the Bank Credit Agreement, the Second Mortgage Notes, and other Indebtedness for borrowed money of the Companies which is not contractually subordinated to the Bank Credit Agreement and the Second Mortgage Notes.

"Debt Service Commitment Portion" means, as of each date of determination \$40,000,000 times the ratio of (a) the number of days which will occur during the period between September 30, 2009 and the Scheduled Opening Date (but not more than 90), over (b) 90, *provided* that if approved by the Majority Lead Arrangers in their sole discretion, the Debt Service Commitment Portion may be any other higher amount which is not greater than \$40,000,000.

"Deeds of Trust" means, collectively, the Bank Deed of Trust and the Second Mortgage Deed of Trust.

"Default" means (i) any of the events specified in Article 7, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied and (ii) the occurrence of any "Default" under any Facility Agreement.

"Delay Draw Term Loan Availability" means, as of each date of determination, the then undrawn portion of the Delay Draw Term Loans.

"Delay Draw Term Loans" has the meaning given in the Bank Credit Agreement.

"Detailed Remaining Cost Report" means a report attached to Exhibit C-1 as Appendix 7.

"Disbursement Agent" means Bank of America, N.A., in its capacity as the disbursement agent for the Funding Agents under this Agreement and its successors in such capacity.

"Disbursement Agent Fee Letter" means the Disbursement Agent Fee Letter of even date herewith between the Project Entities and the Disbursement Agent.

"Disbursement Agreement Loans" has the meaning given in the Bank Credit Agreement.

"Disposition" has the meaning given in the Bank Credit Agreement.

"Dollar" and "\$" means dollars in lawful currency of the United States of America.

"Environmental Claim" means any and all obligations, liabilities, losses, administrative, regulatory or judicial actions, suits, demands, decrees, claims, liens, judgments, warning notices, notices of noncompliance or violation, investigations, proceedings, removal or remedial actions or orders, or damages (foreseeable and unforeseeable, including consequential and punitive damages), penalties, fees, out-of-pocket costs, expenses, disbursements, attorneys' or consultants' fees, relating in any way to any Environmental Law or any Environmental Permit issued under any such Environmental Law including (a) any and all claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Substances or arising from alleged injury or threat of injury to health, safety or the environment.

"Environmental Law" means any and all Federal, state, and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to Hazardous Substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Matter" means any:

- (a) discharge, release, emission, entry or introduction into the air or water;
- (b) deposit, disposal, keeping, treatment, importation, exportation, production, transportation, handling, processing, carrying, manufacture, collection, sorting or presence of any Hazardous Substance (including, without limitation, in the case of waste, any substance which constitutes a scrap material or an effluent or other unwanted surplus substance arising from the application of any process or activity and any substance or article which is required to be disposed of as being broken, worn out, contaminated or otherwise spoiled);
- (c) nuisance, noise, defective premises, health and safety at work, industrial illness, industrial injury due to environmental factors, environmental health problems (including, without limitation, asbestosis or any other illness or injury caused

by exposure to asbestos); and

(d) other matter howsoever directly affecting the environment.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equity Funding Account" means the Account of that name described in Section 2.2.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Plan" means any Plan (other than a Multiemployer Plan) that is covered by Title IV of ERISA or to which Section 412 of the Code applies.

"Event of Default" has the meaning given in Section 7.1.

"Event of Loss" means, with respect to any property or asset (tangible or intangible, real or personal), any of the following: (A) any loss, destruction or damage of such property or asset; (B) any actual condemnation, seizure or taking by exercise of the power of eminent domain or otherwise of such property or asset, or confiscation of such property or asset or the requisition of the use of such property or asset; or (C) any settlement in lieu of clause (B).

"Exhaustion" or "Exhausted" means, (a) with respect to the Equity Funding Account, the time at which all proceeds thereunder have been fully disbursed, (b) with respect to the Bank Credit Facility and the Retail Facility, the time at which the lending commitments under such Facility have been fully utilized (and, in the case of the Bank Credit Facility, the Bank Proceeds Account has no funds remaining on deposit therein), (c) with respect to the Second Mortgage Notes, the time at which no funds remain in the Second Mortgage Proceeds Account and (d) with respect to the Liquidity Account, the time at which no funds remain on deposit therein.

"Facility" or "Facilities" means, as the context may require, any or all of the Bank Credit Facility, the Second Mortgage Indenture and the proceeds of the Notes issued thereunder and the Retail Facility.

"Facility Agreements" means, collectively, the Bank Credit Agreement, the Second Mortgage Indenture and the Retail Facility Agreement.

"Final Completion" means that (a) Completion shall have occurred, (b) the Project shall have received a permanent certificate of occupancy from the Building Department (and copies of such certificate shall have been delivered to the Disbursement Agent, the Bank Agent, the Trustee and the Construction Consultant), (c) a Notice of Completion has been posted with respect to the Project and recorded in the Office of the County Recorder of Clark County, Nevada and the statutory period for filing mechanics liens under Nevada law with respect to work performed before filing such Notice of Completion has expired, (d) the Funding Agents have received final 101.6 endorsements from the Title Insurer insuring the priority of their respective Liens on the Project Security, (e) the Disbursement Agent and the Funding Agents shall have received the Final Completion Certificates, and the Construction Consultant shall have accepted the General Contractor's Final Completion Certificate in accordance with Section 6.2.2, (f) the Project Entities shall have delivered to the Funding Agents and the Construction Consultant an "as built survey" of the Project, (g) the Project Entities shall have delivered from the surety under each Payment and Performance Bond required pursuant to Section 5.8 or Section 3.1.33 a "Consent of Surety to Final Payment" (AIA form G707), and (h) unless Nevada state laws have been changed to eliminate any tax benefits associated with such certification and exemption, the Project shall have received final LEED certification from the U.S. Green Building Council and a final exemption certificate from the State of Nevada Department of Taxation.

Notwithstanding clause (h) above, Final Completion shall have occurred even if the final LEED certification required in clause (h) has not been received if any of the following occur:

(A) the Companies receive additional cash contributions to their equity capital following the Opening Date (in addition to any such contributions made pursuant to Sections 3.8 or 3.9) in an amount which equal to the amount which the Companies will be required to pay in the event any ultimate denial of a final LEED Certification; or

(B) the Disbursement Agent determines that the other conditions to Final Completion have all occurred and that the amounts referred to in (A) remain available within from the undrawn portion of the Bank Revolving Facility Completion Reserve Amount established pursuant to Section 2.10.2(b); or

(C) the Resort Request to Final Completion includes as Project Costs the amount which the Companies will be required to pay in the event any ultimate denial of a final LEED Certification.

"Final Completion Certificates" means, collectively, the Final Completion Certificates in the forms of Exhibits R-1, R-2, R-3, R-4, hereto to be delivered by the Project Entities, the Construction Consultant, the Architect and the General Contractor, respectively.

"Final Completion Date" means the date on which Final Completion occurs.

"Final Plans and Specifications" means, with respect to any particular work or Improvement, Plans and Specifications which (i) have received final approval from all Governmental Authorities required to approve such Plans and Specifications prior to completion of the work or Improvements, and (ii) contain sufficient specificity to permit the completion of the work or Improvement.

"Financing Agreements" means, collectively, the Disbursement Agreement, the Facility Agreements, the Security Documents, the Disbursement Agent Fee Letter, the Bank Agent Fee Letter, the Trustee's fee letters with the Issuers, the Second Mortgage Purchase Agreement, the Second Mortgage Notes and any other loan or security agreements entered into on, prior to or after the Closing Date with the Disbursement Agent or any Funding Agent in connection with the financing of the Project.

"Flow of Funds Memo" means the Flow of Funds Memo attached hereto as Exhibit T.

"Fontainebleau Las Vegas" means Fontainebleau Las Vegas, LLC, a Nevada limited liability company.

"Force Majeure Event" means the occurrence of any strikes, lockouts or other labor trouble; the occurrence of fire, flood, earthquake, hurricane, tornado, sandstorm or other casualty; governmental preemption; breakdown, accident or other acts of God; acts of war, insurrection, civil strife and commotion; any enactment, promulgation or amendments of any statute, rule, order or regulation of any legislature or governmental agency or any department or subdivision thereof; any litigation not commenced by Parent or any of its Subsidiaries or their Affiliates; or any other event that occurs after the date of this Agreement that is outside the control of Parent or its Subsidiaries or Affiliates (excluding any event or circumstance which with reasonable diligence or investigation is foreseeable as of the date of this Agreement); in each such case which shall make it physically impossible, unlawful or commercially impracticable to continue construction of or to complete the Project or which otherwise delays the construction and/or completion of the Project; provided, however, that the following shall not constitute Force Majeure Events: (i) any condition, defect, or physical circumstance of the land, buildings or improvements which now exists or which should have been known or discovered with the exercise of reasonable diligence or investigation, including errors, omissions or defects in construction, plans or development, (ii) the amendment of the Plans and Specifications in a manner which is prohibited hereby or omissions or defects in the Plans and Specifications, (iii) increase in the cost of labor, materials and equipment as the result of ordinary cyclical or seasonal forces, or general inflation, (iv) any failure of any contractor or subcontractor, vendor or other supplier (that itself is not caused by a Force Majeure Event) to perform at the times, at the price or in the manner contracted for or to adhere to the Plans and Specifications, or (v) any defects, errors or omissions in any construction contract, subcontract, supply contract, or the Budgets.

"Funding Agents" means, collectively, the Bank Agent, the Trustee and the Retail Agent.

"Funding Order for Final Completion Report" means a report prepared by the Project Entities in the form attached to Exhibit Q-1 as Appendix 4.

"Funding Order Report" means, for each Advance Date, a report prepared by the Project Entities in the form attached to Exhibit C-1 as Appendix 4.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time.

"General Contractor" means Tumberry West Construction, Inc., a Nevada corporation.

"General Contractor's Advance Certificate" means a certificate substantially in the form of Exhibit C-4 hereto.

"Governmental Authority" means any national, state or local government any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity, any self-regulatory agency (e.g., NASD), any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any arbitrator with authority to bind a party at law.

"Hazardous Materials Activities" means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Substances, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Substances, and any corrective action or response action with respect to any of the foregoing.

"Hazardous Substances" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, toxic mold and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Improvements" means the buildings, fixtures and other improvements to be situated at the Site.

"In Balance Report" means a report substantially in the form attached to Exhibit C-1 as Appendix 10.

"In Balance Test" means that, at the time of calculation and after giving effect to any requested Advance, Available Funds equal or exceed the Remaining Costs. The In Balance Test is "satisfied" when Available Funds equal or exceed Remaining Costs.

"Indebtedness," as applied to any Person, means (a) all indebtedness for borrowed money, (b) that portion of obligations with respect to leases which are or should be, in accordance with generally accepted accounting principles, classified as a capital lease and a liability on a balance sheet, (c) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (d) any obligation owed for all or any part of the deferred purchase price of property or services (excluding any such obligations incurred under ERISA), which purchase price is (i) due more than six months from the date of incurrence of the obligation in respect thereof or (ii) evidenced by a note or similar written instrument, and (e) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person. Obligations under Interest Rate Agreements do not constitute Indebtedness hereunder. All obligations under the Financing Agreements shall constitute Indebtedness hereunder.

"Indemnitees" has the meaning given in Section 11.15.2.

"Initial Bank Advance Date" means the date upon which the first Advance is made from the Bank Proceeds Account concurrent with or following the Exhaustion of the Second Mortgage Proceeds Account.

"Initial Term Loans" has the meaning given in the Bank Credit Agreement.

"Insurance Advisor Closing Certificate" means a Closing Certificate substantially in the form of Exhibit B-3 hereto.

"Intellectual Property License Agreements" means, collectively, (a) the License Agreement dated as of the Closing Date among Parent, Resort Properties II and Borrowers, and (b) the License Agreement dated as of the Closing Date among Parent, Resort Properties II and the Retail Affiliate, in each case pursuant to which they are granted a license to use the "Fontainebleau" federal trademark and related present and future intellectual property in connection with the Fontainebleau Resort.

"Intercreditor Agreements" means, collectively, the Project Lenders Intercreditor Agreement and the Retail Intercreditor Agreement.

"Interest Account" means the Account of that name described in Section 2.2.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement or arrangement (including, without limitation, any "Secured Hedge Agreement" as such term is defined in the Bank Credit Agreement).

"Issuers" has the meaning set forth in the Preamble to this Agreement.

"Issuing Lender" has the meaning set forth in the Bank Credit Agreement.

"Las Vegas" means Fontainebleau Las Vegas, LLC, a Nevada limited liability company

"Las Vegas II" means Fontainebleau Las Vegas II, LLC, a Florida limited liability company.

"Las Vegas Capital" means Fontainebleau Las Vegas Capital Corp., a Delaware corporation.

"Las Vegas Holdings" means Fontainebleau Las Vegas Holdings, LLC, a Nevada limited liability company.

"Leasing Commissions" means amounts payable as leasing commissions in connection with any retail lease as set forth in the Retail Budget, as amended from time to time in accordance with this Agreement.

"LEED Shortfall Amount" means any amount by which the Project Costs increase following the date of this Agreement by reason of any change in Nevada State laws governing the partial sales and use tax exemption of the Project arising by reason of its proposed qualification pursuant to

the Leadership in Energy and Environmental Design ("LEED") program.

"Legal Requirements" means all laws, statutes, orders, decrees, injunctions, licenses, permits, approvals, agreements and regulations of any Governmental Authority having jurisdiction over the matter in question.

"Lenders" means any of the Bank Lenders, the Second Mortgage Holders and the Retail Lenders.

"Letter of Credit" has the meaning given in the Bank Credit Agreement.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"Line Item" means each of the individual line items set forth in the Detailed Remaining Cost Report (as in effect from time to time).

"Line Item Category" means the categories of Line Items in the Resort Budget set forth in the Detailed Remaining Cost Report (as in effect from time to time):

- Construction Costs (Turnberry West Construction)
- Unallocated Contingency
- Insurance
- Rooms FF&E
- Hotel and F&B Operating Equipment
- Kitchen Equipment
- Exterior Signage
- Common Area FF&E
- Gaming FF&E
- Entertainment
- A&G Facilities and IT
- Pre-Opening Expenses/Working Capital
- Fees/Permits/Taxes/Other

"Liquidity Account" means the Account of that name described in Section 2.2.

"Liquidity Account Remainder" is defined in Section 2.16.2.

"Loan Parties" means (a) the Project Entities, and (b) as of each relevant date, Parent, Resort Properties I, each Completion Guarantor, the Retail Facility Completion Guarantor, and each other Subsidiary of Parent which, as of that date is a party to a Material Contract or a Security Document.

"Loans" means, as the context may require, loans and advances made under the Bank Credit

Facility or the Retail Facility.

"Loss Proceeds" has the meaning given in Section 5.12.

"Loss Proceeds Accounts" means, collectively, the Resort Loss Proceeds Account and the Retail Loss Proceeds Account.

"Major Project Participant" shall mean each Person who is party to a Material Contract.

"Material Adverse Effect" means any event or circumstance which:

(a) has a material adverse effect on the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of (i) as of the Closing Date, Parent and its Subsidiaries, taken as a whole, (ii) the Companies and their Subsidiaries, taken as a whole, or (iii) as of the Closing Date, Turnberry Residential;

(b) materially and adversely affects the ability of the Companies and their Subsidiaries, taken as a whole, to perform their respective obligations under the Financing Agreements or of the Project Entities to construct the Project;

(c) materially and adversely affects the rights of the Secured Parties under their respective Financing Agreements, including the validity, enforceability or priority of the Liens purported to be created under the Security Documents; or

(d) materially and adversely affects the ability of the Project Entities to achieve the Opening Date by the Outside Date.

"Material Contract" means any of the Prime Construction Agreement, the Architect Agreement, and each other Contract with a total contract amount in excess of \$25,000,000 (or, in the case of any Contractor, where the total for such Person is in excess of \$25,000,000) and each Payment and Performance Bond issued to support any of the foregoing.

"Minor Scope Change" means any Scope Change which does not increase or decrease the amount of Project Costs by more than \$2,000,000, *provided* that the aggregate absolute value of all such Minor Scope Changes may not exceed \$30,000,000.

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, or any successor thereof.

"Multiemployer Plan" means a multi-employer plan as defined in Section 3(37) of ERISA to which the Project Entities or any member of the Controlled Group contributes or has an obligation to contribute on behalf of its employees.

"Nevada Gaming Authorities" means, collectively, the Nevada Gaming Commission, the Nevada State Gaming Control Board, the Clark County Liquor and Gaming Licensing Board, and any other federal, state or local agency having jurisdiction over gaming operations in the State of Nevada.

"Nevada Gaming Laws" means the Nevada Gaming Control Act, as codified in NRS Chapter 463, as amended from time to time, and the regulations of the Nevada Gaming Authorities promulgated thereunder, as amended from time to time and the various Clark County ordinances and regulations applicable to gaming activities.

"NRS": the Nevada Revised Statutes, as amended from time to time.

"Obligations" means (a) all loans, advances, debts, liabilities, and obligations, howsoever arising, owed by the Project Entities or any other Loan Party under the Bank Credit Agreement, the Second Mortgage Indenture, the Retail Facility or otherwise to any Lender of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, pursuant to the terms hereof, any of the other Financing Agreements or any of the other Operative Documents, including all interest (including interest accruing after the maturity of the Loans and the Second Mortgage Notes and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, premiums, if any, charges, expenses, attorneys' fees and accountants fees chargeable to any Loan Party in connection with its dealings with the such Loan Party and payable by any Loan Party hereunder or thereunder; (b) any and all sums advanced by the Disbursement Agent or any Lender in order to preserve the Project Security or preserve any Secured Party's security interest in the Project Security, including all Protective Advances; and (c) in the event of any proceeding for the collection or enforcement of the Obligations after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Project Security, or of any exercise by any Secured Party of its rights under the Security Documents, together with reasonable attorneys' fees and court costs.

"Opening Date" means the date on which all material amenities of the Project are open for business to gaming and lodging customers, *provided* that not more than 70% of the tenant improvements with respect to the retail space within the Project (determined on the basis of square footage) need be completed on the Opening Date (or such lesser percentage as may be approved in accordance with the terms of the Bank Credit Agreement).

"Opening Date Certificates" means, collectively, the certificates in the form of Exhibits Q-1, Q-2, Q-3, and Q-4 hereto to be delivered by the Project Entities, the Construction Consultant, the General Contractor and the Architect, respectively.

"Operative Documents" means the Financing Agreements and the Contracts.

"Other Retail Costs" means costs set forth in the Retail Budget as amended from time to time in accordance with this Agreement that (i) relate solely to Tenant Allowances and Leasing Commissions and tenant improvements, and (ii) are not Shared Costs.

"Outside Date" means March 31, 2010, as extended from time to time in accordance with the last paragraph of Section 6.4.2.

"Outstanding Releases" has the meaning given in Section 3.3.16.

"Parent" means Fontainebleau Resorts, LLC, a Delaware limited liability company, its successors and permitted assigns (including any Person formed to consummate a Qualified Offering which is the owner, directly or indirectly, of 100% of the Equity Interests in the Borrowers).

"Payment Accounts" means, collectively, each of the Accounts listed in the column headed Payment Accounts in Section 2.2.

"Payment and Performance Bond" means any payment and performance bond, parent guarantee or other credit support delivered under any Contract in favor of the Project Entities or the General Contractor, the Bank Agent (acting on behalf of the Bank Lenders) and the Trustee (acting on behalf of the Second Mortgage Holders) supporting the Contractor's obligations under any such Contract, *provided* that any such credit support other than a payment and performance bond in a customary form issued by a reputable commercial bonding company must be reasonably acceptable to the Disbursement Agent and the Construction Consultant.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permits" means all authorizations, consents, decrees, permits, waivers, privileges, approvals from and filings with all Governmental Authorities necessary for the construction, development, ownership, lease or operation of the Project in accordance with the Operative Documents.

"Permitted Businesses" means the businesses permitted under Section 7.15 of the Bank Credit Agreement.

"Permitted Encumbrances" means those matters disclosed on the Title Policies (other than any Liens, claims or other rights arising out of any litigation matters described therein that are recorded against the Site in the real property records of Clark County, Nevada, but excluding any lis pendens or similar recording which provides notice of a dispute or claim, but which does not create a Lien that may be foreclosed or executed upon in respect of the Retained Site or the Project) and any utility easements in favor of Nevada Power Company that are subject to the certain letter dated April 19, 2007 from Nevada Power Company to STF Inc.

"Permitted Liens" means the following types of Liens (excluding any such Lien imposed pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or by ERISA, any such Lien relating to or imposed in connection with any Environmental Claim, and any such Lien expressly prohibited by any applicable terms of any of the Security Documents):

- (a) Liens for taxes, assessments or governmental charges or claims the payment of which is not, at the time due and payable or which is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as reserves (determined in accordance with GAAP) shall have been made therefor through an allocation in the Remaining Cost Report;

(b) statutory Liens of landlords, statutory Liens of banks and rights of set-off, statutory Liens of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law, in each case incurred in the ordinary course of business (i) for amounts which are not overdue for a period of more than 30 days or (ii) that are being contested in good faith in accordance with NRS Chapter 624 by appropriate proceedings (such contest proceedings conclusively operating to stay the sale of any portion of the Project Security on the account of such Lien) and with appropriate reserves (determined in consultation with the Construction Consultant) through an allocation in the Remaining Cost Report which, in the aggregate with all other such reserves, shall not exceed \$50,000,000;

(c) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money); provided that if such Liens are being contested, appropriate reserves (determined in accordance with GAAP) have been established through an allocation in the Remaining Cost Report;

(d) any attachment or judgment Lien not constituting an Event of Default under Section 8 of the Bank Credit Agreement and Section 6.01 of the Second Mortgage Indenture;

(e) leases or subleases granted to third parties in accordance with the applicable terms of the Security Documents and not interfering in any material respect with the ordinary conduct of the business of any the applicable Project Entities;

(f) easements, rights-of-way, restrictions, encroachments and other similar encumbrances incurred and minor defects and irregularities in title that, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Project Entities;

(g) leases and subleases permitted under the Bank Credit Agreement and the Second Mortgage Indenture and any leasehold mortgage in favor of any party financing the lessee under any lease or sublease permitted thereunder; *provided* that (i) no Project Entity is liable for the payment of any principal of, or interest, premiums or other Debt Service on, such financing and (ii) the affected lease and leasehold mortgage are expressly made subject and subordinate to the Liens of the Bank Deed of Trust and Second Deed of Trust encumbering the affected property;

(h) Liens arising from filing UCC financing statements relating solely to leases permitted by the Bank Credit Agreement and the Second Mortgage Indenture;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of

goods;

(j) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property;

(k) licenses of patents, trademarks and other intellectual property rights granted by a Loan Party in the ordinary course of business and not interfering in any material respect with the ordinary conduct of the business of such Loan Party;

(l) Liens incurred in connection with "Specified Hedge Agreements" maintained under and as defined in, the Bank Credit Agreement;

(m) Liens securing Indebtedness of the Loan Parties incurred pursuant to Section 7.2(e) of the Bank Credit Agreement to finance the acquisition of fixed or capital assets, *provided* that (i) such Liens shall be created substantially simultaneously with the acquisition of such fixed or capital assets (or the refinancing of such Indebtedness as otherwise permitted under the Bank Credit Agreement), (ii) such Liens do not at any time encumber any property other than the property (and proceeds thereof) financed by such "Indebtedness" as defined in the Bank Credit Agreement, (iii) the principal amount of Indebtedness secured thereby is not increased and (iv) the property financed by such Indebtedness, is not of a type that will become affixed to the Project such that the removal thereof could not reasonably be expected to materially interfere with the ongoing ordinary course operations of the Project;

(n) the rights and interests of the Lenders as provided under the Financing Agreements;

(o) Permitted Encumbrances;

(p) Liens on cash Advanced pursuant hereto and deposited with, or held for the account of any Loan Party securing reimbursement obligations under performance bonds, guaranties, commercial letters of credit, bankers' acceptances or similar instruments to the extent permitted under the Bank Credit Agreement granted in favor of the issuers of such performance bonds, guaranties, commercial letters of credit or bankers' acceptances, so long as (i) any cash Advanced to secure such reimbursement obligations is invested (if at all) in Cash Equivalents only to the extent the Project Entities have the rights to direct investments thereof and (ii) the amount of cash and/or Cash Equivalents secured by such Liens is not less than the amount of Indebtedness secured thereby and in any event does not exceed 110% of the amount of the Indebtedness secured thereby (ignoring, for purposes of this clause (ii), any interest earned or paid on such cash and any dividends or distributions declared or paid in respect of such Cash Equivalents);

(q) Permitted Mechanics Liens; and

(r) to the extent not set forth above, Liens described in clauses (a) through (r) and (t) through (v) of Section 7.3 of the Bank Credit Agreement.

"Permitted Mechanics Liens" means, as of each date of determination, (a) mechanics liens representing claims asserted against the Project Entities in an aggregate amount not to exceed \$5,000,000, and (b) any other mechanics liens representing claims against the Project Entities which are acceptable to the Disbursement Agent in consultation with the Construction Consultant, *provided* that notwithstanding this clause (b) the aggregate claims represented by the Permitted Mechanics Liens shall not exceed \$25,000,000 at any time.

"Person" means any natural person, corporation, partnership, firm, association, Governmental Authority or any other entity whether acting in an individual, fiduciary or other capacity.

"Phase I Report" means the environmental assessment for the Site and the Site Easements dated February 6, 2007 conducted by Western Technologies Inc.

"Plan" means any employee benefit plan as defined in Section 3(3) of ERISA to which the Project Entities or any member of the Controlled Group contributes or has an obligation to contribute to on behalf of its employees, other than a Multiemployer Plan.

"Plans and Specifications" means all plans, specifications, design documents, schematic drawings and related items for the design, architecture and construction of the Project that are listed on Exhibit U hereto including, from time to time, any further such plans, specifications, design documents, schematic drawings and related items which are consistent with the standards of Exhibit M-1 or M-2 and delivered pursuant to Section 3.3.19. in each case, as amended in accordance with Section 6.2.

"Prime Construction Agreement" means the construction agreement in the form of AIA Document A114-2001 dated as of June 6, 2007 (but effective as of April 1, 2007) between Las Vegas and the General Contractor for the construction of the Project.

"Proceeds Accounts" means, collectively, each of the Accounts listed as a Proceeds Account in the matrix set forth in Section 2.2.

"Project" means the construction of the Fontainebleau Resort and Casino on the Site, as more particularly described in Exhibit V-1 hereto.

"Project Costs" means all costs incurred, or to be incurred by the Project Entities in connection with the development, design, engineering, procurement, construction, installation, opening and completion of the Project in accordance with this Agreement, including, without duplication:

- (a) all costs associated with the bonding of deposits for Condo Units;
- (b) all costs incurred under the Contracts;
- (c) working capital costs incurred prior to the Scheduled Opening Date;
- (d) financing, closing and administration costs related to the Project until the Scheduled Opening Date including, but not limited to, insurance costs (including, with respect to directors and officers insurance), guarantee fees, legal fees and expenses, financial advisory fees and expenses, and fees and expenses of insurance advisors, taxes and other out-of-pocket

expenses payable by the Project Entities under all documents related to the financing and administration of the Project until the Scheduled Opening Date, including the costs of acquiring Permits for the Project prior to the Completion Date;

(e) technical fees and expenses (including, without limitation, fees and expenses of the Construction Consultant), fees and expenses of the Disbursement Agent, the Construction Consultant, and all other technical advisors;

(f) Debt Service which will accrue in respect of Indebtedness of the Companies prior to the Opening Date (but expressly excluding Debt Service in respect of the Retail Facility);

(g) the expenses associated with the sales and marketing of the Condo Units;

(h) costs incurred in settling insurance claims in connection with Events of Loss and collecting Loss Proceeds at any time prior to the Final Completion Date;

(i) cash to collateralize commercial letters of credit to the extent that payment of any such cash amount to the vendor or materialman who is the beneficiary of such letter of credit would have constituted a "Project Cost";

(j) soft costs including building permits and design costs / consultants;

(k) amounts transferred prior to the Opening Date to an account established pursuant to Section 6.8(b) for payroll expenses otherwise constituting "Project Costs";

(l) pre-opening expenses incurred prior to the Opening Date;

(m) costs with respect to owners insurance incurred prior to the Opening Date; and

(n) Other Retail Costs.

"Project Entities" means the Borrowers, the Issuers and the Retail Affiliate.

"Project Entity Closing Certificate" means a Closing Certificate substantially in the form of Exhibit B-1 hereto.

"Project Intended Uses" means the intended uses of the Project, as more particularly set forth in Exhibit V-2 hereto.

"Project Lenders Intercreditor Agreement" means the Intercreditor Agreement of even date herewith between the Bank Agent and the Trustee.

"Project Schedule" means the schedule for construction and completion of the Project prepared by the Project Entities and attached hereto as Exhibit F as amended from time to time in accordance with the terms hereof.

"Project Secured Parties" means (a) the Bank Agent acting for the benefit of the Bank Lenders, and the counterparties to certain Interest Rate Agreements entered into by the Companies, (b) the

Trustee acting for the benefit of the Second Mortgage Holders, and (c) the Disbursement Agent acting on behalf of any one or more of the foregoing (but not on behalf of the Retail Agent or the Retail Lenders).

"Project Security" means, at any time, all real and personal property which is subject or is intended to be subject to the security interests or liens granted by any of the Security Documents.

"Projected Interest Income" means, (a) as of the Opening Date, \$73,748,175, and (b) as of each subsequent date of determination, the anticipated interest income in respect of the Resort Accounts, as reasonably determined by the Companies for the period between that date and the Opening Date.

"Protective Advances" means any Advances made when an Event of Default has occurred and remains continuing with respect to (i) the payment of any delinquent taxes or insurance premiums owed by any of the Project Entities with respect to the Project or the Site, (ii) the removal of any lien or encumbrance on the Project or the Site that is not permitted under the Financing Agreements or the defense of the Project Entities' title thereto or of the validity, enforceability, perfection or priority of the liens and security interests granted or purported to be granted pursuant to the Security Documents, (iii) the payment of Project Costs after delivery of a Stop Funding Notice by the Disbursement Agent, or (iv) the repair, maintenance, protection or preservation of the value of the Project or any portion thereof, including, without limitation, for payment of (A) heating, gas, electric and other utility bills or (B) in the case of amounts paid by the Bank Agent or the Trustee, amounts reasonably necessary to prevent the provider of any financing pursuant to the Retail Facility from terminating its agreement to advance funds thereunder, all of which Advances shall be deemed to be obligatory advances regardless of the Person to whom funds are advanced.

"Punchlist Items" means minor or insubstantial details of construction or mechanical adjustment, the non-completion of which, when all such items are taken together, will not interfere in any material respect with the use or occupancy of the Project or the ability of the Project Entities (or any tenant or subtenant thereof) to perform work that is necessary or desirable to prepare such portion of the Project for such use or occupancy; *provided* that, in all events, "Punchlist Items" shall include (to the extent not already completed), without limitation, the items set forth in each punchlist delivered by the Project Entities pursuant to the Prime Construction Agreement and all items that are listed on the "punchlists" furnished by the Building Department, the Nevada Department of Transportation or the Clark County Department of Public Works in connection with, or after, the issuance of the Project temporary certificate of occupancy as those that must be completed in order for the Building Department to issue a Project permanent certificate of occupancy.

"Realized Savings" means, in respect of each Line Item Category, a decrease in the anticipated cost to complete the work or acquire the goods and services contemplated by such Line Item Category which (i) results from a decrease in the anticipated cost to complete the work which the Project Entities are able to demonstrate to the reasonable satisfaction of the Construction Consultant, or (ii) results from a Scope Change which (A) complies with the requirements of Section 6.2 and (B) results, to the reasonable satisfaction of the Construction Consultant, in a quantifiable decrease in materials, supplies, or required services, in each case, which is

documented by the Project Entities in a Realized Savings Certificate, duly executed and completed with all exhibits and attachments thereto. The Disbursement Agent shall be entitled to rely on certifications from the Project Entities and the Construction Consultant set forth in a Realized Savings Certificate in determining whether "Realized Savings" has been achieved.

"Realized Savings Certificate" means a certificate of the Project Entities substantially in the form of Exhibit N.

"Reciprocal Easement Agreement" means the Construction, Operation and Reciprocal Easement Agreement dated as of June 6, 2007 among the Borrowers and the Retail Affiliate.

"Release" means, any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal dumping, leaching or migration of Hazardous Substances into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Substances), including the movement of any Hazardous Substances through the air, soil, surface water or groundwater.

"Remaining Cost Report" means a report in the form attached to Exhibit C-1 as Appendix 8.

"Remaining Costs" means, as of each date of determination, the amount reflected in the Remaining Cost Report prepared as of the most recent date in the row titled "Total" under the "In Balance Test Adjustments" section which shall in all events include the entire amount of any disputed claims with Contractors, except to the extent that the Construction Consultant concurs with the Project Entities that the amount asserted by the relevant Contractor is in excess of the amount which is reasonably likely to be due to that Contractor.

"Representative" means Banc of America Securities LLC, when acting in its capacity as a representative of the initial purchasers of the Second Mortgage Notes pursuant to the terms of the Second Mortgage Indenture.

"Requested Cost Report" means, for each Advance Date, a report prepared by the Project Entities in the appropriate version of the form attached to Exhibit C-1 as Appendix 1.

"Requested Cost to Final Completion Report" has a report prepared by the Project Entities in the form attached to Exhibit Q-1 as Appendix 1.

"Required Minimum Contingency" means, as of each date of determination, the amount calculated as follows:

- (a) As of the Closing Date, \$111,039,860;
- (b) from time to time thereafter, the greater of (i) \$5,000,000 and (ii) amount determined pursuant to the following formula:
$$RMC = \$111,039,860 * (1.00 - PC)$$

Where:

- (1) RMC = Required Minimum Contingency under the Resort Budget;
- (2) PC = Percentage of the Project completed as of the calculation date as a percentage of the Total Hard Costs.

"Required Minimum Excess Revolver Support Amount" as used in each Remaining Cost Report means, as of each date of determination, the amount calculated as follows:

- (a) As of the Closing Date, \$15,394,566;
- (b) from time to time thereafter, the amount determined pursuant to the following formula:
$$\text{RMER} = \$15,394,566 * (1.00 - \text{PC})$$

Where:

- (1) RMER = Required Minimum Excess Revolver Support under the Resort Budget;
- (2) PC = Percentage of the Project completed as of the calculation date as a percentage of the Total Hard Costs.

"Required Minimum Liquidity Account" as used in the Remaining Cost Report, means, as of each date of determination, the amount calculated as follows:

- (a) As of the Closing Date, \$50,000,000;
- (b) from time to time thereafter, the amount determined pursuant to the following formula:
$$\text{RMLA} = \$50,000,000 * (1.00 - \text{PC})$$

Where:

- (1) RMLA = Required Minimum Liquidity Account under the Resort Budget;
- (2) PC = Percentage of the Project completed as of the calculation date as a percentage of the Total Hard Costs.

"Residual Bank Revolving Facility Completion Reserve Amount" means, as of each date of determination, the amount determined as of the Opening by the Funding Order for Final Completion Report as outlined in Section 2.17.2, minus (b) the amount of the cumulative Advances thereafter made from the Bank Revolving Facility pursuant to Section 2.10.2(b)(xiv).

"Resort Accounts" means each of the Accounts other than the Retail Payment Account, the Retail Funding Account and the Retail Loss Proceeds Account.

"Resort Budget" means as of each date of determination, the budget set forth in column D of the Remaining Cost Report.

"Resort Loss Proceeds Account" means the Account of that name described in Section 2.2.

"Resort Payment Account" means the Account of that name described in Section 2.2.

"Resort Properties I" means Fontainebleau Resort Properties I, LLC, a Delaware limited liability company.

"Resort Properties II" means Fontainebleau Resort Properties II, LLC, a Delaware limited liability company.

"Resort Request" means, for each Advance Date, the total amount of the Project Costs expended

pursuant to the Resort Budget for which payment is requested on that Advance Date (including the amount of any such Project Costs which have been paid through the Cash Management Account).

"Resort Request to Final Completion" has the meaning set forth in Section 2.13.2.

"Resort Sources" means, subject to the limitations described herein, the following sources, in each case to the extent set forth in the Current Available Sources Report: (a) the Resort Loss Proceeds Account, (b) the Resort Payment Account, (c) the Interest Account, (d) the Liquidity Account, (e) the Bonded Condo Proceeds Account, (f) the Cash Management Account, (g) the Equity Funding Account, (h) the Second Mortgage Proceeds Account, (i) the Bank Proceeds Account (j) the Delay Draw Term Loan Availability, (k) the Bank Revolving Facility Availability, and (l) the Completion Guaranty Availability.

"Responsible Officer" means as to any Person, the chief executive officer, chief financial officer, president, or executive chairman thereof, or of its ultimate manager or signatory Person.

"Retail Accounts" means, collectively, the Retail Funding Account, the Retail Payment Account and the Retail Loss Proceeds Account.

"Retail Affiliate" means Fontainebleau Las Vegas Retail, LLC, a Delaware limited liability company.

"Retail Agent" means Lehman Brothers Holdings Inc., and any successor agent under the Retail Facility.

"Retail Air Space Lease" means the Master Lease Agreement dated as of June 6, 2007 between the Borrowers and the Retail Affiliate.

"Retail Air Space Parcels" means, collectively, the air space parcels at the Site to be leased (and later owned) by the Retail Affiliate described on Exhibit V-4.

"Retail Budget" means as of each date of determination, the budget set forth in column B of the Retail Remaining Cost Report.

"Retail Facility" means the \$315,000,000 credit facility made available pursuant to the Retail Facility Agreement.

"Retail Facility Availability" means, as of each date of determination, the aggregate principal amount available to be drawn on that date under the Retail Facility.

"Retail Facility Agreement" means the Loan Agreement dated June 6, 2007 among the Retail Affiliate, the Retail Lenders and the Retail Agent.

"Retail Facility Completion Guarantor" means Jeffrey Soffer and Parent.

"Retail Funding Account" means the Account of that name described in Section 2.2.

"Retail Intercreditor Agreement" means the Intercreditor Agreement of event date herewith among the Bank Agent, the Trustee, the Retail Agent and the Retail Affiliate.

"Retail Lenders" means the lenders from time to time parties to the Retail Facility.

"Retail Lenders Shared Cost Commitment" means \$83,000,000.

"Retail Loss Proceeds Account" means the Account of that name described in Section 2.2 into which Loss Proceeds in respect of improvements and fixtures constituting Other Retail Costs are to be deposited.

"Retail Payment Account" means the Account of that name described in Section 2.2.

"Retail Remaining Cost Report" means a report in the form attached to Exhibit C-1 as Appendix 9.

"Retail Request to Final Completion" has the meaning set forth in Section 2.13.1.

"Retail Request" means, for each Advance Date, the total amount of the Other Retail Cost expended pursuant to the Retail Budget for which payment is requested on that Advance Date (including the amount required to reimburse the Cash Management Account for any such Project Costs which have been paid through the Cash Management Account).

"Retail Security Documents" means the deed of trust, security agreement and other security documents executed from time to time by the Retail Affiliate in favor of the Retail Agent and the Retail Lenders.

"Retail Shared Cost Percentage" means:

- (1) as of any date of determination prior to the Initial Bank Advance Date, zero; and
- (2) as of each date of determination from and after the Initial Bank Advance Date, the percentage which is equal to the ratio of (a) the aggregate Project Costs expended on and following the Initial Bank Advance Date in respect of the Podium (as determined in the Detailed Remaining Cost Report), to (b) the amount determined in the Detailed Remaining Cost Report as of the Initial Bank Advance Date (and prior to giving effect to the Advances made on that date) of the remaining Project Costs associated with the Podium through Final Completion.

"Retail Sources" means subject to the limitations described herein, the following sources, in each case to the extent set forth in the Current Available Sources Report: (a) the Retail Loss Proceeds Account, (b) the Retail Payment Account, and (c) the then available principal amount of the Retail Facility.

"Retail Unincorporated Materials" means, as of each date of the making of the applicable Advance Request, all materials, machinery, fixtures, furniture, equipment or other items purchased or manufactured for incorporation into the retail component of the Project but which, at such date, (i) are not located at the site of the retail component and for which the Retail Affiliate has paid or intends to pay with the proceeds of the Advance Request all or a portion of

the purchase price, or (ii) are located at the site of the retail component but are not expected to be incorporated into the Project within 30 days after such Advance Request.

"Retainage Amounts" means at any given time amounts which have accrued and are owing under the terms of a Contract for work or services already provided but which at such time (and in accordance with the terms of the Contract) are being withheld from payment to the Contractor, until certain subsequent events (e.g., completion benchmarks) have been achieved under the Contract.

"Reviewing Accountant" means Deloitte & Touche, LLP or any subsequent nationally recognized firm of independent public accountants selected by the Project Entities, with the consent of the Bank Agent from time to time (which shall not be unreasonably withheld or delayed), as auditors of the Project Entities.

"Revolving Loans" has the meaning given in the Bank Credit Agreement.

"S&P" means Standard & Poor's Ratings Group, or any successor thereof.

"Scheduled Advance Date" means, as to each Advance Request, the 25th day of the calendar month during which such Advance Request is received (or, if such day is not a Banking Day, on the next Banking Day).

"Scheduled Opening Date" means October 1, 2009, as the same may from time to time be extended pursuant to Section 6.4.

"Scope Change" means any change to the physical configuration or amenities of the Project from what is described in the Plans and Specifications or any other change to the design, layout, architecture or quality of the Project from that which is contemplated on the Closing Date, *provided* that it is acknowledged that the Plans and Specifications delivered on the Closing Date are preliminary in nature and that any further refinement or embellishment thereof in a manner which is not determined by the Construction Consultant to be materially inconsistent with such Plans and Specifications or any subsequent refinement or embellishment thereof shall not be considered to be a "Scope Change."

"Second Deed of Trust" means the Deed of Trust of even date herewith executed by the Borrowers, as trustors, for the benefit of the Trustee, as beneficiary.

"Second Mortgage Funding Account" means the Account of that name described in Section 2.2.

"Second Mortgage Holders" means the holders of the Second Mortgage Notes.

"Second Mortgage Indenture" means the Indenture dated as of June 6, 2007 among the Issuers, the Borrowers (as guarantors) and the Trustee.

"Second Mortgage Notes" means the 10 1/4% Second Mortgage Notes Due 2015 in the aggregate principal amount of \$675,000,000, issued by the Issuers, as co-issuers, pursuant to the Second Mortgage Indenture.

"Second Mortgage Proceeds Account" means an account established with the Trustee into which the net proceeds of the offering of the Second Mortgage Notes shall be deposited on the Closing Date in accordance with the Flow of Funds Memo, which Account is further described in Section 2.2.

"Second Mortgage Purchase Agreement" means the Purchase Agreement dated May 24, 2007 entered into between the Representative, the Issuers and the guarantors signatory thereto concerning the purchase of the Second Mortgage Notes.

"Second Mortgage Security Documents" means, collectively, the Second Deed of Trust, each Completion Guaranty, the Affiliate Subordination Agreement, and any guaranties; deeds of trust, security agreements or Control Agreements executed from time to time by any of the Loan Parties or one or more of their direct or indirect Subsidiaries in favor of the Trustee or the Second Mortgage Holders to secure, support or guaranty the obligations under the Second Mortgage Notes and the Second Mortgage Indenture.

"Secured Parties" means, collectively, the Project Secured Parties and the Retail Lenders.

"Security Documents" means, collectively and without duplication, the Bank Security Documents, the Second Mortgage Security Documents, the Retail Security Documents, each Completion Guaranty, each Payment and Performance Bond, the Control Agreements, the Consents, and any other deeds of trust, security agreements or Control Agreements entered into by any of the Loan Parties and/or one or more of their direct or indirect Subsidiaries for the benefit of any Secured Party in accordance with the terms of the Financing Agreements or the Intercreditor Agreements.

"Shared Cost Allocation Report" means, for the Initial Bank Advance Date and each subsequent Advance Date, a report prepared by the Project Entities in the appropriate version of the form attached to Exhibit C-1 as Appendix 2.

"Shared Costs" means the portion of the overall Project Costs reflected in the Resort Budget which are to be paid for using both the Resort Sources and (to the extent of the Retail Lenders Shared Cost Commitment) the Retail Facility (primarily costs associated with the Podium).

"Shared Cost to Final Completion Allocation Report" means a report prepared by the Project Entities in the form attached to Exhibit Q-1 as Appendix 2.

"Site" means the construction site for the Project as described in Exhibit V-3 hereto, together with any other real property which is hereafter subject to a lien under the Bank Deed of Trust or the Second Deed of Trust.

"Site Easements" means the easements appurtenant, easements in gross, license agreements and other rights running for the benefit of the Project Entities and/or appurtenant to the Site, including, without limitation, the easements and licenses described in the Title Policies.

"Solvent" means, as to any Person, that (a) the sum of the assets of such Person, both at a fair valuation and at a present fair saleable value, exceeds its liabilities, including its probable

liability in respect of contingent liabilities, (b) such Person will have sufficient capital with which to conduct its business as presently conducted and as proposed to be conducted and (c) such Person has not incurred debts, and does not intend to incur debts, beyond its ability to pay such debts as they mature.

"Stop Funding Notice" has the meaning given in Section 2.5.1.

"Subcontract" means any subcontract or purchase order entered into with any Subcontractor.

"Subcontractor" means any direct or indirect subcontractor of any tier under any Contract.

"Subsidiary" as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"Tax" shall mean shall mean any federal, state, local, foreign or other tax, levy, impost, fee, assessment or other government charge, including without limitation income, estimated income, business, occupation, franchise, property, payroll, personal property, sales, transfer, use, employment, commercial rent, occupancy, franchise or withholding taxes, and any premium, including without limitation interest, penalties and additions in connection therewith.

"Tenant Allowance" means amounts payable directly to a retail tenant as part of any construction allowance pursuant to any retail lease entered into by the Retail Affiliate in accordance with the Retail Facility Agreement.

"Title Insurer" means Lawyers Title Insurance Corporation.

"Title Policies" means, collectively, the policies of title insurance issued by Title Insurer as of the Closing Date.

"Total Hard Costs" means, as of each date of determination, the costs described in column D in the row titled "Construction Hard Costs Subtotal" in the Detailed Remaining Cost Report prepared as of that date.

"Trustee" means Wells Fargo Bank, N.A., when acting in its capacity as the trustee under the Second Mortgage Indenture and its successors in such capacity.

"Turnberry Residential" means Turnberry Residential Limited Partner, L.P., a Delaware limited partnership.

"UCC" means the Uniform Commercial Code of the State of New York.

"Unallocated Contingency Balance" means, as of each date of determination, the "Unallocated Contingency" Line Item Category in the Remaining Cost Report.

"Unincorporated Materials" means, as of each date of the making of each Advance Request, all materials, machinery, fixtures, furniture, equipment or other items purchased or manufactured for incorporation into the Project but which, at such date, (i) are not located at the Site and for which the Project Entities have paid or intend to pay with the proceeds of the Advance Request all or a portion of the purchase price, or (ii) are located at the Site but are not expected to be incorporated into the Project within 30 days after such Advance Request.

RULES OF INTERPRETATION

1. The singular includes the plural and the plural includes the singular.
2. The word "or" is not exclusive.
3. A reference to a Legal Requirement includes any amendment or modification of such Legal Requirement, and all regulations, rulings and other Legal Requirements promulgated under such Legal Requirement.
4. A reference to a Person includes its permitted successors and permitted assigns.
5. Accounting terms have the meanings assigned to them by GAAP.
6. The words "include," "includes" and "including" are not limiting.
7. A reference in a document to an Article, Section, Exhibit, Schedule, Annex or Appendix is to the Article, Section, Exhibit, Schedule, Annex or Appendix of such document unless otherwise indicated. Exhibits, Schedules, Annexes or Appendices to any document shall be deemed incorporated by reference in such document.
8. References to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (c) shall mean, unless specifically indicated, such document, instrument or agreement as in effect on the date hereof, notwithstanding any termination, expiration or amendment of such agreement unless (i) all of the parties hereto are signatories to such amendment or (ii) the signatories to such amendment have the right to amend this Agreement without the consent of the other parties hereto, in either of which case any references shall be to such agreement as so amended.
9. The words "hereof," "herein" and "hereunder" and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document.
10. References to "days" shall mean calendar days, unless the term "Banking Days" shall be used.

11. The Financing Agreements are the result of negotiations among, and have been reviewed by, the Project Entities, the Funding Agents, the Lenders and the Disbursement Agent. Accordingly, the Financing Agreements shall be deemed to be the product of all parties thereto, and no ambiguity shall be construed in favor of or against any such Person.
12. Where any instrument, document or agreement is required to be delivered pursuant hereto in a form which is "substantially in the form" of the Exhibit hereto (or words of similar import), the form of such instrument, document or agreement shall be required to comport with the form attached hereto, but with such changes as may be reasonably acceptable to the Disbursement Agent.
13. In the event that any day or date referred to in the provisions of this Agreement occurs on a day that is not a Banking Day, the reference shall be deemed to be to the next succeeding Banking Day.

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EXHIBITS

Exhibits

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EXHIBIT 2

EXHIBIT C-1
to Master Disbursement Agreement

ADVANCE REQUEST

Certificate Date: [] [], 20[]

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Re: Advance Request No. [] under Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Requested Advance Date: [] [], 20[]
Resort Amount Requested: \$[]
Retail Amount Requested: \$[]
Period Covered: [] [], 20[] through [] [], 20[]

Ladies and Gentlemen:

The Project Entities hereby submit this Advance Request (the "Advance Request") pursuant to the Disbursement Agreement. Capitalized terms used herein without definition shall have the meanings assigned in the Disbursement Agreement.

The Project Entities hereby request the making of the Advances reflected in the Funding Order Report and Advance Request Transfer Report. In connection with the Advances requested herein, and to induce the Disbursement Agent and each relevant Funding Agent to make such Advances, the Project Entities hereby represent, warrant and certify as follows:

I. Certifications.

A. Attachments: Each of the following attachments to this Advance Request is what it purports to be, is accurate in all material respects, is consistent with the requirements of the Disbursement Agreement, and reflects the information required by the Disbursement Agreement to be reflected therein,

W02-WFST ICTXG14001853059

in each case as of the Advance Date specified above.

Appendix	Title
1	Requested Cost Report
2	Shared Cost Allocation Report ¹
3	Current Available Sources Report
4	Funding Order Report
5	Advance Request Transfer Report
6	[Reserved]
7	Detailed Remaining Cost Report
8	Remaining Cost Report
9	Retail Remaining Cost Report
10	In Balance Report
11	Lien Release Summary ²
12	Title Insurance Endorsement Chart ³
13	Inventory of Unincorporated Materials
14	Architect Advance Certificate
15	General Contractor's Advance Certificate
16	List of Additional Contracts
17	List of Scope Changes

8. Requested Cost Report. The Requested Cost Report attached hereto is in the form required by the Master Disbursement Agreement, and summarizes costs reflected in the Budgets for which Advances are requested to be made on the relevant Advance Date. Each of the items which collectively constitute the Resort Request and the Retail Request set forth in the Requested Cost Report are included in the Budgets, and have been properly expended by the Project Entities in accordance with the Budgets or are anticipated to be expended prior to the Advance Date set forth in the Advance Request. With respect to amounts requested for construction expenses, the Requested Cost Report accurately lists, for each applicable line item, the total current payment requested by the Project Entities (net of retainage). Copies of invoices from the Contractors and Subcontractors for which payment is requested have been delivered to the Construction Consultant. All items described in the Requested Cost Report represent (a) work that has been satisfactorily performed in a good and workmanlike manner and in conformance with the Plans and Specifications, (b) materials that have been delivered to the Site and are incorporated into the Project or will be incorporated within the period contemplated by the Disbursement Agreement, or are Unincorporated Materials complying with the requirements of Disbursement Agreement, (c) the Project Entities' best estimate of Project Costs which will become due and payable on or prior to the Requested Advance Date.

¹ Include this Appendix only from and after the Initial Bank Advance Date.

² Include this Appendix only when requesting Advances from the Bank Proceeds Account.

³ Include this Appendix only when requesting Advances from the Bank Proceeds Account.

C. Shared Cost Allocation Report.⁴ The Shared Cost Allocation Report attached hereto is in the form required by the Master Disbursement Agreement.

D. Current Available Sources Report. The Current Available Sources Report attached hereto is in the form required by the Master Disbursement Agreement, and accurately reflects availability under each of the applicable Financing Agreements and the available balance of the various Accounts which is available to fund Project Costs.

E. Funding Order Report. The Funding Order Report attached hereto is in the form required by the Master Disbursement Agreement, and has been prepared in accordance with Section 2.10 of the Master Disbursement Agreement, and correctly applies the funding order set forth in such Section to the funds identified in the Current Available Sources Report.

F. Advance Request Transfer Report. The Advance Request Transfer Report is in the form required by the Disbursement Agreement and directs the funds allocated in the Funding Order Report to the various accounts and to reimburse drawings of the Letters of Credit under the Bank Credit Agreement in the manner required by the Disbursement Agreement.

G. Detailed Remaining Cost Report. The Detailed Remaining Cost Report is in the form required by the Master Disbursement Agreement, and reflects for each Line Item Category all changes thereto which are required by Section 6.2 of the Master Disbursement Agreement by reason of any Scope Change or Realized Savings.

H. Remaining Cost Report. The Remaining Cost Report attached hereto is in the form required by the Master Disbursement Agreement, and has been prepared in accordance with Section 4.17 of the Master Disbursement Agreement, and reflects all reasonably anticipated Project Costs required to achieve Final Completion. The Remaining Costs Report details the balance required to complete each line item.

I. Retail Remaining Cost Report. The Retail Remaining Cost Report attached hereto is in the form required by the Master Disbursement Agreement accurately details the remaining costs in the Retail Budget.

J. In Balance Report. The In Balance Report correctly computes the In Balance Test in accordance.

K. Lien Release Summary and Title Insurance Endorsement Chart. The lien release summary chart and appropriate evidence of lien releases required by Section 3.3.16 of the Disbursement Agreement, and title insurance endorsement commitments required by Section 3.3.17 of the Disbursement Agreement, have been received as of the Requested Advance Date for all work, materials and/or services performed and/or delivered in connection with the Project. In addition, all endorsements to the Title Policies required pursuant to the Disbursement Agreement have been received.⁵

L. Inventory of Unincorporated Materials. The inventory of Unincorporated Materials

⁴ Include this Appendix only from and after the Initial Bank Advance Date

⁵ Include this certification only when requesting Advances from the Bank Proceeds Account.

which is attached hereto is accurate in all material respects, and identifies all Unincorporated Materials and states the value thereof. All Unincorporated Materials for which full payment has previously been made or is being made with the proceeds of the Advance to be disbursed are, or will be upon full payment, owned by the Project Entities, and all lien rights or claims of the supplier have been or will be released simultaneously with such full payment and all amounts, if any, required to be paid to the supplier thereof with respect to the installation of such Unincorporated Materials (including any Retainage Amounts). The Project Entities believe that the Unincorporated Materials consist of components that conform to the Plans and Specifications and that will be ready for incorporation into the Project reasonably promptly following delivery thereof. All Unincorporated Materials are properly inventoried, securely stored, protected against theft and damage at the Site or at such other location which has been specifically identified by its address to the Construction Consultant and the Disbursement Agent (or if the Project Entities cannot provide the address of the current storage location, the Project Entities have provided the Construction Consultant with a list of the name and address of the applicable contracting party supplying or manufacturing such Unincorporated Materials). With respect to any Unincorporated Materials as to which deposit or other partial payments have been made or will be made out of the requested Advance (but which have not been and will not be fully paid after giving effect to the requested Advance), the Project Secured Parties have, or will have upon payment with the proceeds of the requested Advance, a perfected security interest in the Project Entities' rights to the Unincorporated Materials and the Contracts therefor, with the priority therein contemplated by the Security Documents. With respect to (i) Unincorporated Materials not stored at the Site from a single or Affiliated suppliers (of which the Project Entities are aware that such suppliers is an Affiliate) with a contract price (or expected aggregate amount to be paid in the case of "cost-plus" Contracts) in excess of \$5,000,000, and (ii) any Contracts for Unincorporated Materials with a contract price (or expected aggregate amount to be paid in the case of "cost plus" Contracts) in excess of \$5,000,000 (excluding items located outside of the United States or in transit from jurisdictions outside of the United States), the Project Entities have executed and delivered to the Disbursement Agent such additional security documents (including, without limitation, financing statements, security agreements, collateral access agreements, consents of manufacturers, vendors, warehousemen and bailees) reasonably requested by the Disbursement Agent necessary to grant the Secured Parties such security interest in the Project Entities' rights to such Unincorporated Materials or Contracts. All Unincorporated Materials are insured against casualty, loss and theft for an amount equal to their replacement costs in accordance with Exhibit D to the Master Disbursement Agreement. The value of Unincorporated Materials located at the Site but not expected to be incorporated into the Project within the ensuing calendar month is not more than \$25,000,000 (or any greater amount approved in accordance with the terms of the Master Disbursement Agreement). The amounts paid by the Project Entities in respect of Unincorporated Materials not at the Site is not more than \$50,000,000 (or any greater amount approved in accordance with the terms of the Master Disbursement Agreement). The amount of contract deposits paid by the Project Entities in respect of Unincorporated Materials is not more than \$50,000,000 (or any greater amount approved in accordance with the terms of the Master Disbursement Agreement).⁶

M. List of Additional Contracts. Attached to this Advance Request is a complete and accurate listings of all Contracts entered into by the Project Entities since the date of the last Advance Request, together with (i) copies of any Contract entered into by the Project Entities and any Contractor with a contract price (or in the case of the "cost plus" contracts, expected aggregate amounts to be paid) in excess of \$5,000,000, (ii) copies of each first tier Subcontract with a contract price (or in the case of the "cost plus" contracts, expected aggregate amounts to be paid) in excess of \$5,000,000, and (iii) a copy of

⁶ Include this certification only when requesting Advances from the Bank Proceeds Account.

any Payment and Performance Bond required pursuant to Section 5.12 of the Disbursement Agreement, in each case unless previously delivered.

N. List of Scope Changes. A list of all approved, pending and proposed Scope Changes (other than Minor Scope Changes) since the previous Advance Request, together with copies of all such Scope Changes (other than Minor Scope Changes) not previously delivered to the Disbursement Agent, is attached hereto.

O. General Representations.

1. Each Material Contract is in full force and effect except (i) for amendments to Material Contracts not prohibited by Section 6.1 of the Master Disbursement Agreement or by the Financing Agreements, (ii) to the extent the Project Entities have entered into a replacement Material Contract to the extent required or permitted by Section 7.1.6 of the Master Disbursement Agreement, and (iii) to the extent terminated in accordance with their respective terms.

2. Each Financing Agreement is in full force and effect, without amendment since the date of its execution and delivery, and in a form which was provided to the Bank Agent and the Trustee prior to the Closing Date, except for amendments to the Financing Agreements to the extent permitted under the Facility Agreements or to the extent terminated in accordance with their respective terms.

3. Each representation and warranty of each Project Entity set forth in Article 4 of the Master Disbursement Agreement or in any Material Contract is true and correct in all material respects as if made on the Requested Advance Date (except that any representation and warranty that relates expressly to an earlier date shall be deemed made only as of such earlier date), unless, prior to the Initial Bank Advance Date, the failure of any such representation and warranty referred to in this clause 3 to be true and correct could not reasonably be expected to have a Material Adverse Effect.

4. To the Project Entities' knowledge, each representation and warranty of each Major Project Participant (other than any Project Entity) set forth in any of the Material Contracts is true and correct in all material respects as if made on the Requested Advance Date (except that any representation and warranty that relates expressly to an earlier date shall be deemed made only as of such earlier date) unless the failure of any such representation and warranty referred to in this clause 4 to be true and correct does not reasonably be expected to have in a Material Adverse Effect, in each case, as certified by the Project Entities in the relevant Advance Request.

5. The In Balance Test is satisfied.

6. There is no order, judgment or decree of any court, arbitrator or governmental authority shall purport to enjoin or restrain the Bank Lenders or the Trustee from making the Advances to be made by them on the Requested Advance Date.

7. The making of the requested Advance shall not violate any law.

8. Since the Closing Date, there has not occurred any change in the economics or feasibility of constructing and/or operating the Project, or in the financial condition, business or property of the Project Entities, any of which could reasonably be expected to have a Material Adverse Effect.

9. Construction of the Project is proceeding materially in accordance with the Project Schedule and the plans and specifications for the Project (including any Plans and Specifications then delivered) and no Major Project Participant or first tier Subcontractor under the Prime Construction Agreement or party to a Subcontract with a total contract amount or value in excess of \$25,000,000 has suspended performance or otherwise repudiated its obligation to perform any duty or obligation under its respective Material Contract or Subcontract (unless such suspended or repudiated Material Contract or Subcontract is permitted to be, and actually has been, replaced, or a replacement is determined not to be necessary, pursuant to Section 7.1.5 or Section 7.1.6).

10. [[Solely with respect to the initial Advance of funds from the Second Mortgage Proceeds Account, the entire amount of the Equity Proceeds Account has been, or shall concurrently be, applied to the payment of Project Costs.]]⁷

11. [[Solely with respect to the initial Advance of funds from the Second Mortgage Proceeds Account (other than any Advance made solely to pay interest on the Second Mortgage Notes), fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 75% of the Total Hard Cost are in place]]⁸

12. [[Solely with respect to the first Advance which occurs following October 1, 2007, fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 85% of the Total Hard Costs are in place. Each such Subcontract and Contract is consistent with the Budgets, the Project Schedule and the plans and specifications for the Project now in effect.]]⁹

13. [[Solely with respect to the Initial Bank Advance Date, (i) fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 95% of the Total Hard Costs are in place, and (ii) fixed price contracts in respect of not less than 50% of the Costed FF&E are in place. Each such Subcontract and Contract is consistent with the Budgets, the Project Schedule and the plans and specifications for the Project now in effect.]]¹⁰

14. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, the Project Entities have delivered a copy of (i) each Contract or series of related Contracts with the same Person entered into between the Project Entities and any Contractor with a contract price (or expected aggregate amount to be paid in the case of "cost plus" contracts) in excess of \$25,000,000, (ii) each first tier Subcontract with a contract price (or expected aggregate amount to be paid in the case of "cost plus" contracts) in excess of \$25,000,000 (or any or series of related Contracts with the same person), and (iii) a copy of any Payment and Performance Bond required pursuant to Section 5.8 to the Disbursement Agent, the Construction Consultant and Bank Agent promptly after mutual execution and delivery thereof.¹¹

⁷ Insert only where appropriate.

⁸ Insert only where appropriate

⁹ Insert only where appropriate.

¹⁰ Insert only where appropriate.

¹¹ Insert only where appropriate

15. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, the Project Entities have delivered to the Disbursement Agent duly executed acknowledgments of payments and releases of mechanics' and materialmen's liens substantially in the form of Exhibit I to the Master Disbursement Agreement (with any modifications required by Nevada law) from the Contractors required by the Master Disbursement Agreement for all work, services and materials, including equipment and fixtures of all kinds, done, performed or furnished for the construction of the Project from the last day covered by the immediately preceding Advance Request through the last day covered by this Advance Request except for such work, services and materials the payment for which does not exceed, in the aggregate \$50,000,000 and is being disputed in good faith, so long as (1) such proceedings shall not involve any substantial danger of the sale, forfeiture or loss of the Project or the Site, as the case may be, title thereto or any interest therein and shall not interfere in any material respect with the Project or the Site, and (2) adequate cash reserves have been provided therefor through an allocation in the Remaining Cost Report. To the extent of any Outstanding Releases, the Project Entities have provided to the Disbursement Agent from the Title Insurer bonds or endorsements to the title insurance policies insuring the lien free status of the work. The aggregate of all Outstanding Releases do not represent work with an aggregate value in excess of \$50,000,000.¹²

16. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, the Project Entities have, or will prior the Requested Advance Date deliver a commitment from the Title Insurer evidencing the Title Insurer's unconditional commitment to issue an endorsement to the Bank Agent's Title Policy in the form of a 122 CLTA Endorsement insuring the continuing priority of the Lien of the Bank Agent's Deed of Trust as security for the requested Advance and confirming and/or insuring that there are no intervening liens or encumbrances which may then or thereafter take priority over the Liens of such Deed of Trust other than Permitted Encumbrances and such intervening liens or encumbrances securing amounts the payment of which is being disputed in good faith by the Borrowers (in which case the Disbursement Agent has received confirmation from the Bank Agent that the Title Insurer has delivered to the Bank Agent any endorsement to its Title Policy required or desirable to assure the Bank Agent against loss to the priority of such lien or encumbrance).¹³

17. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, no action, suit, proceeding or investigation of any kind shall has been instituted or, to the Project Entities' knowledge, is pending or threatened, including actions or proceedings of or before any Governmental Authority, to which any Project Entity, the Project or, to the knowledge of the Project Entities, any Major Project Participant (other than any Project Entity), is a party or is subject, or by which any of them or any of their properties or the Project are bound that could reasonably be expected to have a Material Adverse Effect nor are the Project Entities aware of any reasonable basis for any such action, suit, proceeding or investigation and no injunction or other restraining order shall have been issued and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding if the same could reasonably be expected to have a Material Adverse Effect.¹⁴

¹² Insert this paragraph only where Advances from the Bank Proceeds Account are requested.

¹³ Insert this paragraph only where Advances from the Bank Proceeds Account are requested.

¹⁴ Insert this paragraph only where Advances from the Bank Proceeds Account are requested.

18. To the best of the Project Entities' knowledge, the construction performed in respect of the Project as of the date hereof is substantially in accordance with the current Plans and Specifications for the Project.

19. As of the date hereof, the estimated Scheduled Opening Date is [_____]. The Project Entities have no reason to believe that the Opening Date will not occur on or prior to such date, or that the Completion Date will not occur within 180 days thereafter.¹⁵

20. No Default or Event of Default has occurred and is continuing or reasonably could be expected to result from the requested Advance under the Disbursement Agreement.

21. The Project Entities have submitted to the Construction Consultant all Plans and Specifications in effect as of the date hereof. All Advances requested under this Advance Request are for the payment of Project Costs incurred for work are consistent with such Plans and Specifications and will permit the Project Entities to complete construction of the Project on or before the Completion Date required above.

22. Each representation and warranty (a) of the Project Entities set forth in Article IV of the Disbursement Agreement or in any of the other Financing Agreements or Material Contract is true and correct in all material respects as if made on and as of the Requested Advance Date with the same effect as if given on the date thereof (except that any representation and warranty that relates expressly to an earlier date shall be deemed made as of such earlier date), and (b) to the Project Entities' knowledge, of the General Contractor, the Completion Guarantor, the Architect and each other Major Project Participant (other than the Project Entities) set forth in any of the Material Contracts is true and correct in all material respects as if made on and as of the Requested Advance Date with the same effect as if given on the date thereof (except that any representation and warranty that relates expressly to an earlier date shall be deemed made as of such earlier date) unless the failure of any such representation and warranty referred to in this clause (b) to be true and correct could not reasonably be expected to have a Material Adverse Effect.

23. Without limitation on the foregoing, the conditions set forth in Sections 3.3 or 3.4, as applicable, of the Disbursement Agreement are satisfied as of the Requested Advance Date with the following exceptions:

{List any exceptions, if any}.

The foregoing representations, warranties and certifications are or will be true and correct as of the Requested Advance Date and Disbursement Agent is entitled to rely on the foregoing in authorizing and making the Advances herein requested. By executing the Advance Confirmation Notice, the Project Entities will be deemed to confirm that the foregoing representations, warranties and certifications are correct as of the Requested Advance Date.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

¹⁵ Modify this Section after Opening Date or Completion Date have occurred

IN WITNESS WHEREOF, the Project Entities have executed this Advance Request as of the date hereof.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Nevada limited liability company

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: _____
Title: _____

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation

By: _____
Title: _____

FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: _____
Title: _____

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: _____

Title: _____

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
REQUESTED COST REPORT
APPENDIX I TO EXHIBIT C-1
VERSION A - PRIOR TO INITIAL BANK ADVANCE DATE
 [Date]

RETAIL BUDGET		
Cash Management Account Reimbursement for Other Retail Costs		\$ -
Total Cash Management Account Reimbursement	(A)	\$ -
Retail Tenant Allowance		\$ -
Retail Lease Commissions		\$ -
RETAIL REQUEST	(B)	\$ -

RESORT BUDGET (INCLUDING ALL SHARED COSTS AND EXCLUDING DEBT SERVICE)		
<u>Cash Management Account Reimbursement</u>		\$ -
Cash Management Account Reimbursement for Resort Project Costs		\$ -
Total Cash Management Account Reimbursement	(C)	\$ -
<u>Bank Revolving Credit Facility Reimbursement</u>		\$ -
Bank Revolving Credit Facility Advances made in respect of LOCs		\$ -
Total Bank Revolving Credit Facility Reimbursement	(D)	\$ -
<u>Project Costs (without duplication with amounts above)</u>		\$ -
Turnberry West Construction		\$ -
Insurance		\$ -
Total Construction Costs		\$ -
Rooms FF&E		\$ -
Hotel and F&D Operating Equipment		\$ -
Kitchen Equipment		\$ -
Exterior Signage		\$ -
Common Area FF&E		\$ -
Total Costed FF&E		\$ -
Gaming FF&E		\$ -
Entertainment		\$ -
A&G and Facilities and IT		\$ -
Total Other FF&E		\$ -
Pre-Opening / Working Capital		\$ -
Fees / Permits / Taxes / Other		\$ -
Condominium/Hotel Selling Expenses		\$ -
Fees and Expenses		\$ -
Subtotal		\$ -
RESORT REQUEST (E)		\$ -

**FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
CURRENT AVAILABLE SOURCES REPORT
APPENDIX III TO EXHIBIT C-1
VERSION A - PRIOR TO INITIAL BANK ADVANCE DATE
[Date]**

RETAIL SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)	\$ -	N/A	\$ -
Retail Payment Account balance (including interest income)	\$ -	-	\$ -
Retail Facility Availability	\$ -	N/A	\$ -
CURRENT AVAILABLE RETAIL SOURCES	\$ -	\$ -	\$ -

RESORT SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Resort Loss Proceeds Account balance	\$ -	N/A	\$ -
Resort Payment Account balance (including interest income)	\$ -	-	\$ -
Amount by which Liquidity Account balance exceeds \$50,000,000	\$ -	N/A	\$ -
Bonded Condo Proceeds Account balance	\$ -	N/A	\$ -
Equity Funding Account balance	\$ -	N/A	\$ -
Second Mortgage Proceeds Account balance ⁽²⁾	\$ -	-	\$ -
Bank Proceeds Account balance ⁽³⁾	\$ -	-	\$ -
CURRENT AVAILABLE RESORT SOURCES	\$ -	\$ -	\$ -

- (1) Payments to be made pursuant to previous Advance Requests and Debt Service payable directly from the Second Mortgage Proceeds Account and the Bank Proceeds Account each to be entered as a negative amount
- (2) Prior to the Initial Bank Advance Date all Debt Service in respect of the Second Mortgage Notes, Indenture will be payable directly from the Second Mortgage Proceeds Account
- (3) Prior to the Initial Bank Advance Date all Debt Service in respect of the Bank Credit Facilities will be payable directly from the Bank Proceeds Account
For the purposes of Version A of the Current Available Sources Report, the Bank Proceeds Account will be available solely for Advances in respect of Debt Service

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 FUNDING ORDER REPORT
 APPENDIX IV TO EXHIBIT C-1
 VERSION A - PRIOR TO INITIAL BANK ADVANCE DATE
 [Date]

RETAIL SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Retail Request (Requested Cost Report Row B)	\$ -		
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)		\$ -	\$ -
Retail Payment Account balance (including interest income)		\$ -	\$ -
Retail Facility Availability		\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

RESORT SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Resort Request (Requested Cost Report Row E)	\$ -		
Resort Loss Proceeds Account balance		\$ -	\$ -
Resort Payment Account balance (as adjusted in the Current Available Sources Report)		\$ -	\$ -
Amount by which Liquidity Account balance exceeds \$50,000,000		\$ -	\$ -
Bonded Condo Proceeds Account balance		\$ -	\$ -
Equity Funding Account balance		\$ -	\$ -
Second Mortgage Proceeds Account balance		\$ -	\$ -
Bank Proceeds Account balance		\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 ADVANCE REQUEST TRANSFER REPORT
 APPENDIX V TO EXHIBIT C-1
 VERSION A - PRIOR TO INITIAL BANK ADVANCE DATE
 [Date]

RETAIL	AMOUNT
Cash Management Account (Requested Cost Report Row A)	\$ -
Retail Payment Account (Requested Cost Report Row B less amounts listed above)	\$ -
TOTAL	\$ -
RESORT	AMOUNT
Cash Management Account (Requested Cost Report Row C)	\$ -
U/C Reimbursement to Bank Revolving Facility (Requested Cost Report Row D)	\$ -
Resort Payment Account (Requested Cost Report Row E less amounts listed above)	\$ -
TOTAL	\$ -
Bank Proceeds Account (Total of Funding Order Report C less total of Funding Order Report Column A)	\$ -

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 REQUESTED COST REPORT
 APPENDIX I TO EXHIBIT C-1
 VERSION B - ON THE INITIAL BANK ADVANCE DATE
 (Date)

RETAIL BUDGET		
Cash Management Account Reimbursement for Other Retail Costs		\$ -
Total Cash Management Account Reimbursement	(A)	\$ -
Retail Tenant Allowance		\$ -
Retail Lease Commissions		\$ -
RETAIL REQUEST	(B)	\$ -

RESORT BUDGET (INCLUDING ALL SHARED COSTS AND DEBT SERVICE)		
<u>Cash Management Account Reimbursement</u>		\$ -
Cash Management Account Reimbursement for Resort Project Costs		\$ -
Total Cash Management Account Reimbursement	(C)	\$ -
<u>Debt Service</u>		\$ -
Debt Service - Bank Credit Facilities		\$ -
Debt Service - Second Mortgage Notes		\$ -
Total Debt Service	(D)	\$ -
<u>Bank Revolving Credit Facility Reimbursement</u>		\$ -
Bank Revolving Credit Facility Advances made in respect of LCGs ⁽¹⁾		\$ -
Total Bank Revolving Credit Facility Reimbursement	(E)	\$ -
<u>Project Costs (without duplication with amounts above)</u>		\$ -
Tumberly Wood Construction		\$ -
Insurance		\$ -
Total Construction Costs		\$ -
Rooms FF&E		\$ -
Hotel and F&B Operating Equipment		\$ -
Kitchen Equipment		\$ -
Exterior Signage		\$ -
Common Area FF&E		\$ -
Total Costed FF&E		\$ -
Gaming FF&E		\$ -
Entertainment		\$ -
A&G and Facilities and IT		\$ -
Total Other FF&E		\$ -
Pro-Opening / Working Capital		\$ -
Fees / Permits / Taxes / Other		\$ -
Condominium-Hotel Selling Expenses		\$ -
Fees and Expenses		\$ -
Subtotal		\$ -
RESORT REQUEST	(F)	\$ -

(1) Only applicable to the extent that the Resort Request will not be satisfied by the Bank Revolving Facility

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 SHARED COST ALLOCATION REPORT
 APPENDIX II TO EXHIBIT C-1
 VERSION B - ON THE INITIAL BANK ADVANCE DATE
 [Date]

Retail Lenders Shared Cost Commitment

(A)

Total Shared Costs	
(A)	\$ -
(B)	0.0%
(C)	\$ -
(D)	\$ -
(E)	\$ -

Retail Shared Cost Percentage ⁽¹⁾

(B)

Cumulative Retail Lenders Funding Requirement

(C)

Less. Retail Lender Funding to Date

(D)

Retail Lender Funding Required

(E)

(1) Calculated as the amount of spending since the Initial Bank Advance Date on the Podium (as defined in the Detailed Remaining Cost Report, and including amounts reflected in this Advance Request and including any applicable reimbursements to the Cash Management Account) divided by total budgeted spending following the Initial Bank Advance Date for the Podium, multiplied by 100%

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 CURRENT AVAILABLE SOURCES REPORT
 APPENDIX III TO EXHIBIT C-1
 VERSION B - ON THE INITIAL BANK ADVANCE DATE
 [Date]

RETAIL SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)	\$ -	N/A	\$ -
Retail Payment Account balance (including interest income)	\$ -	\$ -	\$ -
Retail Facility Availability	\$ -	N/A	\$ -
CURRENT AVAILABLE RETAIL SOURCES	\$ -	\$ -	\$ -

RESORT SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))	\$ -	N/A	\$ -
Resort Loss Proceeds Account balance	\$ -	N/A	\$ -
Resort Payment Account balance (including interest income)	\$ -	\$ -	\$ -
Interest Account balance (including interest income)	\$ -	\$ -	\$ -
Amount by which the Liquidity Account balance exceeds \$50,000,000	\$ -	N/A	\$ -
Bonded Condo Proceeds Account balance	\$ -	N/A	\$ -
Equity Funding Account balance	\$ -	N/A	\$ -
Second Mortgage Proceeds Account balance	\$ -	N/A	\$ -
Bank Proceeds Account balance	\$ -	N/A	\$ -
Delay Draw Term Loan Availability	\$ -	N/A	\$ -
Bank Revolving Availability	\$ -	N/A	\$ -
Completion Guaranty Availability	\$ -	N/A	\$ -
Liquidity Account balance (without duplication with any amounts listed above)	\$ -	N/A	\$ -
CURRENT AVAILABLE RESORT SOURCES	\$ -	\$ -	\$ -

(1) Payments (including Debt Services) to be made pursuant to previous Advance Requests from the Retail Payment Account, Resort Payment Account and Interest Account, entered as negative amounts

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 FUNDING ORDER REPORT
 APPENDIX IV TO EXHIBIT C-1
 VERSION B - ON THE INITIAL BANK ADVANCE DATE
 [Date]

RETAIL SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Retail Request (Requested Cost Report Row B)	\$		
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)		\$ -	\$ -
Retail Payment Account balance (including interest income)		\$ -	\$ -
Retail Facility Availability		\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

RESORT SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Resort Request (Requested Cost Report Row F)	\$		
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))		\$ -	\$ -
Resort Loss Proceeds Account balance		\$ -	\$ -
Resort Payment Account balance (as adjusted in the Current Available Sources Report)		\$ -	\$ -
Interest Account balance (as adjusted in the Current Available Sources Report)		\$ -	\$ -
Amount by which the Liquidity Account balance exceeds \$50,000,000		\$ -	\$ -
Bonded Condo Proceeds Account balance		\$ -	\$ -
Equity Funding Account balance		\$ -	\$ -
Second Mortgage Proceeds Account balance		\$ -	\$ -
Bank Proceeds Account balance		\$ -	\$ -
Delay Draw Term Loan Availability (min \$150,000,000 draws) ⁽¹⁾		\$ -	\$ -
Bank Revolving Facility Availability (excluding last \$62,000,000 Available)		\$ -	\$ -
Completion Guaranty Availability ⁽²⁾		\$ -	\$ -
Liquidity Account balance (without duplication with any amounts listed above)		\$ -	\$ -
Remaining Bank Revolving Credit Facility Availability		\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

(1) As long as Availability remains under the Delay Draw Term Loan, the Company may at its option choose to draw up to \$150,000,000 on the Bank Revolving Facility prior to taking an Advance from the Delay Draw Term Loan. The proceeds from any such Delay Draw Term Loan Advance will go first to repay borrowing under the Bank Revolving Facility.

(2) Completion Guaranty Availability is not available to be used towards Debt Service.

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 ADVANCE REQUEST TRANSFER REPORT
 APPENDIX V TO EXHIBIT C-1
 VERSION B - ON THE INITIAL BANK ADVANCE DATE
 [Date]

RETAIL	AMOUNT
Cash Management Account (Requested Cost Report Row A)	\$ -
Retail Payment Account (Requested Cost Report Row B less amounts listed above)	\$ -
TOTAL	\$ -

RESORT	AMOUNT
Cash Management Account (Requested Cost Report Row C)	\$ -
Interest Account (Requested Cost Report Row D)	\$ -
L/C Reimbursement to Bank Revolving Facility (Requested Cost Report Row E)	\$ -
Resort Payment Account (Requested Cost Report Row F less amounts listed above)	\$ -
TOTAL	\$ -
Bank Proceeds Account (Total of Funding Order Report C less total of Funding Order Report Column A)	\$ -

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV

REQUESTED COST REPORT
APPENDIX I TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

[Date]

RETAIL BUDGET		
Cash Management Account Reimbursement for Other Retail Costs		\$ -
Total Cash Management Account Reimbursement (A)		\$ -
Retail Tenant Allowance		\$ -
Retail Lease Commissions		\$ -
RETAIL REQUEST (B)		\$ -

RESORT BUDGET (INCLUDING ALL SHARED COSTS)		
<u>Cash Management Account Reimbursement</u>		\$ -
Cash Management Account Reimbursement for Resort Project Costs		\$ -
Total Cash Management Account Reimbursement (C)		\$ -
<u>Debt Service</u>		\$ -
Debt Service - Bank Credit Facilities		\$ -
Debt Service - Second Mortgage Notes		\$ -
Total Debt Service (D)		\$ -
<u>Bank Revolving Credit Facility Reimbursement</u>		\$ -
Bank Revolving Credit Facility Advances made in respect of L/Cs ⁽¹⁾		\$ -
Total Bank Revolving Credit Facility Reimbursement (E)		\$ -
<u>Project Costs (without duplication with amounts above)</u>		\$ -
Tumberly West Construction		\$ -
Insurance		\$ -
Total Construction Costs		\$ -
Rooms FF&E		\$ -
Hotel and F&B Operating Equipment		\$ -
Kitchen Equipment		\$ -
Exterior Signage		\$ -
Common Area FF&E		\$ -
Total Costed FF&E		\$ -
Gaming FF&E		\$ -
Entertainment		\$ -
A&G and Facilities and IT		\$ -
Total Other FF&E		\$ -
Pro-Opening / Working Capital		\$ -
Fees / Permits / Taxes / Other		\$ -
Condominium Hotel Selling Expenses		\$ -
Fees and Expenses		\$ -
Subtotal		\$ -
RESORT REQUEST (F)		\$ -

(1) Only applicable to the extent that the Resort Request will not be satisfied by the Bank Revolving Facility

FONTAINEBLEAU RESORT AND CASINO

LAS VEGAS, NV

SHARED COST ALLOCATION REPORT

APPENDIX II TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

[Date]

Retail Lenders Shared Cost Commitment

(A)

Total Shared Costs	
(A)	\$ -
(B)	0.0%
(C)	\$ -
(D)	\$ -
(E)	\$ -

Retail Shared Cost Percentage ⁽¹⁾

(B)

Cumulative Retail Lenders Funding Requirement

(C)

Less: Retail Lender Funding to Date

(D)

Retail Lender Funding Required

(E)

(1) Calculated as the amount of spending since the Initial Bank Advance Date on the Podium (as defined in the Detailed Remaining Cost Report, and including amounts reflected in this Advance Request and including any applicable reimbursements to the Cash Management Account) divided by total budgeted spending following the Initial Bank Advance Date for the Podium, multiplied by 100%

FONTAINEBLEAU RESORT AND CASINO

LAS VEGAS, NV

CURRENT AVAILABLE SOURCES REPORT

APPENDIX III TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

[Date]

RETAIL SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)	\$ -	N/A	\$ -
Retail Payment Account balance (including interest income)	\$ -	\$ -	\$ -
Retail Facility Availability	\$ -	N/A	\$ -
CURRENT AVAILABLE RETAIL SOURCES	\$ -	\$ -	\$ -

RESORT SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))	\$ -	N/A	\$ -
Resort Loss Proceeds Account balance	\$ -	N/A	\$ -
Resort Payment Account balance (including interest income)	\$ -	\$ -	\$ -
Interest Account balance (including interest income)	\$ -	\$ -	\$ -
Amount by which the Liquidity Account balance exceeds \$50,000,000	\$ -	N/A	\$ -
Bonded Condo Proceeds Account balance	\$ -	N/A	\$ -
Equity Funding Account balance	\$ -	N/A	\$ -
Second Mortgage Proceeds Account balance	\$ -	N/A	\$ -
Bank Proceeds Account balance	\$ -	N/A	\$ -
Delay Draw Term Loan Availability	\$ -	N/A	\$ -
Bank Revolving Availability	\$ -	N/A	\$ -
Completion Guaranty Availability	\$ -	N/A	\$ -
Liquidity Account balance (without duplication with any amounts listed above)	\$ -	N/A	\$ -
CURRENT AVAILABLE RESORT SOURCES	\$ -	\$ -	\$ -

(1) Payments (including Debt Services) to be made pursuant to previous Advance Requests from the Retail Payment Account, Resort Payment Account and Interest Account(s), entered as negative amounts

FONTAINEBLEAU RESORT AND CASINO

LAS VEGAS, NV

FUNDING ORDER REPORT

APPENDIX IV TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

[Date]

RETAIL SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Retail Request (Requested Cost Report Row B)	\$ -		
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)		\$ -	\$ -
Retail Payment Account balance (including interest income)		\$ -	\$ -
Retail Facility Availability		\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

RESORT SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Resort Request (Requested Cost Report Row F)	\$ -		
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))		\$ -	\$ -
Resort Loss Proceeds Account balance		\$ -	\$ -
Resort Payment Account balance (as adjusted in the Current Available Sources Report)		\$ -	\$ -
Interest Account balance (as adjusted in the Current Available Sources Report)		\$ -	\$ -
Amount by which the Liquidity Account balance exceeds \$50,000,000		\$ -	\$ -
Bonded Condo Proceeds Account balance		\$ -	\$ -
Equity Funding Account balance		\$ -	\$ -
Second Mortgage Proceeds Account balance		\$ -	\$ -
Bank Proceeds Account balance		\$ -	\$ -
Delay Draw Term Loan Availability (min. \$150,000,000 draws) ⁽¹⁾		\$ -	\$ -
Bank Revolving Facility Availability (excluding last \$62,000,000 Available)		\$ -	\$ -
Completion Guaranty Availability ⁽²⁾		\$ -	\$ -
Liquidity Account balance (without duplication with any amounts listed above)		\$ -	\$ -
Remaining Bank Revolving Credit Facility Availability		\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

(1) As long as Availability remains under the Delay Draw Term Loan, the Company may at its option choose to draw up to \$150,000,000 on the Bank Revolving Facility prior to taking an Advance from the Delay Draw Term Loan. The proceeds from any such Delay Draw Term Loan Advance will go first to repay borrowing under the Bank Revolving Facility.

(2) Completion Guaranty Availability is not available to be used towards Debt Service.

FONTAINEBLEAU RESORT AND CASINO

LAS VEGAS, NV

ADVANCE REQUEST TRANSFER REPORT

APPENDIX V TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

[Date]

RETAIL	AMOUNT
Cash Management Account (Requested Cost Report Row A)	\$ -
Retail Payment Account (Requested Cost Report Row B less amounts listed above)	\$ -
TOTAL	\$ -

RESORT	AMOUNT
Cash Management Account (Requested Cost Report Row C)	\$ -
Interest Account (Requested Cost Report Row D)	\$ -
L/C Reimbursement to Bank Revolving Facility (Requested Cost Report Row E)	\$ -
Resort Payment Account (Requested Cost Report Row F less amounts listed above)	\$ -
TOTAL	\$ -
Bank Proceeds Account (Total of Funding Order Report C less total of Funding Order Report Column A)	\$ -

FONTAINEBLEAU RESORT AND CASINO

LAS VEGAS, NV

REQUESTED COST REPORT

APPENDIX I TO EXHIBIT C-1

VERSION D - COMPLETION RESERVE CALCULATION DATE AND SUBSEQUENT DATES

[Date]

RETAIL BUDGET		
Cash Management Account Reimbursement for Other Retail Costs		\$ -
Total Cash Management Account Reimbursement (A)		\$ -
Retail Tenant Allowance		\$ -
Retail Lease Commissions		\$ -
RETAIL REQUEST (B)		\$ -

RESORT BUDGET (INCLUDING ALL SHARED COSTS)		
Cash Management Account Reimbursement		\$ -
Cash Management Account Reimbursement for Resort Project Costs		\$ -
Total Cash Management Account Reimbursement (C)		\$ -
<u>Debt Service</u>		\$ -
Debt Service - Bank Credit Facilities (Accrued Through Opening Date) ⁽¹⁾		\$ -
Debt Service - Second Mortgage Notes (Accrued Through Opening Date) ⁽¹⁾		\$ -
Total Debt Service (D)		\$ -
<u>Project Costs (Without duplication with amounts above)</u>		\$ -
Turnberry West Construction		\$ -
Insurance		\$ -
Total Construction Costs		\$ -
Rooms FF&E		\$ -
Hotel and F&B Operating Equipment		\$ -
Kitchen Equipment		\$ -
Exterior Signage		\$ -
Common Area FF&E		\$ -
Total Costed FF&E		\$ -
Gaming FF&E		\$ -
Entertainment		\$ -
A&G and Facilities and IT		\$ -
Total Other FF&E		\$ -
Pro-Opening / Working Capital		\$ -
Fees / Permits / Taxes / Other		\$ -
Condominium-Hotel Selling Expenses		\$ -
Fees and Expenses		\$ -
Subtotal		\$ -
RESORT REQUEST (E)		\$ -

(1) To be entered only for the Advance Date which immediately precedes the Opening Date, and in an amount for all Debt Service accrued thru the Opening Date. Requested amounts will be transferred to the Interest Account regardless of the period in which they will become due or payable (in the case of Second Mortgage Notes Debt Service). Payments from the Interest Account following the Opening Date will be made directly from the Interest Account and will not be included in subsequent Advance Requests.

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 SHARED COST ALLOCATION REPORT
 APPENDIX II TO EXHIBIT C-1
 VERSION D - COMPLETION RESERVE CALCULATION DATE AND SUBSEQUENT DATES
 [Date]

		Total Shared Costs
Retail Lenders Shared Cost Commitment	(A)	\$ -
Retail Shared Cost Percentage ⁽¹⁾	(B)	0.0%
Cumulative Retail Lenders Funding Requirement	(C)	\$ -
Less: Retail Lender Funding to Date	(D)	\$ -
Retail Lender Funding Required	(E)	\$ -

(1) Calculated as the amount of spending since the Initial Bank Advance Date on the Podium (as defined in the Detailed Remaining Cost Report, and including amounts reflected in this Advance Request and including any applicable reimbursements to the Cash Management Account) divided by total budgeted spending following the Initial Bank Advance Date for the Podium, multiplied by 100%.

FONTAINEBLEAU RESORT AND CASINO

LAS VEGAS, NV

CURRENT AVAILABLE SOURCES REPORT

APPENDIX III TO EXHIBIT C-1

VERSION D - COMPLETION RESERVE CALCULATION DATE AND SUBSEQUENT DATES

[Date]

RETAIL SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)	\$ -	N/A	\$ -
Retail Payment Account balance (including interest income)	\$ -	-	\$ -
Retail Facility Availability	\$ -	N/A	\$ -
CURRENT AVAILABLE RETAIL SOURCES	\$ -	\$ -	\$ -

RESORT SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))	\$ -	N/A	\$ -
Resort Loss Proceeds Account balance	\$ -	N/A	\$ -
Resort Payment Account balance (including interest income)	\$ -	\$ -	\$ -
Interest Account balance (including interest income)	\$ -	\$ -	\$ -
Debt	\$ -	N/A	\$ -
Service under the Credit Agreement	\$ -	N/A	\$ -
Dedded Condo Proceeds Account balance	\$ -	N/A	\$ -
Equity Funding Account balance	\$ -	N/A	\$ -
Second Mortgage Proceeds Account balance	\$ -	N/A	\$ -
Bank Proceeds Account balance	\$ -	N/A	\$ -
Delay Draw Term Loan Availability	\$ -	N/A	\$ -
Bank Revolving Facility Completion Reserve Amount	\$ -	N/A	\$ -
Completion Guaranty Availability	\$ -	N/A	\$ -
Liquidity Account Remainder (without duplication with any amounts listed above)	\$ -	N/A	\$ -
Residual Bank Revolving Facility Completion Reserve Amount	\$ -	N/A	\$ -
CURRENT AVAILABLE RESORT SOURCES	\$ -	\$ -	\$ -

(1) Payments (including Debt Services) to be made pursuant to previous Advance Requests from the Retail Payment Account, Resort Payment Account and Interest Account, entered as negative amounts

FONTAINEBLEAU RESORT AND CASINO

LAS VEGAS, NV

FUNDING ORDER REPORT

APPENDIX IV TO EXHIBIT C-1

VERSION D - COMPLETION RESERVE CALCULATION DATE AND SUBSEQUENT DATES

[Date]

RETAIL SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Retail Request (Requested Cost Report Row B)	\$ -		
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)		\$ -	\$ -
Retail Payment Account balance (including interest income)		\$ -	\$ -
Retail Facility Availability		\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

RESORT SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Resort Request (Requested Cost Report Row E)	\$ -		
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))		\$ -	\$ -
Resort Loss Proceeds Account balance		\$ -	\$ -
Resort Payment Account balance (as adjusted in the Current Available Sources Report)		\$ -	\$ -
Interest Account balance (as adjusted in the Current Available Sources Report)		\$ -	\$ -
Debt		\$ -	\$ -
Service under the Credit Agreement		\$ -	\$ -
Bonded Condo Proceeds Account balance		\$ -	\$ -
Equity Funding Account balance		\$ -	\$ -
Second Mortgage Proceeds Account balance		\$ -	\$ -
Bank Proceeds Account balance		\$ -	\$ -
Delay Draw Term Loan Availability (min. \$150,000,000 draws) ⁽¹⁾		\$ -	\$ -
Bank Revolving Facility Availability (up to \$62,000,000 Available)		\$ -	\$ -
Completion Guaranty Availability ⁽²⁾		\$ -	\$ -
Liquidity Account Remainder (without duplication with any amounts listed above)		\$ -	\$ -
Residual Bank Revolving Facility Completion Reserve Amount		\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -

(1) As long as Availability remains under the Delay Draw Term Loan, the Company may at its option choose to draw up to \$150,000,000 on the Bank Revolving Facility prior to taking an Advance from the Delay Draw Term Loan. The proceeds from any such Delay Draw Term Loan Advance will go first to repay borrowing under the Bank Revolving Facility

(2) Completion Guaranty Availability is not available to be used towards Debt Service

FONTAINEBLEAU RESORT AND CASINO

LAS VEGAS, NV

ADVANCE REQUEST TRANSFER REPORT

APPENDIX V TO EXHIBIT C-1

VERSION D - COMPLETION RESERVE CALCULATION DATE AND SUBSEQUENT DATES

[Date]

RETAIL	AMOUNT
Cash Management Account (Requested Cost Report Row A)	\$ -
Retail Payment Account (Requested Cost Report Row B less amounts listed above)	\$ -
TOTAL	\$ -
RESORT	AMOUNT
Interest Account (Requested Cost Report Row D)	\$ -
Cash Management Account (Requested Cost Report Row C)	\$ -
Resort Payment Account (Requested Cost Report Row E less amounts listed above)	\$ -
TOTAL	\$ -
Bank Proceeds Account (Total of Funding Order Report C less total of Funding Order Report Column A)	\$ -

MAINTAINED BY
SECURITIES AND EXCHANGE COMMISSION
FORM 10-K
DATE 12/31/2008

Description	2008		2007		2006		2005		2004		2003		2002		2001		2000		1999		1998		1997		1996		1995		1994		1993		1992		1991		1990																	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities																		
Assets	1,000,000	500,000	1,200,000	600,000	1,500,000	750,000	1,800,000	900,000	2,000,000	1,000,000	1,200,000	1,500,000	1,800,000	2,000,000	2,200,000	2,500,000	2,800,000	3,000,000	3,200,000	3,500,000	3,800,000	4,000,000	4,200,000	4,500,000	4,800,000	5,000,000	5,200,000	5,500,000	5,800,000	6,000,000	6,200,000	6,500,000	6,800,000	7,000,000	7,200,000	7,500,000	7,800,000	8,000,000	8,200,000	8,500,000	8,800,000	9,000,000	9,200,000	9,500,000	9,800,000	10,000,000								
Liabilities	500,000	250,000	600,000	300,000	750,000	375,000	900,000	450,000	1,000,000	500,000	600,000	750,000	900,000	1,000,000	1,100,000	1,200,000	1,300,000	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000	2,100,000	2,200,000	2,300,000	2,400,000	2,500,000	2,600,000	2,700,000	2,800,000	2,900,000	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	4,000,000	4,100,000	4,200,000	4,300,000	4,400,000	4,500,000	4,600,000	4,700,000	4,800,000	4,900,000	5,000,000

CONFIDENTIAL

BANA_FB00342572

Case 1:09-md-02106-ASG Document 376-6 Entered on FLSD Docket 12/04/2013 Page 184 of 316

Description	ESTIMATED COSTS		ACTUAL COSTS		PERCENTAGE VARIANCE		REASON FOR VARIANCE	
	Contract	Actual	Contract	Actual	Contract	Actual	Contract	Actual
Construction	1,000,000	1,000,000	1,000,000	1,000,000	100%	100%		
Professional Fees	500,000	500,000	500,000	500,000	100%	100%		
Legal Fees	200,000	200,000	200,000	200,000	100%	100%		
Accounting Fees	100,000	100,000	100,000	100,000	100%	100%		
Insurance	300,000	300,000	300,000	300,000	100%	100%		
Marketing	150,000	150,000	150,000	150,000	100%	100%		
Travel	75,000	75,000	75,000	75,000	100%	100%		
Office Expenses	100,000	100,000	100,000	100,000	100%	100%		
Utilities	50,000	50,000	50,000	50,000	100%	100%		
Telephone	25,000	25,000	25,000	25,000	100%	100%		
Printing	12,500	12,500	12,500	12,500	100%	100%		
Postage	6,250	6,250	6,250	6,250	100%	100%		
Repairs & Maintenance	100,000	100,000	100,000	100,000	100%	100%		
Depreciation	50,000	50,000	50,000	50,000	100%	100%		
Amortization	50,000	50,000	50,000	50,000	100%	100%		
Interest	100,000	100,000	100,000	100,000	100%	100%		
Income Tax	100,000	100,000	100,000	100,000	100%	100%		
Other	100,000	100,000	100,000	100,000	100%	100%		
Total	3,000,000	3,000,000	3,000,000	3,000,000	100%	100%		

AMERICAN BLENDED TOBACCO COMPANY
STATE OF FLORIDA, PLAINTIFF
VS.
AMERICAN TOBACCO COMPANY, DEFENDANT
Case No. 09-14013

Description	2010			2011			2012			2013			Balance Forward
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
Production	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000
Manufacturing	500,000	500,000	0	500,000	500,000	0	500,000	500,000	0	500,000	500,000	0	500,000
Marketing	300,000	300,000	0	300,000	300,000	0	300,000	300,000	0	300,000	300,000	0	300,000
Administrative	200,000	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000
Research & Development	100,000	100,000	0	100,000	100,000	0	100,000	100,000	0	100,000	100,000	0	100,000
Other	100,000	100,000	0	100,000	100,000	0	100,000	100,000	0	100,000	100,000	0	100,000
Total	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 RETAIL REMAINING COST REPORT
 APPENDIX IX TO EXHIBIT C-1
 [DATE]

DESCRIPTION	CLOSING RETAIL BUDGET (A)	RETAIL BUDGET (B)	RETAIL BUDGET SPENT TO DATE (C)	RETAIL BUDGET REMAINING COSTS (D = B - C)
Retail Tenant Allowance	\$ 56,000,000	\$ 56,000,000	\$ -	\$ 56,000,000
Retail Lease Commissions	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 6,000,000
TOTAL RETAIL REMAINING COSTS	\$ 62,000,000	\$ 62,000,000	\$ -	\$ 62,000,000

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 IN BALANCE REPORT
 APPENDIX X TO EXHIBIT C-1
 [DATE]

DESCRIPTION	IN BALANCE TEST
AVAILABLE FUNDS	
Projected Interest Income ⁽¹⁾	\$ 73,717,616
Anticipated Bonded Condo Deposits	\$ 75,000,000
Equity Funding Account	\$ 314,000,000
Cash Management Account	\$ 5,000,000
Second Mortgage Proceeds Account	\$ 675,000,000
Bank Proceeds Account	\$ 700,000,000
Delay Draw Term Loan Availability	\$ 350,000,000
Bank Revolving Availability, Minus \$40,000,000	\$ 760,000,000
Debt Service Commitment Portion	\$ -
Cash Support Amount	\$ 100,000,000
Retail Lenders Shared Cost Commitment (Less Advances Made for Shared Costs)	\$ 33,090,000
Cash Balance in the Resort Payment Account	\$ -
Cash Balance in the Interest Account	\$ -
Cash Balance in the Resort Loss Proceeds Account	\$ -
TOTAL AVAILABLE FUNDS	\$ 3,136,717,616
LESS: TOTAL	
Remaining Costs (In Balance Test Adjustments Total from the Remaining Cost Report)	\$ (3,046,717,516)
IN BALANCE POSITIVE / (NEGATIVE)	\$ 50,000,100

(1) Anticipated interest income on all Resort accounts

Appendix II
to Advance Request

Lien Release Summary - Master List

Waivers received for work billed through _____.

Contractor / Subcontractor	Payment Application Reference			Waiver Amount		Notes
	Date	Project Entities Advance Request #	Contractor / Subcontractor #	Conditional (Current Period)		

Appendix 12
Title Insurance Endorsement Chart

Advance Request No.	Date of Advance Request	CLTA 122 Endorsement Received for Bank Agent	CLTA 122 Endorsement Received for Trustee

Appendix 13
Inventory of Unincorporated Materials

Contractor/ Subcontractor/Supplier Name	Address of Location of Off- site Stored Materials (if available)	Description of Stored Materials	(Column D) Amount shown in Column "G" on Previous Application	(Column E) Stored Materials (Amounts Requested this Advance Request)	(Column F) Stored Materials which were put in place This Period	(Column G) Total Materials Presently Stored (D+E+F+G)
TOTALS						

W02-WEST ICDG1400183059

**Appendix 16
to Advance Request**

Material Project Documents entered into by the Project Entities from
date of previous Advance Request to the Certificate Date.

W02-WEST ICDGI4001853059

-1-

**Appendix 17
to Advance Request**

List of Scope Changes

W02-WEST JCDG1400185305 9

-1-

EXHIBIT 3

EXHIBIT C-4
to the Master Disbursement Agreement

GENERAL CONTRACTOR ADVANCE CERTIFICATE

[Letterhead of Turnberry West Construction, Inc.]

Date: [_____, ____], 20[____]
Advance Date: [_____, ____], 20[____]

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P Brown, Vice President

Lehman Brothers Holdings Inc.
as Retail Agent
c/o Lehman Brothers Holdings
399 Park Avenue
New York, New York 10022
Attention: Josh Freedman
Facsimile No.: (212) 713-1278

Bank of America, N.A.,
as Bank Agent
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Attn: Donna F. Kimbrough

Wells Fargo Bank, National Association,
as Trustee
MAC N9311-110
625 Marquette Avenue
Minneapolis, MN 55479
Attention: Fontainebleau Account Manager

Re: Advance Request No. [] under the Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Turnberry West Construction, Inc. (the "General Contractor") hereby certifies as follows:

1. Pursuant to our Application for Payment (as described in the Prime Construction Agreement) dated [_____, ____], 20____ ("Application for Payment") we have requested \$_____.
2. The Prime Construction Agreement is in full force and effect except for amendments not prohibited by Section 6.1 of the Disbursement Agreement or the Financing Agreements. The General Contractor is not in default under any material term of the Prime Construction Agreement and, to the best of the General Contractor's knowledge, the Project Entities are not in default under any material term of the Prime Construction Agreement, except as detailed below [List all defaults which are inconsistent with the foregoing statements]:

Exhibit C-4

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3. The "Work" (as defined in the Prime Construction Agreement) performed to date has been performed in accordance with the Prime Construction Agreement and the "Schedule" (as defined in the Prime Construction Agreement) in effect on the date hereof. Invoices submitted, including the current invoice, are in accordance with the requirements of the Prime Construction Agreement.

4. The Control Estimate (as described in the Prime Construction Agreement) most recently submitted by the General Contractor pursuant to Article 6 of the Prime Construction Agreement is based on reasonable assumptions as to all legal and factual matters material to the estimates set forth therein and reflects the costs expected to be incurred by the General Contractor to complete the remaining "Work" (as defined in the Prime Construction Agreement) on the Project

5. Attached hereto is a list of each first tier trade subcontractor or materialmen under the Prime Construction Agreement

6. The General Contractor hereby certifies and confirms (i) that the construction performed as of the date hereof is substantially in accordance with the plans and specifications for the Project and that the disbursement described in Paragraph 1 above is appropriate in light of the percentage of construction completed and the amount of stored materials and (ii) as of the date hereof, the date upon which Substantial Completion (as defined in the Prime Construction Agreement) must be achieved pursuant to Section 4.3 of the Prime Construction Agreement is [] [Note to Disbursement Agent and Construction Consultant: date inserted must be on or before the Scheduled Opening Date under the Disbursement Agreement]. There is no reason to believe that the Substantial Completion Date (as defined in the Prime Construction Agreement) will not occur on or prior to such date. As required pursuant to Section 4.4 of the Prime Construction Agreement the most recent "Schedule" (as defined in the Prime Construction Agreement) is attached to the Application for Payment (as described in the Prime Construction Agreement). Such "Schedule" (as defined in the Prime Construction Agreement) is true, complete and correct in all material respects. The General Contractor is unaware of any change in the plans and specifications for the Project set forth in the drawings issued for construction as of the date of the previous advance or any other change to the design, layout, architecture or quality of the Project set forth in the drawings issued for construction from that which was contemplated on the date of the previous advance, (unless such change is required by law) (a "Scope Change"), other than as set forth in Schedule 1 (to the extent that such Scope Changes, are (or would be if implemented) under the Prime Construction Agreement).

7. There is no material adverse change in the condition of the General Contractor which in the reasonable judgment of the General Contractor would be likely to materially adversely affect the General Contractor's ability to perform the "Work" (as defined in the Prime Construction Agreement) in accordance with the terms of the Prime Construction Agreement.

All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

The foregoing representations are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of making advances pursuant to the above referenced Disbursement Agreement; provided, that, to the extent any such Person is not entitled to rely on such representations, warranties and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations, warranties and certifications are deemed to not to have been made to such Person and such Person may not rely on thereon.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Exhibit C-4

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-2-

IN WITNESS WHEREOF, the undersigned has executed this General Contractor Advance Certificate as of the [] of [], 20[].

TURNBERRY WEST CONSTRUCTION, INC.,
a Nevada corporation

By: _____
Name _____
Title _____

Exhibit C-4

W02-WEST ICDG1400220629 12

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Schedule 1 to General Contractor's Advance Certificate

Scope Changes

Schedule 1 to Exhibit C-4

-1-

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EXHIBIT 4

EXHIBIT C-3
to the Master Disbursement Agreement.

ARCHITECTS ADVANCE CERTIFICATE

[Letterhead of Bergman, Walls & Associates, Ltd.]

Date: [], 20[]
Advance Date: [], 20[]

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Lehman Brothers Holdings Inc.
as Retail Agent
c/o Lehman Brothers Holdings
399 Park Avenue
New York, New York 10022
Attention: Josh Freedman
Facsimile No.: (212) 713-1278

Bank of America, N.A.,
as Bank Agent
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Attn: Donna F. Kimbrough

Wells Fargo Bank, National Association,
as Trustee
MAC N9311-110
625 Marquette Avenue
Minneapolis, MN 55479
Attention: Fontainebleau Account Manager

Re: Advance Request No. [] under the Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities") the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Bergman, Walls & Associates, Ltd., a Nevada professional corporation (the "Architect"), hereby represents to its knowledge, information and belief as follows.

1. The Architect has reviewed the above referenced Advance Request (the "Advance Request") to the extent necessary to provide the certification contained herein.
2. The Agreement Between Fontainebleau Las Vegas, LLC and Bergman, Walls & Associates, Ltd. for Architectural Services, dated as of April 2, 2007 (the "Architect's Agreement") is in full force and effect except for amendments not prohibited by Section 6.1 of the Disbursement Agreement or the Financing Agreements. The Architect is not in default under any material term of the Architect's Agreement and, to the Architect's knowledge,

Exhibit C-3

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the Project Entities are not in default under any material term of the Architect's Agreement, except as detailed below [List all defaults which are inconsistent with the foregoing statements]:

3. The construction performed on the Project as of the date hereof is in general accordance with the "Drawings and Specifications" (as described in the Prime Construction Agreement), and other plans and specifications for the Project, all as approved by the relevant governmental authorities (collectively, the "Plans and Specifications").

4. All Plans and Specifications which have been prepared and submitted thus far comply in all material respects with all applicable zoning regulations, set-back requirements, other building code requirements of Clark County, Nevada

5. As used herein, the word "certify" shall mean an expansion of the Architect's professional opinion to the best of its information, knowledge and belief, and does not constitute a warranty or guarantee by the Architect.

6. Except for the permits and governmental authorizations detailed in Exhibit G to the above referenced Disbursement Agreement, to the best of our actual knowledge, there are no other material permits or governmental authorizations currently required in connection with the construction and operation of the Project.

7. All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement

The foregoing representations are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of making advances pursuant to the above referenced Disbursement Agreement; provided, that, to the extent any such Person is not entitled to rely on such representations and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations and certifications are deemed to not to have been made to such Person and such Person may not rely on thereon.

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Exhibit C-3

W02 WEST ICDG11400220629 12

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IN WITNESS WHEREOF, the undersigned has executed this Architect's Advance Certificate as of the [] day of [], 20[].

BERGMAN, WALLS & ASSOCIATES, LTD.,
a Nevada professional corporation

By:

Name _____
Title: _____

Exhibit C-3

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EXHIBIT 5

EXHIBIT C-2
to the Master Disbursement Agreement

CONSTRUCTION CONSULTANT ADVANCE CERTIFICATE

[Letterhead of Inspection & Valuation International, Inc.]

(Delivered pursuant to Sections 2.4.4(b) and 3.3.5 of the Disbursement Agreement)

Date: [] [], 20[]
Advance Date: [] [], 20[]

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Lehman Brothers Holdings Inc.
as Retail Agent
c/o Lehman Brothers Holdings
399 Park Avenue
New York, New York 10022
Attention: Josh Freedman
Facsimile No.: (212) 713-1278

Bank of America, N.A., as Bank Agent
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Attn: Donna F. Kimbrough

Wells Fargo Bank, National Association,
as Trustee
MAC N9311-110
625 Marquette Avenue
Minneapolis, MN 55479
Attention: Fontainebleau Account Manager

Re: Advance Request No. [] (the "Current Advance Request") under the Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent

Ladies and Gentlemen,

Inspection & Valuation International, Inc. (the "Construction Consultant"), hereby certifies as follows:

1. The Construction Consultant has reviewed the above referenced Disbursement Agreement, to which the Project Entities are a party, to the extent necessary to understand the defined terms contained herein and in the Current Advance Request that are incorporated by reference from the Disbursement Agreement and to provide the certifications contained herein. This certificate is being delivered pursuant to Sections 2.4.4(b) and 3.3.5 of the Disbursement Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Disbursement Agreement.

Exhibit C-2

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2. We have reviewed the material and data made available to us by the Project Entities, the General Contractor, the Architect, the other Contractors and the Subcontractors since the date of the last Advance Request, which material and data consists of the Current Advance Request and the appendices and other items attached thereto; relevant Contractor and Subcontractor invoices; and Plans and Specifications. We have also observed the status of construction progress at the Site. Our review and observations were performed in accordance with generally accepted consulting practices consisting of a walk-through of the Site conducted on [_____, _____], observation of installed equipment and material, observation of work procedures, review of "QA," "QC" and safety program reports as made available by the General Contractor, Contractors and Subcontractors, and our attendance of the construction review progress meetings. We have also reviewed the Architect's Advance Certificate and the General Contractor's Advance Certificate (together, the "Supporting Certificates") (unless the Disbursement Agreement does not require one or more of such Supporting Certificates to be included with the Advance Request) attached to the Current Advance Request as Appendix 14 and 15 (together, the "Current Supporting Certificates"), including each monthly progress report submitted pursuant to the Prime Construction Agreement. We have also reviewed all previous Advance Requests and the Supporting Certificates submitted with such previous Advance Requests.

3. Based on our review of the aforementioned information, and of data provided to us by others which we have not independently verified, we are of the opinion that, as of the Advance Date:

- a) Based on our periodic review of the progress of design, procurement and construction of the Project, we have not discovered any substantial deviations from the Plans and Specifications in the claims for materials that have been procured and work performed under the Current Advance Request and all previous Advance Requests;
- b) The Project Entities have properly substantiated, in all material respects, the Project Costs for which payment is requested in the Current Advance Request.
- c) The Remaining Cost Report attached to the Current Advance Request accurately reflects, in all material respects, the Remaining Costs required to achieve Final Completion;
- d) The Unallocated Contingency Balance set forth in the Remaining Cost Report attached to the Current Advance Request is accurate and equals or exceeds the Required Minimum Contingency,
- e) The Opening Date is likely to occur on or before the Scheduled Opening Date set forth in the Current Advance Request and the Completion Date is likely to occur within 180 days thereafter;
- f) Our scope of review has not brought to our actual attention any material errors in the information contained in the Current Advance Request or in the Current Supporting Certificates referred to in paragraph 2 of this Construction Consultant Advance Certificate;
- g) Except for the Permits detailed in Exhibit G to the Disbursement Agreement, to the best of our actual knowledge, there are no other material Permits or governmental authorizations currently required in connection with the construction and operation of the Project not related to business license, taxation and employment;
- h) We have periodically observed the progress of work and have met with various representatives of the Project Entities and Contractors working on the Project and have reviewed documents provided by the Project Entities' consultants and design professionals and based on the foregoing we have not found any material discrepancies

Exhibit C-2

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from the Plans and Specifications and consider the work performed to date to be in accordance with the Plans and Specifications in all material respects;

- i) The Advances requested in the Current Advance Request are, in our reasonable judgment, generally appropriate in light of the percentage of construction completed and the amount of Unincorporated Materials;
- j) To the best of our knowledge, there are no approved or material proposed Scope Changes (other than Minor Scope Changes) which are not listed on Appendix 17 to the Current Advance Request listing Scope Changes or that have not been listed in a previous Advance Request;
- k) The Project Entities have delivered the written inventory of Unincorporated Materials and evidence reasonably satisfactory to us that the conditions set forth in Section 3.3.22 have been satisfied; and
- l) The undersigned has not discovered any material error in the matters set forth in the Current Advance Request or Current Supporting Certificates.

Based on the foregoing, the Construction Consultant approves the Current Advance Request.

The foregoing certifications as to Project Costs incurred pursuant to the Resort Budget, relate solely to Total Hard Costs.

In making the foregoing representations, warranties and certifications, the Construction Consultant has relied whenever it has deemed it reasonably appropriate to do so, on the accuracy and legality of all documents provided to the Construction Consultant by third parties. The Construction Consultant is not providing independent verification as to the accuracy of each item of information provided nor is it performing the services of a design professional.

The foregoing representations, warranties and certifications are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon by such parties for the purposes of making Advances pursuant to the Disbursement Agreement, provided, that, to the extent any such Person is not entitled to rely on such representations, warranties and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations, warranties and certifications are deemed to not have been made to such Person and such Person may not rely on thereon

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Exhibit C-2

W02-WEST 10DGIW00220629 12

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IN WITNESS WHEREOF, the Construction Consultant has executed this Construction Consultant Advance Certificate as of the [] day of [], 20[].

INSPECTION & VALUATION INTERNATIONAL, INC.,
a New York corporation

By:

Name: _____
Title: _____

Exhibit C-2

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EXHIBIT 6

June 6, 2007

Fontainebleau Las Vegas Holdings, LLC
Fontainebleau Las Vegas, LLC
Fontainebleau Las Vegas II, LLC
Fontainebleau Las Vegas Capital Corp.
Fontainebleau Las Vegas Retail, LLC
c/o Fontainebleau Resorts, LLC
2827 Paradise Road, Fourth Floor
Las Vegas, NV 89109
Attn: Mr. Jim Freeman
Chief Financial Officer

Disbursement Agent Fee Letter – Nevada Credit Facilities

Dear Jim:

This Disbursement Agent Fee Letter is delivered to you in connection with the Master Disbursement Agreement of even date herewith (the "*Disbursement Agreement*") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, Fontainebleau Las Vegas II, LLC, Bank of America, N.A. ("*Bank of America*") as Disbursement Agent, Wells Fargo Bank, N.A., as the Trustee, Lehman Brothers Holdings, Inc., as the Retail Agent and Bank of America, as Bank Agent. Unless otherwise defined herein, capitalized terms shall have the same meanings as specified therefor in the Disbursement Agreement.

DISBURSEMENT AGENCY FEES. In connection with, and in consideration of the agreements contained in, the Master Disbursement Agreement and the other Financing Agreements, you agree that you will pay to Bank of America, for its own account as Disbursement Agent under the Disbursement Agreement, an annual disbursement agent fee of \$40,000, payable annually in advance on the Closing Date and on each anniversary thereof occurring prior to the Completion Date.

MISCELLANEOUS. Except as otherwise specifically set forth above, all of the fees described above in this Disbursement Agent Fee Letter shall be earned when due and payable in accordance with the terms hereof, shall be nonrefundable for any reason whatsoever and shall be in addition to any other fees, costs and expenses payable pursuant to the Disbursement Agreement or the other Financing Agreements. We reserve the right to make internal allocations of the fees payable to us hereunder in such manner as we shall determine in our sole discretion.

Fontainebleau Las Vegas Holdings, LLC
Fontainebleau Las Vegas, LLC
Fontainebleau Las Vegas II, LLC
Fontainebleau Las Vegas Capital Corp.
Fontainebleau Las Vegas Retail, LLC

June 6, 2007
Page 2

If the foregoing is in accordance with your understanding, please sign and return this Disbursement Agent Fee Letter to us.

Very truly yours,

BANK OF AMERICA, N.A.

By: *Jeanne P Brown*
Name: Jeanne P Brown
Title: Vice President

Accepted and agreed:

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: _____
Name: _____
Title: _____

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.,
a Delaware corporation

By: _____
Name: _____
Title: _____

(Disbursement Agent Fee Letter)

Fontainebleau Las Vegas Holdings, LLC
Fontainebleau Las Vegas, LLC
Fontainebleau Las Vegas II, LLC
Fontainebleau Las Vegas Capital Corp.
Fontainebleau Las Vegas Retail, LLC

June 6, 2007

Page 2

If the foregoing is in accordance with your understanding, please sign and return this Disbursement Agent Fee Letter to us.

Very truly yours,

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

Accepted and agreed:

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: _____
Name: Jeffrey Soppa
Title: Executive Chairman

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.,
a Delaware corporation

By: _____
Name: _____
Title: _____

[Disbursement Agent Fee Letter]

Fontainebleau Las Vegas Holdings, LLC
Fontainebleau Las Vegas, LLC
Fontainebleau Las Vegas II, LLC
Fontainebleau Las Vegas Capital Corp.
Fontainebleau Las Vegas Retail, LLC

June 6, 2007
Page 2

If the foregoing is in accordance with your understanding, please sign and return this Disbursement Agent Fee Letter to us.

Very truly yours,

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

Accepted and agreed:

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

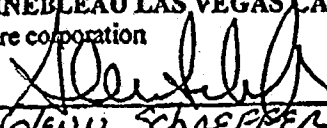
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: _____
Name: _____
Title: _____

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.,
a Delaware corporation

By: 
Name: GLENN SCHAEFFER
Title: Authorized Signatory

[Disbursement Agent Fee Letter]

Fontainebleau Las Vegas Holdings, LLC
Fontainebleau Las Vegas, LLC
Fontainebleau Las Vegas II, LLC
Fontainebleau Las Vegas Capital Corp.
Fontainebleau Las Vegas Retail, LLC

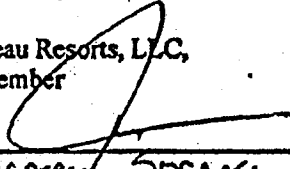
June 6, 2007
Page 3

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Nevada limited liability company

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: 
Name: Jeffrey Soper
Title: Executive Chairman

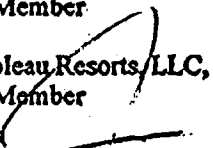
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: 
Name: Jeffrey Soper
Title: Executive Chairman

(Disbursement Agent For Letter)

EXHIBIT 7

From: Kathy Hernandez.

Sent:9/15/2008 11:31 PM.

To: Brown, Jeanne P; Bolio, Brandon; Naval, Ronaldo; Brown, Jeanne P; Bolio, Brandon; Naval, Ronaldo.

Cc: [-] Rafeedie, McLendon; josh.freedman@lehman.com; Jim Freeman; Lynn.M.Steiner@wellsfargo.com; dave.rubin@wellsfargo.com; Twellman, Kevin; Bonvicino, Paul R.; Rafeedie, McLendon; josh.freedman@lehman.com; Jim Freeman; Lynn.M.Steiner@wellsfargo.com; dave.rubin@wellsfargo.com; Twellman, Kevin; Bonvicino, Paul R..

Bcc:

Subject: Las Vegas Draw Reports.

Attached are the draw reports for Las Vegas for funding on 9/25/08.

Thanks

Kathy Hernandez / Director of Accounting

Fontainebleau Resorts LLC

khernandez@fontainebleau.com / fontainebleau.com

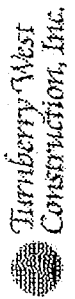
O 702 495 7371 / C 702 672 9620 / F 702 352 1177

2827 Paradise Road / Las Vegas NV 89109

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

Executed Contracts and PO's
Fontainebleau Resorts, Las Vegas



Fontainebleau Las Vegas
List of Additional Contracts

Subcontractor/Vendor	Scope of Work	Tower Amount	Exec'd	Podium/Site Amount	Exec'd	Garage Amount	Exec'd	Total Executed
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None for August 2008

EXHIBIT C-1
to Master Disbursement Agreement

ADVANCE REQUEST

Certificate Date: **September 15, 2008**

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Re: Advance Request No. **09-25-2008** under Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Requested Advance Date: **September 25, 2008**
Resort Amount Requested: **\$103,713,117.77**
Retail Amount Requested: **\$0**
Period Covered: **August 1, 2008 through August 31, 2008**

Ladies and Gentlemen:

The Project Entities hereby submit this Advance Request (the "Advance Request") pursuant to the Disbursement Agreement. Capitalized terms used herein without definition shall have the meanings assigned in the Disbursement Agreement.

The Project Entities hereby request the making of the Advances reflected in the Funding Order Report and Advance Request Transfer Report. In connection with the Advances requested herein, and to induce the Disbursement Agent and each relevant Funding Agent to make such Advances, the Project Entities hereby represent, warrant and certify as follows:

I. Certifications.

A. Attachments: Each of the following attachments to this Advance Request is what it purports to be, is accurate in all material respects, is consistent with the requirements of the Disbursement Agreement, and reflects the information required by the Disbursement Agreement to be reflected therein,

W02-WEST:ICDGI\400185305.9

-1-

in each case as of the Advance Date specified above.

Appendix	Title
1	Requested Cost Report
2	Shared Cost Allocation Report ¹
3	Current Available Sources Report
4	Funding Order Report
5	Advance Request Transfer Report
6	[Reserved]
7	Detailed Remaining Cost Report
8	Remaining Cost Report
9	Retail Remaining Cost Report
10	In Balance Report
11	Lien Release Summary ²
12	Title Insurance Endorsement Chart ³
13	Inventory of Unincorporated Materials
14	Architect Advance Certificate
15	General Contractor's Advance Certificate
16	List of Additional Contracts
17	List of Scope Changes

B. Requested Cost Report. The Requested Cost Report attached hereto is in the form required by the Master Disbursement Agreement, and summarizes costs reflected in the Budgets for which Advances are requested to be made on the relevant Advance Date. Each of the items which collectively constitute the Resort Request and the Retail Request set forth in the Requested Cost Report are included in the Budgets, and have been properly expended by the Project Entities in accordance with the Budgets or are anticipated to be expended prior to the Advance Date set forth in the Advance Request. With respect to amounts requested for construction expenses, the Requested Cost Report accurately lists, for each applicable line item, the total current payment requested by the Project Entities (net of retainage). Copies of invoices from the Contractors and Subcontractors for which payment is requested have been delivered to the Construction Consultant. All items described in the Requested Cost Report represent (a) work that has been satisfactorily performed in a good and workmanlike manner and in conformance with the Plans and Specifications, (b) materials that have been delivered to the Site and are incorporated into the Project or will be incorporated within the period contemplated by the Disbursement Agreement, or are Unincorporated Materials complying with the requirements of Disbursement Agreement, (c) the Project Entities' best estimate of Project Costs which will become due and payable on or prior to the Requested Advance Date.

C. Shared Cost Allocation Report.⁴ The Shared Cost Allocation Report attached hereto is in

¹ Include this Appendix only from and after the Initial Bank Advance Date.

² Include this Appendix only when requesting Advances from the Bank Proceeds Account.

³ Include this Appendix only when requesting Advances from the Bank Proceeds Account.

the form required by the Master Disbursement Agreement.

D. Current Available Sources Report. The Current Available Sources Report attached hereto is in the form required by the Master Disbursement Agreement, and accurately reflects availability under each of the applicable Financing Agreements and the available balance of the various Accounts which is available to fund Project Costs.

E. Funding Order Report. The Funding Order Report attached hereto is in the form required by the Master Disbursement Agreement, and has been prepared in accordance with Section 2.10 of the Master Disbursement Agreement, and correctly applies the funding order set forth in such Section to the funds identified in the Current Available Sources Report.

F. Advance Request Transfer Report. The Advance Request Transfer Report is in the form required by the Disbursement Agreement and directs the funds allocated in the Funding Order Report to the various accounts and to reimburse drawings of the Letters of Credit under the Bank Credit Agreement in the manner required by the Disbursement Agreement.

G. Detailed Remaining Cost Report. The Detailed Remaining Cost Report is in the form required by the Master Disbursement Agreement, and reflects for each Line Item Category all changes thereto which are required by Section 6.2 of the Master Disbursement Agreement by reason of any Scope Change or Realized Savings.

H. Remaining Cost Report. The Remaining Cost Report attached hereto is in the form required by the Master Disbursement Agreement, and has been prepared in accordance with Section 4.17 of the Master Disbursement Agreement, and reflects all reasonably anticipated Project Costs required to achieve Final Completion. The Remaining Costs Report details the balance required to complete each line item.

I. Retail Remaining Cost Report. The Retail Remaining Cost Report attached hereto is in the form required by the Master Disbursement Agreement accurately details the remaining costs in the Retail Budget.

J. In Balance Report. The In Balance Report correctly computes the In Balance Test in accordance.

K. Lien Release Summary and Title Insurance Endorsement Chart. The lien release summary chart and appropriate evidence of lien releases required by Section 3.3.16 of the Disbursement Agreement, and title insurance endorsement commitments required by Section 3.3.17 of the Disbursement Agreement, have been received as of the Requested Advance Date for all work, materials and/or services performed and/or delivered in connection with the Project. In addition, all endorsements to the Title Policies required pursuant to the Disbursement Agreement have been received.⁵

L. Inventory of Unincorporated Materials. The inventory of Unincorporated Materials which is attached hereto is accurate in all material respects, and identifies all Unincorporated Materials

⁴ Include this Appendix only from and after the Initial Bank Advance Date.

⁵ Include this certification only when requesting Advances from the Bank Proceeds Account.

and states the value thereof. All Unincorporated Materials for which full payment has previously been made or is being made with the proceeds of the Advance to be disbursed are, or will be upon full payment, owned by the Project Entities, and all lien rights or claims of the supplier have been or will be released simultaneously with such full payment and all amounts, if any, required to be paid to the supplier thereof with respect to the installation of such Unincorporated Materials (including any Retainage Amounts). The Project Entities believe that the Unincorporated Materials consist of components that conform to the Plans and Specifications and that will be ready for incorporation into the Project reasonably promptly following delivery thereof. All Unincorporated Materials are properly inventoried, securely stored, protected against theft and damage at the Site or at such other location which has been specifically identified by its address to the Construction Consultant and the Disbursement Agent (or if the Project Entities cannot provide the address of the current storage location, the Project Entities have provided the Construction Consultant with a list of the name and address of the applicable contracting party supplying or manufacturing such Unincorporated Materials). With respect to any Unincorporated Materials as to which deposit or other partial payments have been made or will be made out of the requested Advance (but which have not been and will not be fully paid after giving effect to the requested Advance), the Project Secured Parties have, or will have upon payment with the proceeds of the requested Advance, a perfected security interest in the Project Entities' rights to the Unincorporated Materials and the Contracts therefor, with the priority therein contemplated by the Security Documents. With respect to (i) Unincorporated Materials not stored at the Site from a single or Affiliated suppliers (of which the Project Entities are aware that such suppliers is an Affiliate) with a contract price (or expected aggregate amount to be paid in the case of "cost-plus" Contracts) in excess of \$5,000,000, and (ii) any Contracts for Unincorporated Materials with a contract price (or expected aggregate amount to be paid in the case of "cost plus" Contracts) in excess of \$5,000,000 (excluding items located outside of the United States or in transit from jurisdictions outside of the United States), the Project Entities have executed and delivered to the Disbursement Agent such additional security documents (including, without limitation, financing statements, security agreements, collateral access agreements, consents of manufacturers, vendors, warehousemen and bailees) reasonably requested by the Disbursement Agent necessary to grant the Secured Parties such security interest in the Project Entities' rights to such Unincorporated Materials or Contracts. All Unincorporated Materials are insured against casualty, loss and theft for an amount equal to their replacement costs in accordance with Exhibit D to the Master Disbursement Agreement. The value of Unincorporated Materials located at the Site but not expected to be incorporated into the Project within the ensuing calendar month is not more than \$25,000,000 (or any greater amount approved in accordance with the terms of the Master Disbursement Agreement). The amounts paid by the Project Entities in respect of Unincorporated Materials not at the Site is not more than \$50,000,000 (or any greater amount approved in accordance with the terms of the Master Disbursement Agreement). The amount of contract deposits paid by the Project Entities in respect of Unincorporated Materials is not more than \$50,000,000 (or any greater amount approved in accordance with the terms of the Master Disbursement Agreement).⁶

M. List of Additional Contracts. Attached to this Advance Request is a complete and accurate listings of all Contracts entered into by the Project Entities since the date of the last Advance Request, together with (i) copies of any Contract entered into by the Project Entities and any Contractor with a contract price (or in the case of the "cost plus" contracts, expected aggregate amounts to be paid) in excess of \$5,000,000, (ii) copies of each first tier Subcontract with a contract price (or in the case of the "cost plus" contracts, expected aggregate amounts to be paid) in excess of \$5,000,000, and (iii) a copy of any Payment and Performance Bond required pursuant to Section 5.12 of the Disbursement Agreement, in

⁶ Include this certification only when requesting Advances from the Bank Proceeds Account.

each case unless previously delivered.

N. List of Scope Changes. A list of all approved, pending and proposed Scope Changes (other than Minor Scope Changes) since the previous Advance Request, together with copies of all such Scope Changes (other than Minor Scope Changes) not previously delivered to the Disbursement Agent, is attached hereto.

O. General Representations.

1. Each Material Contract is in full force and effect except (i) for amendments to Material Contracts not prohibited by Section 6.1 of the Master Disbursement Agreement or by the Financing Agreements, (ii) to the extent the Project Entities have entered into a replacement Material Contract to the extent required or permitted by Section 7.1.6 of the Master Disbursement Agreement, and (iii) to the extent terminated in accordance with their respective terms.

2. Each Financing Agreement is in full force and effect, without amendment since the date of its execution and delivery, and in a form which was provided to the Bank Agent and the Trustee prior to the Closing Date, except for amendments to the Financing Agreements to the extent permitted under the Facility Agreements or to the extent terminated in accordance with their respective terms.

3. Each representation and warranty of each Project Entity set forth in Article 4 of the Master Disbursement Agreement or in any Material Contract is true and correct in all material respects as if made on the Requested Advance Date (except that any representation and warranty that relates expressly to an earlier date shall be deemed made only as of such earlier date), unless, prior to the Initial Bank Advance Date, the failure of any such representation and warranty referred to in this clause 3 to be true and correct could not reasonably be expected to have a Material Adverse Effect.

4. To the Project Entities' knowledge, each representation and warranty of each Major Project Participant (other than any Project Entity) set forth in any of the Material Contracts is true and correct in all material respects as if made on the Requested Advance Date (except that any representation and warranty that relates expressly to an earlier date shall be deemed made only as of such earlier date) unless the failure of any such representation and warranty referred to in this clause 4 to be true and correct does not reasonably be expected to have in a Material Adverse Effect, in each case, as certified by the Project Entities in the relevant Advance Request.

5. The In Balance Test is satisfied.

6. There is no order, judgment or decree of any court, arbitrator or governmental authority shall purport to enjoin or restrain the Bank Lenders or the Trustee from making the Advances to be made by them on the Requested Advance Date.

7. The making of the requested Advance shall not violate any law.

8. Since the Closing Date, there has not occurred any change in the economics or feasibility of constructing and/or operating the Project, or in the financial condition, business or property of the Project Entities, any of which could reasonably be expected to have a Material Adverse Effect.

9. Construction of the Project is proceeding materially in accordance with the

Project Schedule and the plans and specifications for the Project (including any Plans and Specifications then delivered) and no Major Project Participant or first tier Subcontractor under the Prime Construction Agreement or party to a Subcontract with a total contract amount or value in excess of \$25,000,000 has suspended performance or otherwise repudiated its obligation to perform any duty or obligation under its respective Material Contract or Subcontract (unless such suspended or repudiated Material Contract or Subcontract is permitted to be, and actually has been, replaced, or a replacement is determined not to be necessary, pursuant to Section 7.1.5 or Section 7.1.6).

10. [[Solely with respect to the initial Advance of funds from the Second Mortgage Proceeds Account, the entire amount of the Equity Proceeds Account has been, or shall concurrently be, applied to the payment of Project Costs.]]⁷

11. [[Solely with respect to the initial Advance of funds from the Second Mortgage Proceeds Account (other than any Advance made solely to pay interest on the Second Mortgage Notes), fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 75% of the Total Hard Cost are in place]]⁸

12. [[Solely with respect to the first Advance which occurs following October 1, 2007, fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 85% of the Total Hard Costs are in place. Each such Subcontract and Contract is consistent with the Budgets, the Project Schedule and the plans and specifications for the Project now in effect.]]⁹

13. [[Solely with respect to the Initial Bank Advance Date, (i) fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 95% of the Total Hard Costs are in place, and (ii) fixed price contracts in respect of not less than 50% of the Costed FF&E are in place. Each such Subcontract and Contract is consistent with the Budgets, the Project Schedule and the plans and specifications for the Project now in effect.]]¹⁰

14. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, the Project Entities have delivered a copy of (i) each Contract or series of related Contracts with the same Person entered into between the Project Entities and any Contractor with a contract price (or expected aggregate amount to be paid in the case of "cost plus" contracts) in excess of \$25,000,000, (ii) each first tier Subcontract with a contract price (or expected aggregate amount to be paid in the case of "cost plus" contracts) in excess of \$25,000,000 (or any or series of related Contracts with the same person), and (iii) a copy of any Payment and Performance Bond required pursuant to Section 5.8 to the Disbursement Agent, the Construction Consultant and Bank Agent promptly after mutual execution and delivery thereof.¹¹

15. In the case of each Advance from the Bank Proceeds Account made concurrently

⁷ Insert only where appropriate.

⁸ Insert only where appropriate.

⁹ Insert only where appropriate.

¹⁰ Insert only where appropriate.

¹¹ Insert only where appropriate.

with or following the Exhaustion of the Second Mortgage Proceeds Account, the Project Entities have delivered to the Disbursement Agent duly executed acknowledgments of payments and releases of mechanics' and materialmen's liens substantially in the form of Exhibit I to the Master Disbursement Agreement (with any modifications required by Nevada law) from the Contractors required by the Master Disbursement Agreement for all work, services and materials, including equipment and fixtures of all kinds, done, performed or furnished for the construction of the Project from the last day covered by the immediately preceding Advance Request through the last day covered by this Advance Request except for such work, services and materials the payment for which does not exceed, in the aggregate \$50,000,000 and is being disputed in good faith, so long as (1) such proceedings shall not involve any substantial danger of the sale, forfeiture or loss of the Project or the Site, as the case may be, title thereto or any interest therein and shall not interfere in any material respect with the Project or the Site, and (2) adequate cash reserves have been provided therefor through an allocation in the Remaining Cost Report. To the extent of any Outstanding Releases, the Project Entities have provided to the Disbursement Agent from the Title Insurer bonds or endorsements to the title insurance policies insuring the lien free status of the work. The aggregate of all Outstanding Releases do not represent work with an aggregate value in excess of \$50,000,000.¹²

16. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, the Project Entities have, or will prior the Requested Advance Date deliver a commitment from the Title Insurer evidencing the Title Insurer's unconditional commitment to issue an endorsement to the Bank Agent's Title Policy in the form of a 122 CLTA Endorsement insuring the continuing priority of the Lien of the Bank Agent's Deed of Trust as security for the requested Advance and confirming and/or insuring that there are no intervening liens or encumbrances which may then or thereafter take priority over the Liens of such Deed of Trust other than Permitted Encumbrances and such intervening liens or encumbrances securing amounts the payment of which is being disputed in good faith by the Borrowers (in which case the Disbursement Agent has received confirmation from the Bank Agent that the Title Insurer has delivered to the Bank Agent any endorsement to its Title Policy required or desirable to assure the Bank Agent against loss to the priority of such lien or encumbrance).¹³

17. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, no action, suit, proceeding or investigation of any kind shall has been instituted or, to the Project Entities' knowledge, is pending or threatened, including actions or proceedings of or before any Governmental Authority, to which any Project Entity, the Project or, to the knowledge of the Project Entities, any Major Project Participant (other than any Project Entity), is a party or is subject, or by which any of them or any of their properties or the Project are bound that could reasonably be expected to have a Material Adverse Effect nor are the Project Entities aware of any reasonable basis for any such action, suit, proceeding or investigation and no injunction or other restraining order shall have been issued and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding if the same could reasonably be expected to have a Material Adverse Effect.¹⁴

¹² Insert this paragraph only where Advances from the Bank Proceeds Account are requested.

¹³ Insert this paragraph only where Advances from the Bank Proceeds Account are requested.

¹⁴ Insert this paragraph only where Advances from the Bank Proceeds Account are requested.

18. To the best of the Project Entities' knowledge, the construction performed in respect of the Project as of the date hereof is substantially in accordance with the current Plans and Specifications for the Project.

19. As of the date hereof, the estimated Scheduled Opening Date is October 1, 2009. The Project Entities have no reason to believe that the Opening Date will not occur on or prior to such date, or that the Completion Date will not occur within 180 days thereafter.¹⁵

20. No Default or Event of Default has occurred and is continuing or reasonably could be expected to result from the requested Advance under the Disbursement Agreement.

21. The Project Entities have submitted to the Construction Consultant all Plans and Specifications in effect as of the date hereof. All Advances requested under this Advance Request are for the payment of Project Costs incurred for work are consistent with such Plans and Specifications and will permit the Project Entities to complete construction of the Project on or before the Completion Date required above.

22. Each representation and warranty (a) of the Project Entities set forth in Article IV of the Disbursement Agreement or in any of the other Financing Agreements or Material Contract is true and correct in all material respects as if made on and as of the Requested Advance Date with the same effect as if given on the date thereof (except that any representation and warranty that relates expressly to an earlier date shall be deemed made as of such earlier date), and (b) to the Project Entities' knowledge, of the General Contractor, the Completion Guarantor, the Architect and each other Major Project Participant (other than the Project Entities) set forth in any of the Material Contracts is true and correct in all material respects as if made on and as of the Requested Advance Date with the same effect as if given on the date thereof (except that any representation and warranty that relates expressly to an earlier date shall be deemed made as of such earlier date) unless the failure of any such representation and warranty referred to in this clause (b) to be true and correct could not reasonably be expected to have a Material Adverse Effect.

23. Without limitation on the foregoing, the conditions set forth in Sections 3.3 or 3.4, as applicable, of the Disbursement Agreement are satisfied as of the Requested Advance Date with the following exceptions:

[None].

The foregoing representations, warranties and certifications are or will be true and correct as of the Requested Advance Date and Disbursement Agent is entitled to rely on the foregoing in authorizing and making the Advances herein requested. By executing the Advance Confirmation Notice, the Project Entities will be deemed to confirm that the foregoing representations, warranties and certifications are correct as of the Requested Advance Date.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

¹⁵ Modify this Section after Opening Date or Completion Date have occurred.

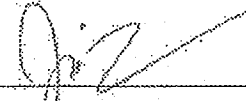
IN WITNESS WHEREOF, the Project Entities have executed this Advance Request as of the date hereof.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Nevada limited liability company

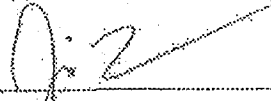
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: 
Title: Chief Financial Officer/Authorized Signatory

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation

By: 
Title: Chief Financial Officer/Authorized Signatory

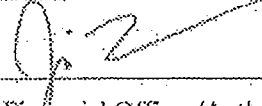
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: 
Title: Chief Financial Officer/Authorized Signatory

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

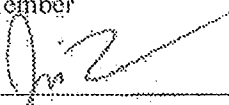
By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: _____



Title: Chief Financial Officer/Authorized Signatory

EXHIBIT E
to Master Disbursement Agreement

ADVANCE CONFIRMATION NOTICE

Requested Advance Date: **September 25, 2008**

Fontainebleau Las Vegas Holdings, LLC
Fontainebleau Capital Corp.
Fontainebleau Las Vegas, LLC
Fontainebleau Las Vegas II, LLC
Fontainebleau Las Vegas Retail, LLC
Each of the Funding Agents

Re: Advance Request No. **09-25-2008** under Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

This Advance Confirmation is issued with reference to the Disbursement Agreement. Capitalized terms used herein without definition shall have the meanings assigned in the Disbursement Agreement.

Pursuant to the Advance Request described above, the Project Entities requested certain Advances. This Advance Confirmation confirms the amount of the Advances to be made under the Financing Agreements, and the amount to be transferred into each Account.

Amounts to be Advanced:

From the Retail Facility		
For Shared Costs		\$ 3,789,276.00
For Other Retail Costs	\$0	
Total Retail Facility Advances		\$ 3,789,276.00
From Resort Loss Proceeds Account		\$ 440,886.15
From the Second Mortgage Proceeds Account		\$ 17,643.02
From the Equity Funding Account		\$ 22,573.64

From the Bank Proceeds Account	\$ 99,332,189.81
Amount Liquidity Account Exceeds \$50,000,000	\$ 105,694.36

Advances funded pursuant to the Retail Facility shall be deposited into the Retail Funding Account, for further credit to the following Accounts:

Retail Payment Account	\$
Resort Payment Account #501001203813	\$ 3,789,276.00

All Advances funded from the Loss Proceeds Account shall be deposited into the Bank Funding Account, for further credit to the following accounts:

Resort Payment Account #501001203813	\$ 440,886.15
--------------------------------------	---------------

All Advances funded pursuant to the Second Mortgage Proceeds Account shall be deposited into the Second Mortgage Funding Account for further credit to the following Accounts:

Resort Payment Account #501001203813	\$ 17,643.02
Cash Management Account #4968332450	\$

All Advances funded from the Bank Proceeds Account shall be deposited into the Bank Funding Account, for further credit to the following Accounts:

Resort Payment Account #501001203813	\$95,932,518.06
Interest Payment Account#1233055973	\$ 3,399,671.75

Note: \$68,151.08 of debt service for LOC fees has already been funded.

Liquidity Account Excess funds shall be deposited into the Bank Funding Account, for further credit to the following Account:

Resort Payment Account #501001203813	\$ 105,694.36
--------------------------------------	---------------

Amount to be funded from the Fontainebleau, Las Vegas, LLC Equity Proceeds Acct 0238-5090110385 shall be deposited into the following Account:

Resort Payment Account #501001203813	\$ 22,573.64
--------------------------------------	--------------

Note: Resort Account Balance for Interest Earned already in an account and not to be advanced with this request \$4,854.79.

Please confirm this Advance Confirmation Notice and the Advances and transfers described above are correct by countersigning it in the place provided below.

BANK OF AMERICA, N.A., as Disbursement Agent

By: _____

Title: _____

By countersigning this Advance Confirmation Notice and returning it to the Disbursement Agent, the Project Entities confirm that each of the representations, warranties and certifications made in the Advance Request referred to above (including the various Appendices attached thereto), as supplemented in writing from time to time following the initial submission to the undersigned, are true and correct as of the Requested Advance Date and Disbursement Agent is entitled to rely on the foregoing in authorizing and making the Advances herein requested. By executing the Advance Confirmation Notice, the Project Entities will be deemed to confirm that the foregoing representations, warranties and certifications are correct as of the Requested Advance Date.

IN WITNESS WHEREOF, the Project Entities have executed this Advance Confirmation Notice as of the date hereof.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Nevada limited liability company

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: _____

Title: Authorized Signatory

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation

By: _____

Title: Authorized Signatory

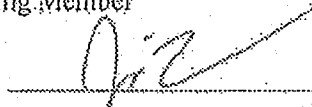
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: 
Title: Authorized Signatory

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

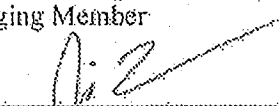
By: 
Title: Authorized Signatory

EXHIBIT M-4
to Master Disbursement Agreement

BUDGET/SCHEDULE AMENDMENT CERTIFICATE

August 31, 2008

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Re: Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC, Amendment No. 2 to Resort Budget

Ladies and Gentlemen:

Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC; (jointly and severally, the "Project Entities"), request that the Resort Budget for the Project be amended as set forth herein. This certificate is delivered pursuant to that certain Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among the Project Entities, the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent. Capitalized terms used in this certificate that are otherwise not defined shall have the meaning assigned in the Disbursement Agreement.

In connection with the requested amendment(s), the Project Entities hereby represent, warrant and certify as follows:

A. Amendments.

CHOOSE ONE OR MORE OF THE FOLLOWING TWO OPTIONS:

X The proposed amendment to the Resort Budget is described on Appendix I hereto and is permitted under Section 6.4.1 of the Disbursement Agreement.

The proposed amendment to the Project Schedule extends the Scheduled Opening Date from _____ to _____ and is permitted under Section 6.4.2 of the Disbursement Agreement.

B. Related Certifications.

1. Funding to pay the costs represented by any increase to the aggregate amount budgeted for any

W02-WEST:ICDGI400220629.12

Exhibit M-4

-1-

Line Item Category of the Resort Budget set forth on Appendix I hereto is permitted under terms and conditions of the Disbursement Agreement, including Section 6.4 thereof, and the funding to pay such increased costs is available from:

CHOOSE ONE OR MORE OF THE FOLLOWING FOUR OPTIONS:

- * Realized Savings obtained from a different Line Item Category of the Resort Budget.
 - * The allocation of previously unallocated amounts under the "Unallocated Construction Contingency" Line Item in the Resort Budget and after giving effect to such allocation the Unallocated Contingency Balance will equal or exceed the Required Minimum Contingency for the Resort Budget.
 - * The allocation of previously unallocated amounts under the "Additional Cost Contingency" Line Item of the Resort Budget.
 - * Additional contributions to the equity capital of the Companies.
 - * The increase does not result in the In Balance Test not being satisfied.
2. Any decreases to the aggregate amount budgeted for any Line Item Category of the Resort Budget set forth on Appendix I hereto result from Realized Savings in such Line Item Category, in accordance with the terms and conditions of the Disbursement Agreement, including Section 6.4 thereof.
3. CHOOSE ONE OR BOTH OF THE FOLLOWING TWO OPTIONS:
- * The Resort Budget in effect immediately prior to the proposed amendment is attached to this Budget/Schedule Amendment Certificate as Appendix II, and the Resort Budget which will be in effect upon effectiveness of the proposed amendment is attached to this Budget/Schedule Amendment Certificate as Appendix III.
 - * The Project Schedule in effect immediately prior to the proposed amendments is attached to this Budget/Schedule Amendment Certificate as Appendix IV, and the Project Schedule which will be in effect upon effectiveness of the proposed amendment is attached to this Budget/Schedule Amendment Certificate as Appendix V.
4. Immediately following the proposed amendment(s): (a) the Budgets will continue to provide for construction and completion of the Project substantially consistent with the Plans and Specifications; (b) the Budgets will continue to call for construction which will permit the Opening Date to occur on or prior to the Scheduled Opening Date; and (c) the Budgets will continue to reasonably establish the Line Item Category components of the work required to be undertaken in order to complete construction of the Project as set forth in the Remaining Cost Report delivered below.
5. The construction performed as of the date hereof is substantially in accordance with the Plans and Specifications. The Project Entities have no reason to believe that the Opening Date will not occur on or prior to the Scheduled Opening Date.
6. Attached hereto as Appendix VI is an updated Remaining Cost Report that gives effect to the proposed amendment(s) and has been completed in accordance with the requirements of the Disbursement Agreement.
7. The Remaining Cost Report (attached hereto as Appendix VI):

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Exhibit M-4

- (a) accurately sets forth for each Line Item Category, an aggregate amount equal to the remaining anticipated Project Costs for such Line Item Category;
 - (b) accurately sets forth the Required Minimum Contingency and the Unallocated Contingency Balance; and
 - (c) is true and correct in all material respects, provided, that, it is understood that to the extent any information in such reports is prospective in nature such information is based upon good faith estimates and assumptions believed to be reasonable at the time made.
9. The Project Entities are not presently aware of any expenses other than those set forth in column headed "Balance to Complete" of Appendix VI that are necessary in order to cause the Project to achieve Final Completion.
11. There is no Default or Event of Default under the Disbursement Agreement other than any Default which is cured by this Budget/Schedule Amendment Certificate.

The undersigned certifies that the Resort Budget amendment contemplated hereby is permitted pursuant to the Disbursement Agreement, including, without limitation, Section 6.4 thereof, and all conditions precedent thereto have been met.

Attached to this Budget/Schedule Amendment Certificate as Attachments A and B are certificates from the General Contractor and the Construction Consultant, respectively.

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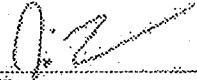
IN WITNESS WHEREOF, the Project Entities have executed this Budget/Schedule Amendment Certificate as of the 31st day of May, 2008.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Nevada limited liability company

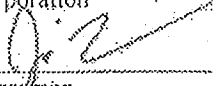
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: 
Name: Jim Freeman
Title: Chief Financial Officer

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation

By: 
Name: Jim Freeman
Title: Chief Financial Officer

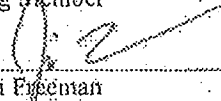
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: 
Name: Jim Freeman
Title: Chief Financial Officer

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS-II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By:

Name: Jim Freeman

Title: Chief Financial Officer

Appendix I to Budget/Schedule Amendment

Amendment No. 1 to Resort Budget

I. Increases to Line Item Categories:

- (a) The following Line Item Category is increased: Construction Costs (Turnberry West Construction)
- b) Old Amount of Line Item Category: \$1,904,564,462
- (c) Amount of Increase: \$ 30,042,390
- (d) New Total For Line Item Category: \$1,934,606,852

II. Source of Funds For Increase to Line Item Categories:

- (a) Realized Savings: \$_____. The particular Line Item Category of the Resort Budget that is the source of such Realized Savings is identified in item III. below.
- (b) X Allocation of unallocated amount from the "Unallocated Construction Contingency" Line Item Category: \$30,042,390. The corresponding decrease in the "Unallocated Contingency Balance" is \$30,042,390. After giving effect to such allocation, the Unallocated Contingency Balance will equal or exceed the Required Minimum Contingency for the Resort Budget.
- (c) Additional Equity Contributions: The Companies received of additional equity capital contributions.
- (d) Excess Funds/In Balance: \$_____ Amount by which Available Funds exceed Remaining Costs.

III. Decreases to Line Item Categories:

- (a) The following Line Item Category is decreased: _____
- (b) Old Amount of Line Item Category: _____
- (c) Amount of Decrease: _____
- (d) New Total For Line Item Category: _____

Reason For Decrease of Line Item Category:

____ Realized Savings. Realized Savings Certificate in the form attached hereto as Schedule I to Appendix I.

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
As of 7/31/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED				NET AMOUNTS			BALANCE TO COMPLETE (K-N)			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)		(K)	(L)	(M)
Construction Hard Costs														
Tower	\$ 503,718,330	\$ 656,840,344	\$ 638,840,944		\$ 270,232,756	\$ 35,656,331	\$ 308,335,417	48.25%	\$ 330,605,787	\$ 24,771,154	\$ 283,862,086	\$ 261,487,281	\$ 32,410,815	\$ 365,077,948
Podium	\$ 658,115,368	\$ 704,370,626	\$ 722,409,978		\$ 236,156,019	\$ 25,577,533	\$ 266,551,030	35.79%	\$ 453,077,048	\$ 4,836,747	\$ 243,931,184	\$ 213,262,182	\$ 30,352,992	\$ 479,473,794
Convention	\$ 378,885,718	\$ 406,133,018	\$ 407,808,317		\$ 221,379,363	\$ 17,438,638	\$ 240,835,422	59.05%	\$ 168,972,893	\$ 12,825,941	\$ 228,209,481	\$ 212,075,255	\$ 16,139,898	\$ 179,988,636
Green/Convention/Central Plant					\$ 5,715,516	\$ 940,637	\$ 10,680,335	0.00%	\$ 6,196,656	\$ 505,894	\$ 9,793,671	\$ 8,929,262	\$ 875,045	\$ 7,105,521
Central Plant					\$ 2,232,353		\$ 2,232,353	73.92%	\$ 799,910		\$ 2,262,360	\$ 2,262,360		\$ 799,910
Site					\$ 798,779,761	\$ 81,841,633	\$ 810,675,394	45.87%	\$ 888,458,266	\$ 52,061,703	\$ 768,018,681	\$ 688,180,941	\$ 79,832,750	\$ 1,001,054,982
Bond cost														
Construction Hard Costs Subtotal	\$ 1,703,009,000	\$ 1,770,404,244	\$ 1,789,066,600		\$ 4,133,822	\$ 239,822	\$ 4,403,474	25.17%	\$ 13,181,005	\$ 2,361	\$ 4,430,913	\$ 4,133,822	\$ 239,822	\$ 13,181,005
LEED Qualification Costs														
LEED Qualification Costs	\$ 22,200,000	\$ 17,614,479	\$ -		\$ 4,193,822	\$ 239,822	\$ 4,403,474	25.17%	\$ 13,181,005	\$ 2,361	\$ 4,430,913	\$ 4,133,822	\$ 239,822	\$ 13,181,005
LEED Qualification Costs Subtotal	\$ 22,200,000	\$ 17,614,479	\$ -		\$ 4,193,822	\$ 239,822	\$ 4,403,474	25.17%	\$ 13,181,005	\$ 2,361	\$ 4,430,913	\$ 4,133,822	\$ 239,822	\$ 13,181,005
LEED Sales Tax Benefit														
LEED Sales Tax Benefit	\$ 526,000,000	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEED Sales Tax Benefit Subtotal	\$ 526,000,000	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Conditions/Requirements/Hoisting														
Civil Staining	\$ 24,282,242	\$ 25,662,332	\$ 25,347,232		\$ 27,202,232	\$ 3,224,546	\$ 24,675,813	97.35%	\$ 671,428	\$ -	\$ 24,675,813	\$ 27,382,292	\$ 3,324,546	\$ 671,428
Field Engineering	\$ 1,452,209	\$ 1,336,183	\$ 1,389,836		\$ 2,922,232	\$ 352,377	\$ 2,953,049	100.00%	\$ 671,428	\$ -	\$ 2,953,049	\$ 2,922,232	\$ 352,377	\$ 671,428
General Consulting	\$ 189,368	\$ 162,358	\$ 162,358		\$ -	\$ -	\$ -	100.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COC (Of Inspector misc certifications)	\$ 399,368	\$ 437,441	\$ 437,441		\$ 7,822,232	\$ 1,132,232	\$ 6,830	34.21%	\$ 131,570	\$ -	\$ 6,830	\$ 7,492	\$ 60,982	\$ 131,570
Safety	\$ 4,926,267	\$ 4,211,223	\$ 4,211,223		\$ 5,122,232	\$ 1,132,232	\$ 6,266,897	96.85%	\$ 201,366	\$ -	\$ 6,237,015	\$ 5,936,652	\$ 1,142,363	\$ 229,048
Temporary Utilities	\$ 2,458,200	\$ 2,696,243	\$ 2,696,243		\$ 1,416,338	\$ 1,246,656	\$ 3,444,476	92.33%	\$ 285,988	\$ -	\$ 3,350,830	\$ 3,163,275	\$ 1,174,843	\$ 379,603
Material and Labor Staging	\$ 3,839,200	\$ 4,226,375	\$ 4,226,375		\$ 1,135,338	\$ 3,697,456	\$ 4,793,723	93.03%	\$ 384,642	\$ -	\$ 4,732,481	\$ 4,324,945	\$ 3,697,456	\$ 47,989
General Equipment and Tools	\$ 1,921,200	\$ 2,104,874	\$ 2,104,874		\$ 1,386,374	\$ 3,623,296	\$ 9,321,769	100.00%	\$ 0	\$ -	\$ 9,811,579	\$ 8,729,843	\$ 3,623,296	\$ 110,190
General Equipment and Tools	\$ 1,822,200	\$ 1,936,222	\$ 1,936,222		\$ 1,450,374	\$ 1,142,297	\$ 2,566,382	96.62%	\$ 89,837	\$ -	\$ 2,856,382	\$ 2,865,372	\$ 3,175,791	\$ 68,654
Site Preparation	\$ 322,000	\$ 1,171,148	\$ 1,171,148		\$ 1,650,374	\$ 1,091	\$ 15,639	0.00%	\$ 213,667	\$ -	\$ 15,538	\$ 1,643,872	\$ 1,145,507	\$ 213,667
Testing and Inspection (ITC-Asbestos)	\$ 4,062,000	\$ 2,688,718	\$ 2,688,718		\$ 3,242,272	\$ 1,091	\$ 15,639	90.05%	\$ 213,667	\$ -	\$ 2,016,703	\$ 1,538	\$ 1,081	\$ 213,667
Removable Insulating	\$ 2,282,000	\$ 2,631,122	\$ 2,631,122		\$ 3,242,272	\$ 1,091	\$ 15,639	90.05%	\$ 213,667	\$ -	\$ 2,016,703	\$ 1,538	\$ 1,081	\$ 213,667
Hoisting	\$ 2,282,000	\$ 2,631,122	\$ 2,631,122		\$ 3,242,272	\$ 1,091	\$ 15,639	90.05%	\$ 213,667	\$ -	\$ 2,016,703	\$ 1,538	\$ 1,081	\$ 213,667
Sub Total General Conditions/Requirements/Hoisting	\$ 87,084,074	\$ 93,784,912	\$ 93,881,382		\$ 819,951,645	\$ 90,028,483	\$ 805,884,128	47.87%	\$ 988,584,333	\$ 52,981,873	\$ 852,988,249	\$ 764,983,799	\$ 81,014,450	\$ 1,051,556,212
Total Hard Costs and General Conditions/Requirements/Hoisting	\$ 1,790,093,074	\$ 1,864,189,156	\$ 1,882,948,000		\$ 819,951,645	\$ 90,028,483	\$ 805,884,128	47.87%	\$ 988,584,333	\$ 52,981,873	\$ 852,988,249	\$ 764,983,799	\$ 81,014,450	\$ 1,051,556,212
Contingency														
Unallocated Contingency	\$ 11,248,829	\$ 77,271,571	\$ -		\$ -	\$ -	\$ -	0.00%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ -	\$ 77,271,571
Additional Cost Contingency	\$ -	\$ 165,854,332	\$ -		\$ -	\$ -	\$ -	0.00%	\$ 78,163,206	\$ -	\$ -	\$ -	\$ -	\$ 78,163,206
Contingency Subtotal	\$ 11,248,829	\$ 243,125,903	\$ -		\$ -	\$ -	\$ -	0.00%	\$ 155,434,777	\$ -	\$ -	\$ -	\$ -	\$ 155,434,777
Insurance														
Insurance package	\$ 46,220,000	\$ 40,000,000	\$ 40,000,000		\$ 26,578,264	\$ 383,036	\$ 20,961,790	52.06%	\$ 19,038,210	\$ -	\$ 20,961,790	\$ 20,575,754	\$ 382,036	\$ 382,036
Insurance Subtotal	\$ 46,220,000	\$ 40,000,000	\$ 40,000,000		\$ 26,578,264	\$ 383,036	\$ 20,961,790	52.06%	\$ 19,038,210	\$ -	\$ 20,961,790	\$ 20,575,754	\$ 382,036	\$ 382,036
Total Construction Costs	\$ 1,846,523,904	\$ 2,089,995,238	\$ 2,089,995,238		\$ 846,529,909	\$ 90,411,519	\$ 826,341,918	46.49%	\$ 1,172,057,350	\$ 52,981,873	\$ 873,950,039	\$ 785,983,553	\$ 81,934,486	\$ 1,226,093,199

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
As of 7/31/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED				NET AMOUNTS						
	CLOSING RESORT BUDGET (A)	PRIOR BUDGET (B) FROM PRIOR MONTH	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C+D)	PREVIOUS DATE COMPLETED (E) (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED (F)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (G/B)	BALANCE TO COMPLETE (D-G+I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED TO DATE (G+K)	PREVIOUS DATE COMPLETED (L) (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (M)	BALANCE TO COMPLETE (N) (K-N)
Rooms FF&E														
Condo Suite	\$ 15,205,572	\$ 12,325,572	\$ -	\$ 15,205,572	\$ 786,735	\$ 2,602,392	16.84%	\$ 12,756,180	\$ -	\$ 2,602,392	\$ 2,315,562	\$ 786,726	\$ 12,766,180	
Condo Unit One Bedroom	\$ 7,454,250	\$ 7,454,250	\$ -	\$ 7,454,250	\$ 266,797	\$ 1,687,837	22.61%	\$ 6,776,445	\$ -	\$ 1,687,837	\$ 1,425,565	\$ 266,797	\$ 6,776,445	
Center Suite	\$ 1,348,283	\$ 1,348,283	\$ -	\$ 1,348,283	\$ -	\$ 103,283	7.65%	\$ 1,245,000	\$ -	\$ 103,283	\$ 103,283	\$ -	\$ 1,348,283	
Junior Suite	\$ 1,838,312	\$ 1,838,312	\$ -	\$ 1,838,312	\$ 720,740	\$ 486,276	26.70%	\$ 1,191,126	\$ -	\$ 486,276	\$ 128,740	\$ 11,378	\$ 1,460,872	
Three Bay Suite	\$ 231,362	\$ 231,362	\$ -	\$ 231,362	\$ 11,179	\$ 114,000	49.27%	\$ 114,000	\$ -	\$ 114,000	\$ 114,000	\$ -	\$ 231,362	
Four Bay Suite	\$ 378,875	\$ 378,875	\$ -	\$ 378,875	\$ 559,226	\$ 4,093,340	107.50%	\$ -	\$ -	\$ 4,093,340	\$ 3,047,572	\$ 259,268	\$ 468,673	
Six Bay Suite	\$ 4,516,371	\$ 4,516,371	\$ -	\$ 4,516,371	\$ 633,551	\$ 6,721,811	149.05%	\$ -	\$ -	\$ 6,721,811	\$ 5,928,693	\$ 485,551	\$ 10,857,234	
Typical King	\$ 31,521,127	\$ 31,521,127	\$ -	\$ 31,521,127	\$ 1,895,710	\$ 15,313,689	50.47%	\$ 26,199,986	\$ -	\$ 15,313,689	\$ 13,507,439	\$ 1,895,710	\$ 25,779,566	
Typical Queen	\$ 73,794,367	\$ 73,794,367	\$ -	\$ 73,794,367	\$ -	\$ -	0.00%	\$ 73,794,367	\$ -	\$ -	\$ -	\$ -	\$ 73,794,367	
Rooms FF&E subtotal	\$ 115,205,572	\$ 92,325,572	\$ -	\$ 115,205,572	\$ 11,000,000	\$ 26,500,000	23.00%	\$ 104,205,572	\$ -	\$ 26,500,000	\$ 23,900,000	\$ 1,000,000	\$ 105,205,572	
Hotel and F&B Operating Equipment														
Bill Desk	\$ 500,494	\$ 500,494	\$ -	\$ 500,494	\$ -	\$ -	0.00%	\$ 500,494	\$ -	\$ -	\$ -	\$ -	\$ 500,494	
Front Desk	\$ 737,295	\$ 737,295	\$ -	\$ 737,295	\$ -	\$ -	0.00%	\$ 737,295	\$ -	\$ -	\$ -	\$ -	\$ 737,295	
Housekeeping	\$ 10,527,110	\$ 10,527,110	\$ -	\$ 10,527,110	\$ -	\$ -	0.00%	\$ 10,527,110	\$ -	\$ -	\$ -	\$ -	\$ 10,527,110	
Room Reservations	\$ 619,000	\$ 619,000	\$ -	\$ 619,000	\$ -	\$ -	0.00%	\$ 619,000	\$ -	\$ -	\$ -	\$ -	\$ 619,000	
Pool Operations	\$ 3,606,531	\$ 3,606,531	\$ -	\$ 3,606,531	\$ -	\$ -	0.00%	\$ 3,606,531	\$ -	\$ -	\$ -	\$ -	\$ 3,606,531	
Condo Operations	\$ 136,184	\$ 136,184	\$ -	\$ 136,184	\$ -	\$ -	0.00%	\$ 136,184	\$ -	\$ -	\$ -	\$ -	\$ 136,184	
Hotel Sales	\$ 2,618,667	\$ 2,618,667	\$ -	\$ 2,618,667	\$ -	\$ -	0.00%	\$ 2,618,667	\$ -	\$ -	\$ -	\$ -	\$ 2,618,667	
Convention Center	\$ 92,571,367	\$ 92,571,367	\$ -	\$ 92,571,367	\$ 1,626	\$ 6,784	0.00%	\$ 92,569,741	\$ -	\$ 1,626	\$ 1,626	\$ -	\$ 92,571,367	
Business Center	\$ 546,115	\$ 546,115	\$ -	\$ 546,115	\$ -	\$ -	0.00%	\$ 546,115	\$ -	\$ -	\$ -	\$ -	\$ 546,115	
Telephone	\$ 499,233	\$ 499,233	\$ -	\$ 499,233	\$ -	\$ -	0.00%	\$ 499,233	\$ -	\$ -	\$ -	\$ -	\$ 499,233	
Sign	\$ 2,856,128	\$ 2,856,128	\$ -	\$ 2,856,128	\$ -	\$ -	0.00%	\$ 2,856,128	\$ -	\$ -	\$ -	\$ -	\$ 2,856,128	
Food & Beverage	\$ 5,853,037	\$ 5,853,037	\$ -	\$ 5,853,037	\$ 2,265	\$ 2,265	0.04%	\$ 5,850,772	\$ -	\$ 2,265	\$ 2,265	\$ -	\$ 5,853,037	
Catering	\$ 6,256,824	\$ 6,256,824	\$ -	\$ 6,256,824	\$ -	\$ -	0.00%	\$ 6,256,824	\$ -	\$ -	\$ -	\$ -	\$ 6,256,824	
Hotel and F&B Operating Equipment subtotal	\$ 115,205,572	\$ 92,325,572	\$ -	\$ 115,205,572	\$ 1,626	\$ 10,684	0.01%	\$ 115,199,866	\$ -	\$ 10,684	\$ 10,684	\$ -	\$ 115,210,550	
Kitchen Equipment														
Food Service Equipment	\$ 22,295,240	\$ 22,295,240	\$ -	\$ 22,295,240	\$ -	\$ -	0.00%	\$ 22,295,240	\$ -	\$ -	\$ -	\$ -	\$ 22,295,240	
Kitchen Equipment subtotal	\$ 22,295,240	\$ 22,295,240	\$ -	\$ 22,295,240	\$ -	\$ -	0.00%	\$ 22,295,240	\$ -	\$ -	\$ -	\$ -	\$ 22,295,240	
Exterior Signage														
Quotation by YESCO	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ 1,000,000	\$ 5,500,000	20.73%	\$ 21,032,720	\$ -	\$ 5,500,000	\$ 5,000,000	\$ 1,000,000	\$ 21,032,720	
Exterior signage subtotal	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ 1,000,000	\$ 5,500,000	20.73%	\$ 21,032,720	\$ -	\$ 5,500,000	\$ 5,000,000	\$ 1,000,000	\$ 21,032,720	
Common Area														
FOH	\$ 22,291,213	\$ 22,291,213	\$ -	\$ 22,291,213	\$ 403,308	\$ 11,095,655	47.88%	\$ 12,185,558	\$ -	\$ 11,095,655	\$ 10,512,517	\$ 485,308	\$ 12,185,558	
BOH	\$ 5,381,029	\$ 5,381,029	\$ -	\$ 5,381,029	\$ -	\$ -	0.00%	\$ 5,381,029	\$ -	\$ -	\$ -	\$ -	\$ 5,381,029	
Common Area subtotal	\$ 27,672,242	\$ 27,672,242	\$ -	\$ 27,672,242	\$ 403,308	\$ 11,095,655	38.71%	\$ 17,471,157	\$ -	\$ 11,095,655	\$ 10,512,517	\$ 485,308	\$ 17,471,157	
Gaming FF&E														
Table Games	\$ 3,137,240	\$ 3,137,240	\$ -	\$ 3,137,240	\$ -	\$ -	0.00%	\$ 3,137,240	\$ -	\$ -	\$ -	\$ -	\$ 3,137,240	
Poker	\$ 174,182	\$ 174,182	\$ -	\$ 174,182	\$ -	\$ -	0.00%	\$ 174,182	\$ -	\$ -	\$ -	\$ -	\$ 174,182	
Slot Operations	\$ 29,327,129	\$ 29,327,129	\$ -	\$ 29,327,129	\$ -	\$ -	0.00%	\$ 29,327,129	\$ -	\$ -	\$ -	\$ -	\$ 29,327,129	
R&S	\$ 6,174,424	\$ 6,174,424	\$ -	\$ 6,174,424	\$ -	\$ -	0.00%	\$ 6,174,424	\$ -	\$ -	\$ -	\$ -	\$ 6,174,424	
Cage Security	\$ 1,843,950	\$ 1,843,950	\$ -	\$ 1,843,950	\$ -	\$ -	0.00%	\$ 1,843,950	\$ -	\$ -	\$ -	\$ -	\$ 1,843,950	
Security	\$ 215,174	\$ 215,174	\$ -	\$ 215,174	\$ -	\$ -	0.00%	\$ 215,174	\$ -	\$ -	\$ -	\$ -	\$ 215,174	
Gaming FF&E subtotal	\$ 40,871,099	\$ 40,871,099	\$ -	\$ 40,871,099	\$ -	\$ -	0.00%	\$ 40,871,099	\$ -	\$ -	\$ -	\$ -	\$ 40,871,099	
Entertainment														
Theater	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731	
Costed FF&E	\$ 200,353,998	\$ 200,353,998	\$ -	\$ 200,353,998	\$ 11,000,000	\$ 26,500,000	5.50%	\$ 189,353,998	\$ -	\$ 26,500,000	\$ 23,900,000	\$ 1,000,000	\$ 190,353,998	

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
As of 7/31/08

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS					
	CLOSING REPORT BUDGET (A)	PREVIOUS BUDGET (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	REPORT BUDGET (R=C+B) (D)	PREVIOUS DATE COMPLETED (G FROM PRIOR MONTH) (E)	CURRENT PERIOD COMPLETED (F)	TOTAL COMPLETED TO DATE (H=F+G) (G)	% COMPLETED (H/D) (H)	BALANCE TO COMPLETE (D-E) (I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED DATE (K-J+K) (K)	PREVIOUS DATE COMPLETED (L FROM PRIOR MONTH) (L)	CURRENT PERIOD COMPLETED DATE (M) (M)	BALANCE TO COMPLETE (N-M) (N)
Entertainment Subtotal	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731
A&C and Facilities and IT	\$ 2,563,222	\$ 2,563,222	\$ -	\$ 2,563,222	\$ 315,366	\$ 26,712	\$ 403,738	13.62%	\$ 2,559,484	\$ -	\$ 403,738	\$ 315,366	\$ 26,712	\$ 2,559,484
A&C and Facilities	\$ 666,518	\$ 666,518	\$ -	\$ 666,518	\$ 310,561	\$ -	\$ 310,561	0.00%	\$ 686,518	\$ -	\$ -	\$ 310,561	\$ -	\$ 686,518
General, Administrative, HR, Finance Marketing & Casino Marketing	\$ 11,594,656	\$ 11,594,656	\$ -	\$ 11,594,656	\$ -	\$ -	\$ -	0.00%	\$ 11,594,656	\$ -	\$ -	\$ -	\$ -	\$ 11,594,656
Engineering	\$ 1,171,277	\$ 1,171,277	\$ -	\$ 1,171,277	\$ -	\$ -	\$ -	0.00%	\$ 1,171,277	\$ -	\$ -	\$ -	\$ -	\$ 1,171,277
Internal Maintenance	\$ 194,508	\$ 194,508	\$ -	\$ 194,508	\$ -	\$ -	\$ -	0.00%	\$ 194,508	\$ -	\$ -	\$ -	\$ -	\$ 194,508
Transportation	\$ 184,973	\$ 184,973	\$ -	\$ 184,973	\$ -	\$ -	\$ -	0.00%	\$ 184,973	\$ -	\$ -	\$ -	\$ -	\$ 184,973
Retail	\$ 154,973	\$ 154,973	\$ -	\$ 154,973	\$ -	\$ -	\$ -	0.00%	\$ 154,973	\$ -	\$ -	\$ -	\$ -	\$ 154,973
Warehouses	\$ 752,312	\$ 752,312	\$ -	\$ 752,312	\$ 136,265	\$ 4,355	\$ 141,250	19.02%	\$ 601,063	\$ -	\$ 141,250	\$ 136,265	\$ 4,355	\$ 601,063
IT	\$ 47,709,043	\$ 47,709,043	\$ -	\$ 47,709,043	\$ 2,828,762	\$ 214,194	\$ 3,742,949	7.65%	\$ 43,856,094	\$ -	\$ 3,742,949	\$ 2,828,762	\$ 214,194	\$ 43,856,094
Surveillance (Gaming & Hotel)	\$ 6,663,989	\$ 6,663,989	\$ -	\$ 6,663,989	\$ 3,552,986	\$ 945,511	\$ 4,498,297	6.75%	\$ 6,950,889	\$ -	\$ 4,498,297	\$ 3,552,986	\$ 945,511	\$ 6,950,889
A&C and Facilities and IT Subtotal	\$ 71,930,596	\$ 71,930,596	\$ -	\$ 71,930,596	\$ 4,982,986	\$ 945,511	\$ 4,982,986	3.60%	\$ 72,572,479	\$ -	\$ 4,982,986	\$ 4,982,986	\$ 945,511	\$ 72,572,479
Other FFBE	\$ 123,075,426	\$ 123,075,426	\$ -	\$ 123,075,426	\$ -	\$ -	\$ -	0.00%	\$ 123,075,426	\$ -	\$ -	\$ -	\$ -	\$ 123,075,426
Pre-Opening and Working Capital	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	0.00%	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
Bankroll	\$ 3,150,000	\$ 3,150,000	\$ -	\$ 3,150,000	\$ -	\$ -	\$ -	0.00%	\$ 3,150,000	\$ -	\$ -	\$ -	\$ -	\$ 3,150,000
Inventory	\$ 5,927,125	\$ 5,927,125	\$ -	\$ 5,927,125	\$ -	\$ -	\$ -	0.00%	\$ 5,927,125	\$ -	\$ -	\$ -	\$ -	\$ 5,927,125
Uniforms	\$ 1,600,000	\$ 1,600,000	\$ -	\$ 1,600,000	\$ -	\$ -	\$ -	0.00%	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000
Taxes	\$ 47,969,454	\$ 47,969,454	\$ -	\$ 47,969,454	\$ 6,556,737	\$ 317,893	\$ 7,224,444	15.22%	\$ 40,246,010	\$ -	\$ 7,224,444	\$ 6,556,737	\$ 317,893	\$ 40,246,010
Permit/Bureau	\$ 26,028,960	\$ 26,028,960	\$ -	\$ 26,028,960	\$ 3,919,512	\$ 786,762	\$ 4,806,860	18.00%	\$ 21,191,040	\$ -	\$ 4,806,860	\$ 3,919,512	\$ 786,762	\$ 21,191,040
Marketing	\$ 1,414,000	\$ 1,414,000	\$ -	\$ 1,414,000	\$ 724,361	\$ 191,360	\$ 915,721	62.55%	\$ 529,589	\$ -	\$ 915,721	\$ 724,361	\$ 191,360	\$ 529,589
Office and Related	\$ 1,641,000	\$ 1,641,000	\$ -	\$ 1,641,000	\$ 327,268	\$ 36,178	\$ 363,446	43.24%	\$ 1,317,554	\$ -	\$ 363,446	\$ 327,268	\$ 36,178	\$ 1,317,554
Recruitment	\$ 2,287,000	\$ 2,287,000	\$ -	\$ 2,287,000	\$ 535,944	\$ 292,258	\$ 3,787,943	116.65%	\$ (640,949)	\$ -	\$ 3,787,943	\$ 535,944	\$ 292,258	\$ (640,949)
Other	\$ 93,847,578	\$ 93,847,578	\$ -	\$ 93,847,578	\$ 15,169,403	\$ 2,115,813	\$ 17,285,216	18.42%	\$ 76,562,363	\$ -	\$ 17,285,216	\$ 15,169,403	\$ 2,115,813	\$ 76,562,363
Pre-Opening and Working Capital Subtotal	\$ 14,515,923	\$ 14,515,923	\$ -	\$ 14,515,923	\$ 12,682,307	\$ 12,192	\$ 12,694,500	87.46%	\$ 1,820,613	\$ -	\$ 12,694,500	\$ 12,682,307	\$ 12,192	\$ 1,820,613
Fees / Permits / Taxes / Other	\$ 7,778,400	\$ 7,778,400	\$ -	\$ 7,778,400	\$ 7,726,468	\$ 774,408	\$ 8,500,876	99.42%	\$ 44,792	\$ -	\$ 8,500,876	\$ 7,726,468	\$ 774,408	\$ 44,792
Building Permits	\$ 1,560,300	\$ 1,560,300	\$ -	\$ 1,560,300	\$ 1,500,000	\$ -	\$ 1,500,000	100.00%	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Permits Fees, etc	\$ 11,881,700	\$ 11,881,700	\$ -	\$ 11,881,700	\$ 7,985,963	\$ 7,584,950	\$ 15,570,913	87.63%	\$ 3,956,751	\$ -	\$ 15,570,913	\$ 7,985,963	\$ 7,584,950	\$ 3,956,751
Hotel Rooms	\$ 13,260	\$ 13,260	\$ -	\$ 13,260	\$ 60,115	\$ -	\$ 60,115	20.95%	\$ 226,485	\$ -	\$ 60,115	\$ 60,115	\$ -	\$ 226,485
Remainder of Permit	\$ 3,292,900	\$ 3,292,900	\$ -	\$ 3,292,900	\$ 2,566,112	\$ 3,536,112	\$ 6,102,224	78.44%	\$ 1,066,940	\$ -	\$ 6,102,224	\$ 2,566,112	\$ 3,536,112	\$ 1,066,940
Utility Assessment Fees	\$ 11,881,700	\$ 11,881,700	\$ -	\$ 11,881,700	\$ 7,985,963	\$ 7,584,950	\$ 15,570,913	87.63%	\$ 3,956,751	\$ -	\$ 15,570,913	\$ 7,985,963	\$ 7,584,950	\$ 3,956,751
Regional connection charges	\$ 13,260	\$ 13,260	\$ -	\$ 13,260	\$ 60,115	\$ -	\$ 60,115	20.95%	\$ 226,485	\$ -	\$ 60,115	\$ 60,115	\$ -	\$ 226,485
Health Department / Other Misc. Fees	\$ 3,292,900	\$ 3,292,900	\$ -	\$ 3,292,900	\$ 2,566,112	\$ 3,536,112	\$ 6,102,224	78.44%	\$ 1,066,940	\$ -	\$ 6,102,224	\$ 2,566,112	\$ 3,536,112	\$ 1,066,940
Owning for Fire Testing	\$ 4,512,951	\$ 4,512,951	\$ -	\$ 4,512,951	\$ -	\$ -	\$ -	0.00%	\$ 4,512,951	\$ -	\$ -	\$ -	\$ -	\$ 4,512,951
Transportation Fee	\$ 56,510,850	\$ 56,510,850	\$ -	\$ 56,510,850	\$ 57,116,920	\$ 5,522,237	\$ 62,639,157	100.43%	\$ (605,070)	\$ -	\$ 62,639,157	\$ 57,116,920	\$ 5,522,237	\$ (605,070)
Design Fees / Costs	\$ 2,483,350	\$ 2,483,350	\$ -	\$ 2,483,350	\$ 6,358,729	\$ 625,524	\$ 7,284,359	72.25%	\$ 2,784,181	\$ -	\$ 7,284,359	\$ 6,358,729	\$ 625,524	\$ 2,784,181
Design costs	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	0.00%	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Consultant costs	\$ 13,215,857	\$ 13,215,857	\$ -	\$ 13,215,857	\$ 2,292,211	\$ 11,118	\$ 2,276,939	16.95%	\$ 11,438,928	\$ -	\$ 2,276,939	\$ 2,292,211	\$ 11,118	\$ 11,438,928
Taxes, Legal and Other	\$ 2,581,815	\$ 2,581,815	\$ -	\$ 2,581,815	\$ 3,348,903	\$ 105,411	\$ 4,055,045	80.11%	\$ 3,348,903	\$ -	\$ 4,055,045	\$ 3,348,903	\$ 105,411	\$ 3,348,903
Facility approvals	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ 3,575,989	\$ 3,575,989	\$ 7,151,978	79.47%	\$ 924,022	\$ -	\$ 7,151,978	\$ 3,575,989	\$ 3,575,989	\$ 924,022
Property taxes	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	0.00%	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Legal/other allowances	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ 722,147	\$ 723,147	\$ 1,445,294	96.42%	\$ 26,853	\$ -	\$ 1,445,294	\$ 722,147	\$ 723,147	\$ 26,853
Development Agreement	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	0.00%	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Turnkey Price Ramp	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	0.00%	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Meck Up Cost	\$ 131,814,077	\$ 131,814,077	\$ -	\$ 131,814,077	\$ 111,725,643	\$ 6,656,552	\$ 118,382,195	82.93%	\$ 24,444,580	\$ -	\$ 118,382,195	\$ 111,725,643	\$ 6,656,552	\$ 24,444,580
Fees / Permits / Taxes / Other Subtotal	\$ 14,515,923	\$ 14,515,923	\$ -	\$ 14,515,923	\$ 12,682,307	\$ 12,192	\$ 12,694,500	87.46%	\$ 1,820,613	\$ -	\$ 12,694,500	\$ 12,682,307	\$ 12,192	\$ 1,820,613
TOTAL	\$ 123,075,426	\$ 123,075,426	\$ -	\$ 123,075,426	\$ 4,982,986	\$ 945,511	\$ 4,982,986	3.60%	\$ 72,572,479	\$ -	\$ 4,982,986	\$ 4,982,986	\$ 945,511	\$ 72,572,479

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 APPENDIX II TO THE BUDGETSCHEDULE AMENDMENT CERTIFICATE
 EXHIBIT M-4
 As of 7/31/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED					NET AMOUNTS					
	CLOSING RESORT BUDGET (A)	PRIOR BUDGET (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED DATE (E FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (F)	TOTAL COMPLETED DATE (E+F+G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G+I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED DATE (K)	PREVIOUS COMPLETED DATE (L FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (M)	BALANCE TO COMPLETE (K-N)
Debt Service Accrued Through Scheduled Opening														
Debt Service	\$ 362,756,033	\$ 362,756,033	\$ -	\$ 362,756,033	\$ 146,191,086	\$ 14,336,038	\$ 160,527,124	44.25%	\$ 202,228,909	\$ -	\$ 160,529,135	\$ 146,191,086	\$ 14,336,038	\$ 202,228,909
Debt Service Accrued Through Scheduled Opening Subtotal	\$ 362,756,033	\$ 362,756,033	\$ -	\$ 362,756,033	\$ 146,191,086	\$ 14,336,038	\$ 160,527,124	44.25%	\$ 202,228,909	\$ -	\$ 160,529,135	\$ 146,191,086	\$ 14,336,038	\$ 202,228,909
Condominium-Hotel Selling Expenses														
Condominium-Hotel Selling Expenses	\$ 43,776,523	\$ 43,776,523	\$ -	\$ 43,776,523	\$ 13,915,030	\$ 402,101	\$ 14,317,131	32.71%	\$ 29,459,392	\$ 771,367	\$ 13,545,764	\$ 13,147,215	\$ 398,549	\$ 11,454,236
Condominium-Hotel Selling Expenses Subtotal	\$ 43,776,523	\$ 43,776,523	\$ -	\$ 43,776,523	\$ 13,915,030	\$ 402,101	\$ 14,317,131	32.71%	\$ 29,459,392	\$ 771,367	\$ 13,545,764	\$ 13,147,215	\$ 398,549	\$ 11,454,236
Fees and Expenses														
Fees and Expenses	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 60,740,794	\$ 59,545,871	\$ -	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Fees and Expenses Subtotal	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 60,740,794	\$ 59,545,871	\$ -	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Cash Accrued Through Opening Date	\$ 894,035,083	\$ 894,035,083	\$ -	\$ 894,035,083	\$ 348,567,005	\$ 23,622,606	\$ 372,189,611	41.67%	\$ 521,845,472	\$ 771,367	\$ 389,208,483	\$ 365,779,400	\$ 23,519,953	\$ 315,688,529
TOTAL COSTS	\$ 2,921,448,261	\$ 3,110,820,142	\$ -	\$ 3,110,820,142	\$ 1,215,200,659	\$ 118,168,981	\$ 1,333,369,640	42.87%	\$ 1,777,450,502	\$ 537,53,246	\$ 1,279,876,388	\$ 1,163,524,892	\$ 116,151,395	\$ 1,030,943,754

IN BALANCE TEST ADJUSTMENTS

Post-Closing hard costs paid to date % 94.4%

Contingency Adjustment

Required Minimum Contingency \$ 31,371,893

Less: Unallocated Contingency Balance (Actual) \$ (7,271,877)

Contingency Adjustment Subtotal \$ (16,489,877)

Other Adjustments

Required Minimum Cash Support \$ -

Required Minimum Liquidity Account \$ 23,815,216

Required Minimum Excess Revolver Support Amount \$ 4,558,688

Repayment of Existing Debt \$ -

Adjustment for Additional Cash Support \$ -

TOTAL \$ 1,851,823,479

IN BALANCE TEST AVAILABLE CUSHION

STARTING CUSHION \$ 50,000,000

Required Minimum Cash Support \$ 50,000,000

Other Unallocated in Balance Cushion \$ -

Contingency Adjustment Subtotal \$ -

Required Minimum Liquidity Account \$ -

Required Minimum Excess Revolver Support Amount \$ -

Adjustment for Additional Cash Support \$ -

Total Other Unallocated in Balance Cushion \$ -

TOTAL CUSHION \$ 49,500,000

(*) To be filled out without offsetting Readings.

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
As of 09/30/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED					NET AMOUNTS			BALANCE TO COMPLETE (D-RSA)		
	CLOSING RESORT BUDGET (A)	PROR RESORT BUDGET (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C-D)	PREVIOUS DATE COMPLETED (G FROM PRIOR MONTH) (E)	CURRENT PERIOD COMPLETED (F)	TOTAL COMPLETED DATE (E+F+G)	% COMPLETED (H)	BALANCE TO COMPLETE (D-E+H)	TOTAL RETAINAGE (I)	TOTAL COMPLETED DATE (K)		PREVIOUS DATE COMPLETED (J FROM PRIOR MONTH) (L)	CURRENT PERIOD COMPLETED DATE (K-L+M)
Construction Hard Costs														
Tower	\$ 60,718,259	\$ 68,843,845	\$ 24,642,316	\$ 683,483,262	\$ 208,335,147	\$ 45,016,269	\$ 357,350,422	53.85%	\$ 306,132,910	\$ 21,711,768	\$ 309,848,694	\$ 292,202,392	\$ 46,075,699	\$ 333,544,588
Podium	\$ 699,115,268	\$ 722,409,978	\$ -	\$ 722,409,978	\$ 293,554,920	\$ 24,751,237	\$ 283,281,658	39.21%	\$ 439,128,320	\$ 45,316,346	\$ 287,166,122	\$ 293,935,184	\$ 23,238,938	\$ 465,249,866
Garage/Convention/Central Plant	\$ -	\$ 407,809,217	\$ 4,674,264	\$ 412,483,481	\$ 260,932,822	\$ 21,631,828	\$ 282,474,702	0.00%	\$ 149,005,839	\$ 14,338,313	\$ 246,193,897	\$ 235,294,481	\$ 19,898,406	\$ 164,098,674
Site	\$ 54,283,855	\$ 42,058,934	\$ -	\$ 16,859,181	\$ 19,899,553	\$ 395,655	\$ 10,866,170	64.45%	\$ 5,993,021	\$ 697,911	\$ 10,168,758	\$ 3,752,271	\$ 415,008	\$ 6,850,433
Bond cost	\$ 6,363,289	\$ 3,057,172	\$ 351,152	\$ 3,081,332	\$ 2,359,353	\$ 126,742	\$ 2,378,062	71.18%	\$ 703,270	\$ -	\$ 2,378,062	\$ 2,359,353	\$ 126,742	\$ 703,270
Construction Hard Costs Subtotal	\$ 1,703,000,000	\$ 1,739,065,060	\$ 29,046,724	\$ 1,818,115,324	\$ 800,915,394	\$ 93,739,659	\$ 916,355,144	50.49%	\$ 901,760,280	\$ 58,609,529	\$ 857,945,254	\$ 788,011,991	\$ 69,932,633	\$ 901,204,800
LEED Qualification Costs														
LEED Qualification Costs	\$ 22,000,000	\$ 17,614,479	\$ -	\$ 17,614,479	\$ 4,655,294	\$ 307,839	\$ 4,940,972	29.05%	\$ 12,473,508	\$ 2,972	\$ 4,938,357	\$ 4,653,912	\$ 507,494	\$ 12,676,083
LEED Qualification Costs Subtotal	\$ 22,000,000	\$ 17,614,479	\$ -	\$ 17,614,479	\$ 4,655,294	\$ 307,839	\$ 4,940,972	29.05%	\$ 12,473,508	\$ 2,972	\$ 4,938,357	\$ 4,653,912	\$ 507,494	\$ 12,676,083
LEED Sales Tax Benefit														
LEED Sales Tax Benefit	\$ 68,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEED Sales Tax Benefit Subtotal	\$ 68,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Conditions/Requirements/Hosting														
CM Staffing	\$ 24,282,262	\$ 23,547,242	\$ 3,827,177	\$ 29,584,419	\$ 14,675,913	\$ 1,622,261	\$ 26,300,394	69.05%	\$ 3,535,025	\$ -	\$ 26,300,394	\$ 24,375,913	\$ 1,632,691	\$ 3,236,026
Field Engineering	\$ 1,182,200	\$ 2,833,244	\$ 229,216	\$ 3,182,244	\$ 2,182,289	\$ 229,229	\$ 3,182,289	100.00%	\$ -	\$ -	\$ 3,182,289	\$ 2,965,042	\$ 229,235	\$ -
Hazmat Consulting	\$ 68,655	\$ 36,850	\$ -	\$ 68,655	\$ 25,905	\$ -	\$ 25,905	100.00%	\$ -	\$ -	\$ 25,905	\$ -	\$ -	\$ -
COC (OT for inspectors misc certifications)	\$ 4,057,707	\$ 2,060,852	\$ (131,455)	\$ 6,855	\$ 59,325	\$ 125	\$ 63,000	100.00%	\$ -	\$ -	\$ 63,000	\$ 63,000	\$ 125	\$ -
Safety	\$ 209,000	\$ 3,720,439	\$ 7,942,286	\$ 6,850,908	\$ 2,448,335	\$ 37,533	\$ 3,541,500	100.00%	\$ -	\$ 21,553	\$ 3,541,500	\$ 3,541,500	\$ 21,553	\$ 27,692
Field Office and Equipment	\$ 5,057,910	\$ 2,657,402	\$ 974,236	\$ 3,041,808	\$ 2,448,335	\$ 37,533	\$ 2,899,300	100.00%	\$ -	\$ 14,519	\$ 2,899,300	\$ 2,899,300	\$ 14,519	\$ 56,645
Temporary Protection	\$ 4,698,975	\$ 4,697,955	\$ (180,000)	\$ 4,827,275	\$ 4,725,725	\$ 194,583	\$ 4,927,275	100.00%	\$ 232,680	\$ -	\$ 4,927,275	\$ 4,725,725	\$ 194,583	\$ 27,692
Material and Labor Staging	\$ 6,248,000	\$ 2,427,256	\$ 999,112	\$ 10,470,881	\$ 5,897,823	\$ 568,112	\$ 10,770,881	100.00%	\$ -	\$ 130,235	\$ 10,770,881	\$ 9,969,275	\$ 801,606	\$ 110,237
Clean-up (Continual and Final)	\$ 2,834,700	\$ 6,131,217	\$ (1,205,196)	\$ 3,322,019	\$ 6,092,823	\$ 39,221	\$ 3,322,019	100.00%	\$ -	\$ -	\$ 3,322,019	\$ 3,322,019	\$ 39,221	\$ -
General Equipment and Tools	\$ 1,874,000	\$ 3,264,915	\$ 564	\$ 71,699	\$ 2,645,952	\$ 2,645,952	\$ 2,645,952	100.00%	\$ -	\$ -	\$ 2,645,952	\$ 2,645,952	\$ -	\$ -
Project Documentation	\$ 1,625,300	\$ 3,236,247	\$ (157,456)	\$ 1,699	\$ 15,330	\$ 1,324	\$ 2,646,853	100.00%	\$ -	\$ -	\$ 2,646,853	\$ 2,646,853	\$ -	\$ -
Misc. Project Expenses	\$ 329,900	\$ -	\$ -	\$ -	\$ 2,818,203	\$ (27,829)	\$ 1,989,673	88.97%	\$ 54,952	\$ -	\$ 1,989,673	\$ 2,015,265	\$ (27,000)	\$ 54,952
Testing and Inspection (ATC Associates)	\$ 1,506,000	\$ 1,628,736	\$ 233,612	\$ 2,162,551	\$ 1,829,750	\$ 56,351	\$ 1,882,551	86.97%	\$ 246,674	\$ -	\$ 1,882,551	\$ 1,882,551	\$ -	\$ -
Reimbursable Blueprinting	\$ 26,235,810	\$ 26,235,810	\$ (27,058,896)	\$ 26,009,930	\$ 1,829,750	\$ 56,351	\$ 1,882,551	76.88%	\$ 500,000	\$ -	\$ 1,882,551	\$ 1,882,551	\$ -	\$ 500,000
Hosting	\$ 87,034,074	\$ 97,861,322	\$ 893,486	\$ 98,977,049	\$ 80,931,200	\$ 3,969,389	\$ 84,937,649	33.65%	\$ 13,973,399	\$ 6,752	\$ 84,937,649	\$ 13,934,308	\$ 2,089,270	\$ 9,713,723
Sub Total General Conditions/Requirements/Hosting	\$ 1,753,634,074	\$ 1,904,484,441	\$ 30,042,390	\$ 1,934,606,961	\$ 905,980,128	\$ 108,213,537	\$ 1,016,939,666	52.07%	\$ 926,413,187	\$ 587,911,640	\$ 947,402,923	\$ 822,994,268	\$ 94,929,778	\$ 947,204,826
Contingency														
Unallocated Contingency	\$ 111,038,660	\$ 77,271,871	\$ -	\$ 77,271,871	\$ -	\$ -	\$ -	0.00%	\$ 77,271,871	\$ -	\$ -	\$ -	\$ -	\$ 77,271,871
Additional Cost Contingency	\$ -	\$ 76,152,208	\$ (30,042,390)	\$ 48,120,818	\$ -	\$ -	\$ -	0.00%	\$ 48,120,818	\$ -	\$ -	\$ -	\$ -	\$ 48,120,818
Contingency Subtotal	\$ 111,038,660	\$ 153,424,077	\$ (30,042,390)	\$ 123,392,387	\$ -	\$ -	\$ -	0.00%	\$ 123,392,387	\$ -	\$ -	\$ -	\$ -	\$ 123,392,387
Insurance														
Insurance Package	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 20,961,790	\$ 124,444	\$ 21,086,234	52.72%	\$ 18,913,766	\$ -	\$ 21,086,234	\$ 20,961,790	\$ 124,444	\$ 18,913,766
Insurance Subtotal	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 20,961,790	\$ 124,444	\$ 21,086,234	52.72%	\$ 18,913,766	\$ -	\$ 21,086,234	\$ 20,961,790	\$ 124,444	\$ 18,913,766
Total Construction Costs	\$ 1,904,673,534	\$ 2,099,989,238	\$ (0)	\$ 2,099,989,238	\$ 926,941,918	\$ 108,213,537	\$ 1,027,279,992	48.97%	\$ 1,027,279,992	\$ 587,911,640	\$ 958,488,259	\$ 872,960,059	\$ 94,929,778	\$ 1,131,510,979

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE A AMENDMENT CERTIFICATE
As of 8/31/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED				NET AMOUNTS					
	CLOSING RESORT BUDGET (A)	PRIOR BUDGET (B) (P FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	PREVIOUS COMPLETED DATE (G) (P FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (F) (P FROM PRIOR MONTH)	TOTAL COMPLETED DATE (E) (P FROM PRIOR MONTH)	% COMPLETED (D) (CID)	BALANCE TO COMPLETE (I) (C)	TOTAL RETAINAGE (J)	TOTAL COMPLETED DATE (K) (G-H)	PREVIOUS COMPLETED DATE (L) (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (M) (L-M)	BALANCE TO COMPLETE (N) (K-N)
Rooms FFSE													
Condo Suite	\$ 16,200,572	\$ 16,200,572	\$ -	\$ 2,652,283	\$ 433,633	\$ 3,015,015	18.58%	\$ 12,344,557	\$ -	\$ 3,015,015	\$ 5,502,283	\$ 12,344,557	
Condo Unit One Bedroom	\$ 7,524,252	\$ 7,524,252	\$ -	\$ 1,657,247	\$ 270,623	\$ 1,898,232	24.63%	\$ 5,627,015	\$ -	\$ 1,898,232	\$ 1,657,247	\$ 5,627,015	
Center Suite	\$ 724,228	\$ 724,228	\$ -	\$ 103,293	\$ 8,641	\$ 108,904	14.76%	\$ 615,325	\$ -	\$ 103,293	\$ 103,293	\$ 615,325	
Junior Suite	\$ 1,858,212	\$ 1,858,212	\$ -	\$ 738,240	\$ 29,638	\$ 767,878	41.32%	\$ 1,090,334	\$ -	\$ 767,878	\$ 852,278	\$ 1,090,334	
Three Bay Suite	\$ 1,547,802	\$ 1,547,802	\$ -	\$ 443,550	\$ -	\$ 443,550	28.66%	\$ 1,104,252	\$ -	\$ 443,550	\$ -	\$ 443,550	
Four Bay Suite	\$ 141,852	\$ 141,852	\$ -	\$ 174,359	\$ -	\$ 174,359	122.93%	\$ -	\$ -	\$ 174,359	\$ -	\$ -	
Six Bay Suite	\$ 428,672	\$ 428,672	\$ -	\$ 468,673	\$ -	\$ 468,673	109.31%	\$ -	\$ -	\$ 468,673	\$ -	\$ -	
Typical King	\$ 14,420,574	\$ 14,420,574	\$ -	\$ 4,303,249	\$ 64,437	\$ 4,367,686	30.28%	\$ 10,052,888	\$ -	\$ 4,367,686	\$ 6,293,643	\$ 10,052,888	
Typical Queen	\$ 31,321,127	\$ 31,321,127	\$ -	\$ 6,122,251	\$ 1,203,251	\$ 7,325,283	22.88%	\$ 24,555,914	\$ -	\$ 7,325,283	\$ 6,122,251	\$ 24,555,914	
Rooms FFSE Subtotal	\$ 73,784,267	\$ 73,784,267	\$ -	\$ 15,313,268	\$ 2,427,280	\$ 17,740,649	24.04%	\$ 56,043,618	\$ -	\$ 17,740,649	\$ 15,313,268	\$ 56,043,618	
Hotel and F&B Operating Equipment													
Bell Desk	\$ 590,454	\$ 590,454	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 590,454	\$ -	\$ -	\$ -	\$ 590,454	
Front Desk	\$ 737,255	\$ 737,255	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 737,255	\$ -	\$ -	\$ -	\$ 737,255	
Housekeeping	\$ 16,827,119	\$ 16,827,119	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 16,827,119	\$ -	\$ -	\$ -	\$ 16,827,119	
Room Reservations	\$ 619,000	\$ 619,000	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 619,000	\$ -	\$ -	\$ -	\$ 619,000	
Pool Operations	\$ 3,606,531	\$ 3,606,531	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 3,606,531	\$ -	\$ -	\$ -	\$ 3,606,531	
Concessions	\$ 186,184	\$ 186,184	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 186,184	\$ -	\$ -	\$ -	\$ 186,184	
Head Start Center	\$ 2,619,607	\$ 2,619,607	\$ -	\$ 674	\$ -	\$ 674	0.02%	\$ 2,618,933	\$ -	\$ 674	\$ 5,784	\$ 2,618,933	
Business Center	\$ 4,251,357	\$ 4,251,357	\$ -	\$ 1,626	\$ -	\$ 1,626	0.04%	\$ 4,249,731	\$ -	\$ 1,626	\$ -	\$ 4,249,731	
Telephone	\$ 546,112	\$ 546,112	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 546,112	\$ -	\$ -	\$ -	\$ 546,112	
Sea	\$ 2,856,228	\$ 2,856,228	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 2,856,228	\$ -	\$ -	\$ -	\$ 2,856,228	
Food & Beverage	\$ 4,653,927	\$ 4,653,927	\$ -	\$ 2,463	\$ -	\$ 2,463	0.05%	\$ 4,651,464	\$ -	\$ 2,463	\$ -	\$ 4,651,464	
Cafeteria	\$ 6,205,924	\$ 6,205,924	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 6,205,924	\$ -	\$ -	\$ -	\$ 6,205,924	
Hotel and F&B Operating Equipment Subtotal	\$ 49,091,957	\$ 49,091,957	\$ -	\$ 10,684	\$ -	\$ 10,684	0.02%	\$ 48,971,273	\$ -	\$ 10,684	\$ -	\$ 48,971,273	
Kitchen Equipment													
Food Service Equipment	\$ 22,299,240	\$ 22,299,240	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 22,299,240	\$ -	\$ -	\$ -	\$ 22,299,240	
Kitchen Equipment Subtotal	\$ 22,299,240	\$ 22,299,240	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 22,299,240	\$ -	\$ -	\$ -	\$ 22,299,240	
Exterior Signage													
Quotation by YESCO	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	20.73%	\$ 21,032,720	\$ -	\$ 5,500,000	\$ 5,500,000	\$ 21,032,720	
Exterior Signage Subtotal	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	20.73%	\$ 21,032,720	\$ -	\$ 5,500,000	\$ 5,500,000	\$ 21,032,720	
Common Area													
FOH	\$ 20,291,213	\$ 20,291,213	\$ -	\$ 11,426,118	\$ 350,292	\$ 11,426,118	56.34%	\$ 8,865,095	\$ -	\$ 11,426,118	\$ 11,426,118	\$ 8,865,095	
BOH	\$ 5,304,259	\$ 5,304,259	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 5,304,259	\$ -	\$ -	\$ -	\$ 5,304,259	
Common Area Subtotal	\$ 24,655,812	\$ 24,655,812	\$ -	\$ 11,426,118	\$ 350,292	\$ 11,426,118	46.36%	\$ 13,771,254	\$ -	\$ 11,426,118	\$ 11,426,118	\$ 13,771,254	
Cotted FF&E	\$ 200,363,998	\$ 200,363,998	\$ -	\$ 20,177,451	\$ 2,742,157	\$ 23,177,451	11.57%	\$ 177,186,547	\$ -	\$ 23,177,451	\$ 2,742,157	\$ 177,186,547	
Gaming FF&E													
Table Games	\$ 3,137,240	\$ 3,137,240	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 3,137,240	\$ -	\$ -	\$ -	\$ 3,137,240	
Poker	\$ 174,182	\$ 174,182	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 174,182	\$ -	\$ -	\$ -	\$ 174,182	
Slot Operations	\$ 29,322,129	\$ 29,322,129	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 29,322,129	\$ -	\$ -	\$ -	\$ 29,322,129	
RSS	\$ 6,174,424	\$ 6,174,424	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 6,174,424	\$ -	\$ -	\$ -	\$ 6,174,424	
Cage Security	\$ 1,843,950	\$ 1,843,950	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 1,843,950	\$ -	\$ -	\$ -	\$ 1,843,950	
Security	\$ 219,174	\$ 219,174	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 219,174	\$ -	\$ -	\$ -	\$ 219,174	
Gaming FF&E Subtotal	\$ 40,871,089	\$ 40,871,089	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 40,871,089	\$ -	\$ -	\$ -	\$ 40,871,089	
Entertainment													
Theater	\$ 12,283,731	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ 12,283,731	

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As of 8/31/08

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS					
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
	CLOSING RESORT BUDGET	PRIOR RESORT BUDGET	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET	PREVIOUS DATE COMPLETED (9 FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED (6)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G)	TOTAL RETAINAGE	TOTAL COMPLETED TO DATE (K+L+M)	PREVIOUS DATE COMPLETED (8 FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (J+K+L+M)	BALANCE TO COMPLETE (N-K)
Entertainment Subtotal	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731
A&G and Facilities	\$ 2,553,222	\$ 2,553,222	\$ -	\$ 2,553,222	\$ -	\$ 26,310	\$ 439,048	16.51%	\$ 2,533,174	\$ -	\$ 439,048	\$ -	\$ 439,048	\$ 2,533,174
AGG and Facilities	\$ 685,518	\$ 685,518	\$ -	\$ 685,518	\$ -	\$ -	\$ -	0.00%	\$ 685,518	\$ -	\$ -	\$ -	\$ -	\$ 685,518
General Administrative, HR, Finance	\$ 1,134,066	\$ 1,134,066	\$ -	\$ 1,134,066	\$ -	\$ -	\$ -	0.00%	\$ 1,134,066	\$ -	\$ -	\$ -	\$ -	\$ 1,134,066
Marketing & Casino Marketing	\$ 1,171,277	\$ 1,171,277	\$ -	\$ 1,171,277	\$ -	\$ -	\$ -	0.00%	\$ 1,171,277	\$ -	\$ -	\$ -	\$ -	\$ 1,171,277
Engineering	\$ 184,656	\$ 184,656	\$ -	\$ 184,656	\$ -	\$ -	\$ -	0.00%	\$ 184,656	\$ -	\$ -	\$ -	\$ -	\$ 184,656
Janitorial/Maintenance	\$ 184,973	\$ 184,973	\$ -	\$ 184,973	\$ -	\$ -	\$ -	0.00%	\$ 184,973	\$ -	\$ -	\$ -	\$ -	\$ 184,973
Transportation	\$ 742,813	\$ 742,813	\$ -	\$ 742,813	\$ -	\$ 105,851	\$ 334,751	45.07%	\$ 400,062	\$ -	\$ 334,751	\$ -	\$ 334,751	\$ 400,062
Retail	\$ 47,709,040	\$ 47,709,040	\$ -	\$ 47,709,040	\$ -	\$ 656,256	\$ 4,438,306	9.35%	\$ 43,270,735	\$ -	\$ 4,438,306	\$ -	\$ 4,438,306	\$ 43,270,735
Warehouse	\$ 6,653,589	\$ 6,653,589	\$ -	\$ 6,653,589	\$ -	\$ -	\$ -	0.00%	\$ 6,653,589	\$ -	\$ -	\$ -	\$ -	\$ 6,653,589
IT	\$ 71,920,458	\$ 71,920,458	\$ -	\$ 71,920,458	\$ -	\$ 915,177	\$ 5,414,474	7.53%	\$ 66,507,112	\$ -	\$ 5,414,474	\$ -	\$ 5,414,474	\$ 66,507,112
IT - Surveillances (Gaming & Hotel)	\$ 125,075,428	\$ 125,075,428	\$ -	\$ 125,075,428	\$ -	\$ 915,177	\$ 5,414,474	4.33%	\$ 119,661,952	\$ -	\$ 5,414,474	\$ -	\$ 5,414,474	\$ 119,661,952
A&G and Facilities and IT Subtotal	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	0.00%	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
Other FR&E	\$ 3,150,000	\$ 3,150,000	\$ -	\$ 3,150,000	\$ -	\$ -	\$ -	0.00%	\$ 3,150,000	\$ -	\$ -	\$ -	\$ -	\$ 3,150,000
Pre-Opening and Working Capital	\$ 5,927,125	\$ 5,927,125	\$ -	\$ 5,927,125	\$ -	\$ -	\$ -	0.00%	\$ 5,927,125	\$ -	\$ -	\$ -	\$ -	\$ 5,927,125
Working Capital	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	0.00%	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Bankroll	\$ 4,927,125	\$ 4,927,125	\$ -	\$ 4,927,125	\$ -	\$ -	\$ -	0.00%	\$ 4,927,125	\$ -	\$ -	\$ -	\$ -	\$ 4,927,125
Inventory	\$ 37,920,604	\$ 37,920,604	\$ (2,265,000)	\$ 35,655,604	\$ 1,222,344	\$ 7,857,849	\$ 7,857,849	17.50%	\$ 37,910,605	\$ -	\$ 7,857,849	\$ -	\$ 7,857,849	\$ 37,910,605
Uniforms	\$ 26,000,000	\$ 26,000,000	\$ -	\$ 26,000,000	\$ 1,560,833	\$ 539,833	\$ 2,099,833	7.70%	\$ 24,430,167	\$ -	\$ 2,099,833	\$ -	\$ 2,099,833	\$ 24,430,167
Taxes	\$ 1,600,000	\$ 1,600,000	\$ -	\$ 1,600,000	\$ -	\$ -	\$ -	0.00%	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000
Payroll Burden	\$ 1,641,000	\$ 1,641,000	\$ -	\$ 1,641,000	\$ 899,481	\$ 741,633	\$ 1,641,114	99.99%	\$ 741,633	\$ -	\$ 1,641,114	\$ -	\$ 1,641,114	\$ 741,633
Marketing	\$ 1,641,000	\$ 1,641,000	\$ -	\$ 1,641,000	\$ 759,572	\$ 881,428	\$ 1,641,000	100.00%	\$ -	\$ -	\$ 1,641,000	\$ -	\$ 1,641,000	\$ -
Office and Related	\$ 2,217,000	\$ 2,217,000	\$ -	\$ 2,217,000	\$ 438,142	\$ 4,277,132	\$ 4,277,132	193.00%	\$ -	\$ -	\$ 4,277,132	\$ -	\$ 4,277,132	\$ -
Recruitment	\$ 83,847,378	\$ 83,847,378	\$ -	\$ 83,847,378	\$ 17,288,376	\$ 1,989,637	\$ 19,199,614	22.78%	\$ 64,658,764	\$ -	\$ 19,199,614	\$ -	\$ 19,199,614	\$ 64,658,764
Other	\$ 14,515,823	\$ 14,515,823	\$ -	\$ 14,515,823	\$ 22,656,210	\$ 237,209	\$ 12,932,290	88.99%	\$ 1,883,533	\$ -	\$ 12,932,290	\$ -	\$ 12,932,290	\$ 1,883,533
Pre-Opening and Working Capital Subtotal	\$ 7,779,400	\$ 7,779,400	\$ -	\$ 7,779,400	\$ 7,724,368	\$ 237,209	\$ 12,932,290	88.99%	\$ 1,883,533	\$ -	\$ 12,932,290	\$ -	\$ 12,932,290	\$ 1,883,533
Fees / Permits / Taxes / Other	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	100.00%	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -
Bullpen Permits	\$ 7,779,400	\$ 7,779,400	\$ -	\$ 7,779,400	\$ 7,724,368	\$ 237,209	\$ 12,932,290	88.99%	\$ 1,883,533	\$ -	\$ 12,932,290	\$ -	\$ 12,932,290	\$ 1,883,533
Permits, Fees, etc	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	100.00%	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -
Hotel Rooms	\$ 11,181,700	\$ 11,181,700	\$ -	\$ 11,181,700	\$ 7,898,360	\$ 61,847	\$ 7,960,207	70.76%	\$ 3,281,493	\$ -	\$ 7,960,207	\$ -	\$ 7,960,207	\$ 3,281,493
Water Assessment Fees	\$ 13,000	\$ 13,000	\$ -	\$ 13,000	\$ 13,000	\$ -	\$ -	100.00%	\$ -	\$ -	\$ 13,000	\$ -	\$ 13,000	\$ -
Regional connection charges	\$ 1,900,000	\$ 1,900,000	\$ -	\$ 1,900,000	\$ 1,900,000	\$ -	\$ -	100.00%	\$ -	\$ -	\$ 1,900,000	\$ -	\$ 1,900,000	\$ -
Health Department / Other Misc. Fees	\$ 4,612,951	\$ 4,612,951	\$ -	\$ 4,612,951	\$ 3,526,112	\$ 3,526,112	\$ 3,526,112	76.44%	\$ 1,086,839	\$ -	\$ 3,526,112	\$ -	\$ 3,526,112	\$ 1,086,839
Overhead for Fire Testing	\$ 70,810,000	\$ 70,810,000	\$ 3,050,000	\$ 73,860,000	\$ 87,336,365	\$ 5,742,438	\$ 79,078,803	98.90%	\$ 4,781,197	\$ -	\$ 79,078,803	\$ -	\$ 79,078,803	\$ 4,781,197
Transportation Fee	\$ 10,048,500	\$ 10,048,500	\$ -	\$ 10,048,500	\$ 7,356,353	\$ 6,035,336	\$ 13,391,689	79.92%	\$ 2,656,811	\$ -	\$ 13,391,689	\$ -	\$ 13,391,689	\$ 2,656,811
Design Fees / Costs	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	0.00%	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Design costs	\$ 10,413,497	\$ 10,413,497	\$ (3,350,000)	\$ 7,063,497	\$ 3,276,263	\$ 2,276,959	\$ 2,276,959	21.86%	\$ 4,786,538	\$ -	\$ 2,276,959	\$ -	\$ 2,276,959	\$ 4,786,538
Consultant costs	\$ 4,310,651	\$ 4,310,651	\$ -	\$ 4,310,651	\$ 4,310,651	\$ 356,519	\$ 4,667,170	85.16%	\$ 3,953,651	\$ -	\$ 4,667,170	\$ -	\$ 4,667,170	\$ 3,953,651
Taxes/Leasing/Other	\$ 4,900,000	\$ 4,900,000	\$ -	\$ 4,900,000	\$ 3,571,968	\$ 3,571,968	\$ 3,571,968	72.89%	\$ 1,328,032	\$ -	\$ 3,571,968	\$ -	\$ 3,571,968	\$ 1,328,032
Leasing/Other	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ 750,000	\$ 2,822	\$ 752,822	98.80%	\$ 2,177,178	\$ -	\$ 752,822	\$ -	\$ 752,822	\$ 2,177,178
Leasing	\$ 142,637,077	\$ 142,637,077	\$ -	\$ 142,637,077	\$ 118,392,397	\$ 4,489,830	\$ 122,798,227	85.97%	\$ 20,400,850	\$ -	\$ 122,798,227	\$ -	\$ 122,798,227	\$ 20,400,850
Leasing/Other	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	0.00%	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Property taxes	\$ 6,138,528	\$ 6,138,528	\$ -	\$ 6,138,528	\$ 2,276,959	\$ 2,276,959	\$ 2,276,959	37.10%	\$ 3,861,569	\$ -	\$ 2,276,959	\$ -	\$ 2,276,959	\$ 3,861,569
Legal fees/other-allowance	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ -	100.00%	\$ -	\$ -	\$ 750,000	\$ -	\$ 750,000	\$ -
Design/Permit/Agreement	\$ 924,000	\$ 924,000	\$ -	\$ 924,000	\$ 924,000	\$ -	\$ -	100.00%	\$ -	\$ -	\$ 924,000	\$ -	\$ 924,000	\$ -
Construction Ramp	\$ 24,001	\$ 24,001	\$ -	\$ 24,001	\$ 24,001	\$ -	\$ -	100.00%	\$ -	\$ -	\$ 24,001	\$ -	\$ 24,001	\$ -
Meat Up Cost	\$ 2,822	\$ 2,822	\$ -	\$ 2,822	\$ 2,822	\$ -	\$ -	100.00%	\$ -	\$ -	\$ 2,822	\$ -	\$ 2,822	\$ -
Fees / Permits / Taxes / Other Subtotal	\$ 131,914,077	\$ 131,914,077	\$ 142,637,077	\$ 274,551,154	\$ 118,392,397	\$ 4,489,830	\$ 122,798,227	85.97%	\$ 20,400,850	\$ -	\$ 122,798,227	\$ -	\$ 122,798,227	\$ 20,400,850

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
AS OF 8/31/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED				NET AMOUNTS					
	CLOSING RESORT BUDGET (A)	PRIOR RESORT PERIOD BUDGET (B) FROM PRIOR MONTH	CURRENT PERIOD BUDGET MODIFICATIONS (C)	PREVIOUS COMPLETED DATE (G FROM PRIOR MONTH) (E)	CURRENT PERIOD COMPLETED DATE (F)	TOTAL COMPLETED DATE (G-F+C) (G)	% COMPLETED (G/D) (H)	BALANCE TO COMPLETE (D-G-E) (I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED DATE (K-J+K) (K)	PREVIOUS COMPLETED DATE (L) (L)	CURRENT PERIOD COMPLETED DATE (M) (M)	BALANCE TO COMPLETE (D-M) (N)
Debt Service Accrued Through Scheduled Opening													
Debt Service	\$ 382,756,033	\$ 382,756,033	\$ (90,377,000)	\$ 180,229,135	\$ 3,399,872	\$ 183,629,007	48.32%	\$ 189,450,228	\$ 92,591	\$ 183,529,807	\$ 180,229,135	\$ 3,399,872	\$ 186,450,226
Debt Service Accrued Through Scheduled Opening Subtotal	\$ 382,756,033	\$ 382,756,033	\$ (90,377,000)	\$ 180,229,135	\$ 3,399,872	\$ 183,629,007	48.32%	\$ 189,450,228	\$ 92,591	\$ 183,529,807	\$ 180,229,135	\$ 3,399,872	\$ 186,450,226
Condominium-Hotel Selling Expenses													
Condominium-Hotel Selling Expenses	\$ 43,776,523	\$ 25,000,000	\$ -	\$ 14,317,351	\$ 1,043,163	\$ 15,360,514	61.44%	\$ 9,639,706	\$ 515,631	\$ 14,844,602	\$ 13,645,764	\$ 1,298,838	\$ 10,155,337
Condominium-Hotel Selling Expenses Subtotal	\$ 43,776,523	\$ 25,000,000	\$ -	\$ 14,317,351	\$ 1,043,163	\$ 15,360,514	61.44%	\$ 9,639,706	\$ 515,631	\$ 14,844,602	\$ 13,645,764	\$ 1,298,838	\$ 10,155,337
Fees and Expenses													
Fees and Expenses	\$ 60,746,794	\$ 60,746,794	\$ -	\$ 59,545,871	\$ -	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Fees and Expenses Subtotal	\$ 60,746,794	\$ 60,746,794	\$ -	\$ 59,545,871	\$ -	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Costs Accrued Through Opening Date													
TOTAL COSTS	\$ 2,923,646,361	\$ 3,110,524,142	\$ (90,377,000)	\$ 1,339,929,634	\$ 109,267,202	\$ 1,442,696,836	46.84%	\$ 1,837,546,945	\$ 58,307,331	\$ 1,385,389,506	\$ 1,279,876,388	\$ 103,713,118	\$ 4,666,653,636

(1) To be filled out without opening Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	46.82%
Contingency Adjustment	\$ -
Required Minimum Contingency	\$ 56,518,377
Less: Unallocated Contingency Balance (Actual)	\$ (77,271,571)
Contingency Adjustment Subtotal	\$ (20,753,194)
Other Adjustments	\$ -
Required Minimum Cash Support	\$ -
Required Minimum Liquidity Account	\$ 25,449,658
Required Minimum Excess Revolver Support Amount	\$ -
Payment of Existing Debt	\$ -
Adjustment for Additional Cash Support	\$ -
TOTAL	\$ 3,709,386,692

IN BALANCE TEST AVAILABLE CUSHION	
Required Minimum Cash Support	\$ 24,916,469
Other Unallocated In Balance Cushion	\$ -
Contingency Adjustment Subtotal	\$ -
Required Minimum Liquidity Account	\$ 24,850,141
Required Minimum Excess Revolver Support Amount	\$ 7,293,151
Adjustment for Additional Cash Support	\$ -
Total Other: Unallocated in Balance Cushion	\$ 52,861,510
TOTAL CUSHION	\$ 50,000,000

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
REMAINING COST REPORT
APPENDIX VI TO THE BUDGETSCHEDULE AMENDMENT CERTIFICATE
August 31, 2008

DESCRIPTION	REMAINING COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS				
	(A) CLOSING RESORT BUDGET	(B) PRIOR RESORT (OF FROM PRIOR MONTH)	(C) CURRENT PERIOD MODIFICATIONS	(D) RESORT BUDGET (B+C-D)	(E) PREVIOUS COMPLETED (G FROM PRIOR MONTH)	(F) CURRENT PERIOD COMPLETED (H)	(G) TOTAL COMPLETED DATE (E+F+G)	(H) % COMPLETED (G/D)	(I) BALANCE TO COMPLETE (D-G)	(J) RETAINAGE	(K) TOTAL COMPLETED DATE (E+K)	(L) PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH)	(M) CURRENT PERIOD COMPLETED TO DATE (L+M)
Tummy Well Construction	\$ 1,751,924,074	\$ 1,394,564,481	\$ 30,042,238	\$ 1,394,606,719	\$ 505,884,158	\$ 1,006,153,865	62.91%	\$ 290,415,187	\$ 5,875,640	\$ 947,602,023	\$ 852,895,249	\$ -4,483,776	\$ 947,602,023
Unallocated Contingency	\$ 111,000,000	\$ 77,271,571	\$ -	\$ 77,271,571	\$ -	\$ -	69.61%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ -	\$ 77,271,571
Additional Cost Contingency	\$ 40,000,000	\$ 40,000,000	\$ (60,042,390)	\$ 40,000,000	\$ -	\$ -	0.00%	\$ 40,000,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000,000
INITIALS	\$ 1,902,924,074	\$ 1,511,836,051	\$ -	\$ 1,511,836,051	\$ 505,884,158	\$ 1,006,153,865	52.32%	\$ 1,012,729,231	\$ 5,875,640	\$ 947,602,023	\$ 852,895,249	\$ -4,483,776	\$ 947,602,023
Total Construction Costs	\$ 2,014,924,074	\$ 1,623,872,051	\$ -	\$ 1,623,872,051	\$ 505,884,158	\$ 1,006,153,865	49.37%	\$ 1,121,738,024	\$ 5,875,640	\$ 947,602,023	\$ 852,895,249	\$ -4,483,776	\$ 947,602,023
Rooms - FF&E	\$ 73,704,207	\$ 49,891,857	\$ -	\$ 49,891,857	\$ 15,212,289	\$ 2,427,340	24.04%	\$ 16,639,629	\$ -	\$ 17,740,849	\$ 16,243,288	\$ -	\$ 17,740,849
Hotel and CAS Operating Equipment	\$ 4,081,857	\$ 22,283,240	\$ -	\$ 22,283,240	\$ 10,684	\$ 10,684	0.02%	\$ 22,283,240	\$ -	\$ 10,684	\$ -	\$ -	\$ 10,684
Kitchen Equipment	\$ 20,632,240	\$ 30,632,240	\$ -	\$ 30,632,240	\$ -	\$ -	0.00%	\$ 30,632,240	\$ -	\$ -	\$ -	\$ -	\$ 30,632,240
Enticer-Signage	\$ 20,645,512	\$ 30,652,841	\$ -	\$ 30,652,841	\$ 5,500,000	\$ (6,546,000)	0.00%	\$ 24,106,841	\$ -	\$ -	\$ 5,500,000	\$ -	\$ 24,106,841
Common Area FF&E	\$ 200,353,995	\$ 200,353,995	\$ -	\$ 200,353,995	\$ 11,891,653	\$ 310,463	33.86%	\$ 17,239,594	\$ -	\$ 11,426,718	\$ 11,891,653	\$ -	\$ 11,426,718
Common FF&E	\$ 40,871,889	\$ 40,871,889	\$ -	\$ 40,871,889	\$ 31,515,629	\$ (2,724,571)	11.52%	\$ 71,182,245	\$ -	\$ 28,717,651	\$ 31,749,224	\$ -	\$ 28,717,651
Entertainment	\$ 12,243,731	\$ 12,243,731	\$ -	\$ 12,243,731	\$ -	\$ -	0.00%	\$ 12,243,731	\$ -	\$ -	\$ -	\$ -	\$ 12,243,731
AA&S and F&Bilities and IT	\$ 71,900,368	\$ 71,920,656	\$ -	\$ 71,920,656	\$ 4,489,237	\$ 916,177	7.53%	\$ 66,431,419	\$ -	\$ 4,489,237	\$ 4,489,237	\$ -	\$ 4,489,237
Other FF&E	\$ 125,075,026	\$ 125,075,026	\$ -	\$ 125,075,026	\$ 4,892,237	\$ 515,177	4.33%	\$ 120,182,889	\$ -	\$ 4,413,474	\$ 4,892,237	\$ -	\$ 4,413,474
Pre-Opening / Working Capital	\$ 33,047,279	\$ 33,047,279	\$ -	\$ 33,047,279	\$ 18,293,276	\$ 1,900,537	20.46%	\$ 74,627,961	\$ -	\$ 18,194,814	\$ 17,283,276	\$ -	\$ 18,194,814
Fest / Parties / Tours / Other	\$ 131,814,077	\$ 142,837,077	\$ -	\$ 142,837,077	\$ 18,293,276	\$ 4,400,330	5.97%	\$ 20,693,606	\$ -	\$ 4,400,330	\$ 18,293,276	\$ -	\$ 4,400,330
Debt Service Accrued Through Scheduled Operating Date	\$ 362,716,033	\$ 382,166,033	\$ (60,377,000)	\$ 382,166,033	\$ 165,233,105	\$ 3,298,872	49.22%	\$ 188,460,228	\$ -	\$ 165,233,105	\$ 165,233,105	\$ -	\$ 165,233,105
Contingent/Hotel/Staffing Expenses	\$ 4,715,803	\$ 26,000,000	\$ -	\$ 26,000,000	\$ 14,217,151	\$ 1,043,463	51.44%	\$ 9,692,749	\$ -	\$ 14,217,151	\$ 14,217,151	\$ -	\$ 14,217,151
Fest and Expenses	\$ 67,102,284	\$ 67,102,284	\$ -	\$ 67,102,284	\$ 59,245,871	\$ 35,446,671	50.00%	\$ 1,156,413	\$ -	\$ 59,245,871	\$ 59,245,871	\$ -	\$ 59,245,871
Costs Accrued Through Operating Date	\$ 69,336,025	\$ 65,167,423	\$ (4,168,602)	\$ 65,167,423	\$ 30,283,639	\$ 382,250,133	29.16%	\$ 212,877,491	\$ -	\$ 382,250,133	\$ 382,250,133	\$ -	\$ 382,250,133
TOTAL COSTS	\$ 2,994,048,351	\$ 3,110,620,142	\$ (60,377,000)	\$ 3,050,243,142	\$ 1,333,426,624	\$ 1,442,696,935	47.31%	\$ 1,627,446,235	\$ 60,307,315	\$ 1,303,318,896	\$ 1,270,913,386	\$ 603,755,148	\$ 1,303,318,896

IN BALANCE TEST ADJUSTMENTS	
Pest/Chasing Hard Costs Paid to Date %	\$ -
Contingency Adjustment	\$ -
Required Minimum Contingency	\$ 55,000,000
Contingency Available	\$ (17,215,711)
Contingency Adjustment Balance	\$ 37,784,289
Required Minimum Liquidity Account	\$ 25,000,000
Required Minimum Balance for Owner Support Amount	\$ 1,000,000
Requirement of Escrow Bank	\$ 1,740,000
TOTAL	\$ 1,740,000

(1) To be filed out without executing accounts.
(2) To be filed out as zero, leaving the Closing Date.

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 IN BALANCE REPORT
 APPENDIX X TO EXHIBIT C-1
 August 31, 2008

DESCRIPTION	IN BALANCE TEST
AVAILABLE FUNDS	
Projected Interest Income ⁽¹⁾	\$ 7,210,000
Anticipated Bonded Condo Deposits	\$ 14,000,000
Equity Funding Account	\$ -
Cash Management Account	\$ 6,000,000
Second Mortgage Proceeds Account	\$ -
Bank Proceeds Account ⁽²⁾	\$ 483,512,256
Delay Draw Term Loan Availability	\$ 350,000,000
Bank Revolving Availability, Minus \$40,000,000	\$ 760,000,000
Debt Service Commitment Portion	\$ -
Cash Support Amount	\$ 100,000,000
Retail Lenders Shared Cost Commitment (Less Advances Made for Shared Costs)	\$ 74,259,534
Cash Balance in the Resort Payment Account	\$ -
Cash Balance in the Interest Account	\$ -
Cash Balance in the Resort Loss Proceeds Account	\$ -
TOTAL AVAILABLE FUNDS	\$ 1,794,981,790
LESS: TOTAL	
Remaining Costs (In Balance Test Adjustments Total from the Remaining Cost Report)	\$ (1,709,386,692)
IN BALANCE POSITIVE / (NEGATIVE)	\$ 85,595,098

(1) Anticipated interest income on all Resort accounts.

(2) Bank proceeds account availability not reduced by letters of credit because the cost is already included in the remaining cost report.

FONTAINELEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 9/30/08

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED						NET AMOUNTS			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
Construction Hard Costs														
Tower	\$ 652,718,363	\$ 656,340,566	\$ 26,162,516	\$ 663,483,262	\$ 208,356,417	\$ 66,016,309	\$ 337,360,451	53.86%	\$ 306,132,910	\$ 27,411,768	\$ 328,938,394	\$ 262,282,389	\$ 46,075,688	\$ 333,544,588
Podium	\$ 1,681,119,266	\$ 722,499,976	\$ -	\$ 722,499,976	\$ 230,681,939	\$ 34,751,737	\$ 265,283,458	39.21%	\$ 438,126,320	\$ 6,116,356	\$ 1,822,265	\$ 4,352,242	\$ 23,229,938	\$ 1,659,035
Convention	\$ 374,895,718	\$ 407,000,217	\$ 4,424,204	\$ 412,286,061	\$ 368,805,828	\$ 21,659,282	\$ 262,476,702	63.89%	\$ 149,000,689	\$ 16,350,312	\$ 248,134,887	\$ 231,329,481	\$ 13,986,408	\$ 164,986,674
Garage/Convention/Central Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Silo	\$ 54,533,592	\$ 45,533,191	\$ 36,152	\$ 18,958,191	\$ 10,202,253	\$ 205,555	\$ 10,888,170	64.45%	\$ 5,993,021	\$ 637,811	\$ 10,168,758	\$ 3,752,271	\$ 441,088	\$ 6,690,433
Bond Cost	\$ 6,832,800	\$ 3,681,120	\$ 36,152	\$ 3,681,120	\$ 2,202,350	\$ 125,702	\$ 2,378,052	77.09%	\$ 703,270	\$ -	\$ 2,378,052	\$ 2,292,260	\$ 125,702	\$ 703,270
Construction Hard Costs Subtotal	\$ 1,763,989,009	\$ 1,789,468,600	\$ 29,046,724	\$ 1,818,515,324	\$ 820,616,384	\$ 85,739,650	\$ 816,356,044	50.40%	\$ 691,760,280	\$ 36,508,420	\$ 857,846,524	\$ 769,013,691	\$ 89,832,833	\$ 969,268,980
LEED Qualification Costs														
LEED Qualification Costs	\$ 23,202,300	\$ 17,614,479	\$ -	\$ 17,614,479	\$ 4,458,274	\$ 507,435	\$ 4,960,372	26.05%	\$ 12,673,506	\$ 2,473	\$ 4,938,337	\$ 4,430,813	\$ 507,494	\$ 12,676,083
LEED Qualification Costs Subtotal	\$ 23,202,300	\$ 17,614,479	\$ -	\$ 17,614,479	\$ 4,458,274	\$ 507,435	\$ 4,960,372	28.05%	\$ 12,673,588	\$ 2,473	\$ 4,938,337	\$ 4,430,813	\$ 507,494	\$ 12,678,556
LEED Sales Tax Benefit														
LEED Sales Tax Benefit	\$ 58,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEED Sales Tax Benefit Subtotal	\$ 58,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Conditions/Requirements/Holding														
CM Staffing	\$ 24,282,242	\$ 25,337,242	\$ 9,137,177	\$ 29,544,419	\$ 24,875,213	\$ 1,222,593	\$ 26,308,334	69.05%	\$ 3,236,025	\$ -	\$ 25,338,334	\$ 24,372,242	\$ 1,632,588	\$ 3,236,025
Field Engineering	\$ 1,142,209	\$ 2,534,948	\$ 229,236	\$ 3,182,285	\$ 3,302,243	\$ 229,235	\$ 3,182,285	100.00%	\$ -	\$ -	\$ 3,182,285	\$ 3,302,243	\$ 229,236	\$ -
Facial Consulting	\$ 300,000	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ -	\$ -	100.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COC (OT for Inspectors misc certifications)	\$ 4,326,207	\$ 5,456,352	\$ 1,131,449	\$ 6,800,908	\$ 6,203,267	\$ 592,211	\$ 6,830,908	100.00%	\$ -	\$ -	\$ 6,800,908	\$ 6,203,267	\$ 592,211	\$ -
Safety	\$ 4,392,849	\$ 3,276,459	\$ 1,082,298	\$ 3,541,508	\$ 2,446,275	\$ 37,522	\$ 2,809,391	92.46%	\$ 233,509	\$ -	\$ 2,446,275	\$ 2,418,753	\$ 27,522	\$ -
Temporary Utilities	\$ 2,458,009	\$ 2,467,423	\$ 1,890,970	\$ 4,827,276	\$ 4,722,228	\$ 194,552	\$ 4,927,276	100.00%	\$ -	\$ -	\$ 4,926,983	\$ 4,915,972	\$ 194,552	\$ -
Material and Labor Sighting	\$ 6,348,809	\$ 5,651,266	\$ 1,268,186	\$ 10,470,881	\$ 6,058,263	\$ 36,412	\$ 10,470,881	100.00%	\$ -	\$ -	\$ 10,360,644	\$ 9,915,972	\$ 450,668	\$ -
General Equipment and Tools	\$ 1,921,000	\$ 3,264,978	\$ 844	\$ 3,265,822	\$ 2,586,262	\$ 36,412	\$ 3,265,822	100.00%	\$ -	\$ -	\$ 2,646,863	\$ 2,585,262	\$ 66,560	\$ -
Plant Occupation	\$ 1,825,200	\$ 2,242,143	\$ 1,577,439	\$ 3,822,643	\$ 2,358,262	\$ 1,292	\$ 3,822,643	100.00%	\$ -	\$ -	\$ 1,825,200	\$ 1,825,200	\$ -	\$ -
Travel and Expense	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	100.00%	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -
Permitting/Inspection (ATC Associates)	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	100.00%	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -
Permitting/Inspection	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	100.00%	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
Holding	\$ 26,252,219	\$ 26,252,219	\$ -	\$ 26,252,219	\$ 15,765,279	\$ 1,524,219	\$ 17,100,689	63.79%	\$ 9,702,241	\$ 4,452	\$ 16,762,207	\$ 15,305,236	\$ 2,658,270	\$ 9,713,723
Sub Total General Conditions/Requirements/Holding	\$ 81,934,874	\$ 87,881,342	\$ 395,666	\$ 99,877,948	\$ 80,991,840	\$ 3,965,389	\$ 84,897,649	52.91%	\$ 828,413,187	\$ 58,791,640	\$ 947,402,025	\$ 852,998,249	\$ 94,403,776	\$ 987,204,526
Contingency	\$ 114,368,869	\$ 77,271,571	\$ -	\$ 77,271,571	\$ -	\$ -	\$ -	0.00%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ -	\$ 77,271,571
Unallocated Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Cost Contingency	\$ 114,368,869	\$ 77,271,571	\$ -	\$ 77,271,571	\$ -	\$ -	\$ -	0.00%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ -	\$ 77,271,571
Contingency Subtotal	\$ 114,368,869	\$ 77,271,571	\$ -	\$ 77,271,571	\$ -	\$ -	\$ -	0.00%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ -	\$ 77,271,571
Insurance														
Insurance package	\$ 45,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 30,561,789	\$ 124,444	\$ 21,086,234	32.72%	\$ 18,915,766	\$ -	\$ 21,086,234	\$ 20,961,789	\$ 124,444	\$ 18,913,768
Insurance Subtotal	\$ 45,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 30,561,789	\$ 124,444	\$ 21,086,234	32.72%	\$ 18,915,766	\$ -	\$ 21,086,234	\$ 20,961,789	\$ 124,444	\$ 18,913,768
Total Construction Costs	\$ 1,964,673,834	\$ 2,099,999,238	\$ 0	\$ 2,099,999,238	\$ 928,947,918	\$ 100,337,880	\$ 1,027,271,898	48.92%	\$ 1,027,271,898	\$ 58,791,640	\$ 1,086,063,538	\$ 873,980,039	\$ 94,224,220	\$ 1,131,510,279

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 DETAILED REMAINING COST REPORT
 APPENDIX VII TO EXHIBIT C-1
 As of 8/21/08

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS				
	(A) CLOSING RESORT BUDGET	(B) PRIOR BUDGET MONTH	(C) CURRENT PERIOD BUDGET MODIFICATIONS	(D) RESORT BUDGET (B+C-D)	(E) PREVIOUS COMPLETED DATE (G FROM PRIOR MONTH)	(F) CURRENT PERIOD COMPLETED DATE (H-F-FG)	(G) TOTAL COMPLETED DATE (E-F-FG)	(H) % COMPLETED (G/D)	(I) BALANCE TO COMPLETE (D-G)	(J) TOTAL RETAINAGE	(K) TOTAL COMPLETED DATE (G-H)	(L) PREVIOUS COMPLETED DATE (K FROM PRIOR MONTH)	(M) CURRENT COMPLETED DATE (L-M)
Rooms F&E													
Condo Suite	\$ 16,250,372	\$ 16,250,372	\$ -	\$ 16,250,372	\$ 5,502,892	\$ 492,233	\$ 3,015,015	18.53%	\$ 12,344,557	\$ -	\$ 3,016,015	\$ 5,502,892	\$ 12,344,557
Condo Unit One Bedroom	\$ 7,494,269	\$ 7,494,269	\$ -	\$ 7,494,269	\$ 1,587,041	\$ 249,626	\$ 1,888,232	25.19%	\$ 5,666,060	\$ -	\$ 1,888,232	\$ 1,587,041	\$ 5,666,060
Center Suite	\$ 1,388,263	\$ 1,388,263	\$ -	\$ 1,388,263	\$ 133,263	\$ 9,961	\$ 109,294	7.89%	\$ 1,289,039	\$ -	\$ 109,294	\$ 133,263	\$ 1,289,039
Junior Suite	\$ 1,889,311	\$ 1,889,311	\$ -	\$ 1,889,311	\$ 133,263	\$ 20,688	\$ 159,238	8.43%	\$ 1,739,073	\$ -	\$ 159,238	\$ 133,263	\$ 1,739,073
Three Bay Suite	\$ 1,147,402	\$ 1,147,402	\$ -	\$ 1,147,402	\$ 40,556	\$ 40,556	\$ 40,556	3.53%	\$ 1,106,846	\$ -	\$ 40,556	\$ 40,556	\$ 1,106,846
Four Bay Suite	\$ 141,982	\$ 141,982	\$ -	\$ 141,982	\$ 114,000	\$ -	\$ 114,000	80.31%	\$ 27,982	\$ -	\$ 114,000	\$ -	\$ 27,982
Six Bay Suite	\$ 44,456,573	\$ 44,456,573	\$ -	\$ 44,456,573	\$ 4,650,543	\$ 546,271	\$ 4,613,711	10.38%	\$ 39,842,862	\$ -	\$ 4,613,711	\$ 4,650,543	\$ 39,842,862
Typical King	\$ 31,521,127	\$ 31,521,127	\$ -	\$ 31,521,127	\$ 1,205,911	\$ 1,205,911	\$ 1,205,911	3.82%	\$ 30,315,216	\$ -	\$ 1,205,911	\$ 1,205,911	\$ 30,315,216
Typical Queen	\$ 73,784,287	\$ 73,784,287	\$ -	\$ 73,784,287	\$ 1,437,330	\$ 1,437,330	\$ 1,437,330	1.95%	\$ 72,346,957	\$ -	\$ 1,437,330	\$ 1,437,330	\$ 72,346,957
Rooms F&E Subtotal	\$ 102,180,346	\$ 102,180,346	\$ -	\$ 102,180,346	\$ 15,373,269	\$ 2,437,330	\$ 17,740,649	17.36%	\$ 86,439,697	\$ -	\$ 17,740,649	\$ 15,373,269	\$ 86,439,697
Hotel and F&E Operating Equipment													
Bed Desk	\$ 500,454	\$ 500,454	\$ -	\$ 500,454	\$ -	\$ -	\$ -	0.00%	\$ 500,454	\$ -	\$ -	\$ -	\$ 500,454
Front Desk	\$ 737,235	\$ 737,235	\$ -	\$ 737,235	\$ -	\$ -	\$ -	0.00%	\$ 737,235	\$ -	\$ -	\$ -	\$ 737,235
Housekeeping	\$ 10,527,110	\$ 10,527,110	\$ -	\$ 10,527,110	\$ -	\$ -	\$ -	0.00%	\$ 10,527,110	\$ -	\$ -	\$ -	\$ 10,527,110
Room Reservations	\$ 619,000	\$ 619,000	\$ -	\$ 619,000	\$ -	\$ -	\$ -	0.00%	\$ 619,000	\$ -	\$ -	\$ -	\$ 619,000
Pool Operations	\$ 3,606,531	\$ 3,606,531	\$ -	\$ 3,606,531	\$ -	\$ -	\$ -	0.00%	\$ 3,606,531	\$ -	\$ -	\$ -	\$ 3,606,531
Condo Operations	\$ 198,184	\$ 198,184	\$ -	\$ 198,184	\$ -	\$ -	\$ -	0.00%	\$ 198,184	\$ -	\$ -	\$ -	\$ 198,184
Hotel Sales	\$ 2,618,607	\$ 2,618,607	\$ -	\$ 2,618,607	\$ 6,784	\$ 6,784	\$ 6,784	0.26%	\$ 2,611,823	\$ -	\$ 6,784	\$ 6,784	\$ 2,611,823
Convention Center	\$ 9,251,387	\$ 9,251,387	\$ -	\$ 9,251,387	\$ 1,626	\$ 1,626	\$ 1,626	0.02%	\$ 9,249,761	\$ -	\$ 1,626	\$ 1,626	\$ 9,249,761
Business Center	\$ 546,115	\$ 546,115	\$ -	\$ 546,115	\$ -	\$ -	\$ -	0.00%	\$ 546,115	\$ -	\$ -	\$ -	\$ 546,115
Telephone	\$ 499,235	\$ 499,235	\$ -	\$ 499,235	\$ -	\$ -	\$ -	0.00%	\$ 499,235	\$ -	\$ -	\$ -	\$ 499,235
Spa	\$ 2,858,128	\$ 2,858,128	\$ -	\$ 2,858,128	\$ -	\$ -	\$ -	0.00%	\$ 2,858,128	\$ -	\$ -	\$ -	\$ 2,858,128
Food & Beverage	\$ 9,850,037	\$ 9,850,037	\$ -	\$ 9,850,037	\$ 2,885	\$ 2,885	\$ 2,885	0.03%	\$ 9,847,152	\$ -	\$ 2,885	\$ 2,885	\$ 9,847,152
Catering	\$ 6,256,824	\$ 6,256,824	\$ -	\$ 6,256,824	\$ -	\$ -	\$ -	0.00%	\$ 6,256,824	\$ -	\$ -	\$ -	\$ 6,256,824
Hotel and F&E Operating Equipment Subtotal	\$ 49,081,957	\$ 49,081,957	\$ -	\$ 49,081,957	\$ 10,884	\$ -	\$ 10,884	0.02%	\$ 48,971,073	\$ -	\$ 10,884	\$ -	\$ 48,971,073
Kitchen Equipment													
Food Service Equipment	\$ 22,299,240	\$ 22,299,240	\$ -	\$ 22,299,240	\$ -	\$ -	\$ -	0.00%	\$ 22,299,240	\$ -	\$ -	\$ -	\$ 22,299,240
Kitchen Equipment Subtotal	\$ 22,299,240	\$ 22,299,240	\$ -	\$ 22,299,240	\$ -	\$ -	\$ -	0.00%	\$ 22,299,240	\$ -	\$ -	\$ -	\$ 22,299,240
Exterior Signage													
Quotation by YESCO	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000	24.50%	\$ 20,032,720	\$ -	\$ 6,500,000	\$ 6,500,000	\$ 20,032,720
Exterior Signage Subtotal	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000	24.50%	\$ 20,032,720	\$ -	\$ 6,500,000	\$ 6,500,000	\$ 20,032,720
Common Area													
FOH	\$ 24,391,213	\$ 24,391,213	\$ -	\$ 24,391,213	\$ 11,025,865	\$ 300,923	\$ 11,426,788	46.88%	\$ 13,365,425	\$ -	\$ 11,426,788	\$ 11,025,865	\$ 13,365,425
BOH	\$ 4,508,263	\$ 4,508,263	\$ -	\$ 4,508,263	\$ -	\$ -	\$ -	0.00%	\$ 4,508,263	\$ -	\$ -	\$ -	\$ 4,508,263
Common Area Subtotal	\$ 28,899,476	\$ 28,899,476	\$ -	\$ 28,899,476	\$ 11,025,865	\$ 300,923	\$ 11,426,788	39.88%	\$ 17,872,688	\$ -	\$ 11,426,788	\$ 11,025,865	\$ 17,872,688
Gaming F&E													
Texas Games	\$ 3,137,240	\$ 3,137,240	\$ -	\$ 3,137,240	\$ -	\$ -	\$ -	0.00%	\$ 3,137,240	\$ -	\$ -	\$ -	\$ 3,137,240
Poker	\$ 174,182	\$ 174,182	\$ -	\$ 174,182	\$ -	\$ -	\$ -	0.00%	\$ 174,182	\$ -	\$ -	\$ -	\$ 174,182
Slot Operations	\$ 29,322,129	\$ 29,322,129	\$ -	\$ 29,322,129	\$ -	\$ -	\$ -	0.00%	\$ 29,322,129	\$ -	\$ -	\$ -	\$ 29,322,129
RKS	\$ 6,174,424	\$ 6,174,424	\$ -	\$ 6,174,424	\$ -	\$ -	\$ -	0.00%	\$ 6,174,424	\$ -	\$ -	\$ -	\$ 6,174,424
Cas Security	\$ 1,843,950	\$ 1,843,950	\$ -	\$ 1,843,950	\$ -	\$ -	\$ -	0.00%	\$ 1,843,950	\$ -	\$ -	\$ -	\$ 1,843,950
Security	\$ 215,174	\$ 215,174	\$ -	\$ 215,174	\$ -	\$ -	\$ -	0.00%	\$ 215,174	\$ -	\$ -	\$ -	\$ 215,174
Gaming F&E Subtotal	\$ 49,871,089	\$ 49,871,089	\$ -	\$ 49,871,089	\$ -	\$ -	\$ -	0.00%	\$ 49,871,089	\$ -	\$ -	\$ -	\$ 49,871,089
Entertainment													
Trailer	\$ 12,289,731	\$ 12,289,731	\$ -	\$ 12,289,731	\$ -	\$ -	\$ -	0.00%	\$ 12,289,731	\$ -	\$ -	\$ -	\$ 12,289,731
Total	\$ 200,383,988	\$ 200,383,988	\$ -	\$ 200,383,988	\$ 31,931,001	\$ 2,742,157	\$ 28,177,451	14.55%	\$ 171,486,537	\$ -	\$ 28,177,451	\$ 2,742,157	\$ 171,486,537

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 8/31/08

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS					
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
CLOSING BUDGET	PRIOR BUDGET	PRIOR BUDGET	CURRENT PERIOD BUDGET	RESORT BUDGET	PREVIOUS TO DATE	CURRENT PERIOD	TOTAL COMPLETED TO DATE	% COMPLETED	BALANCE TO COMPLETE	TOTAL RETAINAGE	COMPLETED TO DATE	PREVIOUS TO DATE	CURRENT PERIOD	BALANCE TO COMPLETE
REPORT BUDGET	(D FROM PRIOR MONTH)	MODIFICATIONS	(B+C+D)	(E)	(F)	(G+H)	(I+J)	(K)	(L+M)	(N)	(O)	(P)	(Q)	(R)
Entertainment Subtotal	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731
A&G and Facilities and IT														
A&G and Facilities														
General, Administrative, HR, Finance	2,853,222	2,644,222		2,853,222	923,229	26,310	430,048	14.51%	2,423,174		430,048	923,229	26,310	2,533,174
Marketing & Casino Marketing	588,312	686,312		588,312				0.00%	686,312					686,312
Engineering	11,894,266	11,894,266		11,894,266	310,321	210,381	210,381	1.81%	11,683,885		210,381	310,321		11,994,206
Internal Maintenance	1,317,277	1,171,277		1,171,277				0.00%	1,171,277					1,171,277
Transportation	194,508	194,508		194,508				0.00%	194,508					194,508
Retail	154,813	184,813		184,813				0.00%	184,813					184,813
Warefare	742,813	742,813		742,813				45.07%	334,781		334,781			408,032
LL														
LL	47,709,240	47,709,240		47,709,240	3,322,249	628,249	4,438,326	9.39%	43,276,915		4,438,326	3,322,249	628,249	43,905,164
Surveillance (Gaming & Hotel)	6,853,982	6,853,982		6,853,982				0.00%	6,853,982					6,853,982
A&G and Facilities and IT Subtotal	71,920,596	71,920,596		71,920,596	4,498,297	915,177	5,413,474	7.35%	66,507,122		5,413,474	4,498,297	915,177	66,920,773
Other FF&E	123,075,438	123,075,438		123,075,438	4,498,297	915,177	5,413,474	4.33%	119,661,964		5,413,474	4,498,297	915,177	119,661,964
Pre-opening and Working Capital														
Working Capital														
Bankroll	4,000,000	4,000,000		4,000,000				0.00%	4,000,000					4,000,000
Inventory	3,150,000	3,150,000		3,150,000				0.00%	3,150,000					3,150,000
Uniforms	5,927,125	5,927,125		5,927,125				0.00%	5,927,125					5,927,125
Taxes	1,800,000	1,800,000		1,800,000				0.00%	1,800,000					1,800,000
Pre-Opening														
Pre-Opening	47,655,454	47,655,454	(2,500,000)	45,155,454	1,222,244	752,292	7,957,843	17.59%	37,207,611		7,957,843	1,222,244	752,292	37,980,106
Marketing	39,022,803	39,022,803		39,022,803	4,958,263	538,837	5,239,597	20.15%	20,783,206		5,239,597	4,958,263	538,837	21,281,403
Office and Related	1,675,300	1,675,300		1,675,300	929,461	71,653	955,894	67.80%	455,106		955,894	929,461	71,653	1,027,547
Recruitment	1,841,350	1,841,350		1,841,350	739,522	34,690	764,212	46.89%	876,668		764,212	739,522	34,690	811,202
Other	2,871,800	2,871,800	2,500,000	3,371,800	3,297,343	438,522	4,271,132	91.52%	960,668		4,271,132	3,297,343	438,522	4,709,680
Pre-Opening and Working Capital Subtotal	93,847,279	93,847,279		93,847,279	17,245,276	1,989,537	19,194,814	20.45%	74,652,465		19,194,814	17,245,276	1,989,537	76,641,700
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	14,515,226	14,515,226		14,515,226	12,652,519	287,292	12,939,811	89.85%	1,585,415		12,939,811	12,652,519	287,292	1,613,703
Hotel Rooms	7,775,400	7,775,400		7,775,400	7,734,668		7,734,668	99.49%	44,732		7,734,668	7,734,668		44,732
Water Assessment Fees	1,500,000	1,500,000		1,500,000	1,500,000		1,500,000	100.00%			1,500,000			1,500,000
Regional connection charges	11,481,700	11,481,700		11,481,700	7,684,860		7,684,860	67.09%	3,796,840		7,684,860	7,684,860		3,796,840
Health Department / Other Misc. Fees	13,363	13,363		13,363	1,622	1,622	61,647	21.89%	12,741		61,647	1,622	1,622	14,363
Ovenims for Fire Training	1,500,000	1,500,000		1,500,000	3,528,112		3,528,112	78.49%	1,971,888		3,528,112	3,528,112		1,971,888
Transportation Fee	4,812,361	4,812,361		4,812,361										4,812,361
Design Fees / Costs														
Design costs	56,610,269	56,610,269		56,610,269	57,130,643	3,329,292	70,530,438	98.90%	2,079,831		70,530,438	57,130,643	3,329,292	73,860,130
Consultant costs	8,248,540	8,248,540		8,248,540	7,329,359	786,827	8,036,396	79.92%	2,212,144		8,036,396	7,329,359	786,827	8,816,183
Taxes, Legal and Other														
Facility approvals	75,000	75,000		75,000				0.00%	75,000					75,000
Property taxes	12,315,467	12,315,467		12,315,467	2,276,939		2,276,939	21.86%	9,138,528		2,276,939	2,276,939		11,414,567
Legal fees (other) / allowance	2,561,816	2,561,816		2,561,816	356,619		356,619	85.16%	4,105,197		4,310,681	356,619		4,667,299
Development Agreement	4,500,000	4,500,000		4,500,000	3,575,998		3,575,998	79.47%	924,002		3,575,998	3,575,998		4,451,996
Turnkey Place Ramp	750,000	750,000		750,000										750,000
Mock Up Cost	750,000	750,000		750,000	722,747	2,622	725,369	96.89%	24,031		725,369	722,747	2,622	728,000
Fees / Permits / Taxes / Other Subtotal	131,814,877	131,814,877		131,814,877	118,392,397	4,403,820	122,796,217	65.97%	20,448,660		122,796,217	118,392,397	4,403,820	127,199,997

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 8/21/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED						NET AMOUNTS				
	CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET MONTH (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C+D)	PREVIOUS TO DATE COMPLETED (G FROM PRIOR MONTH) (E)	CURRENT PERIOD COMPLETED (F)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (H)	BALANCE TO COMPLETE (D-G-I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED TO DATE (K-H)	PREVIOUS TO DATE COMPLETED (K FROM PRIOR MONTH) (L)	CURRENT PERIOD COMPLETED TO DATE (M)	BALANCE TO COMPLETE (N-K-N)
Debt Service Accrued Through Scheduled Opening														
Debt Service	\$ 362,756,033	\$ 362,756,033	\$ (22,377,000)	\$ 332,379,033	\$ 160,529,135	\$ 5,295,872	\$ 165,825,007	49.32%	\$ 166,450,226	\$ -	\$ 163,926,607	\$ 160,529,135	\$ 3,396,872	\$ 166,450,226
Debt Service Accrued Through Scheduled Opening Subtotal	\$ 362,756,033	\$ 362,756,033	\$ (22,377,000)	\$ 332,379,033	\$ 160,529,135	\$ 3,395,872	\$ 163,924,877	49.32%	\$ 166,450,226	\$ -	\$ 163,924,877	\$ 160,529,135	\$ 3,395,872	\$ 166,450,226
Condominium-Hotel Selling Expenses														
Condominium-Hotel Selling Expenses	\$ 43,776,523	\$ 25,000,000	\$ -	\$ 25,000,000	\$ 14,317,431	\$ 1,043,163	\$ 15,360,594	61.44%	\$ 9,639,786	\$ 52,651	\$ 14,844,602	\$ 13,443,764	\$ 1,298,838	\$ 10,155,397
Condominium-Hotel Selling Expenses Subtotal	\$ 43,776,523	\$ 25,000,000	\$ -	\$ 25,000,000	\$ 14,317,431	\$ 1,043,163	\$ 15,360,594	61.44%	\$ 9,639,786	\$ 52,651	\$ 14,844,602	\$ 13,443,764	\$ 1,298,838	\$ 10,155,397
Fees and Expenses														
Fees and Expenses	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 60,740,794	\$ 59,545,871	\$ -	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Fees and Expenses Subtotal	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 60,740,794	\$ 59,545,871	\$ -	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Cash Accrued Through Opening Date	\$ 698,935,003	\$ 685,151,422	\$ (30,377,000)	\$ 654,804,422	\$ 370,689,810	\$ 13,755,292	\$ 384,445,102	58.12%	\$ 270,489,320	\$ 515,691	\$ 380,310,321	\$ 369,439,443	\$ 11,014,878	\$ 274,004,151
TOTAL COSTS	\$ 2,923,648,061	\$ 3,110,529,142	\$ (30,377,000)	\$ 3,080,242,141	\$ 1,333,429,634	\$ 109,267,202	\$ 1,442,696,836	48.84%	\$ 1,637,546,105	\$ 59,307,331	\$ 1,383,389,566	\$ 1,279,876,388	\$ 103,713,118	\$ 1,636,893,636

(*) To be filled out without offsetting Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	49.7%
Contingency Adjustment	
Required Minimum Contingency	\$ 6,134,377
Less: Unallocated Contingency Balance (Actual)	\$ (7,271,871)
Contingency Adjustment Subtotal	\$ (20,752,994)
Other Adjustments	
Required Minimum Cash Support	\$ -
Required Minimum Liquidity Account	\$ 25,449,859
Required Minimum Excess Revolver Support Amount	\$ -
Requirement of Excess Revolver Support	\$ 7,238,755
Adjustment for Additional Cash Support	\$ -
TOTAL	\$ 1,709,388,632

IN BALANCE TEST AVAILABLE CUSHION	
Starting Cushion	\$ 46,963,929
Required Minimum Cash Support	\$ -
Other Unallocated in Balance Cushion	\$ -
Contingency Adjustment Subtotal	\$ -
Required Minimum Liquidity Account	\$ 26,550,141
Required Minimum Excess Revolver Support Amount	\$ -
Adjustment for Additional Cash Support	\$ -
Total Other Unallocated in Balance Cushion	\$ 52,489,519
TOTAL CUSHION	\$ 50,000,000

FORTANBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 REWINNING COST REPORT
 APPENDIX VIII TO EXHIBIT C-1
 August 31, 2008

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED						NET AMOUNTS			
	CLOSING RESORT BUDGET (B)	PRIOR RESORT BUDGET (C)	CURRENT PERIOD BUDGET MODIFICATIONS (D)	RESTART BUDGET (B+C+D)	PREVIOUS COMPLETED TO DATE (E)	CURRENT PERIOD COMPLETED (F)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G+H)	RETAINAGE (H)	TOTAL COMPLETED DATE (G+H)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTHS)	CURRENT PERIOD COMPLETED DATE (L+M)	BALANCE TO COMPLETE (N)
Turbine West Construction	\$ 175,674,074	\$ 1,944,461	\$ 30,042,330	\$ 177,618,865	\$ 505,884,128	\$ 106,213,537	\$ 1,066,193,665	59.21%	\$ 59,413,187	\$ 5,731,610	\$ 947,492,255	\$ 892,888,245	\$ 94,604,010	\$ 87,604,010
Unallocated Contingency	\$ 111,039,860	\$ -	\$ -	\$ 111,039,860	\$ -	\$ -	\$ -	0.00%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Cost Contingency	\$ -	\$ 78,163,206	\$ (80,042,300)	\$ (1,879,094)	\$ -	\$ -	\$ -	0.00%	\$ 48,100,846	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 80,000,000	\$ 20,851,750	\$ 124,444	\$ 21,076,194	26.34%	\$ 18,923,806	\$ -	\$ 21,076,194	\$ 20,851,750	\$ 18,923,806	\$ 2,224,444
Total Construction Costs	\$ 326,713,934	\$ 2,022,923	\$ 21,957,330	\$ 350,693,187	\$ 526,735,878	\$ 106,337,981	\$ 1,087,387,850	30.92%	\$ 1,021,043,871	\$ 5,731,610	\$ 1,026,775,481	\$ 913,736,995	\$ 113,038,486	\$ 113,038,486
Rooms FF&E	\$ 73,744,287	\$ 73,744,287	\$ -	\$ 147,488,574	\$ 153,193,286	\$ 2,487,300	\$ 155,680,586	100.00%	\$ -	\$ -	\$ 155,680,586	\$ 153,193,286	\$ 2,487,300	\$ -
Hotel and F&B Operating Equipment	\$ 49,941,567	\$ 49,941,567	\$ -	\$ 99,883,134	\$ 10,884	\$ -	\$ 10,884	0.01%	\$ 49,872,250	\$ -	\$ 10,884	\$ 10,884	\$ -	\$ -
Kitchen Equipment	\$ 22,289,240	\$ 22,289,240	\$ -	\$ 44,578,480	\$ -	\$ -	\$ -	0.00%	\$ 22,289,240	\$ -	\$ -	\$ -	\$ -	\$ -
Entirety of Signage	\$ 26,629,220	\$ 26,629,220	\$ -	\$ 53,258,440	\$ 5,500,000	\$ (8,500,000)	\$ (2,999,999)	0.00%	\$ 20,327,240	\$ -	\$ -	\$ -	\$ -	\$ -
Common Area FF&E	\$ 28,658,812	\$ 28,658,812	\$ -	\$ 57,317,624	\$ 11,691,655	\$ 320,462	\$ 11,992,117	20.92%	\$ 17,239,884	\$ -	\$ 11,992,117	\$ 11,691,655	\$ 320,462	\$ 17,239,884
Casino FF&E	\$ 44,971,088	\$ 44,971,088	\$ -	\$ 89,942,176	\$ 31,518,569	\$ 2,742,151	\$ 34,260,720	38.10%	\$ 111,681,456	\$ -	\$ 34,260,720	\$ 31,518,569	\$ 2,742,151	\$ 111,681,456
Entertainment	\$ 12,283,721	\$ 12,283,721	\$ -	\$ 24,567,442	\$ -	\$ -	\$ -	0.00%	\$ 12,283,721	\$ -	\$ -	\$ -	\$ -	\$ -
ASG and Facilities and IT	\$ 71,920,286	\$ 71,920,286	\$ -	\$ 143,840,572	\$ 4,438,297	\$ 818,177	\$ 5,256,474	3.66%	\$ 138,584,098	\$ -	\$ 5,256,474	\$ 4,438,297	\$ 818,177	\$ 138,584,098
Other FF&E	\$ 122,076,226	\$ 122,076,226	\$ -	\$ 244,152,452	\$ 4,438,297	\$ 915,177	\$ 5,353,474	2.20%	\$ 238,798,978	\$ -	\$ 5,353,474	\$ 4,438,297	\$ 915,177	\$ 238,798,978
Pre-Opening Working Capital	\$ 35,847,279	\$ 35,847,279	\$ -	\$ 71,694,558	\$ 17,283,276	\$ 1,939,337	\$ 19,222,613	26.82%	\$ 52,471,945	\$ -	\$ 19,222,613	\$ 17,283,276	\$ 1,939,337	\$ 52,471,945
Post-Opening Travel/Other	\$ 101,914,077	\$ 142,837,077	\$ -	\$ 244,751,154	\$ 18,392,297	\$ 4,440,830	\$ 22,833,127	9.32%	\$ 221,917,927	\$ -	\$ 22,833,127	\$ 18,392,297	\$ 4,440,830	\$ 221,917,927
Debt Service Accrued Through Scheduled Operating Date	\$ 362,756,023	\$ 362,756,023	\$ (30,377,000)	\$ 332,379,023	\$ 169,823,185	\$ 3,339,672	\$ 173,162,857	51.80%	\$ 159,216,166	\$ -	\$ 173,162,857	\$ 169,823,185	\$ 3,339,672	\$ 159,216,166
Contingent Hotel Staffing Expenses	\$ 49,776,023	\$ 26,000,000	\$ -	\$ 75,776,023	\$ 14,217,151	\$ 1,049,163	\$ 15,266,314	20.00%	\$ 60,509,709	\$ 616,881	\$ 61,126,590	\$ 14,217,151	\$ 1,049,163	\$ 60,509,709
Pre and Express	\$ 69,740,794	\$ 80,740,794	\$ -	\$ 150,481,588	\$ 59,244,871	\$ -	\$ 59,244,871	39.37%	\$ 91,236,717	\$ -	\$ 59,244,871	\$ 59,244,871	\$ -	\$ 91,236,717
Costs Accrued Through Operating Date	\$ 852,352,025	\$ 852,187,182	\$ (20,377,000)	\$ 831,784,182	\$ 270,683,210	\$ 10,756,202	\$ 281,439,412	33.84%	\$ 550,344,770	\$ 516,881	\$ 550,861,651	\$ 270,683,210	\$ 10,756,202	\$ 530,105,451
TOTAL COSTS	\$ 2,922,048,381	\$ 3,110,923,142	\$ (80,377,000)	\$ 3,052,594,524	\$ 1,233,429,824	\$ 105,287,202	\$ 1,338,717,026	43.80%	\$ 1,713,877,500	\$ 593,073,331	\$ 1,320,644,169	\$ 1,233,429,824	\$ 105,287,202	\$ 1,425,932,036

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Held Costs Paid to Date	\$ -
Centering any Adjustments	\$ -
Required Minimum Contingency	\$ -
Less: Unallocated Contingency Balance (Actual)	\$ (17,283,721)
Centering any Adjustments Subtotal	\$ (17,283,721)
Required Minimum Liquidity/Account	\$ -
Required Minimum Excess Recover Support Amount	\$ 7,000,000
Repayment of Existing Debt	\$ -
TOTAL	\$ 1,708,648,315

(1) To be used on various outstanding retainage.
 (2) To be used on 310 following the closing date.

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 RETAIL REMAINING COST REPORT
 APPENDIX IX TO EXHIBIT C-1
 August 31, 2008

DESCRIPTION	CLOSING RETAIL BUDGET (A)	RETAIL BUDGET (B)	RETAIL BUDGET SPENT TO DATE (C)	RETAIL BUDGET REMAINING COSTS (D = B - C)
Retail Tenant Allowance	\$ 56,000,000	\$ 56,000,000	\$ -	\$ 56,000,000
Retail Lease Commissions	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 6,000,000
TOTAL RETAIL REMAINING COSTS	\$ 62,000,000	\$ 62,000,000	\$ -	\$ 62,000,000

Fontainebleau LV Invoice Summary

9/25/2008

<i>Invoices Approved and Sent to Accounting for Payments</i>			
	Gross Amount	Retention	Draw Amount
HARD COSTS	\$ 100,213,536.50	\$ 5,809,760.50	\$ 94,403,776.00
INSURANCE	124,443.97	-	\$ 124,443.97
FF&E	(1,826,980.26)	-	\$ (1,826,980.26)
PRE-OPENING/WORKING CAPITAL	1,909,537.39	-	\$ 1,909,537.39
FEES/PERMITS/TAXES/OTHER	4,403,830.44	-	\$ 4,403,830.44
CONDO EXPENSES	1,043,162.66	(255,675.82)	\$ 1,298,838.48
DEBT SERVICE	3,399,671.75		\$ 3,399,671.75
Draw Sub-total	\$ 109,267,202.45	\$ 5,554,084.68	\$ 103,713,117.77
Draw before pd interest	109,267,202.45	5,554,084.68	103,713,117.77
Funding from Interest pd on resort accounts	(4,854.79)		(4,854.79)
Total Draw to be funded	\$ 109,262,347.66	\$ 5,554,084.68	\$ 103,708,262.98

REQUESTED COST REPORT
 APPENDIX I TO EXHIBIT C-1
 VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE
 August 31, 2008

RETAIL BUDGET		
Cash Management Account Reimbursement for Other Retail Costs		\$ -
Total Cash Management Account Reimbursement (A)		\$ -
Retail Tenant Allowance		\$ -
Retail Lease Commissions		\$ -
RETAIL REQUEST (B)		\$ -

RESORT BUDGET (INCLUDING ALL SHARED COSTS)		
Cash Management Account Reimbursement		
Cash Management Account Reimbursement for Resort Project Costs		\$ 2,210,164
Total Cash Management Account Reimbursement (C)		\$ 2,210,164
Debt Service		
Debt Service - Bank Credit Facilities		\$ 3,399,672
Debt Service - Second Mortgage Notes		\$ -
Total Debt Service (D)		\$ 3,399,672
Bank Revolving Credit Facility Reimbursement		
Bank Revolving Credit Facility Advances made in respect of L/Cs ⁽¹⁾		\$ -
Total Bank Revolving Credit Facility Reimbursement (E)		\$ -
Project Costs (without duplication with amounts above)		
Turnberry West Construction		\$ 94,403,776
Insurance		\$ 124,444
Total Construction Costs		\$ 94,528,220
Rooms FF&E		\$ 2,365,812
Hotel and F&B Operating Equipment		\$ -
Kitchen Equipment		\$ -
Exterior Signage		\$ (5,500,000)
Common Area FF&E		\$ 324,420
Total Costed FF&E		\$ (2,809,768)
Gaming FF&E		\$ -
Entertainment		\$ -
A&G and Facilities and IT		\$ 829,236
Total Other FF&E		\$ 829,236
Pre-Opening / Working Capital		\$ 409,076
Fees / Permits / Taxes / Other		\$ 4,332,987
Condominium-Hotel Selling Expenses		\$ 813,531
Fees and Expenses		\$ -
Subtotal		\$ 5,555,594
RESORT REQUEST (F)		\$ 103,713,118

(1) Only applicable to the extent that the Resort Request will not be satisfied by the Bank Revolving Facility.

FOUNTAIN RESORT AND CASINO

LAS VEGAS, NV

SHARED COST ALLOCATION REPORT

APPENDIX II TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

August 31, 2008

		Total Shared Costs
Retail Lenders Shared Cost Commitment	(A)	\$ 83,000,000
Retail Shared Cost Percentage ⁽¹⁾	(B)	10.5%
Cumulative Retail Lenders Funding Requirement	(C)	\$ 8,740,466
Less: Retail Lender Funding to Date	(D)	\$ 4,951,190
Retail Lender Funding Required	(E)	\$ 3,789,276

(1) Calculated as the amount of spending since the Initial Bank Advance Date on the Podium (as defined in the Detailed Remaining Cost Report, and including amounts reflected in this Advance Request and including any applicable reimbursements to the Cash Management Account) divided by total budgeted spending following the Initial Bank Advance Date for the Podium, multiplied by 100%.

CURRENT AVAILABLE SOURCES REPORT
APPENDIX III TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

August 31, 2008

RETAIL SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)	\$ -	N/A	\$ -
Retail Payment Account balance (including interest income)	\$ -	\$ -	\$ -
Retail Facility Availability	\$ 174,409,534	N/A	\$ 174,409,534
CURRENT AVAILABLE RETAIL SOURCES	\$ 174,409,534	\$ -	\$ 174,409,534

RESORT SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))	\$ 3,789,276	N/A	\$ 3,789,276
Resort Loss Proceeds Account balance	\$ 440,886	N/A	\$ 440,886
Resort Payment Account balance (including interest income)	\$ 14,012,821	\$ (14,007,966)	\$ 4,855
Interest Account balance (including interest income)	\$ 14,269,888	\$ (14,269,888)	\$ -
Amount by which the Liquidity Account balance exceeds \$50,000,000	\$ 105,694	N/A	\$ 105,694
Bonded Condo Proceeds Account balance	\$ -	N/A	\$ -
Equity Funding Account balance	\$ 22,574	N/A	\$ 22,574
Second Mortgage Proceeds Account balance	\$ 17,643	N/A	\$ 17,643
Bank Proceeds Account balance	\$ 582,844,446	N/A	\$ 582,844,446
Delay Draw Term Loan Availability	\$ -	N/A	\$ -
Bank Revolving Availability	\$ -	N/A	\$ -
Completion Guaranty Availability	\$ -	N/A	\$ -
Liquidity Account balance (without duplication with any amounts listed above)	\$ 50,000,000	N/A	\$ 50,000,000
CURRENT AVAILABLE RESORT SOURCES	\$ 665,503,228	\$ (28,277,854)	\$ 637,225,374

(1) Payments (including Debt Services) to be made pursuant to previous Advance Requests from the Retail Payment Account, Resort Payment Account and Interest Account); entered as negative amounts.

FUNDING ORDER REPORT
APPENDIX IV TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

August 31, 2008

RETAIL SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Retail Request (Requested Cost Report Row B)	\$ -		
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)		\$ -	\$ -
Retail Payment Account balance (including interest income)		\$ -	\$ -
Retail Facility Availability		\$ 174,409,534	\$ -
TOTAL	\$ -	\$ 174,409,534	\$ -

RESORT SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Resort Request (Requested Cost Report Row F)	\$ 103,713,118		
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))		\$ 3,789,276	\$ 3,789,276
Resort Loss Proceeds Account balance		\$ 440,886	\$ 440,886
Resort Payment Account balance (as adjusted in the Current Available Sources Report)		\$ 4,855	\$ 4,855
Interest Account balance (as adjusted in the Current Available Sources Report)		\$ -	\$ -
Amount by which the Liquidity Account balance exceeds \$50,000,000		\$ 105,694	\$ 105,694
Bonded Condo Proceeds Account balance		\$ -	\$ -
Equity Funding Account balance		\$ 22,574	\$ 22,574
Second Mortgage Proceeds Account balance		\$ 17,643	\$ 17,643
Bank Proceeds Account balance		\$ 582,844,446	\$ 99,332,190
Delay Draw Term Loan Availability (min. \$150,000,000 draws) ⁽¹⁾		\$ -	\$ -
Bank Revolving Facility Availability (excluding last \$62,000,000 Available)		\$ -	\$ -
Completion Guaranty Availability ⁽²⁾		\$ -	\$ -
Liquidity Account balance (without duplication with any amounts listed above)		\$ 50,000,000	\$ -
Remaining Bank Revolving Credit Facility Availability		\$ -	\$ -
TOTAL	\$ 103,713,118	\$ 637,225,374	\$ 103,713,118

(1) As long as Availability remains under the Delay Draw Term Loan, the Company may at its option choose to draw up to \$150,000,000 on the Bank Revolving Facility prior to taking an Advance from the Delay Draw Term Loan. The proceeds from any such Delay Draw Term Loan Advance will go first to repay borrowing under the Bank Revolving Facility.

(2) Completion Guaranty Availability is not available to be used towards Debt Service.

ADVANCE REQUEST TRANSFER REPORT
 APPENDIX V TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE
 August 31, 2008

RETAIL	AMOUNT
Cash Management Account (Requested Cost Report Row A)	\$ -
Retail Payment Account (Requested Cost Report Row B less amounts listed above)	\$ -
TOTAL	\$ -

RESORT	AMOUNT
Cash Management Account (Requested Cost Report Row C)	\$ 2,210,164
Interest Account (Requested Cost Report Row D)	\$ 3,399,672
L/C Reimbursement to Bank Revolving Facility (Requested Cost Report Row E)	\$ -
Resort Payment Account (Requested Cost Report Row F less amounts listed above)	\$ 98,103,282
TOTAL	\$ 103,713,118
Bank Proceeds Account (Total of Funding Order Report C less total of Funding Order Report Column A)	\$ -

ATTACHMENT A TO BUDGET AMENDMENT CERTIFICATE

Certificate of General Contractor

August 31, 2008

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Re: Budget Amendment Certificate ("Budget Amendment Certificate") dated August 31, 2008 of Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities").

Ladies and Gentlemen:

Reference is made to the Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among the Project Entities, the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent. All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Turnberry West Construction, Inc. ("General Contractor") hereby certifies as follows:

1. The General Contractor has reviewed the above referenced **Budget Amendment Certificate**.
2. The General Contractor hereby certifies and confirms the accuracy of the certifications in paragraphs B.4. and B.5. of the above-referenced **Budget Amendment Certificate** to the extent that the same relate to the Prime Construction Agreement.
3. The undersigned has no reason to believe that the proposed amendment is not consistent with the "Drawings and Specifications" (as described in the Prime Construction Agreement), as approved by the relevant governmental authorities.

The foregoing representations, warranties and certifications are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of authorizing and making the amendment to [the Resort Budget]; provided, that, to the extent any such Person is not entitled to rely on such representations, warranties and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations, warranties and certifications are deemed to not to have been made to such Person and such Person may not rely on thereon.

IN WITNESS WHEREOF, the General Contractor has executed this General Contractor's Certificate as of the 9 day of SEPT, 2008.

TURNBERRY WEST CONSTRUCTION, INC.,
a Nevada corporation

By: 

Name: JEFF SEPP

Title: CHAIRMAN

EXHIBIT 8

From: Kathy Hernandez. Sent: 9/18/2008 10:37 AM.
To: Brown, Jeanne P; Brown, Jeanne P.
Cc: [-] Bolio, Brandon; Naval, Ronaldo; Crifo, Rose A; Twellman, Kevin; Bonvicino, Paul R.; Bolio, Brandon; Naval, Ronaldo; Crifo, Rose A; Twellman, Kevin; Bonvicino, Paul R..
Bcc:
Subject: RE: Las Vegas Draw Reports.

Jeanne,

Attached is the requested report.

Please accept my apology for the delay in getting this to you.

Kathy Hernandez / Director of Accounting

Fontainebleau Resorts LLC

khernandez@fontainebleau.com / fontainebleau.com

O 702 495 7371 / C 702 672 9620 / F 702 352 1177

2827 Paradise Road / Las Vegas NV 89109

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

From: Brown, Jeanne P [mailto:jeanne.p.brown@bankofamerica.com]
Sent: Wednesday, September 17, 2008 9:28 AM
To: Kathy Hernandez
Cc: Bolio, Brandon; Naval, Ronaldo; Crifo, Rose A
Subject: RE: Las Vegas Draw Reports

Kathy – I appear to be missing the List of Scope Changes. Can you send?

From: Kathy Hernandez [mailto:khernandez@fontainebleau.com]
Sent: Monday, September 15, 2008 11:31 PM

To: Brown, Jeanne P; Bolio, Brandon; Naval, Ronaldo
Cc: Rafeedie, McLendon; josh.freedman@lehman.com; Jim Freeman; Lynn.M.Steiner@wellsfargo.com; dave.rubin@wellsfargo.com; Twellman, Kevin; Bonvicino, Paul R.
Subject: Las Vegas Draw Reports

Attached are the draw reports for Las Vegas for funding on 9/25/08.

Thanks

Kathy Hernandez / Director of Accounting

Fontainebleau Resorts LLC

khernandez@fontainebleau.com / fontainebleau.com

O 702 495 7371 / C 702 672 9620 / F 702 352 1177

2827 Paradise Road / Las Vegas NV 89109

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

**Appendix 17
to Advance Request**

List of Scope Changes

None

EXHIBIT 9



Bergman, Walls & Associates, Ltd.
ARCHITECTS • PLANNERS

EXHIBIT A

ARCHITECT'S ADVANCE CERTIFICATE

Date: September 3, 2008
Advance Date: August 31, 2008.

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Lehman Brothers Holdings Inc.
as Retail Agent
c/o Lehman Brothers Holdings
399 Park Avenue
New York, New York 10022
Attention: Josh Freedman
Facsimile No.: (212) 713-1278

Bank of America, N.A.,
as Bank Agent
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Attn: Donna F. Kimbrough

Wells Fargo Bank, National
Association,
as Trustee
MAC N9311-110
625 Marquette Avenue
Minneapolis, MN 55479
Attention: Fontainebleau Account
Manager

Re: Advance Request No. 21 under the Master Disbursement Agreement dated
as of October 2, 2007 (the "Disbursement Agreement") among
Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas
Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau
Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the
"Project Entities") the Funding Agents referred to therein, and Bank of
America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

In connection with the development, construction and operation of the
Fontainebleau Resort and Casino project (the "Project"), Bergman, Walls & Associates,
Ltd., a Nevada professional corporation (the "Architect"), hereby represents to its
knowledge, information and belief as follows:

WC2-WEST1.HR.H1480231328.7

The Architect has reviewed the above referenced Advance Request (the "Advance Request") to the extent necessary to provide the certification contained herein.

The Agreement Between Fontainebleau Las Vegas, LLC and Bergman, Walls & Associates, Ltd. for Architectural Services, dated as of April 2, 2007 (the "Architect's Agreement") is in full force and effect except for amendments not prohibited by Section 6.1 of the Disbursement Agreement or the Financing Agreements. The Architect is not in default under any material term of the Architect's Agreement and, to the Architect's knowledge, the Project Entities are not in default under any material term of the Architect's Agreement, except as detailed below [List all defaults which are inconsistent with the foregoing statements]:

The construction performed on the Project as of the date hereof is in general accordance with the "Drawings and Specifications" (as described in the Prime Construction Agreement), and other plans and specifications for the Project, all as approved by the relevant governmental authorities (collectively, the "Plans and Specifications").

All Plans and Specifications which have been prepared and submitted thus far comply in all material respects with all applicable zoning regulations, set-back requirements, other building code requirements of Clark County, Nevada.

As used herein, the word "certify" shall mean an expansion of the Architect's professional opinion to the best of its information, knowledge and belief, and does not constitute a warranty or guarantee by the Architect.

Except for the permits and governmental authorizations detailed in Exhibit G to the above referenced Disbursement Agreement, to the best of our actual knowledge, there are no other material permits or governmental authorizations currently required in connection with the construction and operation of the Project.

All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

The foregoing representations are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of making advances pursuant to the above referenced Disbursement Agreement; provided, that, to the extent any such Person is not entitled to rely on such representations and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations and certifications are deemed to not to have been made to such Person and such Person may not rely on thereon.

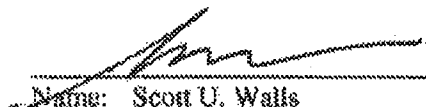
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WQ2-WRST-18EJ1W00231368.7

IN WITNESS WHEREOF, the undersigned has executed this Architect's Advance Certificate as of the 3rd day of September, 2008.

BERGMAN, WALLS & ASSOCIATES, LTD.,
a Nevada professional corporation

By:


Name: Scott U. Walls

Title: President/COO

WOL-WEST:JBEHM00231388.7

EXHIBIT 10

GENERAL CONTRACTOR ADVANCE CERTIFICATE

Date: August 31, 2008
Advance Date: August 31, 2008

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Lehman Brothers Holdings Inc.
as Retail Agent
c/o Lehman Brothers Holdings
399 Park Avenue
New York, New York 10022
Attention: Josh Freedman
Facsimile No.: (212) 713-1278

Bank of America, N.A.,
as Bank Agent
Mail Code: TX1-492-14-11
Bank of America Plaza
201 Main Street
Dallas, TX 75202-3714
Attn: Donna F. Kimbrough

Wells Fargo Bank, National Association,
as Trustee
MAC N9311-110
625 Marquette Avenue
Minneapolis, MN 55479
Attention: Fontainebleau Account Manager

Re: Advance Request No. [15] under the Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Turnberry West Construction, Inc. (the "General Contractor") hereby certifies as follows:

1. Pursuant to our Application for Payment (as described in the Prime Construction Agreement) dated June 6, 2007 ("Application for Payment #21") we have requested \$94,403,776.00.

2. The Prime Construction Agreement is in full force and effect except for amendments not prohibited by Section 6.1 of the Disbursement Agreement or the Financing Agreements. The General Contractor is not in default under any material term of the Prime Construction Agreement and, to the best of the General Contractor's knowledge, the Project Entities are not in default under any material term of the Prime Construction Agreement, except as detailed below [List all defaults which are inconsistent with the foregoing statements].

NONE

*Turnberry West
Construction, Inc.*

FONTAINEBLEAU LAS VEGAS, 1155 LAS VEGAS BLVD. SO. LAS VEGAS, NV 89109
PHONE 702.495.2300 FAX 702.495.7766 www.turnberrytd.com NV Lic. #0067365

3. The "Work" (as defined in the Prime Construction Agreement) performed to date has been performed in accordance with the Prime Construction Agreement and the "Schedule" (as defined in the Prime Construction Agreement) in effect on the date hereof. Invoices submitted, including the current invoice, are in accordance with the requirements of the Prime Construction Agreement.

4. The Control Estimate (as described in the Prime Construction Agreement) most recently submitted by the General Contractor pursuant to Article 6 of the Prime Construction Agreement is based on reasonable assumptions as to all legal and factual matters material to the estimates set forth therein and reflects the costs expected to be incurred by the General Contractor to complete the remaining "Work" (as defined in the Prime Construction Agreement) on the Project.

5. Attached hereto is a list of each first tier trade subcontractor or materialmen under the Prime Construction Agreement.

6. The General Contractor hereby certifies and confirms (i) that the construction performed as of the date hereof is substantially in accordance with the plans and specifications for the Project and that the disbursement described in Paragraph 1 above is appropriate in light of the percentage of construction completed and the amount of stored materials and (ii) as of the date hereof, the date upon which Substantial Completion (as defined in the Prime Construction Agreement) must be achieved pursuant to Section 4.3 of the Prime Construction Agreement is September 29, 2009 [Note to Disbursement Agent and Construction Consultant: date inserted must be on or before the Scheduled Opening Date under the Disbursement Agreement]. There is no reason to believe that the Substantial Completion Date (as defined in the Prime Construction Agreement) will not occur on or prior to such date. As required pursuant to Section 4.4 of the Prime Construction Agreement the most recent "Schedule" (as defined in the Prime Construction Agreement) is attached to the Application for Payment (as described in the Prime Construction Agreement). Such "Schedule" (as defined in the Prime Construction Agreement) is true, complete and correct in all material respects. The General Contractor is unaware of any change in the plans and specifications for the Project set forth in the drawings issued for construction as of the date of the previous advance or any other change to the design, layout, architecture or quality of the Project set forth in the drawings issued for construction from that which was contemplated on the date of the previous advance, (unless such change is required by law) (a "Scope Change"), other than as set forth in Schedule 1 (to the extent that such Scope Changes, are (or would be if implemented) under the Prime Construction Agreement).

7. There is no material adverse change in the condition of the General Contractor which in the reasonable judgment of the General Contractor would be likely to materially adversely affect the General Contractor's ability to perform the "Work" (as defined in the Prime Construction Agreement) in accordance with the terms of the Prime Construction Agreement.

All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

The foregoing representations are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of making advances pursuant to the above referenced Disbursement Agreement; provided, that, to the extent any such Person is not entitled to rely on such representations, warranties and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations, warranties and certifications are deemed to not to have been made to such Person and such Person may not rely on them.

IN WITNESS WHEREOF, the undersigned has executed this General Contractor Advance Certificate as of the 29th August, 2008.

TURNBERRY WEST CONSTRUCTION, INC.,
a Nevada corporation

By:

Name: Roger McElfresh

Title: President/COO


A handwritten signature in black ink, appearing to read 'Roger McElfresh', is written over a horizontal dotted line. The signature is cursive and somewhat stylized.

EXHIBIT 11

From: Kathy Hernandez. Sent: 10/16/2008 8:46 PM.
To: Camejo, Claudia I; Brown, Jeanne P; Bollo, Brandon; Naval, Ronaldo.
Cc: Rafeedie, McLendon; josh.freedman@lehman.com; Jim Freeman; Lynn.M.Steiner@wellsfargo.com; dave.rubin@wellsfargo.com; Twellman, Kevin; Bonvicino, Paul R.
Bcc:
Subject: Las Vegas Draw.

Claudia,

Attached are the reports for the Las Vegas Draw.

Kathy Hernandez / Director of Accounting

Fontainebleau Resorts LLC

khernandez@fontainebleau.com / fontainebleau.com

O 702 495 7371 / C 702 672 9620 / F 702 352 1177

2827 Paradise Road / Las Vegas NV 89109

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

ATTACHMENT A TO BUDGET AMENDMENT CERTIFICATE

Certificate of General Contractor

9/30/08

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Re: **Budget Amendment Certificate** ("Budget Amendment Certificate") dated September, 30, 2008 of Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities").

Ladies and Gentlemen:

Reference is made to the Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among the Project Entities, the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent. All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Turnberry West Construction, Inc. ("General Contractor") hereby certifies as follows:

1. The General Contractor has reviewed the above referenced **Budget Amendment Certificate**.
2. The General Contractor hereby certifies and confirms the accuracy of the certifications in paragraphs B.4. and B.5. of the above-referenced **Budget Amendment Certificate** to the extent that the same relate to the Prime Construction Agreement.
3. The undersigned has no reason to believe that the proposed amendment is not consistent with the "Drawings and Specifications" (as described in the Prime Construction Agreement), as approved by the relevant governmental authorities.

The foregoing representations, warranties and certifications are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of authorizing and making the amendment to [the Resort Budget; provided, that, to the extent any such Person is not entitled to rely on such representations, warranties and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations, warranties and certifications are deemed to not to have been made to such Person and such Person may not rely on thereon.

*Turnberry West
Construction, Inc.*

FONTAINEBLEAU LAS VEGAS, 2755 LAS VEGAS BLVD., SUITE 100, LAS VEGAS, NV 89169
PHONE 702.495.7360 FAX 702.495.7366 www.turnberrytd.com NV Lic. #0867863

IN WITNESS WHEREOF, the General Contractor has executed this General Contractor's Certificate as of the 7 day of October, 2008

TURNBERRY WEST CONSTRUCTION, INC.,
a Nevada corporation

By:



Name: Jeffrey M. Soffer
Title: CHAIRMAN

EXHIBIT C-1

to Master Disbursement Agreement

ADVANCE REQUEST

Certificate Date: **October 16, 2008**

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016

Attn: Jeanne P. Brown, Vice President

Re: Advance Request No. **10-27-2008** under Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Requested Advance Date: **October 27, 2008**

Resort Amount Requested: **\$105,758,636.86**

Retail Amount Requested: **\$0**

Period Covered: **September 1, 2008 through September 30, 2008**

Ladies and Gentlemen:

The Project Entities hereby submit this Advance Request (the "Advance Request") pursuant to the Disbursement Agreement. Capitalized terms used herein without definition shall have the meanings assigned in the Disbursement Agreement.

The Project Entities hereby request the making of the Advances reflected in the Funding Order Report and Advance Request Transfer Report. In connection with the Advances requested herein, and to induce the Disbursement Agent and each relevant Funding Agent to make such Advances, the Project Entities hereby represent, warrant and certify as follows:

I. Certifications.

A. Attachments: Each of the following attachments to this Advance Request is what it purports to be, is accurate in all material respects, is consistent with the requirements of the Disbursement Agreement, and reflects the information required by the Disbursement Agreement to be reflected therein,

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-1-

in each case as of the Advance Date specified above.

Appendix	Title
1	Requested Cost Report
2	Shared Cost Allocation Report ¹
3	Current Available Sources Report
4	Funding Order Report
5	Advance Request Transfer Report
6	[Reserved]
7	Detailed Remaining Cost Report
8	Remaining Cost Report
9	Retail Remaining Cost Report
10	In Balance Report
11	Lien Release Summary ²
12	Title Insurance Endorsement Chart ³
13	Inventory of Unincorporated Materials
14	Architect Advance Certificate
15	General Contractor's Advance Certificate
16	List of Additional Contracts
17	List of Scope Changes

B. Requested Cost Report. The Requested Cost Report attached hereto is in the form required by the Master Disbursement Agreement, and summarizes costs reflected in the Budgets for which Advances are requested to be made on the relevant Advance Date. Each of the items which collectively constitute the Resort Request and the Retail Request set forth in the Requested Cost Report are included in the Budgets, and have been properly expended by the Project Entities in accordance with the Budgets or are anticipated to be expended prior to the Advance Date set forth in the Advance Request. With respect to amounts requested for construction expenses, the Requested Cost Report accurately lists, for each applicable line item, the total current payment requested by the Project Entities (net of retainage). Copies of invoices from the Contractors and Subcontractors for which payment is requested have been delivered to the Construction Consultant. All items described in the Requested Cost Report represent (a) work that has been satisfactorily performed in a good and workmanlike manner and in conformance with the Plans and Specifications, (b) materials that have been delivered to the Site and are incorporated into the Project or will be incorporated within the period contemplated by the Disbursement Agreement, or are Unincorporated Materials complying with the requirements of Disbursement Agreement, (c) the Project Entities' best estimate of Project Costs which will become due and payable on or prior to the Requested Advance Date.

C. Shared Cost Allocation Report.⁴ The Shared Cost Allocation Report attached hereto is in

¹ Include this Appendix only from and after the Initial Bank Advance Date.

² Include this Appendix only when requesting Advances from the Bank Proceeds Account.

³ Include this Appendix only when requesting Advances from the Bank Proceeds Account.

the form required by the Master Disbursement Agreement.

D. Current Available Sources Report. The Current Available Sources Report attached hereto is in the form required by the Master Disbursement Agreement, and accurately reflects availability under each of the applicable Financing Agreements and the available balance of the various Accounts which is available to fund Project Costs.

E. Funding Order Report. The Funding Order Report attached hereto is in the form required by the Master Disbursement Agreement, and has been prepared in accordance with Section 2.10 of the Master Disbursement Agreement, and correctly applies the funding order set forth in such Section to the funds identified in the Current Available Sources Report.

F. Advance Request Transfer Report. The Advance Request Transfer Report is in the form required by the Disbursement Agreement and directs the funds allocated in the Funding Order Report to the various accounts and to reimburse drawings of the Letters of Credit under the Bank Credit Agreement in the manner required by the Disbursement Agreement.

G. Detailed Remaining Cost Report. The Detailed Remaining Cost Report is in the form required by the Master Disbursement Agreement, and reflects for each Line Item Category all changes thereto which are required by Section 6.2 of the Master Disbursement Agreement by reason of any Scope Change or Realized Savings.

H. Remaining Cost Report. The Remaining Cost Report attached hereto is in the form required by the Master Disbursement Agreement, and has been prepared in accordance with Section 4.17 of the Master Disbursement Agreement, and reflects all reasonably anticipated Project Costs required to achieve Final Completion. The Remaining Costs Report details the balance required to complete each line item.

I. Retail Remaining Cost Report. The Retail Remaining Cost Report attached hereto is in the form required by the Master Disbursement Agreement accurately details the remaining costs in the Retail Budget.

J. In Balance Report. The In Balance Report correctly computes the In Balance Test in accordance.

K. Lien Release Summary and Title Insurance Endorsement Chart. The lien release summary chart and appropriate evidence of lien releases required by Section 3.3.16 of the Disbursement Agreement, and title insurance endorsement commitments required by Section 3.3.17 of the Disbursement Agreement, have been received as of the Requested Advance Date for all work, materials and/or services performed and/or delivered in connection with the Project. In addition, all endorsements to the Title Policies required pursuant to the Disbursement Agreement have been received.⁵

L. Inventory of Unincorporated Materials. The inventory of Unincorporated Materials which is attached hereto is accurate in all material respects, and identifies all Unincorporated Materials

⁴ Include this Appendix only from and after the Initial Bank Advance Date.

⁵ Include this certification only when requesting Advances from the Bank Proceeds Account.

and states the value thereof. All Unincorporated Materials for which full payment has previously been made or is being made with the proceeds of the Advance to be disbursed are, or will be upon full payment, owned by the Project Entities, and all lien rights or claims of the supplier have been or will be released simultaneously with such full payment and all amounts, if any, required to be paid to the supplier thereof with respect to the installation of such Unincorporated Materials (including any Retainage Amounts). The Project Entities believe that the Unincorporated Materials consist of components that conform to the Plans and Specifications and that will be ready for incorporation into the Project reasonably promptly following delivery thereof. All Unincorporated Materials are properly inventoried, securely stored, protected against theft and damage at the Site or at such other location which has been specifically identified by its address to the Construction Consultant and the Disbursement Agent (or if the Project Entities cannot provide the address of the current storage location, the Project Entities have provided the Construction Consultant with a list of the name and address of the applicable contracting party supplying or manufacturing such Unincorporated Materials). With respect to any Unincorporated Materials as to which deposit or other partial payments have been made or will be made out of the requested Advance (but which have not been and will not be fully paid after giving effect to the requested Advance), the Project Secured Parties have, or will have upon payment with the proceeds of the requested Advance, a perfected security interest in the Project Entities' rights to the Unincorporated Materials and the Contracts therefor, with the priority therein contemplated by the Security Documents. With respect to (i) Unincorporated Materials not stored at the Site from a single or Affiliated suppliers (of which the Project Entities are aware that such suppliers is an Affiliate) with a contract price (or expected aggregate amount to be paid in the case of "cost-plus" Contracts) in excess of \$5,000,000, and (ii) any Contracts for Unincorporated Materials with a contract price (or expected aggregate amount to be paid in the case of "cost plus" Contracts) in excess of \$5,000,000 (excluding items located outside of the United States or in transit from jurisdictions outside of the United States), the Project Entities have executed and delivered to the Disbursement Agent such additional security documents (including, without limitation, financing statements, security agreements, collateral access agreements, consents of manufacturers, vendors, warehousemen and bailees) reasonably requested by the Disbursement Agent necessary to grant the Secured Parties such security interest in the Project Entities' rights to such Unincorporated Materials or Contracts. All Unincorporated Materials are insured against casualty, loss and theft for an amount equal to their replacement costs in accordance with Exhibit D to the Master Disbursement Agreement. The value of Unincorporated Materials located at the Site but not expected to be incorporated into the Project within the ensuing calendar month is not more than \$25,000,000 (or any greater amount approved in accordance with the terms of the Master Disbursement Agreement). The amounts paid by the Project Entities in respect of Unincorporated Materials not at the Site is not more than \$50,000,000 (or any greater amount approved in accordance with the terms of the Master Disbursement Agreement). The amount of contract deposits paid by the Project Entities in respect of Unincorporated Materials is not more than \$50,000,000 (or any greater amount approved in accordance with the terms of the Master Disbursement Agreement).⁶

M. List of Additional Contracts. Attached to this Advance Request is a complete and accurate listings of all Contracts entered into by the Project Entities since the date of the last Advance Request, together with (i) copies of any Contract entered into by the Project Entities and any Contractor with a contract price (or in the case of the "cost plus" contracts, expected aggregate amounts to be paid) in excess of \$5,000,000, (ii) copies of each first tier Subcontract with a contract price (or in the case of the "cost plus" contracts, expected aggregate amounts to be paid) in excess of \$5,000,000, and (iii) a copy of any Payment and Performance Bond required pursuant to Section 5.12 of the Disbursement Agreement, in

⁶ Include this certification only when requesting Advances from the Bank Proceeds Account.

each case unless previously delivered.

N. List of Scope Changes. A list of all approved, pending and proposed Scope Changes (other than Minor Scope Changes) since the previous Advance Request, together with copies of all such Scope Changes (other than Minor Scope Changes) not previously delivered to the Disbursement Agent, is attached hereto.

O. General Representations.

1. Each Material Contract is in full force and effect except (i) for amendments to Material Contracts not prohibited by Section 6.1 of the Master Disbursement Agreement or by the Financing Agreements, (ii) to the extent the Project Entities have entered into a replacement Material Contract to the extent required or permitted by Section 7.1.6 of the Master Disbursement Agreement, and (iii) to the extent terminated in accordance with their respective terms.

2. Each Financing Agreement is in full force and effect, without amendment since the date of its execution and delivery, and in a form which was provided to the Bank Agent and the Trustee prior to the Closing Date, except for amendments to the Financing Agreements to the extent permitted under the Facility Agreements or to the extent terminated in accordance with their respective terms.

3. Each representation and warranty of each Project Entity set forth in Article 4 of the Master Disbursement Agreement or in any Material Contract is true and correct in all material respects as if made on the Requested Advance Date (except that any representation and warranty that relates expressly to an earlier date shall be deemed made only as of such earlier date), unless, prior to the Initial Bank Advance Date, the failure of any such representation and warranty referred to in this clause 3 to be true and correct could not reasonably be expected to have a Material Adverse Effect.

4. To the Project Entities' knowledge, each representation and warranty of each Major Project Participant (other than any Project Entity) set forth in any of the Material Contracts is true and correct in all material respects as if made on the Requested Advance Date (except that any representation and warranty that relates expressly to an earlier date shall be deemed made only as of such earlier date) unless the failure of any such representation and warranty referred to in this clause 4 to be true and correct does not reasonably be expected to have in a Material Adverse Effect, in each case, as certified by the Project Entities in the relevant Advance Request.

5. The In Balance Test is satisfied.

6. There is no order, judgment or decree of any court, arbitrator or governmental authority shall purport to enjoin or restrain the Bank Lenders or the Trustee from making the Advances to be made by them on the Requested Advance Date.

7. The making of the requested Advance shall not violate any law.

8. Since the Closing Date, there has not occurred any change in the economics or feasibility of constructing and/or operating the Project, or in the financial condition, business or property of the Project Entities, any of which could reasonably be expected to have a Material Adverse Effect.

9. Construction of the Project is proceeding materially in accordance with the

Project Schedule and the plans and specifications for the Project (including any Plans and Specifications then delivered) and no Major Project Participant or first tier Subcontractor under the Prime Construction Agreement or party to a Subcontract with a total contract amount or value in excess of \$25,000,000 has suspended performance or otherwise repudiated its obligation to perform any duty or obligation under its respective Material Contract or Subcontract (unless such suspended or repudiated Material Contract or Subcontract is permitted to be, and actually has been, replaced, or a replacement is determined not to be necessary, pursuant to Section 7.1.5 or Section 7.1.6).

10. [[Solely with respect to the initial Advance of funds from the Second Mortgage Proceeds Account, the entire amount of the Equity Proceeds Account has been, or shall concurrently be, applied to the payment of Project Costs.]]⁷

11. [[Solely with respect to the initial Advance of funds from the Second Mortgage Proceeds Account (other than any Advance made solely to pay interest on the Second Mortgage Notes), fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 75% of the Total Hard Cost are in place]]⁸

12. [[Solely with respect to the first Advance which occurs following October 1, 2007, fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 85% of the Total Hard Costs are in place. Each such Subcontract and Contract is consistent with the Budgets, the Project Schedule and the plans and specifications for the Project now in effect.]]⁹

13. [[Solely with respect to the Initial Bank Advance Date, (i) fixed price or guaranteed maximum price Contracts with Subcontractors in respect of 95% of the Total Hard Costs are in place, and (ii) fixed price contracts in respect of not less than 50% of the Costed FF&E are in place. Each such Subcontract and Contract is consistent with the Budgets, the Project Schedule and the plans and specifications for the Project now in effect.]]¹⁰

14. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, the Project Entities have delivered a copy of (i) each Contract or series of related Contracts with the same Person entered into between the Project Entities and any Contractor with a contract price (or expected aggregate amount to be paid in the case of "cost plus" contracts) in excess of \$25,000,000, (ii) each first tier Subcontract with a contract price (or expected aggregate amount to be paid in the case of "cost plus" contracts) in excess of \$25,000,000 (or any or series of related Contracts with the same person), and (iii) a copy of any Payment and Performance Bond required pursuant to Section 5.8 to the Disbursement Agent, the Construction Consultant and Bank Agent promptly after mutual execution and delivery thereof.¹¹

15. In the case of each Advance from the Bank Proceeds Account made concurrently

⁷ Insert only where appropriate.

⁸ Insert only where appropriate.

⁹ Insert only where appropriate.

¹⁰ Insert only where appropriate.

¹¹ Insert only where appropriate.

with or following the Exhaustion of the Second Mortgage Proceeds Account, the Project Entities have delivered to the Disbursement Agent duly executed acknowledgments of payments and releases of mechanics' and materialmen's liens substantially in the form of Exhibit I to the Master Disbursement Agreement (with any modifications required by Nevada law) from the Contractors required by the Master Disbursement Agreement for all work, services and materials, including equipment and fixtures of all kinds, done, performed or furnished for the construction of the Project from the last day covered by the immediately preceding Advance Request through the last day covered by this Advance Request except for such work, services and materials the payment for which does not exceed, in the aggregate \$50,000,000 and is being disputed in good faith, so long as (1) such proceedings shall not involve any substantial danger of the sale, forfeiture or loss of the Project or the Site, as the case may be, title thereto or any interest therein and shall not interfere in any material respect with the Project or the Site, and (2) adequate cash reserves have been provided therefor through an allocation in the Remaining Cost Report. To the extent of any Outstanding Releases, the Project Entities have provided to the Disbursement Agent from the Title Insurer bonds or endorsements to the title insurance policies insuring the lien free status of the work. The aggregate of all Outstanding Releases do not represent work with an aggregate value in excess of \$50,000,000.¹²

16. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, the Project Entities have, or will prior the Requested Advance Date deliver a commitment from the Title Insurer evidencing the Title Insurer's unconditional commitment to issue an endorsement to the Bank Agent's Title Policy in the form of a 122 CLTA Endorsement insuring the continuing priority of the Lien of the Bank Agent's Deed of Trust as security for the requested Advance and confirming and/or insuring that there are no intervening liens or encumbrances which may then or thereafter take priority over the Liens of such Deed of Trust other than Permitted Encumbrances and such intervening liens or encumbrances securing amounts the payment of which is being disputed in good faith by the Borrowers (in which case the Disbursement Agent has received confirmation from the Bank Agent that the Title Insurer has delivered to the Bank Agent any endorsement to its Title Policy required or desirable to assure the Bank Agent against loss to the priority of such lien or encumbrance).¹³

17. In the case of each Advance from the Bank Proceeds Account made concurrently with or following the Exhaustion of the Second Mortgage Proceeds Account, no action, suit, proceeding or investigation of any kind shall has been instituted or, to the Project Entities' knowledge, is pending or threatened, including actions or proceedings of or before any Governmental Authority, to which any Project Entity, the Project or, to the knowledge of the Project Entities, any Major Project Participant (other than any Project Entity), is a party or is subject, or by which any of them or any of their properties or the Project are bound that could reasonably be expected to have a Material Adverse Effect nor are the Project Entities aware of any reasonable basis for any such action, suit, proceeding or investigation and no injunction or other restraining order shall have been issued and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding if the same could reasonably be expected to have a Material Adverse Effect.¹⁴

¹² Insert this paragraph only where Advances from the Bank Proceeds Account are requested.

¹³ Insert this paragraph only where Advances from the Bank Proceeds Account are requested.

¹⁴ Insert this paragraph only where Advances from the Bank Proceeds Account are requested.

18. To the best of the Project Entities' knowledge, the construction performed in respect of the Project as of the date hereof is substantially in accordance with the current Plans and Specifications for the Project.

19. As of the date hereof, the estimated Scheduled Opening Date is October 1, 2009. The Project Entities have no reason to believe that the Opening Date will not occur on or prior to such date, or that the Completion Date will not occur within 180 days thereafter.¹⁵

20. No Default or Event of Default has occurred and is continuing or reasonably could be expected to result from the requested Advance under the Disbursement Agreement.

21. The Project Entities have submitted to the Construction Consultant all Plans and Specifications in effect as of the date hereof. All Advances requested under this Advance Request are for the payment of Project Costs incurred for work are consistent with such Plans and Specifications and will permit the Project Entities to complete construction of the Project on or before the Completion Date required above.

22. Each representation and warranty (a) of the Project Entities set forth in Article IV of the Disbursement Agreement or in any of the other Financing Agreements or Material Contract is true and correct in all material respects as if made on and as of the Requested Advance Date with the same effect as if given on the date thereof (except that any representation and warranty that relates expressly to an earlier date shall be deemed made as of such earlier date), and (b) to the Project Entities' knowledge, of the General Contractor, the Completion Guarantor, the Architect and each other Major Project Participant (other than the Project Entities) set forth in any of the Material Contracts is true and correct in all material respects as if made on and as of the Requested Advance Date with the same effect as if given on the date thereof (except that any representation and warranty that relates expressly to an earlier date shall be deemed made as of such earlier date) unless the failure of any such representation and warranty referred to in this clause (b) to be true and correct could not reasonably be expected to have a Material Adverse Effect.

23. Without limitation on the foregoing, the conditions set forth in Sections 3.3 or 3.4, as applicable, of the Disbursement Agreement are satisfied as of the Requested Advance Date with the following exceptions:

[None].

The foregoing representations, warranties and certifications are or will be true and correct as of the Requested Advance Date and Disbursement Agent is entitled to rely on the foregoing in authorizing and making the Advances herein requested. By executing the Advance Confirmation Notice, the Project Entities will be deemed to confirm that the foregoing representations, warranties and certifications are correct as of the Requested Advance Date.

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¹⁵ Modify this Section after Opening Date or Completion Date have occurred.

IN WITNESS WHEREOF, the Project Entities have executed this Advance Request as of the date hereof.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Nevada limited liability company

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: _____

Title: Chief Financial Officer/Authorized Signatory

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation

By: _____

Title: Chief Financial Officer/Authorized Signatory

FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: _____

Title: Chief Financial Officer/Authorized Signatory

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

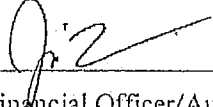
By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: _____



Title: Chief Financial Officer/Authorized Signatory

EXHIBIT E
to Master Disbursement Agreement

ADVANCE CONFIRMATION NOTICE

Requested Advance Date: **October 27, 2008**

Fontainebleau Las Vegas Holdings, LLC
Fontainebleau Capital Corp.
Fontainebleau Las Vegas, LLC
Fontainebleau Las Vegas II, LLC
Fontainebleau Las Vegas Retail, LLC
Each of the Funding Agents

Re: Advance Request No. **10-27-2008** under Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

This Advance Confirmation is issued with reference to the Disbursement Agreement. Capitalized terms used herein without definition shall have the meanings assigned in the Disbursement Agreement.

Pursuant to the Advance Request described above, the Project Entities requested certain Advances. This Advance Confirmation confirms the amount of the Advances to be made under the Financing Agreements, and the amount to be transferred into each Account.

Amounts to be Advanced:

From the Retail Facility		
For Shared Costs		\$ 3,730,628.00
For Other Retail Costs	\$0	
Total Retail Facility Advances		\$ 3,730,628.00
From Resort Loss Proceeds Account		\$ 301.16
From the Second Mortgage Proceeds Account		\$.00
From the Equity Funding Account		\$ 39.12
From the Bank Proceeds Account		\$101,914,293.51

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-1-

Interest Earned in Interest Payment Account	\$	6,046.07
Amount Liquidity Account Exceeds \$50,000,000	\$	100,647.45

Advances funded pursuant to the Retail Facility shall be deposited into the Retail Funding Account, for further credit to the following Accounts:

Retail Payment Account	\$	
Resort Payment Account #501001203813	\$	3,730,628.00

All Advances funded from the Loss Proceeds Account shall be deposited into the Bank Funding Account, for further credit to the following accounts:

Resort Payment Account #501001203813	\$	301.16
--------------------------------------	----	--------

Interest earned from the Interest Payment Account shall be deposited into the Bank Funding Account for further credit to the following Accounts:

Resort Payment Account #501001203813	\$	6,046.07
Cash Management Account #4968332450	\$	

All Advances funded from the Bank Proceeds Account shall be deposited into the Bank Funding Account, for further credit to the following Accounts:

Resort Payment Account #501001203813	\$	101,914,293.51
Interest Payment Account #1233055973	\$	

Note: \$68,151.08 of debt service for LOC fees has already been funded.

Liquidity Account Excess funds shall be deposited into the Bank Funding Account, for further credit to the following Account:

Resort Payment Account #501001203813	\$	100,647.45
--------------------------------------	----	------------

Amount to be funded from the Fontainebleau, Las Vegas LLC Equity Proceeds Acct 0238-5090110385 shall be deposited into the following Account:

Resort Payment Account #501001203813	\$	39.12
--------------------------------------	----	-------

Note: Resort Account Balance for Interest Earned already in an account and not to be advanced with this request \$6,681.55.

Please confirm this Advance Confirmation Notice and the Advances and transfers described above are correct by countersigning it in the place provided below.

BANK OF AMERICA, N.A., as Disbursement Agent

By: _____

Title: _____

By countersigning this Advance Confirmation Notice and returning it to the Disbursement Agent, the Project Entities confirm that each of the representations, warranties and certifications made in the Advance Request referred to above (including the various Appendices attached thereto), as supplemented in writing from time to time following the initial submission to the undersigned, are true and correct as of the Requested Advance Date and Disbursement Agent is entitled to rely on the foregoing in authorizing and making the Advances herein requested. By executing the Advance Confirmation Notice, the Project Entities will be deemed to confirm that the foregoing representations, warranties and certifications are correct as of the Requested Advance Date.

IN WITNESS WHEREOF, the Project Entities have executed this Advance Confirmation Notice as of the date hereof.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Nevada limited liability company

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: _____

Title: Authorized Signatory

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation

By: _____

Title: Authorized Signatory

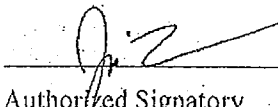
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: 
Title: Authorized Signatory

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

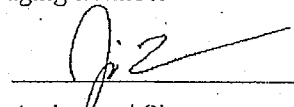
By: 
Title: Authorized Signatory

EXHIBIT M-4
to Master Disbursement Agreement

BUDGET/SCHEDULE AMENDMENT CERTIFICATE

September 30, 2008

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Re: Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC, Amendment No. 2 to Resort Budget

Ladies and Gentlemen:

Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC, (jointly and severally, the "Project Entities"), request that the Resort Budget for the Project be amended as set forth herein. This certificate is delivered pursuant to that certain Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among the Project Entities, the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent. Capitalized terms used in this certificate that are otherwise not defined shall have the meaning assigned in the Disbursement Agreement.

In connection with the requested amendment(s), the Project Entities hereby represent, warrant and certify as follows:

A. Amendments.

CHOOSE ONE OR MORE OF THE FOLLOWING TWO OPTIONS:

X The proposed amendment to the Resort Budget is described on Appendix I hereto and is permitted under Section 6.4.1 of the Disbursement Agreement.

The proposed amendment to the Project Schedule extends the Scheduled Opening Date from _____ to _____ and is permitted under Section 6.4.2 of the Disbursement Agreement.

B. Related Certifications.

1. Funding to pay the costs represented by any increase to the aggregate amount budgeted for any

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Exhibit M-4

Line Item Category of the Resort Budget set forth on Appendix I hereto is permitted under terms and conditions of the Disbursement Agreement, including Section 6.4 thereof, and the funding to pay such increased costs is available from:

CHOOSE ONE OR MORE OF THE FOLLOWING FOUR OPTIONS:

- * Realized Savings obtained from a different Line Item Category of the Resort Budget.
 - * The allocation of previously unallocated amounts under the "Unallocated Construction Contingency" Line Item in the Resort Budget and after giving effect to such allocation the Unallocated Contingency Balance will equal or exceed the Required Minimum Contingency for the Resort Budget.
 - * The allocation of previously unallocated amounts under the "Additional Cost Contingency" Line Item of the Resort Budget.
 - * Additional contributions to the equity capital of the Companies.
 - * The increase does not result in the In Balance Test not being satisfied.
2. Any decreases to the aggregate amount budgeted for any Line Item Category of the Resort Budget set forth on Appendix I hereto result from Realized Savings in such Line Item Category, in accordance with the terms and conditions of the Disbursement Agreement, including Section 6.4 thereof.
3. CHOOSE ONE OR BOTH OF THE FOLLOWING TWO OPTIONS:
- * The Resort Budget in effect immediately prior to the proposed amendment is attached to this Budget/Schedule Amendment Certificate as Appendix II, and the Resort Budget which will be in effect upon effectiveness of the proposed amendment is attached to this Budget/Schedule Amendment Certificate as Appendix III.
 - * The Project Schedule in effect immediately prior to the proposed amendments is attached to this Budget/Schedule Amendment Certificate as Appendix IV, and the Project Schedule which will be in effect upon effectiveness of the proposed amendment is attached to this Budget/Schedule Amendment Certificate as Appendix V.
4. Immediately following the proposed amendment(s): (a) the Budgets will continue to provide for construction and completion of the Project substantially consistent with the Plans and Specifications; (b) the Budgets will continue to call for construction which will permit the Opening Date to occur on or prior to the Scheduled Opening Date; and (c) the Budgets will continue to reasonably establish the Line Item Category components of the work required to be undertaken in order to complete construction of the Project as set forth in the Remaining Cost Report delivered below.
5. The construction performed as of the date hereof is substantially in accordance with the Plans and Specifications. The Project Entities have no reason to believe that the Opening Date will not occur on or prior to the Scheduled Opening Date.
6. Attached hereto as Appendix VI is an updated Remaining Cost Report that gives effect to the proposed amendment(s) and has been completed in accordance with the requirements of the Disbursement Agreement.
7. The Remaining Cost Report (attached hereto as Appendix VI):

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Exhibit M-4

- (a) accurately sets forth for each Line Item Category, an aggregate amount equal to the remaining anticipated Project Costs for such Line Item Category;
 - (b) accurately sets forth the Required Minimum Contingency and the Unallocated Contingency Balance; and
 - (c) is true and correct in all material respects, provided, that, it is understood that to the extent any information in such reports is prospective in nature such information is based upon good faith estimates and assumptions believed to be reasonable at the time made.
9. The Project Entities are not presently aware of any expenses other than those set forth in column headed "Balance to Complete" of Appendix VI that are necessary in order to cause the Project to achieve Final Completion.
11. There is no Default or Event of Default under the Disbursement Agreement other than any Default which is cured by this Budget/Schedule Amendment Certificate.

The undersigned certifies that the Resort Budget amendment contemplated hereby is permitted pursuant to the Disbursement Agreement, including, without limitation, Section 6.4 thereof, and all conditions precedent thereto have been met.

Attached to this Budget/Schedule Amendment Certificate as Attachments A and B are certificates from the General Contractor and the Construction Consultant, respectively.

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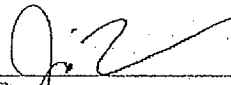
IN WITNESS WHEREOF, the Project Entities have executed this Budget/Schedule Amendment Certificate as of the 31st day of May, 2008.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC,
a Nevada limited liability company

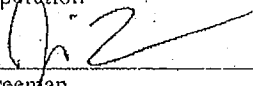
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: 
Name: Jim Freeman
Title: Chief Financial Officer

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation

By: 
Name: Jim Freeman
Title: Chief Financial Officer

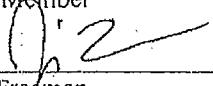
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, LLC,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: 
Name: Jim Freeman
Title: Chief Financial Officer

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

By: Fontainebleau Resort Properties I, LLC,
its Managing Member

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By:

Name: Jim Freeman

Title: Chief Financial Officer

Appendix I to Budget/Schedule Amendment

Amendment No. 1 to Resort Budget

I. Increases to Line Item Categories:

- (a) The following Line Item Category is increased: Construction Costs (Turnberry West Construction)
- (b) Old Amount of Line Item Category: \$1,934,606,851
- (c) Amount of Increase: \$ 11,009,272
- (d) New Total For Line Item Category: \$1,934,616,123

II. Source of Funds For Increase to Line Item Categories:

- (a) Realized Savings: \$ _____. The particular Line Item Category of the Resort Budget that is the source of such Realized Savings is identified in item III, below.
- (b) Allocation of unallocated amount from the "Unallocated Construction Contingency" Line Item Category: \$11,009,272. The corresponding decrease in the "Unallocated Contingency Balance" is \$11,009,272. After giving effect to such allocation, the Unallocated Contingency Balance will equal or exceed the Required Minimum Contingency for the Resort Budget.
- (c) Additional Equity Contributions: The Companies received of additional equity capital contributions.
- (d) Excess Funds/In Balance: \$ _____ Amount by which Available Funds exceed Remaining Costs.

III. Decreases to Line Item Categories:

- (a) The following Line Item Category is decreased: _____
- (b) Old Amount of Line Item Category: _____
- (c) Amount of Decrease: _____
- (d) New Total For Line Item Category: _____

Reason For Decrease of Line Item Category:

_____ Realized Savings. Realized Savings Certificate in the form attached hereto as Schedule 1 to Appendix I.

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
 EXHIBIT M-4
 As of 8/31/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED			NET AMOUNTS							
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
	CLOSING RESORT BUDGET	PRIOR BUDGET (FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C-D)	PREVIOUS COMPLETED DATE (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (H)	TOTAL COMPLETED DATE (I=J+G)	% COMPLETED (G/H)	BALANCE TO COMPLETE (D-G+I)	TOTAL RETAINAGE	TOTAL COMPLETED DATE (G-J+K)	PREVIOUS COMPLETED DATE (L FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (M)	BALANCE TO COMPLETE (D-K+N)
Construction Hard Costs														
Tower	\$ 650,718,000	\$ 636,810,000	\$ 24,908,000	\$ 661,718,000	\$ 205,355,147	\$ 456,362,853	\$ 347,350,452	53.86%	\$ 306,320,010	\$ 27,111,506	\$ 323,938,694	\$ 293,992,858	\$ 46,075,698	\$ 333,544,566
Poolium	\$ 658,114,000	\$ 722,408,000	\$ -	\$ 722,408,000	\$ 224,851,309	\$ 497,556,691	\$ 263,280,666	39.27%	\$ 459,127,330	\$ 65,110,536	\$ 267,165,122	\$ 243,595,164	\$ 23,229,939	\$ 495,265,856
Convention	\$ 378,852,718	\$ 437,820,317	\$ 4,743,800	\$ 442,564,117	\$ 340,930,823	\$ 21,641,293	\$ 282,476,702	63.85%	\$ 149,805,859	\$ 94,308,318	\$ 248,195,987	\$ 225,356,487	\$ 19,886,406	\$ 164,086,674
Central Plant	\$ 54,253,652	\$ 15,859,191	\$ 38,394,461	\$ 16,859,191	\$ 16,859,191	\$ 38,394,461	\$ 10,865,170	64.46%	\$ 5,993,021	\$ 69,141	\$ 10,865,170	\$ 9,753,571	\$ 416,008	\$ 6,890,433
Site	\$ 6,650,000	\$ 3,651,170	\$ 29,152	\$ 3,651,170	\$ 3,651,170	\$ 29,152	\$ 2,370,052	71.86%	\$ 703,270	\$ -	\$ 2,370,052	\$ 3,592,868	\$ -	\$ 703,270
Bond cost	\$ 1,760,000,000	\$ 1,789,065,000	\$ 28,065,000	\$ 1,817,130,000	\$ 524,615,384	\$ 947,799,656	\$ 916,335,044	50.40%	\$ 901,760,280	\$ 56,308,220	\$ 857,846,524	\$ 768,013,891	\$ 89,332,833	\$ 966,258,800
Construction Hard Costs Subtotal	\$ 22,200,000	\$ 17,614,479	\$ -	\$ 17,614,479	\$ 4,453,374	\$ 607,428	\$ 4,940,972	28.05%	\$ 12,673,508	\$ 2,575	\$ 4,938,397	\$ 4,453,374	\$ 507,484	\$ 12,676,083
LEED Qualification Costs	\$ 23,000,000	\$ 17,614,479	\$ -	\$ 17,614,479	\$ 4,453,374	\$ 607,428	\$ 4,940,972	28.05%	\$ 12,673,508	\$ 2,575	\$ 4,938,397	\$ 4,453,374	\$ 507,484	\$ 12,676,083
LEED Qualification Costs Subtotal	\$ 196,550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEED Sales Tax Benefit	\$ (59,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEED Sales Tax Benefit Subtotal	\$ 24,250,000	\$ 22,587,262	\$ 1,662,738	\$ 23,849,500	\$ 24,275,970	\$ 1,571,530	\$ 26,308,394	89.95%	\$ 3,238,025	\$ -	\$ 26,308,394	\$ 24,275,970	\$ 1,532,581	\$ 3,238,025
General Conditions/Requirements/Hosting	\$ 1,622,000	\$ 2,653,000	\$ 1,031,000	\$ 3,182,285	\$ 1,622,000	\$ 1,560,285	\$ 3,182,285	100.00%	\$ (0)	\$ (0)	\$ 20,000	\$ 2,653,000	\$ 229,236	\$ 3,238,025
CM Staffing	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	100.00%	\$ (0)	\$ (0)	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000
Field Engineering	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	100.00%	\$ (0)	\$ (0)	\$ 500,000	\$ 500,000	\$ -	\$ 500,000
Facility Consulting	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	100.00%	\$ (0)	\$ (0)	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
CCC (OT for inspectors misc certifications)	\$ 300,000	\$ 300,000	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ 300,000	100.00%	\$ (0)	\$ (0)	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Site	\$ 4,326,107	\$ 5,000,000	\$ 673,893	\$ 5,674,000	\$ 4,326,107	\$ 1,347,893	\$ 5,674,000	100.00%	\$ (0)	\$ (0)	\$ 4,326,107	\$ 5,000,000	\$ 647,893	\$ 5,674,000
Field Offices and Equipment	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	100.00%	\$ (0)	\$ (0)	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000
Temporary Utilities	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	100.00%	\$ (0)	\$ (0)	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000
Temporary Protection	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	100.00%	\$ (0)	\$ (0)	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000
Material and Labor Staging	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	100.00%	\$ (0)	\$ (0)	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000
General Conditions (and Final)	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000	100.00%	\$ (0)	\$ (0)	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000
General Equipment and Tools	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	100.00%	\$ (0)	\$ (0)	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300
Project Documentation	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	100.00%	\$ (0)	\$ (0)	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300
Misc. Project Expenses	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	100.00%	\$ (0)	\$ (0)	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300
Testing and Inspection (ATC Associates)	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	100.00%	\$ (0)	\$ (0)	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300
Reimbursable blueprinting	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	100.00%	\$ (0)	\$ (0)	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300
Hosting	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300	100.00%	\$ (0)	\$ (0)	\$ 1,821,300	\$ 1,821,300	\$ -	\$ 1,821,300
Sub Total General Conditions/Requirements/Hosting	\$ 27,534,074	\$ 27,534,074	\$ -	\$ 27,534,074	\$ 27,534,074	\$ -	\$ 27,534,074	100.00%	\$ (0)	\$ (0)	\$ 27,534,074	\$ 27,534,074	\$ -	\$ 27,534,074
Total Hard Costs and General Conditions/Requirements/Hosting	\$ 1,755,494,074	\$ 1,804,044,441	\$ 48,550,367	\$ 1,852,594,808	\$ 524,615,384	\$ 947,799,656	\$ 1,009,195,065	54.47%	\$ 928,413,187	\$ 58,791,040	\$ 947,402,026	\$ 852,919,243	\$ 94,402,776	\$ 987,204,820
Contingency	\$ 111,000,000	\$ 111,000,000	\$ -	\$ 111,000,000	\$ -	\$ -	\$ -	0.00%	\$ 111,000,000	\$ -	\$ -	\$ -	\$ -	\$ 111,000,000
Unallocated Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Cost Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency Subtotal	\$ 111,000,000	\$ 111,000,000	\$ -	\$ 111,000,000	\$ -	\$ -	\$ -	0.00%	\$ 111,000,000	\$ -	\$ -	\$ -	\$ -	\$ 111,000,000
Insurance	\$ 48,000,000	\$ 48,000,000	\$ -	\$ 48,000,000	\$ -	\$ -	\$ -	0.00%	\$ 48,000,000	\$ -	\$ -	\$ -	\$ -	\$ 48,000,000
Insurance package	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance Subtotal	\$ 48,000,000	\$ 48,000,000	\$ -	\$ 48,000,000	\$ -	\$ -	\$ -	0.00%	\$ 48,000,000	\$ -	\$ -	\$ -	\$ -	\$ 48,000,000
Total Construction Costs	\$ 1,904,674,074	\$ 2,009,044,441	\$ (0)	\$ 2,009,694,238	\$ 524,615,384	\$ 947,799,656	\$ 1,009,195,065	45.82%	\$ 1,072,719,233	\$ 58,791,040	\$ 651,488,236	\$ 879,865,098	\$ 94,522,220	\$ 1,131,610,279

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
 EXHIBIT M-4
 As of 8/31/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED			NET AMOUNTS							
	CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (B) (D FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED DATE (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (F)	TOTAL COMPLETED DATE (E+F+G)	% COMPLETED (H)	BALANCE TO COMPLETE (D-G-I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED DATE (K)	PREVIOUS COMPLETED DATE (L)	CURRENT PERIOD COMPLETED DATE (M)	BALANCE TO COMPLETE (D-K-N)
Rooms FF&E														
Condo Sale	\$ 15,250,372	\$ 4,220,472	\$ -	\$ 15,250,372	\$ 4,220,472	\$ -	\$ 19,470,844	0.00%	\$ 12,344,567	\$ -	\$ 3,016,015	\$ 2,502,582	\$ 413,623	\$ 12,344,567
Condo Unit One Bedroom	\$ 7,424,252	\$ 7,424,252	\$ -	\$ 7,424,252	\$ 7,424,252	\$ -	\$ 7,424,252	0.00%	\$ 5,666,000	\$ -	\$ 1,898,252	\$ 1,507,547	\$ 210,705	\$ 5,666,000
Center Suite	\$ 724,203	\$ 724,203	\$ -	\$ 724,203	\$ 724,203	\$ -	\$ 724,203	0.00%	\$ 624,389	\$ -	\$ 109,814	\$ 103,583	\$ 6,231	\$ 624,389
Junior Suite	\$ 1,652,312	\$ 1,652,312	\$ -	\$ 1,652,312	\$ 1,652,312	\$ -	\$ 1,652,312	0.00%	\$ 1,431,074	\$ -	\$ 221,238	\$ 221,238	\$ -	\$ 1,431,074
Three Bay Suite	\$ 141,862	\$ 141,862	\$ -	\$ 141,862	\$ 141,862	\$ -	\$ 141,862	0.00%	\$ 1,142,136	\$ -	\$ 309,276	\$ 299,268	\$ 10,008	\$ 1,142,136
Four Bay Suite	\$ 428,672	\$ 428,672	\$ -	\$ 428,672	\$ 428,672	\$ -	\$ 428,672	0.00%	\$ 459,132	\$ -	\$ 26,460	\$ 26,460	\$ -	\$ 459,132
Six Bay Suite	\$ 14,456,374	\$ 14,456,374	\$ -	\$ 14,456,374	\$ 14,456,374	\$ -	\$ 14,456,374	0.00%	\$ 943,653	\$ -	\$ 14,500,027	\$ 114,000	\$ 14,386,027	\$ 943,653
Typical King	\$ 31,321,127	\$ 31,321,127	\$ -	\$ 31,321,127	\$ 31,321,127	\$ -	\$ 31,321,127	0.00%	\$ 24,855,874	\$ -	\$ 6,465,253	\$ 4,008,349	\$ 2,456,904	\$ 6,465,253
Typical Queen	\$ 73,784,267	\$ 73,784,267	\$ -	\$ 73,784,267	\$ 15,313,266	\$ 2,427,389	\$ 17,740,655	24.04%	\$ 50,043,612	\$ -	\$ 17,740,655	\$ 15,313,266	\$ 2,427,389	\$ 50,043,612
Rooms FF&E Subtotal														
Hotel and F&B Operating Equipment														
Bill Desk	\$ 574,454	\$ 574,454	\$ -	\$ 574,454	\$ -	\$ -	\$ 574,454	0.00%	\$ 600,494	\$ -	\$ -	\$ -	\$ -	\$ 600,494
Front Desk	\$ 737,255	\$ 737,255	\$ -	\$ 737,255	\$ -	\$ -	\$ 737,255	0.00%	\$ 737,255	\$ -	\$ -	\$ -	\$ -	\$ 737,255
Powerstrip	\$ 10,527,110	\$ 10,527,110	\$ -	\$ 10,527,110	\$ -	\$ -	\$ 10,527,110	0.00%	\$ 10,527,110	\$ -	\$ -	\$ -	\$ -	\$ 10,527,110
Post Receivables	\$ 619,000	\$ 619,000	\$ -	\$ 619,000	\$ -	\$ -	\$ 619,000	0.00%	\$ 619,000	\$ -	\$ -	\$ -	\$ -	\$ 619,000
Post Operations	\$ 3,606,531	\$ 3,606,531	\$ -	\$ 3,606,531	\$ -	\$ -	\$ 3,606,531	0.00%	\$ 3,606,531	\$ -	\$ -	\$ -	\$ -	\$ 3,606,531
Cost Containment	\$ 198,184	\$ 198,184	\$ -	\$ 198,184	\$ -	\$ -	\$ 198,184	0.00%	\$ 198,184	\$ -	\$ -	\$ -	\$ -	\$ 198,184
Hotel Sale	\$ 2,618,607	\$ 2,618,607	\$ -	\$ 2,618,607	\$ 6,750	\$ 6,750	\$ 2,625,357	0.26%	\$ 10,268,771	\$ -	\$ 10,268,771	\$ 5,750	\$ 5,750	\$ 10,268,771
Business Center	\$ 925,137	\$ 925,137	\$ -	\$ 925,137	\$ 1,626	\$ 1,626	\$ 926,763	0.02%	\$ 546,115	\$ -	\$ 1,626	\$ 1,626	\$ -	\$ 546,115
Business Center	\$ 665,115	\$ 665,115	\$ -	\$ 665,115	\$ -	\$ -	\$ 665,115	0.00%	\$ 665,115	\$ -	\$ -	\$ -	\$ -	\$ 665,115
Spa	\$ 499,235	\$ 499,235	\$ -	\$ 499,235	\$ -	\$ -	\$ 499,235	0.00%	\$ 499,235	\$ -	\$ -	\$ -	\$ -	\$ 499,235
Food & Beverage	\$ 2,858,128	\$ 2,858,128	\$ -	\$ 2,858,128	\$ -	\$ -	\$ 2,858,128	0.00%	\$ 2,858,128	\$ -	\$ -	\$ -	\$ -	\$ 2,858,128
Food & Beverage	\$ 9,853,037	\$ 9,853,037	\$ -	\$ 9,853,037	\$ 2,265	\$ 2,265	\$ 9,855,302	0.02%	\$ 9,850,772	\$ -	\$ 2,265	\$ 2,265	\$ -	\$ 9,850,772
Catering	\$ 6,256,954	\$ 6,256,954	\$ -	\$ 6,256,954	\$ -	\$ -	\$ 6,256,954	0.00%	\$ 6,256,954	\$ -	\$ -	\$ -	\$ -	\$ 6,256,954
Hotel and F&B Operating Equipment Subtotal	\$ 49,081,937	\$ 49,081,937	\$ -	\$ 49,081,937	\$ 10,084	\$ 10,084	\$ 49,092,021	0.02%	\$ 49,071,937	\$ -	\$ 10,084	\$ 10,084	\$ -	\$ 49,071,937
Kitchen Equipment														
Food Service Equipment	\$ 22,289,240	\$ 22,289,240	\$ -	\$ 22,289,240	\$ -	\$ -	\$ 22,289,240	0.00%	\$ 22,289,240	\$ -	\$ -	\$ -	\$ -	\$ 22,289,240
Kitchen Equipment Subtotal	\$ 22,289,240	\$ 22,289,240	\$ -	\$ 22,289,240	\$ -	\$ -	\$ 22,289,240	0.00%	\$ 22,289,240	\$ -	\$ -	\$ -	\$ -	\$ 22,289,240
Exterior Signage														
Quotation by YESCO	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ 5,500,000	\$ 5,500,000	\$ 32,032,720	0.00%	\$ 26,532,720	\$ -	\$ -	\$ 5,500,000	\$ 5,500,000	\$ 26,532,720
Exterior Signage Subtotal	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ 5,500,000	\$ 5,500,000	\$ 32,032,720	0.00%	\$ 26,532,720	\$ -	\$ -	\$ 5,500,000	\$ 5,500,000	\$ 26,532,720
Common Area														
FOH	\$ 22,281,213	\$ 22,281,213	\$ -	\$ 22,281,213	\$ 11,426,118	\$ 11,426,118	\$ 33,707,331	48.08%	\$ 11,655,085	\$ -	\$ 11,426,118	\$ 11,426,118	\$ -	\$ 11,655,085
BOH	\$ 5,384,589	\$ 5,384,589	\$ -	\$ 5,384,589	\$ -	\$ -	\$ 5,384,589	0.00%	\$ 5,384,589	\$ -	\$ -	\$ -	\$ -	\$ 5,384,589
Common Area Subtotal	\$ 27,665,802	\$ 27,665,802	\$ -	\$ 27,665,802	\$ 11,426,118	\$ 11,426,118	\$ 39,091,920	38.86%	\$ 17,239,674	\$ -	\$ 11,426,118	\$ 11,426,118	\$ -	\$ 17,239,674
Costed FF&E	\$ 200,353,936	\$ 200,353,936	\$ -	\$ 200,353,936	\$ 29,172,451	\$ 29,172,451	\$ 229,526,387	14.55%	\$ 171,186,542	\$ -	\$ 29,172,451	\$ 31,910,609	\$ 12,742,157	\$ 171,186,542
Gaming FF&E														
Table Games	\$ 3,137,240	\$ 3,137,240	\$ -	\$ 3,137,240	\$ -	\$ -	\$ 3,137,240	0.00%	\$ 3,137,240	\$ -	\$ -	\$ -	\$ -	\$ 3,137,240
Poker	\$ 174,182	\$ 174,182	\$ -	\$ 174,182	\$ -	\$ -	\$ 174,182	0.00%	\$ 174,182	\$ -	\$ -	\$ -	\$ -	\$ 174,182
Slot Operations	\$ 28,322,129	\$ 28,322,129	\$ -	\$ 28,322,129	\$ -	\$ -	\$ 28,322,129	0.00%	\$ 28,322,129	\$ -	\$ -	\$ -	\$ -	\$ 28,322,129
RCS	\$ 6,174,424	\$ 6,174,424	\$ -	\$ 6,174,424	\$ -	\$ -	\$ 6,174,424	0.00%	\$ 6,174,424	\$ -	\$ -	\$ -	\$ -	\$ 6,174,424
Cage Security	\$ 1,843,950	\$ 1,843,950	\$ -	\$ 1,843,950	\$ -	\$ -	\$ 1,843,950	0.00%	\$ 1,843,950	\$ -	\$ -	\$ -	\$ -	\$ 1,843,950
Security	\$ 219,174	\$ 219,174	\$ -	\$ 219,174	\$ -	\$ -	\$ 219,174	0.00%	\$ 219,174	\$ -	\$ -	\$ -	\$ -	\$ 219,174
Gaming FF&E Subtotal	\$ 40,871,089	\$ 40,871,089	\$ -	\$ 40,871,089	\$ -	\$ -	\$ 40,871,089	0.00%	\$ 40,871,089	\$ -	\$ -	\$ -	\$ -	\$ 40,871,089
Entertainment														
Theater	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	\$ 12,283,731	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731

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DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS					
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
Entertainment Subtotal	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	\$ -	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731
A&G and Facilities and IT														
A&G and Facilities	\$ 2,653,222	\$ 2,656,222	\$ -	\$ 2,653,222	\$ -	\$ 26,319	\$ 430,048	\$ 2,631,174	\$ -	\$ -	\$ 430,048	\$ 932,726	\$ 26,319	\$ 2,653,174
General Administrative, HR, Finance	\$ 568,519	\$ 696,519	\$ -	\$ 696,519	\$ -	\$ -	\$ -	\$ 696,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696,519
Marketing & Casino Marketing	\$ 11,594,655	\$ 11,594,656	\$ -	\$ 11,594,656	\$ -	\$ 210,351	\$ -	\$ 11,384,295	\$ -	\$ -	\$ 210,351	\$ 210,351	\$ -	\$ 11,594,655
Engineering	\$ 1,171,277	\$ 1,171,277	\$ -	\$ 1,171,277	\$ -	\$ -	\$ -	\$ 1,171,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,171,277
Internal Maintenance	\$ 391,569	\$ 391,568	\$ -	\$ 391,568	\$ -	\$ -	\$ -	\$ 391,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,569
Transportation	\$ 194,973	\$ 194,973	\$ -	\$ 194,973	\$ -	\$ -	\$ -	\$ 194,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,973
Retail	\$ 55,813	\$ 55,813	\$ -	\$ 55,813	\$ -	\$ -	\$ -	\$ 55,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,813
Merchandise	\$ 742,813	\$ 742,813	\$ -	\$ 742,813	\$ -	\$ 135,411	\$ 334,761	\$ 408,052	\$ -	\$ -	\$ 334,761	\$ 441,335	\$ 135,411	\$ 408,052
I.T.	\$ 47,709,040	\$ 47,709,040	\$ -	\$ 47,709,040	\$ -	\$ 655,255	\$ 4,498,305	\$ 43,270,135	\$ -	\$ -	\$ 4,498,305	\$ 3,742,389	\$ 695,356	\$ 43,270,135
Surveillance (Gaming & Hotel)	\$ 6,653,589	\$ 6,653,589	\$ -	\$ 6,653,589	\$ -	\$ -	\$ -	\$ 6,653,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,653,589
A&G and Facilities and IT Subtotal	\$ 71,920,596	\$ 71,920,596	\$ -	\$ 71,920,596	\$ -	\$ 915,177	\$ 5,413,474	\$ 65,507,122	\$ -	\$ -	\$ 5,413,474	\$ 4,998,737	\$ 915,177	\$ 66,507,122
Other FF&E	\$ 123,075,428	\$ 123,075,428	\$ -	\$ 123,075,428	\$ -	\$ 915,177	\$ 5,413,474	\$ 119,661,152	\$ -	\$ -	\$ 5,413,474	\$ 4,998,737	\$ 915,177	\$ 119,661,152
Pre-Opening and Working Capital														
Working Capital	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
Bankroll	\$ 3,150,000	\$ 3,150,000	\$ -	\$ 3,150,000	\$ -	\$ -	\$ -	\$ 3,150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,150,000
Inventory	\$ 5,927,125	\$ 5,927,125	\$ -	\$ 5,927,125	\$ -	\$ -	\$ -	\$ 5,927,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,927,125
Utilities	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Taxes	\$ 37,626,464	\$ 37,626,464	\$ (2,555,464)	\$ 45,488,454	\$ -	\$ 735,295	\$ 7,957,849	\$ 37,510,605	\$ -	\$ -	\$ 7,957,849	\$ 7,322,394	\$ 735,295	\$ 37,510,605
Payroll Burden	\$ 25,000,000	\$ 25,000,000	\$ -	\$ 25,000,000	\$ -	\$ 536,537	\$ 5,239,597	\$ 20,760,403	\$ -	\$ -	\$ 5,239,597	\$ 4,502,860	\$ 536,537	\$ 20,760,403
Marketing	\$ 1,414,000	\$ 1,414,000	\$ -	\$ 1,414,000	\$ -	\$ 71,625	\$ 955,894	\$ 458,106	\$ -	\$ -	\$ 955,894	\$ 886,345	\$ 71,625	\$ 458,106
Office and Related	\$ 1,641,000	\$ 1,641,000	\$ -	\$ 1,641,000	\$ -	\$ 703,522	\$ 764,342	\$ 876,668	\$ -	\$ -	\$ 764,342	\$ 770,252	\$ 876,668	\$ 876,668
Recruitment	\$ 2,827,269	\$ 2,827,269	\$ 3,009,096	\$ 5,847,000	\$ -	\$ 435,451	\$ 4,277,132	\$ 969,668	\$ -	\$ -	\$ 4,277,132	\$ 3,791,942	\$ 489,192	\$ 969,668
Other	\$ 93,847,579	\$ 93,847,579	\$ -	\$ 93,847,579	\$ -	\$ 1,989,437	\$ 19,194,814	\$ 74,652,765	\$ -	\$ -	\$ 19,194,814	\$ 17,245,276	\$ 1,989,437	\$ 74,652,765
Pre-Opening and Working Capital Subtotal	\$ 145,575,923	\$ 145,575,923	\$ -	\$ 145,575,923	\$ -	\$ 2,972,923	\$ 12,832,290	\$ 138,592,923	\$ -	\$ -	\$ 12,832,290	\$ 13,256,279	\$ 2,972,923	\$ 138,592,923
Fees / Permits / Taxes / Other														
Building Permits	\$ 7,779,400	\$ 7,779,400	\$ -	\$ 7,779,400	\$ -	\$ -	\$ -	\$ 7,779,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,779,400
Permits, Fees, etc	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
Sewer Fees	\$ 11,181,700	\$ 11,181,700	\$ -	\$ 11,181,700	\$ -	\$ 1,523	\$ 7,684,850	\$ 3,596,751	\$ -	\$ -	\$ 7,684,850	\$ 7,684,850	\$ 1,523	\$ 3,596,751
Hotel Rooms	\$ 13,360	\$ 13,360	\$ -	\$ 13,360	\$ -	\$ -	\$ -	\$ 13,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,360
Remainder of Prdium	\$ 1,526,350	\$ 1,526,350	\$ -	\$ 1,526,350	\$ -	\$ -	\$ -	\$ 1,526,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,526,350
WMBR Assessment Fees	\$ 9,874,361	\$ 9,874,361	\$ -	\$ 9,874,361	\$ -	\$ -	\$ -	\$ 9,874,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,874,361
Regional connection charges	\$ 57,134,000	\$ 57,134,000	\$ 3,309,400	\$ 60,443,400	\$ -	\$ 5,146,343	\$ 70,538,438	\$ 57,134,000	\$ -	\$ -	\$ 70,538,438	\$ 62,389,055	\$ 3,140,413	\$ 57,134,000
Health Department / Other Misc. Fees	\$ 10,048,550	\$ 10,048,550	\$ -	\$ 10,048,550	\$ -	\$ 58,237	\$ 8,030,385	\$ 2,018,154	\$ -	\$ -	\$ 8,030,385	\$ 7,285,359	\$ 786,037	\$ 2,018,154
Overline for Fire Testing	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Transportation Fee	\$ 10,415,487	\$ 10,415,487	\$ (3,539,090)	\$ 10,415,487	\$ -	\$ 2,276,559	\$ 2,276,559	\$ 8,185,528	\$ -	\$ -	\$ 2,276,559	\$ 2,276,559	\$ -	\$ 8,185,528
Design Fees / Costs	\$ 2,561,815	\$ 2,561,815	\$ -	\$ 2,561,815	\$ -	\$ 556,518	\$ 4,310,651	\$ 4,310,651	\$ -	\$ -	\$ 4,310,651	\$ 4,310,651	\$ 556,518	\$ 2,561,815
Design Costs	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ -	\$ -	\$ -	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500,000
Design Fees / Costs	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Design Fees / Costs	\$ 131,814,077	\$ 131,814,077	\$ -	\$ 131,814,077	\$ -	\$ 4,403,430	\$ 122,795,227	\$ 118,932,397	\$ -	\$ -	\$ 122,795,227	\$ 118,932,397	\$ 4,403,430	\$ 122,795,227
Design Fees / Costs	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Design Fees / Costs	\$ 10,415,487	\$ 10,415,487	\$ -	\$ 10,415,487	\$ -	\$ -	\$ -	\$ 10,415,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,415,487
Design Fees / Costs	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ -	\$ -	\$ -	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500,000
Design Fees / Costs	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Design Fees / Costs	\$ 131,814,077	\$ 131,814,077	\$ -	\$ 131,814,077	\$ -	\$ 4,403,430	\$ 122,795,227	\$ 118,932,397	\$ -	\$ -	\$ 122,795,227	\$ 118,932,397	\$ 4,403,430	\$ 122,795,227
Fees / Permits / Taxes / Other Subtotal	\$ 131,814,077	\$ 131,814,077	\$ -	\$ 131,814,077	\$ -	\$ 4,403,430	\$ 122,795,227	\$ 118,932,397	\$ -	\$ -	\$ 122,795,227	\$ 118,932,397	\$ 4,403,430	\$ 122,795,227
Grand Total	\$ 1,000,000,000	\$ 1,000,000,000	\$ -	\$ 1,000,000,000	\$ -	\$ 1,000,000,000	\$ 1,000,000,000	\$ 1,000,000,000	\$ -	\$ -	\$ 1,000,000,000	\$ 1,000,000,000	\$ 1,000,000,000	\$ 1,000,000,000

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EXHIBIT M-4
As of 8/31/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED				NET AMOUNTS				
	CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (B) FROM PRIOR MONTH	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C+D)	PREVIOUSLY COMPLETED DATE (G) FROM PRIOR MONTH	CURRENT PERIOD COMPLETED DATE (H) (F-F+G)	% COMPLETED (I) (H/I)	BALANCE TO COMPLETE (J) (G-I)	TOTAL COMPLETED DATE (K) (G+H)	PREVIOUSLY COMPLETED DATE (L) (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (M) (K-M)	BALANCE TO COMPLETE (N) (K-N)
Debt Services Accrued Through Scheduler Opening												
Debt Services	\$ 382,756,033	\$ 382,756,033	\$ (29,537,600)	\$ 332,375,033	\$ 108,626,136	\$ 2,335,672	43.32%	\$ 189,450,226	\$ 163,928,007	\$ 350,592,136	\$ 3,393,672	\$ 166,410,226
Debt Services Accrued Through Scheduler Opening Subtotal	\$ 382,756,033	\$ 382,756,033	\$ (29,537,600)	\$ 332,375,033	\$ 108,626,136	\$ 2,335,672	43.32%	\$ 189,450,226	\$ 163,928,007	\$ 350,592,136	\$ 3,393,672	\$ 166,410,226
Condominium-Hotel Selling Expenses												
Condominium-Hotel Selling Expenses	\$ 49,776,523	\$ 23,000,000	\$ -	\$ 23,000,000	\$ 14,317,331	\$ 1,638,123	61.44%	\$ 9,639,708	\$ 14,844,602	\$ 13,545,764	\$ 1,298,838	\$ 10,153,397
Condominium-Hotel Selling Expenses Subtotal	\$ 49,776,523	\$ 23,000,000	\$ -	\$ 23,000,000	\$ 14,317,331	\$ 1,638,123	61.44%	\$ 9,639,708	\$ 14,844,602	\$ 13,545,764	\$ 1,298,838	\$ 10,153,397
Fees and Expenses												
Fees and Expenses	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 60,740,794	\$ 59,545,871	\$ -	98.03%	\$ 1,194,923	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Fees and Expenses Subtotal	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 60,740,794	\$ 59,545,871	\$ -	98.03%	\$ 1,194,923	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Costs Accrued Through Opening Date	\$ 658,333,052	\$ 685,387,432	\$ (30,377,000)	\$ 654,804,482	\$ 370,069,810	\$ 10,756,702	58.16%	\$ 273,978,459	\$ 330,376,321	\$ 385,299,433	\$ 11,011,878	\$ 274,094,161
TOTAL COSTS	\$ 2,493,048,985	\$ 3,119,620,142	\$ (89,277,000)	\$ 3,080,844,141	\$ 1,339,426,634	\$ 109,287,262	46.84%	\$ 1,637,546,305	\$ 59,307,331	\$ 1,303,993,616	\$ 1,276,676,988	\$ 1,696,863,636

(1) To be filled out without off-selling Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-closing Hard Costs Paid to Date %	46.5%
Contingency Adjustment	
Required Minimum Contingency	\$ 56,036,337
Least Unallocated Contingency Balances (Actual)	\$ (77,271,571)
Contingency Adjustment Subtotal	\$ (20,752,694)
Other Adjustments	
Required Minimum Cash Support	\$ -
Required Minimum Equity Account	\$ 20,449,889
Required Minimum Excess Revolver Support Amount	\$ 1,250,521
Repayment of Existing Debt	\$ -
Adjustment for Additional Cash Support	\$ -
TOTAL	\$ 1,709,316,632

IN BALANCE TEST AVAILABLE CUSHION	
Starting Cushion	\$ 50,000,000
Current Cushion	\$ 52,861,510
Required Minimum Cash Support	\$ -
Other Unallocated in Balance Cushion	\$ 20,752,694
Contingency Adjustment Subtotal	\$ 24,556,141
Required Minimum Liquidity Account	\$ -
Required Minimum Excess Revolver Support Amount	\$ 7,559,775
Adjustment for Additional Cash Support	\$ -
Total Other Unallocated in Balance Cushion	\$ 52,861,510
TOTAL CUSHION	\$ 52,861,510

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE A MEMORANDUM CERTIFICATE
As of 9/30/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED			NET AMOUNTS							
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
	CLOSING RESORT BUDGET	PRIOR BUDGET (O FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	PREVIOUS DATE COMPLETED (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED (F)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (H)	BALANCE TO COMPLETE (D-G+I)	TOTAL RETAINAGE	TOTAL COMPLETED TO DATE (G+K)	PREVIOUS DATE COMPLETED (L FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (M-L+M)	BALANCE TO COMPLETE (N-K)
Construction Hard Costs	\$ 883,718,890	\$ 682,244,352	\$ 21,703,572	\$ 685,104,609	\$ 357,382,462	\$ 67,622,323	\$ 419,002,775	61.15%	\$ -286,161,834	\$ 30,558,916	\$ 380,404,170	\$ 203,248,584	\$ 58,465,403	\$ 286,700,432
Tower	\$ 659,114,645	\$ 722,699,276	\$ 6,200,000	\$ 728,899,276	\$ 203,300,000	\$ 35,103,373	\$ 308,387,651	42.30%	\$ 420,516,625	\$ 17,251,648	\$ 291,048,193	\$ 297,165,122	\$ 23,071,071	\$ 430,032,922
Poolium	\$ 374,395,718	\$ 417,592,691	\$ 19,582,233	\$ 437,174,924	\$ 332,476,702	\$ 23,764,337	\$ 283,240,909	64.78%	\$ 153,934,015	\$ 15,378,573	\$ 267,861,336	\$ 243,183,387	\$ 19,685,449	\$ 155,220,478
Garage/Convention/Central Plant	\$ 54,353,805	\$ 15,635,334	\$ 889,163	\$ 16,819,811	\$ 10,855,170	\$ 492,168	\$ 11,275,338	66.88%	\$ 5,543,473	\$ 704,579	\$ 10,571,760	\$ 11,352,756	\$ 403,021	\$ 6,281,411
Site	\$ 6,000,000	\$ 3,600,000	\$ 0	\$ 3,600,000	\$ 3,600,000	\$ 0	\$ 3,600,000	77.84%	\$ 800,000	\$ 0	\$ 2,798,062	\$ 3,379,062	\$ 0	\$ 673,108
Construction Hard Costs Subtotal	\$ 1,709,000,000	\$ 1,418,116,324	\$ 38,930,275	\$ 1,487,046,609	\$ 916,355,044	\$ 107,923,891	\$ 1,024,278,935	55.16%	\$ 832,780,864	\$ 64,323,187	\$ 960,051,548	\$ 657,846,524	\$ 102,205,024	\$ 898,984,051
LEED Qualification Costs	\$ 22,000,000	\$ 17,814,478	\$ (3,000,000)	\$ 12,814,478	\$ 4,560,972	\$ 563,221	\$ 5,283,989	42.12%	\$ 7,530,486	\$ 2,672	\$ 5,281,267	\$ 4,338,387	\$ 342,970	\$ 7,265,072
LEED Qualification Costs Subtotal	\$ 22,000,000	\$ 17,814,478	\$ (3,000,000)	\$ 12,814,478	\$ 4,940,972	\$ 343,821	\$ 5,283,993	42.12%	\$ 7,530,486	\$ 2,672	\$ 5,281,267	\$ 4,938,387	\$ 342,970	\$ 7,265,072
LEED Sales Tax Benefit	\$ (56,000,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
LEED Sales Tax Benefit Subtotal	\$ (56,000,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Conditions/Requirements/Holding	\$ 24,300,000	\$ 25,000,000	\$ (3,000,000)	\$ 25,000,000	\$ 22,300,228	\$ (1,272,377)	\$ 25,030,117	96.53%	\$ 89,470	\$ 0	\$ 25,030,117	\$ 23,302,394	\$ (1,278,377)	\$ 89,470
CM Staffing	\$ 1,453,000	\$ 3,182,256	\$ 2,500,000	\$ 6,165,000	\$ 3,352,255	\$ 15,108	\$ 5,707,074	94.85%	\$ 309,013	\$ 0	\$ 5,707,074	\$ 3,182,256	\$ 2,524,768	\$ 309,013
Plant Engineering	\$ 950,000	\$ 36,500	\$ 0	\$ 36,500	\$ 25,000	\$ (10,000)	\$ 20,000	74.45%	\$ 5,500	\$ 0	\$ 14,882	\$ 14,882	\$ 0	\$ 0
General Consulting	\$ 200,000	\$ 26,500	\$ 0	\$ 26,500	\$ 0	\$ (26,500)	\$ 0	0.00%	\$ 26,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
COO (OT for inspectors misc certifications)	\$ 4,320,000	\$ 6,050,000	\$ (1,730,000)	\$ 4,320,000	\$ 6,050,000	\$ (1,730,000)	\$ 4,320,000	58.53%	\$ 2,730,000	\$ 0	\$ 10,550	\$ 10,550	\$ 0	\$ 0
Site	\$ 2,496,000	\$ 5,041,000	\$ (2,545,000)	\$ 2,496,000	\$ 5,041,000	\$ (2,545,000)	\$ 2,496,000	85.22%	\$ 445,000	\$ 0	\$ 5,111,811	\$ 5,041,000	\$ (70,811)	\$ 104,250
Plant Office and Equipment	\$ 1,500,000	\$ 3,000,000	\$ (1,500,000)	\$ 1,500,000	\$ 3,000,000	\$ (1,500,000)	\$ 1,500,000	100.00%	\$ 0	\$ 0	\$ 3,469,623	\$ 3,469,623	\$ 0	\$ 0
Temporary Utilities	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 4,000,000	100.00%	\$ 0	\$ 0	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 0
Temporary Labor	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 2,000,000	100.00%	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 0
Material Land Labor Slating	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 2,000,000	100.00%	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 0
General Equipment and Tools	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	100.00%	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0
Project Documentation	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	100.00%	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0
Misc. Project Expenses	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	100.00%	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0
Teaching and Inspection (ATC Associates)	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	100.00%	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0
Reimbursable Insuring	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	100.00%	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0
Holding	\$ 26,200,000	\$ 25,000,000	\$ (1,200,000)	\$ 25,000,000	\$ 22,300,228	\$ (1,272,377)	\$ 25,030,117	96.53%	\$ 89,470	\$ 0	\$ 25,030,117	\$ 23,302,394	\$ (1,278,377)	\$ 89,470
Sub Total General Conditions/Requirements/Holding	\$ 1,735,624,074	\$ 1,954,009,891	\$ 11,009,272	\$ 1,945,619,163	\$ 1,096,193,045	\$ 92,497,733	\$ 1,096,031,317	56.47%	\$ 840,984,725	\$ 94,327,374	\$ 1,054,942,080	\$ 860,488,258	\$ 86,791,998	\$ 911,432,089
Contingency	\$ 11,000,000	\$ 77,271,571	\$ (11,000,272)	\$ 77,271,571	\$ 0	\$ 0	\$ 77,271,571	0.00%	\$ 77,271,571	\$ 0	\$ 0	\$ 0	\$ 0	\$ 77,271,571
Unallocated Contingency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Additional Cost Contingency	\$ 11,000,000	\$ 77,271,571	\$ (11,000,272)	\$ 77,271,571	\$ 0	\$ 0	\$ 77,271,571	0.00%	\$ 77,271,571	\$ 0	\$ 0	\$ 0	\$ 0	\$ 77,271,571
Contingency Subtotal	\$ 11,000,000	\$ 77,271,571	\$ (11,000,272)	\$ 77,271,571	\$ 0	\$ 0	\$ 77,271,571	0.00%	\$ 77,271,571	\$ 0	\$ 0	\$ 0	\$ 0	\$ 77,271,571
Insurance	\$ 40,000,000	\$ 40,000,000	\$ 0	\$ 40,000,000	\$ 21,000,000	\$ 150,000	\$ 21,200,000	53.00%	\$ 18,800,000	\$ 0	\$ 21,200,000	\$ 21,000,000	\$ 150,000	\$ 19,750,000
Insurance Package	\$ 40,000,000	\$ 40,000,000	\$ 0	\$ 40,000,000	\$ 21,000,000	\$ 150,000	\$ 21,200,000	53.00%	\$ 18,800,000	\$ 0	\$ 21,200,000	\$ 21,000,000	\$ 150,000	\$ 19,750,000
Insurance Subtotal	\$ 40,000,000	\$ 40,000,000	\$ 0	\$ 40,000,000	\$ 21,000,000	\$ 150,000	\$ 21,200,000	53.00%	\$ 18,800,000	\$ 0	\$ 21,200,000	\$ 21,000,000	\$ 150,000	\$ 19,750,000
Total Construction Costs	\$ 1,804,574,074	\$ 2,000,909,238	\$ (11,000,272)	\$ 1,983,903,766	\$ 1,096,193,045	\$ 92,497,733	\$ 1,096,031,317	56.33%	\$ 900,228,003	\$ 94,327,374	\$ 1,054,942,080	\$ 860,488,258	\$ 86,791,998	\$ 1,044,656,277

FOUNTAINBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
As of 9/30/08

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS				
	(A) CLOSING RESORT BUDGET	(B) PRIOR RESORT BUDGET (D FROM PRIOR MONTH)	(C) CURRENT RESORT BUDGET MODIFICATIONS	(D) RESORT BUDGET (B+C-D)	(E) PREVIOUS COMPLETED DATE (G FROM PRIOR MONTH)	(F) CURRENT PERIOD COMPLETED ¹⁰ DATE	(G) TOTAL COMPLETED TO DATE (FFPFS)	(H) % COMPLETED (G/D)	(I) BALANCE TO COMPLETE (D- G)	(J) TOTAL RETAINAGE	(K) TOTAL COMPLETED TO DATE (G+K)	(L) PREVIOUS DATE (K FROM PRIOR MONTH)	(M) CURRENT PERIOD COMPLETED TO DATE (M-L+M)
Rooms FF&E													
Condo Suite	\$ 19,250,572	\$ 16,250,572	\$ -	\$ 16,250,572	\$ 3,045,018	\$ 5,628,322	35.00%	\$ 10,622,250	\$ -	\$ 4,516,757	\$ 3,045,018	\$ 1,498,762	\$ 10,844,715
Center Unit One Bedroom	\$ 7,894,252	\$ 7,894,252	\$ -	\$ 7,894,252	\$ 1,658,233	\$ 1,658,233	20.90%	\$ 6,236,019	\$ -	\$ 2,955,966	\$ 1,658,233	\$ 1,658,233	\$ 4,577,786
Center Suite	\$ 734,283	\$ 734,283	\$ -	\$ 734,283	\$ 538,202	\$ 538,202	73.18%	\$ 196,081	\$ -	\$ 176,249	\$ 538,202	\$ 538,202	\$ 196,081
Junior Suite	\$ 1,888,312	\$ 1,888,312	\$ -	\$ 1,888,312	\$ 438,588	\$ 438,588	23.23%	\$ 1,449,724	\$ -	\$ 297,655	\$ 438,588	\$ 438,588	\$ 1,449,724
Three Bay Suite	\$ 1,647,402	\$ 1,647,402	\$ -	\$ 1,647,402	\$ 525,355	\$ 525,355	31.90%	\$ 1,122,047	\$ -	\$ 79,174	\$ 525,355	\$ 525,355	\$ 1,122,047
Four Bay Suite	\$ 141,822	\$ 141,822	\$ -	\$ 141,822	\$ 114,000	\$ 114,000	80.32%	\$ 27,822	\$ -	\$ 114,000	\$ 114,000	\$ 114,000	\$ 27,822
Six Bay Suite	\$ 48,875	\$ 48,875	\$ -	\$ 48,875	\$ 17,950	\$ 17,950	36.73%	\$ 30,925	\$ -	\$ 11,000	\$ 17,950	\$ 17,950	\$ 11,000
Typical King	\$ 4,430,374	\$ 4,430,374	\$ -	\$ 4,430,374	\$ 4,931,711	\$ 292,244	6.60%	\$ 4,138,163	\$ -	\$ 4,911,755	\$ 4,931,711	\$ 292,244	\$ 4,639,511
Typical Queen	\$ 31,321,127	\$ 31,321,127	\$ -	\$ 31,321,127	\$ 1,352,363	\$ 763,245	24.36%	\$ 30,968,882	\$ -	\$ 8,090,627	\$ 1,352,363	\$ 763,245	\$ 8,853,872
Rooms FF&E Subtotal	\$ 73,784,287	\$ 73,784,287	\$ -	\$ 73,784,287	\$ 17,740,649	\$ 47,177,141	23.62%	\$ 56,033,676	\$ -	\$ 21,857,751	\$ 17,740,649	\$ 4,117,141	\$ 61,926,676
Hold and F&E Operating Equipment													
Bill Desk	\$ 604,464	\$ 604,464	\$ -	\$ 604,464	\$ -	\$ -	0.00%	\$ 604,464	\$ -	\$ -	\$ -	\$ -	\$ 604,464
Housekeeping	\$ 721,253	\$ 721,253	\$ -	\$ 721,253	\$ -	\$ -	0.00%	\$ 721,253	\$ -	\$ -	\$ -	\$ -	\$ 721,253
Room Receptions	\$ 16,327,112	\$ 16,327,112	\$ -	\$ 16,327,112	\$ -	\$ -	0.00%	\$ 16,327,112	\$ -	\$ -	\$ -	\$ -	\$ 16,327,112
Pool Operations	\$ 679,200	\$ 679,200	\$ -	\$ 679,200	\$ -	\$ -	0.00%	\$ 679,200	\$ -	\$ -	\$ -	\$ -	\$ 679,200
Card Operations	\$ 3,606,337	\$ 3,606,337	\$ -	\$ 3,606,337	\$ -	\$ -	0.00%	\$ 3,606,337	\$ -	\$ -	\$ -	\$ -	\$ 3,606,337
Hotel Sales	\$ 126,135	\$ 126,135	\$ -	\$ 126,135	\$ -	\$ -	0.00%	\$ 126,135	\$ -	\$ -	\$ -	\$ -	\$ 126,135
Convention Center	\$ 2,518,607	\$ 2,518,607	\$ -	\$ 2,518,607	\$ 6,794	\$ 6,794	0.27%	\$ 2,511,813	\$ -	\$ 6,794	\$ 6,794	\$ 6,794	\$ 2,518,607
Business Center	\$ 49,271,229	\$ 49,271,229	\$ -	\$ 49,271,229	\$ 1,826	\$ 1,826	0.00%	\$ 49,269,403	\$ -	\$ 1,826	\$ 1,826	\$ 1,826	\$ 49,271,229
Telephone	\$ 489,213	\$ 489,213	\$ -	\$ 489,213	\$ -	\$ -	0.00%	\$ 489,213	\$ -	\$ -	\$ -	\$ -	\$ 489,213
Spa	\$ 1,269,528	\$ 1,269,528	\$ -	\$ 1,269,528	\$ -	\$ -	0.00%	\$ 1,269,528	\$ -	\$ -	\$ -	\$ -	\$ 1,269,528
Food & Beverage	\$ 5,653,027	\$ 5,653,027	\$ -	\$ 5,653,027	\$ 2,285	\$ 2,285	0.04%	\$ 5,650,742	\$ -	\$ 2,285	\$ 2,285	\$ 2,285	\$ 5,653,027
Catering	\$ 6,256,824	\$ 6,256,824	\$ -	\$ 6,256,824	\$ -	\$ -	0.00%	\$ 6,256,824	\$ -	\$ -	\$ -	\$ -	\$ 6,256,824
Hold and F&E Operating Equipment Subtotal	\$ 49,061,937	\$ 49,061,937	\$ -	\$ 49,061,937	\$ 10,884	\$ 10,884	0.02%	\$ 49,051,053	\$ -	\$ 10,884	\$ 10,884	\$ 10,884	\$ 49,071,273
Kitchen Equipment													
Food Service Equipment	\$ 22,299,240	\$ 22,299,240	\$ -	\$ 22,299,240	\$ -	\$ -	0.00%	\$ 22,299,240	\$ -	\$ -	\$ -	\$ -	\$ 22,299,240
Kitchen Equipment Subtotal	\$ 22,299,240	\$ 22,299,240	\$ -	\$ 22,299,240	\$ -	\$ -	0.00%	\$ 22,299,240	\$ -	\$ -	\$ -	\$ -	\$ 22,299,240
Exterior Signage													
Quotation by YESCO	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ -	\$ -	0.00%	\$ 26,532,720	\$ -	\$ -	\$ -	\$ -	\$ 26,532,720
Exterior Signage Subtotal	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ -	\$ -	0.00%	\$ 26,532,720	\$ -	\$ -	\$ -	\$ -	\$ 26,532,720
Common Area													
FDH	\$ 24,291,213	\$ 24,291,213	\$ -	\$ 24,291,213	\$ 500,293	\$ 500,293	2.06%	\$ 23,790,920	\$ -	\$ 12,357,105	\$ 11,426,110	\$ 930,988	\$ 10,925,107
BDH	\$ 5,385,659	\$ 5,385,659	\$ -	\$ 5,385,659	\$ -	\$ -	0.00%	\$ 5,385,659	\$ -	\$ -	\$ -	\$ -	\$ 5,385,659
Common Area Subtotal	\$ 29,676,872	\$ 29,676,872	\$ -	\$ 29,676,872	\$ 500,293	\$ 500,293	1.69%	\$ 29,176,579	\$ -	\$ 12,357,105	\$ 11,426,110	\$ 930,988	\$ 16,308,706
Costed FF&E	\$ 200,352,936	\$ 200,352,936	\$ -	\$ 200,352,936	\$ 20,177,451	\$ 6,970,118	13.82%	\$ 181,175,485	\$ -	\$ 35,971,000	\$ 20,177,451	\$ 6,731,549	\$ 187,906,999
Gaming FF&E													
Table Games	\$ 3,137,240	\$ 3,137,240	\$ -	\$ 3,137,240	\$ -	\$ -	0.00%	\$ 3,137,240	\$ -	\$ -	\$ -	\$ -	\$ 3,137,240
Poker	\$ 174,182	\$ 174,182	\$ -	\$ 174,182	\$ -	\$ -	0.00%	\$ 174,182	\$ -	\$ -	\$ -	\$ -	\$ 174,182
Slot Operations	\$ 29,322,129	\$ 29,322,129	\$ -	\$ 29,322,129	\$ -	\$ -	0.00%	\$ 29,322,129	\$ -	\$ -	\$ -	\$ -	\$ 29,322,129
RSS	\$ 6,174,424	\$ 6,174,424	\$ -	\$ 6,174,424	\$ -	\$ -	0.00%	\$ 6,174,424	\$ -	\$ -	\$ -	\$ -	\$ 6,174,424
Cage Security	\$ 1,843,950	\$ 1,843,950	\$ -	\$ 1,843,950	\$ -	\$ -	0.00%	\$ 1,843,950	\$ -	\$ -	\$ -	\$ -	\$ 1,843,950
Security	\$ 219,174	\$ 219,174	\$ -	\$ 219,174	\$ -	\$ -	0.00%	\$ 219,174	\$ -	\$ -	\$ -	\$ -	\$ 219,174
Gaming FF&E Subtotal	\$ 40,871,089	\$ 40,871,089	\$ -	\$ 40,871,089	\$ -	\$ -	0.00%	\$ 40,871,089	\$ -	\$ -	\$ -	\$ -	\$ 40,871,089
Entertainment													
Theater	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
As of 9/30/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED				NET AMOUNTS					
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	CLOSING BUDGET	PRIOR BUDGET (9 FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	BALANCE TO COMPLETE (G-I)	% COMPLETE (G/H)	TOTAL COMPLETED DATE (E-F-G)	TOTAL RETAINAGE	TOTAL COMPLETED DATE (G-H-K)	PREVIOUS DATE (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (M-L-M)	BALANCE TO COMPLETE (N-K)	
Entertainment Subtotal	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	0.00%		\$ -	\$ -	\$ -		\$ -	\$ 12,283,731
A&C and Facilities and IT													
A&C and Facilities													
General Administrative, HR, Finance	2,655,422	2,655,422		2,655,422	489,452	18.42%	489,452	2,165,970	489,452	4/30/08	4/30/08	2,165,970	
Marketing and Casino Marketing	659,310	659,310		659,310	210,361	31.90%	210,361	448,949	210,361	3/31/08	3/31/08	448,949	
Engineering	1,171,277	1,171,277		1,171,277		0.00%		1,171,277				1,171,277	
Internal Maintenance	184,588	184,588		184,588		0.00%		184,588				184,588	
Retail	153,978	153,978		153,978		0.00%		153,978				153,978	
Wardrobe	742,812	742,812		742,812	153,250	20.63%	153,250	589,562	153,250	3/24/08	3/24/08	589,562	
IT													
IT	47,709,040	47,709,040		47,709,040	6,331,799	13.27%	6,331,799	41,377,241	6,331,799	4/23/08	4/23/08	41,377,241	
Surveillance (Gaming & Hotel)	6,663,589	6,663,589		6,663,589		0.00%		6,663,589				6,663,589	
A&C and Facilities and IT Subtotal	71,924,516	71,924,516		71,924,516	7,184,881	9.99%	7,184,881	64,739,635	7,184,881	4/13/08	4/13/08	64,739,635	
Other FF&E	125,073,426	125,073,426		125,073,426	117,899,565	94.27%	117,899,565	7,173,861	117,899,565	4/13/08	4/13/08	7,173,861	
Pre-Opening and Working Capital													
Working Capital													
Bar/Pool	4,000,000	4,000,000		4,000,000		0.00%		4,000,000				4,000,000	
Inventory	3,150,000	3,150,000		3,150,000		0.00%		3,150,000				3,150,000	
Uniforms	5,927,125	5,927,125		5,927,125		0.00%		5,927,125				5,927,125	
Taxes	1,000,000	1,000,000		1,000,000		0.00%		1,000,000				1,000,000	
FF&E													
Payroll/Benefit	44,218,454	44,218,454		44,218,454	8,709,891	19.70%	8,709,891	35,508,563	8,709,891	7/31/08	7/31/08	35,508,563	
Marketing	20,759,000	20,759,000		20,759,000	5,441,745	26.22%	5,441,745	15,317,255	5,441,745	3/28/08	3/28/08	15,317,255	
Office and Related	1,641,000	1,641,000		1,641,000	1,121,765	67.71%	1,121,765	519,235	1,641,000	7/24/08	7/24/08	519,235	
Revirement	1,641,000	1,641,000		1,641,000	168,271	10.25%	168,271	1,472,729	1,641,000	8/28/08	8/28/08	1,472,729	
Other	2,247,000	2,247,000		2,247,000	4,584,844	204.00%	4,584,844		2,247,000	3/27/08	3/27/08		
Pre-Opening and Working Capital Subtotal	83,947,579	83,947,579		83,947,579	15,554,865	18.53%	15,554,865	70,616,900	15,554,865	10/19/08	10/19/08	70,616,900	
Fees / Permits / Taxes / Other													
Building Permits													
Permits, Fees, etc	14,515,823	14,515,823		14,515,823	12,899,130	88.86%	12,899,130	1,616,693	14,515,823	12/30/08	12/30/08	1,616,693	
Sever Fees													
Hotel Rooms	7,775,400	7,775,400		7,775,400	7,734,608	99.48%	7,734,608	40,792	7,775,400	7/24/08	7/24/08	40,792	
Remainder of Pooling	1,500,000	1,500,000		1,500,000	1,500,000	100.00%	1,500,000		1,500,000	1/30/08	1/30/08		
Water Assessment Fees													
Regional connection charges	11,181,700	11,181,700		11,181,700	7,584,950	67.83%	7,584,950	3,596,750	11,181,700	7/24/08	7/24/08	3,596,750	
Health Department / Other Misc. Fees	13,260	13,260		13,260	63,438	478.36%	63,438	50,178	13,260	6/1/08	6/1/08	50,178	
Overrun for P&E Testing	1,000,000	1,000,000		1,000,000		0.00%		1,000,000				1,000,000	
Transportation Fee	4,872,951	4,872,951		4,872,951	3,526,112	72.36%	3,526,112	1,346,839	4,872,951	3/28/08	3/28/08	1,346,839	
Disposal Fees / Costs													
Design cost	56,610,000	56,610,000		56,610,000	7,032,222	12.42%	7,032,222	49,577,778	56,610,000	7/24/08	7/24/08	49,577,778	
Construction cost	2,248,500	2,248,500		2,248,500	790,596	35.16%	790,596	1,457,904	2,248,500	8/20/08	8/20/08	1,457,904	
Taxes, Lease and Other													
Facility Improvements	75,000	75,000		75,000		0.00%		75,000				75,000	
Property taxes	1,415,400	1,415,400		1,415,400	2,276,959	160.88%	2,276,959	3,692,359	1,415,400	3/27/08	3/27/08	3,692,359	
Legal fees / other / allowance	2,061,816	2,061,816		2,061,816	152,533	7.39%	152,533	1,909,283	2,061,816	1/23/08	1/23/08	1,909,283	
Development Agreement	4,000,000	4,000,000		4,000,000	3,885,498	97.14%	3,885,498	114,502	4,000,000	3/27/08	3/27/08	114,502	
Turnover Pace Ramp	750,000	750,000		750,000		0.00%		750,000				750,000	
Mock-Up Cost													
Fees / Permits / Taxes / Other Subtotal	141,914,071	141,914,071		141,914,071	8,152,326	5.74%	8,152,326	14,841,745	141,914,071	12/30/08	12/30/08	14,841,745	
TOTAL	264,845,826	264,845,826		264,845,826	122,796,227	46.37%	122,796,227	142,049,599	122,796,227	12/30/08	12/30/08	142,049,599	

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
As of 9/30/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED					NET AMOUNTS				
	CLOSING RESORT BUDGET (A)	RESORT BUDGET (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	PREVIOUS PERIOD COMPLETED DATE (E)	CURRENT PERIOD COMPLETED DATE (F)	TOTAL COMPLETED TO DATE (G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G-I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED TO DATE (K)	PREVIOUS PERIOD COMPLETED DATE (L)	CURRENT PERIOD COMPLETED DATE (M)	BALANCE TO COMPLETE (K-N)
Debt Service Accrued Through Scheduled Opening													
Debt Service	\$ 342,756,033	\$ 332,379,033	\$ -	\$ 163,928,807	\$ 163,928,807	\$ 163,928,807	49.32%	\$ 168,450,226	\$ -	\$ 163,928,807	\$ 163,928,807	\$ -	\$ 168,450,226
Debt Service Accrued Through Scheduled Opening Subtotal	\$ 342,756,033	\$ 332,379,033	\$ -	\$ 163,928,807	\$ 163,928,807	\$ 163,928,807	49.32%	\$ 168,450,226	\$ -	\$ 163,928,807	\$ 163,928,807	\$ -	\$ 168,450,226
Condominium-Hotel Selling Expenses													
Condominium-Hotel Selling Expenses	\$ 43,715,520	\$ 25,000,000	\$ -	\$ 15,703,333	\$ 15,703,333	\$ 15,703,333	62.82%	\$ 9,296,067	\$ 142,520	\$ 15,555,410	\$ 15,555,410	\$ 710,007	\$ 9,444,850
Condominium-Hotel Selling Expenses Subtotal	\$ 43,715,520	\$ 25,000,000	\$ -	\$ 15,703,333	\$ 15,703,333	\$ 15,703,333	62.82%	\$ 9,296,067	\$ 142,520	\$ 15,555,410	\$ 15,555,410	\$ 710,007	\$ 9,444,850
Fees and Expenses													
Fees and Expenses	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 59,545,871	\$ 59,545,871	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Fees and Expenses Subtotal	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 59,545,871	\$ 59,545,871	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Cash Accrued Through Opening Date	\$ 658,935,005	\$ 554,004,482	\$ -	\$ 390,857,864	\$ 40,874,431	\$ 390,857,864	59.89%	\$ 268,046,838	\$ 149,523	\$ 390,709,330	\$ 390,709,330	\$ 10,398,999	\$ 268,095,161
TOTAL COSTS	\$ 2,929,044,381	\$ 3,080,243,141	\$ (0)	\$ 1,444,096,838	\$ 1,514,014,388	\$ 1,514,014,388	50.45%	\$ 1,566,231,433	\$ 64,862,166	\$ 1,489,145,142	\$ 1,489,145,142	\$ 185,751,627	\$ 1,591,004,999

(C) To be filled out without effecting Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	24.3%
Contingency Adjustment	
Required Minimum Contingency	\$ 56,052,256
Less: Unallocated Contingency Balance (Actual)	\$ (7,271,271)
Contingency Adjustment Subtotal	\$ (21,206,064)
Other Adjustments	
Required Minimum Cash Support	\$ -
Required Minimum Liquidity Account	\$ 23,505,927
Required Minimum Revolver Support Amount	\$ 4,293,859
Required Minimum Existing Debt	\$ -
Adjustment for Additional Cash Support	\$ -
TOTAL	\$ 1,593,310,410

IN BALANCE TEST AVAILABLE CUSHION	
Starting Cushion	\$ 50,000,000
Current Cushion	\$ 63,179,156
Required Minimum Cash Support	\$ -
Other Unallocated In Balance Cushion	\$ -
Contingency Adjustment Subtotal	\$ 21,206,064
Required Minimum Liquidity Account	\$ 23,505,927
Required Minimum Excess Revolver Support Amount	\$ 4,293,859
Adjustment for Additional Cash Support	\$ -
Total Other Unallocated In Balance Cushion	\$ -
TOTAL CUSHION	\$ 63,179,156

FOXCREEK RESORT AND CASINO
 LAS VEGAS, NV
 REVENUE COST REPORT
 APPENDIX VI TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
 September 30, 2008

DESCRIPTION	REPORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS				
	(A) CLOSING REPORT BUDGET	(B) PRIOR REPORT BUDGET (P FROM PRIOR MONTH)	(C) CURRENT PERIOD BUDGET MODIFICATION	(D) REPORT BUDGET (B+C-D)	(E) PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH)	(F) CURRENT PERIOD COMPLETED (1)	(G) TOTAL COMPLETED TO DATE (E+F)	(H) % COMPLETED (G/D)	(I) BALANCE TO COMPLETE (D-G)	(J) RETAINAGE	(K) TOTAL COMPLETED TO DATE (G-F)	(L) PREVIOUS COMPLETED (K FROM PRIOR MONTH)	(M) CURRENT PERIOD COMPLETED DATE (1)
Total Construction Costs													
Turnberry West Construction	\$ 175,544,074	\$ 154,866,851	\$ 11,002,272	\$ 165,869,123	\$ 1,065,933,655	\$ 92,437,733	\$ 1,058,371,388	66.47%	\$ 846,934,725	\$ 64,527,374	\$ 947,402,283	86.70.9.88%	\$ 911,541,269
Unspecified Contingency	\$ 111,009,860	\$ 77,271,571	\$ -	\$ 77,271,571	\$ -	\$ -	\$ -	0.00%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ 77,271,571
Additional Cost Contingency	\$ -	\$ 48,420,916	\$ (11,608,273)	\$ 36,812,643	\$ -	\$ -	\$ -	0.00%	\$ 36,812,643	\$ -	\$ -	\$ -	\$ 36,812,643
Reserves	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 21,086,234	\$ 452,703	\$ 21,538,937	53.10%	\$ 18,462,063	\$ -	\$ 21,238,927	\$ 21,086,234	\$ 18,462,063
	\$ 3,045,973,924	\$ 2,989,939,293	\$ -	\$ 2,989,939,293	\$ 1,622,228,288	\$ 22,338,212	\$ 1,644,566,500	55.02%	\$ 1,345,372,793	\$ 64,527,374	\$ 1,609,093,874	86.70.9.88%	\$ 1,544,566,500
Room FF&E	\$ 73,744,267	\$ 73,744,267	\$ -	\$ 73,744,267	\$ 117,404,619	\$ 4,117,141	\$ 121,521,760	164.64%	\$ -	\$ -	\$ 105,777,541	\$ 117,404,619	\$ -
Hotel and F&B Operating Equipment	\$ 42,091,957	\$ 42,091,957	\$ -	\$ 42,091,957	\$ 10,884	\$ -	\$ 10,884	0.02%	\$ 42,081,073	\$ -	\$ 10,884	\$ -	\$ 42,070,189
Kitchen Equipment	\$ 22,239,240	\$ 22,239,240	\$ -	\$ 22,239,240	\$ -	\$ -	\$ -	0.00%	\$ 22,239,240	\$ -	\$ -	\$ -	\$ 22,239,240
Exterior Signage	\$ 26,573,720	\$ 26,573,720	\$ -	\$ 26,573,720	\$ 1,872,888	\$ 1,872,888	7.05%	\$ 24,700,832	\$ 187,289	\$ 1,872,888	\$ -	\$ 1,872,888	
Companions FF&E	\$ 28,665,812	\$ 28,665,812	\$ -	\$ 28,665,812	\$ 11,456,118	\$ 938,888	\$ 12,395,006	43.24%	\$ 16,209,706	\$ 187,289	\$ 12,583,894	\$ 11,456,118	\$ 10,447,886
Costed FF&E	\$ 100,364,396	\$ 200,362,986	\$ -	\$ 200,362,986	\$ 23,177,451	\$ 6,920,719	\$ 30,098,170	15.02%	\$ 170,264,816	\$ 187,289	\$ 23,365,629	\$ 30,098,170	\$ 169,877,187
Gaming FF&E	\$ 40,871,098	\$ 40,871,098	\$ -	\$ 40,871,098	\$ -	\$ -	\$ -	0.00%	\$ 40,871,098	\$ -	\$ -	\$ -	\$ 40,871,098
Entertainment	\$ 12,203,231	\$ 12,203,231	\$ -	\$ 12,203,231	\$ 6,412,474	\$ 1,771,337	\$ 8,183,811	66.24%	\$ 4,019,420	\$ -	\$ 7,145,485	\$ 6,412,474	\$ 1,771,337
ASC and Facilities and IT	\$ 122,078,426	\$ 122,078,426	\$ -	\$ 122,078,426	\$ 3,433,274	\$ 1,771,337	\$ 5,204,611	4.26%	\$ 116,874,815	\$ -	\$ 3,605,048	\$ 5,204,611	\$ 113,669,767
Pre-Opening Working Capital	\$ 93,047,679	\$ 93,047,679	\$ (2,000,000)	\$ 91,047,679	\$ 9,184,414	\$ 1,255,866	\$ 10,440,280	11.47%	\$ 80,607,399	\$ -	\$ 9,184,414	\$ 10,440,280	\$ 70,162,914
Pass (Primitives/Tables/Other)	\$ 131,851,077	\$ 142,327,877	\$ 2,500,000	\$ 144,827,877	\$ 122,785,227	\$ 6,452,026	\$ 129,237,253	89.23%	\$ 15,590,624	\$ -	\$ 123,009,227	\$ 122,785,227	\$ 15,416,996
Dist. Service Account Through Standard Opening Date	\$ 382,256,633	\$ 382,256,633	\$ -	\$ 382,256,633	\$ 15,250,807	\$ -	\$ 15,250,807	3.99%	\$ 367,005,826	\$ -	\$ 15,250,807	\$ -	\$ 341,755,019
Contingencies-Hotel Selling Expenses	\$ 40,776,628	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 16,260,264	\$ 342,839	\$ 16,603,103	41.04%	\$ 23,736,897	\$ 148,623	\$ 16,751,942	\$ 16,260,264	\$ 16,583,278
Fee and Expenses	\$ 80,240,294	\$ 80,240,294	\$ -	\$ 80,240,294	\$ 38,546,871	\$ -	\$ 38,546,871	48.04%	\$ 41,693,423	\$ -	\$ 60,193,742	\$ 38,546,871	\$ 21,646,871
Costs Accrued Through Opening Date	\$ 282,523,622	\$ 282,523,622	\$ -	\$ 282,523,622	\$ 388,266,913	\$ 10,631,811	\$ 398,898,724	141.16%	\$ -	\$ 16,927	\$ 388,266,913	\$ 388,266,913	\$ -
TOTAL COSTS	\$ 2,925,046,351	\$ 3,089,243,141	\$ (0)	\$ 3,089,243,141	\$ 1,442,686,836	\$ 113,314,492	\$ 1,556,001,328	50.40%	\$ 1,532,231,813	\$ 84,885,186	\$ 1,449,116,142	\$ 1,382,289,596	\$ 1,381,094,939

IK BALANCE TEST ADJUSTMENTS	
Per-Closing Hard Costs Plus/Minus	\$ -
Contingency Adjustment	\$ -
Required Minimum Contingency	\$ -
Less: Unallocated Contingency Balance (Actual)	\$ (17,279,791)
Contingency Adjustment Subtotal	\$ (17,279,791)
Required Minimum Liquidity Account	\$ -
Required Minimum Excess Revenue Support Amount	\$ -
Repayment of Existing Debt (1)	\$ -
TOTAL	\$ 1,583,310

(1) To be filed without entering Retainage.
 (2) To be filed with Retainage for Closing Cost.

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 IN-BALANCE REPORT
 APPENDIX X TO EXHIBIT C-1
 September 30, 2008

DESCRIPTION	IN BALANCE TEST
AVAILABLE FUNDS	
Projected Interest Income ⁽¹⁾	\$ 5,925,939
Anticipated Bonded Condo Deposits	\$ 14,000,000
Equity Funding Account	\$ -
Cash Management Account	\$ 6,000,000
Second Mortgage Proceeds Account	\$ -
Bank Proceeds Account ⁽²⁾	\$ 383,533,816
Delay Draw Term Loan Availability	\$ 350,000,000
Bank Revolving Availability, Minus \$40,000,000	\$ 760,000,000
Debt Service Commitment Portion	\$ -
Cash Support Amount	\$ 100,000,000
Retail Lenders Shared Cost Commitment (Less Advances Made for Shared Costs)	\$ 70,528,906
Cash Balance in the Resort Payment Account	\$ -
Cash Balance in the Interest Account	\$ -
Cash Balance in the Resort Loss Proceeds Account	\$ -
TOTAL AVAILABLE FUNDS	\$ 1,689,988,661
LESS: TOTAL	
Remaining Costs (In Balance Test Adjustments Total from the Remaining Cost Report)	\$ (1,593,310,410)
IN BALANCE POSITIVE / (NEGATIVE)	\$ 96,678,251

(1) Anticipated Interest Income on all Resort accounts.

(2) Bank proceeds account availability not reduced by letters of credit because the cost is already included in the remaining cost report.

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 9/30/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED			NET AMOUNTS							
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
	CLOSING RESORT BUDGET	PRIOR BUDGET (D FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED DATE (E FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (F)	TOTAL COMPLETED DATE (E+F+G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G)	TOTAL RETAINAGE	TOTAL COMPLETED DATE (K-J)	PREVIOUS COMPLETED DATE (L FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (M-L+M)	BALANCE TO COMPLETE (N-K)
Construction Hard Costs														
Tower	\$ 650,114,350	\$ 650,114,350	\$ 217,907,457	\$ 868,021,807	\$ 357,300,651	\$ 61,652,320	\$ 419,002,771	61.15%	\$ 266,019,036	\$ 30,598,699	\$ 398,004,178	\$ 330,905,988	\$ 68,108,190	\$ 267,096,032
Petroleum	\$ 682,119,268	\$ 722,490,975	\$ 9,955,639	\$ 734,646,613	\$ 203,303,669	\$ 35,103,873	\$ 308,407,542	42.20%	\$ 426,242,070	\$ 17,321,638	\$ 291,004,130	\$ 297,105,722	\$ 23,911,071	\$ 430,032,822
Convention	\$ 209,305,716	\$ 117,102,661	\$ 10,582,235	\$ 127,684,896	\$ 358,776,702	\$ 20,764,307	\$ 283,240,909	66.89%	\$ 139,640,905	\$ 15,378,670	\$ 287,651,336	\$ 340,105,267	\$ 19,465,449	\$ 165,220,478
Garage/Convention/Central Plant								0.00%	\$ 5,689,833	\$ 732,879	\$ 10,671,780	\$ 12,100,755	\$ 403,021	\$ 6,287,411
Central Plant								77.84%	\$ 679,168	\$ -	\$ 2,376,062	\$ 2,376,062	\$ -	\$ 673,108
Site	\$ 41,333,605	\$ 45,638,751	\$ 98,160	\$ 87,072,516	\$ 18,256,770	\$ 492,408	\$ 11,275,359	35.16%	\$ 832,769,884	\$ 64,233,187	\$ 969,051,548	\$ 857,846,524	\$ 102,205,024	\$ 898,984,951
Bond cost	\$ 4,865,000	\$ 3,807,836	\$ -	\$ 807,164	\$ 914,355,044	\$ 107,023,691	\$ 1,024,284,735							
Construction Hard Costs Subtotal	\$ 1,769,000,000	\$ 1,811,115,324	\$ 38,930,275	\$ 1,850,045,599	\$ 4,502,972	\$ 542,221	\$ 5,280,393	42.12%	\$ 7,282,446	\$ 7,626	\$ 5,281,387	\$ 4,338,387	\$ 342,970	\$ 7,285,072
LEED Qualification Costs	\$ 20,200,000	\$ 17,814,479	\$ (5,005,611)	\$ 12,808,868	\$ 4,900,972	\$ 343,821	\$ 5,244,793	42.12%	\$ 7,262,446	\$ 2,626	\$ 5,281,387	\$ 4,338,387	\$ 342,970	\$ 7,285,072
LEED Qualification Costs Subtotal	\$ 20,200,000	\$ 17,814,479	\$ (5,005,611)	\$ 12,808,868	\$ 4,900,972	\$ 343,821	\$ 5,244,793							
LEED Sales Tax Benefit	\$ (69,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEED Sales Tax Benefit Subtotal	\$ (69,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Conditions/Requirements/Holding														
Civil/Structural	\$ 34,282,242	\$ 24,549,470	\$ (8,315,627)	\$ 16,233,843	\$ 29,200,250	\$ (1,327,372)	\$ 28,072,878	98.55%	\$ 694,370	\$ -	\$ 28,072,878	\$ 28,399,384	\$ (1,276,277)	\$ 894,470
Field Engineering	\$ 1,152,200	\$ 3,182,326	\$ 2,635,802	\$ 6,160,354	\$ 3,359,263	\$ 64,081	\$ 7,004,124	94.86%	\$ 309,013	\$ -	\$ 3,707,074	\$ 3,392,855	\$ 2,824,785	\$ 306,013
Radema Consulting	\$ 150,000	\$ 50,000	\$ -	\$ 200,000	\$ -	\$ 14,088	\$ 14,088	74.86%	\$ 5,912	\$ -	\$ 10,652	\$ 10,652	\$ (9,000)	\$ 1,652
CCC (OT for inspectors misc certifications)	\$ 200,000	\$ 50,000	\$ -	\$ 250,000	\$ 59,528	\$ 69,000	\$ 128,528	51.41%	\$ 121,472	\$ -	\$ 10,652	\$ 6,252,205	\$ (1,276,277)	\$ 8,928,479
Salary	\$ 4,236,107	\$ 6,826,508	\$ (1,574,643)	\$ 5,251,465	\$ 6,550,302	\$ (1,651,459)	\$ 5,138,433	96.53%	\$ 712,972	\$ 21,630	\$ 5,111,814	\$ 3,472,563	\$ (1,276,277)	\$ 3,838,587
Field Offices and Equipment	\$ 2,488,000	\$ 5,614,829	\$ (95,200)	\$ 5,518,629	\$ 3,541,303	\$ 21,751	\$ 3,563,054	95.57%	\$ 187,165	\$ 48,216	\$ 3,489,523	\$ 2,759,536	\$ (69,174)	\$ 2,820,353
Temporary Utilities	\$ 4,526,875	\$ 4,027,375	\$ 1,899,091	\$ 6,426,466	\$ 3,875,270	\$ 706,854	\$ 4,332,124	98.12%	\$ 209,342	\$ 7,679	\$ 2,674,924	\$ 4,339,305	\$ 1,337,551	\$ 1,341,373
Material and Labor Staging	\$ 2,838,000	\$ 7,476,691	\$ 799,891	\$ 8,274,582	\$ 4,872,329	\$ 1,494,624	\$ 6,332,104	98.12%	\$ 209,342	\$ 7,679	\$ 11,940,448	\$ 13,309,534	\$ 679,804	\$ 12,260,732
General Equipment and Tools	\$ 1,821,000	\$ 2,237,978	\$ 14,605,693	\$ 24,064,671	\$ 1,878,318	\$ 678,809	\$ 11,566,685	81.43%	\$ 1,708,989	\$ 116,337	\$ 1,766,353	\$ 3,329,474	\$ (1,563,655)	\$ 1,202,698
General Documentation	\$ 1,820,000	\$ 2,646,000	\$ (7,000,000)	\$ (2,574,000)	\$ 2,646,000	\$ (4,478,200)	\$ 1,167,800	80.09%	\$ 1,708,989	\$ -	\$ 1,167,800	\$ 2,646,000	\$ (1,478,200)	\$ 1,168,600
Site Preparation Expenses	\$ 322,000	\$ 71,500	\$ 18,747	\$ 220,247	\$ 18,747	\$ -	\$ 18,747	7.16%	\$ 212,728	\$ -	\$ 16,417	\$ 18,747	\$ (330)	\$ 163,487
Training/Inspection (ATC Associates)	\$ 2,600,000	\$ 2,636,347	\$ -	\$ 5,236,347	\$ 1,869,873	\$ (82,377)	\$ 1,856,906	87.46%	\$ 280,439	\$ -	\$ 1,856,906	\$ 1,969,423	\$ (33,767)	\$ 1,823,139
Permitting/Inspection	\$ 1,500,000	\$ 2,162,397	\$ (251,723)	\$ 1,810,674	\$ 1,892,593	\$ (92,700)	\$ 1,296,842	67.24%	\$ 613,897	\$ -	\$ 1,296,842	\$ 1,892,593	\$ (595,751)	\$ 696,842
Holding	\$ 25,200,000	\$ 26,620,552	\$ (21,567,272)	\$ 31,053,280	\$ 17,379,569	\$ (1,537,222)	\$ 3,186,468	54.88%	\$ 1,740,091	\$ 4,511	\$ 3,183,956	\$ 17,398,207	\$ (13,512,251)	\$ 1,744,602
Sub Total General Conditions/Requirements/Holding	\$ 74,634,074	\$ 91,877,048	\$ (22,852,963)	\$ 76,024,085	\$ 84,897,649	\$ (16,834,979)	\$ 69,062,670	90.84%	\$ 6,881,415	\$ 291,581	\$ 68,771,100	\$ 84,617,184	\$ (15,845,988)	\$ 7,252,976
Contingency	\$ 17,354,694,074	\$ 1,934,808,031	\$ 11,009,272	\$ 1,946,817,113	\$ 1,001,193,685	\$ 94,457,735	\$ 1,085,431,397	56.47%	\$ 846,984,723	\$ 64,527,374	\$ 1,034,304,023	\$ 947,492,826	\$ 58,761,998	\$ 911,511,039
Unallocated Contingency	\$ 11,308,869	\$ 77,271,571	\$ -	\$ 88,580,440	\$ -	\$ -	\$ -	0.00%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ -	\$ 77,271,571
Additional Cost Contingency	\$ -	\$ -	\$ (11,009,272)	\$ (11,009,272)	\$ -	\$ -	\$ -	0.00%	\$ 37,111,544	\$ -	\$ -	\$ -	\$ -	\$ 37,111,544
Contingency Subtotal	\$ 11,308,869	\$ 77,271,571	\$ (11,009,272)	\$ 77,271,571	\$ -	\$ -	\$ -	0.00%	\$ 114,383,115	\$ -	\$ -	\$ -	\$ -	\$ 114,383,115
Insurance	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 80,000,000	\$ 21,656,244	\$ 163,793	\$ 21,819,937	53.16%	\$ 16,783,063	\$ -	\$ 21,819,937	\$ 21,065,204	\$ 3,105,204	\$ 18,714,733
Insurance package	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 80,000,000	\$ 21,066,204	\$ 152,703	\$ 21,218,937	53.09%	\$ 18,761,463	\$ -	\$ 21,218,937	\$ 21,066,204	\$ 3,105,204	\$ 18,714,733
Insurance Subtotal	\$ 80,000,000	\$ 80,000,000	\$ -	\$ 160,000,000	\$ 43,722,448	\$ 316,496	\$ 43,038,874	53.33%	\$ 35,544,526	\$ -	\$ 43,038,874	\$ 44,131,408	\$ 3,210,408	\$ 39,828,466
Total Construction Costs	\$ 1,804,673,924	\$ 2,000,000,238	\$ (0)	\$ 2,000,000,238	\$ 1,927,270,888	\$ 92,590,436	\$ 1,979,879,394		\$ 980,229,012	\$ 64,527,374	\$ 1,955,352,024	\$ 1,884,418,259	\$ 86,154,762	\$ 1,044,656,277

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 9/30/08

DESCRIPTION	REPORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS				
	CLOSING BUDGET (A)	PRIOR BUDGET (B)	CURRENT BUDGET MODIFICATIONS (C)	REPORT BUDGET (A+C-D)	PREVIOUS COMPLETED DATE (G-FROM PRIOR MONTH) (E)	CURRENT PERIOD COMPLETED DATE (F)	TOTAL COMPLETED DATE (F+G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G)	TOTAL RETAINAGE (J)	TOTAL COMPLETED DATE (G-J+K)	PREVIOUS COMPLETED DATE (K-FROM PRIOR MONTH) (L)	CURRENT PERIOD COMPLETED DATE (M)
Resorts FF&E													
Condo Suite	\$ 14,290,372	\$ 14,290,372	\$ -	\$ 14,290,372	\$ 5,018,215	\$ 14,018,215	29.05%	\$ 10,844,775	\$ -	\$ 4,515,737	\$ 3,018,414	\$ 1,497,762	\$ 10,844,775
Condo Unit One Bedroom	\$ 7,494,252	\$ 7,494,252	\$ -	\$ 7,494,252	\$ 1,538,232	\$ 1,538,232	20.53%	\$ 4,566,324	\$ -	\$ 2,955,968	\$ 2,283,213	\$ 1,891,736	\$ 4,566,324
Center Suite	\$ 734,253	\$ 734,253	\$ -	\$ 734,253	\$ 63,264	\$ 63,264	8.48%	\$ 1,831,817	\$ -	\$ 752,549	\$ 103,264	\$ 66,345	\$ 1,831,817
Junior Suite	\$ 1,889,312	\$ 1,889,312	\$ -	\$ 1,889,312	\$ 538,539	\$ 1,350,773	71.49%	\$ 538,539	\$ -	\$ 297,655	\$ 183,617	\$ 133,417	\$ 1,291,657
Three Bay Suite	\$ 1,647,902	\$ 1,647,902	\$ -	\$ 1,647,902	\$ 505,568	\$ 238,413	48.28%	\$ 1,142,334	\$ -	\$ 48,868	\$ 355,335	\$ 286,473	\$ 955,662
Four Bay Suite	\$ 141,562	\$ 141,562	\$ -	\$ 141,562	\$ 314,263	\$ -	0.00%	\$ 488,673	\$ -	\$ 114,000	\$ 194,292	\$ -	\$ 27,952
SK Bay Suite	\$ 486,874	\$ 486,874	\$ -	\$ 486,874	\$ -	\$ -	0.00%	\$ 486,874	\$ -	\$ -	\$ -	\$ -	\$ 486,874
Typical King	\$ 44,456,574	\$ 44,456,574	\$ -	\$ 44,456,574	\$ 4,911,755	\$ 4,911,755	11.05%	\$ 39,544,819	\$ -	\$ 4,911,755	\$ 4,515,711	\$ 290,044	\$ 39,544,819
Typical Queen	\$ 31,821,127	\$ 31,821,127	\$ -	\$ 31,821,127	\$ 1,253,253	\$ 748,245	23.54%	\$ 23,800,570	\$ -	\$ 8,092,627	\$ 7,263,369	\$ 769,345	\$ 23,800,570
Rooms FF&E Subtotal	\$ 73,784,257	\$ 73,784,257	\$ -	\$ 73,784,257	\$ 17,740,849	\$ 4,177,141	29.62%	\$ 51,926,476	\$ -	\$ 21,957,791	\$ 17,740,849	\$ 4,177,141	\$ 51,926,476
Hotel and F&B Operating Equipment													
Bed/Desk	\$ 596,454	\$ 596,454	\$ -	\$ 596,454	\$ -	\$ -	0.00%	\$ 596,454	\$ -	\$ -	\$ -	\$ -	\$ 596,454
Front Desk	\$ 737,253	\$ 737,253	\$ -	\$ 737,253	\$ -	\$ -	0.00%	\$ 737,253	\$ -	\$ -	\$ -	\$ -	\$ 737,253
Restrooming	\$ 10,827,110	\$ 10,827,110	\$ -	\$ 10,827,110	\$ -	\$ -	0.00%	\$ 10,827,110	\$ -	\$ -	\$ -	\$ -	\$ 10,827,110
Room Receivables	\$ 619,000	\$ 619,000	\$ -	\$ 619,000	\$ -	\$ -	0.00%	\$ 619,000	\$ -	\$ -	\$ -	\$ -	\$ 619,000
Pool Operations	\$ 3,606,531	\$ 3,606,531	\$ -	\$ 3,606,531	\$ -	\$ -	0.00%	\$ 3,606,531	\$ -	\$ -	\$ -	\$ -	\$ 3,606,531
Pool Billions	\$ 198,184	\$ 198,184	\$ -	\$ 198,184	\$ -	\$ -	0.00%	\$ 198,184	\$ -	\$ -	\$ -	\$ -	\$ 198,184
Hotel Stairs	\$ 2,816,607	\$ 2,816,607	\$ -	\$ 2,816,607	\$ 6,794	\$ 6,794	0.24%	\$ 2,818,133	\$ -	\$ 6,794	\$ 5,784	\$ -	\$ 2,818,133
Convention Center	\$ 946,110	\$ 946,110	\$ -	\$ 946,110	\$ 1,836	\$ 1,836	0.19%	\$ 944,274	\$ -	\$ 1,836	\$ 4,532	\$ -	\$ 944,274
Business Center	\$ 489,235	\$ 489,235	\$ -	\$ 489,235	\$ -	\$ -	0.00%	\$ 489,235	\$ -	\$ -	\$ -	\$ -	\$ 489,235
Spa	\$ 2,858,128	\$ 2,858,128	\$ -	\$ 2,858,128	\$ -	\$ -	0.00%	\$ 2,858,128	\$ -	\$ -	\$ -	\$ -	\$ 2,858,128
Food & Beverage	\$ 4,693,767	\$ 4,693,767	\$ -	\$ 4,693,767	\$ 2,265	\$ 2,265	0.05%	\$ 4,691,502	\$ -	\$ 2,265	\$ 2,265	\$ -	\$ 4,691,502
Cafe/ing	\$ 6,258,824	\$ 6,258,824	\$ -	\$ 6,258,824	\$ -	\$ -	0.00%	\$ 6,258,824	\$ -	\$ -	\$ -	\$ -	\$ 6,258,824
Hotel and F&B Operating Equipment Subtotal	\$ 49,081,937	\$ 49,081,937	\$ -	\$ 49,081,937	\$ 10,684	\$ 10,684	0.02%	\$ 49,071,273	\$ -	\$ 10,684	\$ 10,684	\$ -	\$ 49,071,273
Kitchen Equipment													
Food Service Equipment	\$ 22,299,240	\$ 22,299,240	\$ -	\$ 22,299,240	\$ -	\$ -	0.00%	\$ 22,299,240	\$ -	\$ -	\$ -	\$ -	\$ 22,299,240
Kitchen Equipment Subtotal	\$ 22,299,240	\$ 22,299,240	\$ -	\$ 22,299,240	\$ -	\$ -	0.00%	\$ 22,299,240	\$ -	\$ -	\$ -	\$ -	\$ 22,299,240
Exterior Signage													
Quotation by YESCO	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ -	\$ -	0.00%	\$ 26,532,720	\$ -	\$ -	\$ -	\$ -	\$ 26,532,720
Exterior Signage Subtotal	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ -	\$ -	0.00%	\$ 26,532,720	\$ -	\$ -	\$ -	\$ -	\$ 26,532,720
Common Area													
FOH	\$ 23,881,213	\$ 23,881,213	\$ -	\$ 23,881,213	\$ 11,426,110	\$ 11,426,110	47.84%	\$ 10,924,107	\$ -	\$ 12,357,106	\$ 11,426,110	\$ 930,986	\$ 10,924,107
BOH	\$ 5,384,689	\$ 5,384,689	\$ -	\$ 5,384,689	\$ -	\$ -	0.00%	\$ 5,384,689	\$ -	\$ -	\$ -	\$ -	\$ 5,384,689
Common Area Subtotal	\$ 29,265,902	\$ 29,265,902	\$ -	\$ 29,265,902	\$ 11,426,110	\$ 11,426,110	47.84%	\$ 16,308,706	\$ -	\$ 12,357,106	\$ 11,426,110	\$ 930,986	\$ 16,308,706
Gaming FF&E													
Table Games	\$ 3,137,240	\$ 3,137,240	\$ -	\$ 3,137,240	\$ -	\$ -	0.00%	\$ 3,137,240	\$ -	\$ -	\$ -	\$ -	\$ 3,137,240
Poker	\$ 174,182	\$ 174,182	\$ -	\$ 174,182	\$ -	\$ -	0.00%	\$ 174,182	\$ -	\$ -	\$ -	\$ -	\$ 174,182
Slot Operations	\$ 29,322,129	\$ 29,322,129	\$ -	\$ 29,322,129	\$ -	\$ -	0.00%	\$ 29,322,129	\$ -	\$ -	\$ -	\$ -	\$ 29,322,129
R&S	\$ 6,174,424	\$ 6,174,424	\$ -	\$ 6,174,424	\$ -	\$ -	0.00%	\$ 6,174,424	\$ -	\$ -	\$ -	\$ -	\$ 6,174,424
Cage Security	\$ 1,843,950	\$ 1,843,950	\$ -	\$ 1,843,950	\$ -	\$ -	0.00%	\$ 1,843,950	\$ -	\$ -	\$ -	\$ -	\$ 1,843,950
Security	\$ 219,174	\$ 219,174	\$ -	\$ 219,174	\$ -	\$ -	0.00%	\$ 219,174	\$ -	\$ -	\$ -	\$ -	\$ 219,174
Gaming FF&E Subtotal	\$ 40,871,089	\$ 40,871,089	\$ -	\$ 40,871,089	\$ -	\$ -	0.00%	\$ 40,871,089	\$ -	\$ -	\$ -	\$ -	\$ 40,871,089
Entertainment													
Theater	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731
Total	\$ 200,353,936	\$ 200,353,936	\$ -	\$ 200,353,936	\$ 29,177,431	\$ 6,920,818	18.82%	\$ 164,356,727	\$ 187,269	\$ 35,911,000	\$ 29,177,431	\$ 6,920,818	\$ 164,356,727

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
-APPENDIX VII TO EXHIBIT C-1-
As of 9/30/08

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS					
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
	CLOSING RESORT BUDGET	PRIOR RESORT BUDGET (P FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED DATE (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (H-F-G)	TOTAL COMPLETED DATE (I-F+G)	% COMPLETED (H/I)	BALANCE TO COMPLETE (D-I)	TOTAL RETAINAGE	TOTAL COMPLETED DATE (K-J-K)	PREVIOUS COMPLETED DATE (L FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED DATE (M-L-M)	BALANCE TO COMPLETE (N-K-N)
Entertainment Subtotal	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731
A&G and Facilities and IT														
A&G and Facilities	\$ 2,853,222	\$ 2,853,222	\$ -	\$ 2,853,222	\$ -	\$ -	\$ -	16.52%	\$ 2,473,770	\$ -	\$ 489,452	\$ -	\$ 68,404	\$ 2,473,770
General Administration, HR, Finance	\$ 686,518	\$ 686,518	\$ -	\$ 686,518	\$ -	\$ -	\$ -	0.00%	\$ 686,518	\$ -	\$ -	\$ -	\$ -	\$ 686,518
Marketing & Casino Marketing	\$ 1,171,277	\$ 1,171,277	\$ -	\$ 1,171,277	\$ -	\$ -	\$ -	1.81%	\$ 11,384,255	\$ -	\$ 210,361	\$ -	\$ -	\$ 11,384,255
Hotel Maintenance	\$ 194,508	\$ 194,508	\$ -	\$ 194,508	\$ -	\$ -	\$ -	0.00%	\$ 194,508	\$ -	\$ -	\$ -	\$ -	\$ 194,508
Transportation	\$ 194,508	\$ 194,508	\$ -	\$ 194,508	\$ -	\$ -	\$ -	0.00%	\$ 194,508	\$ -	\$ -	\$ -	\$ -	\$ 194,508
Retail	\$ 194,508	\$ 194,508	\$ -	\$ 194,508	\$ -	\$ -	\$ -	20.53%	\$ 585,553	\$ -	\$ 153,250	\$ -	\$ -	\$ 194,508
Wardrobe	\$ 194,508	\$ 194,508	\$ -	\$ 194,508	\$ -	\$ -	\$ -	13.27%	\$ 41,377,241	\$ -	\$ 6,331,789	\$ -	\$ 1,893,494	\$ 41,377,241
IT	\$ 6,653,589	\$ 6,653,589	\$ -	\$ 6,653,589	\$ -	\$ -	\$ -	9.89%	\$ 6,653,589	\$ -	\$ 7,184,861	\$ -	\$ 1,771,387	\$ 6,653,589
Surveillance (Gaming & Hotel)	\$ 71,920,596	\$ 71,920,596	\$ -	\$ 71,920,596	\$ -	\$ -	\$ -	5.24%	\$ 117,880,565	\$ -	\$ 7,184,861	\$ -	\$ 1,771,387	\$ 117,880,565
A&G and Facilities and IT Subtotal	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	\$ -	5.24%	\$ 117,880,565	\$ -	\$ 7,184,861	\$ -	\$ 1,771,387	\$ 117,880,565
Other FF&E														
Pre-Opening and Working Capital														
Working Capital	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	0.00%	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
Inventory	\$ 3,150,000	\$ 3,150,000	\$ -	\$ 3,150,000	\$ -	\$ -	\$ -	0.00%	\$ 3,150,000	\$ -	\$ -	\$ -	\$ -	\$ 3,150,000
Uniforms	\$ 5,927,125	\$ 5,927,125	\$ -	\$ 5,927,125	\$ -	\$ -	\$ -	0.00%	\$ 5,927,125	\$ -	\$ -	\$ -	\$ -	\$ 5,927,125
Taxes	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	0.00%	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
FF&E Subtotal	\$ 14,077,125	\$ 14,077,125	\$ -	\$ 14,077,125	\$ -	\$ -	\$ -	0.00%	\$ 14,077,125	\$ -	\$ -	\$ -	\$ -	\$ 14,077,125
Pre-Opening and Working Capital Subtotal	\$ 14,077,125	\$ 14,077,125	\$ -	\$ 14,077,125	\$ -	\$ -	\$ -	0.00%	\$ 14,077,125	\$ -	\$ -	\$ -	\$ -	\$ 14,077,125
Fees / Permits / Taxes / Other														
Buildings/Equipment	\$ 14,515,823	\$ 14,515,823	\$ -	\$ 14,515,823	\$ -	\$ -	\$ -	88.85%	\$ 1,516,633	\$ -	\$ 12,859,130	\$ -	\$ 63,100	\$ 1,516,633
Permits, Fees, etc	\$ 7,779,400	\$ 7,779,400	\$ -	\$ 7,779,400	\$ -	\$ -	\$ -	98.42%	\$ 44,292	\$ -	\$ 7,735,108	\$ -	\$ -	\$ 7,735,108
Sewer Fees	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	100.00%	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Hotel Rooms	\$ 11,811,700	\$ 11,811,700	\$ -	\$ 11,811,700	\$ -	\$ -	\$ -	67.83%	\$ 3,586,751	\$ -	\$ 7,584,950	\$ -	\$ -	\$ 3,586,751
Remainder of Premium	\$ 286,500	\$ 286,500	\$ -	\$ 286,500	\$ -	\$ -	\$ -	22.14%	\$ 233,062	\$ -	\$ 61,438	\$ -	\$ -	\$ 286,500
Wages/Assessment Fees	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	0.00%	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
Regional connection charges	\$ 4,872,821	\$ 4,872,821	\$ -	\$ 4,872,821	\$ -	\$ -	\$ -	75.44%	\$ 1,088,840	\$ -	\$ 3,828,112	\$ -	\$ -	\$ 1,088,840
Health Department / Other Misc. Fees	\$ 77,610,050	\$ 77,610,050	\$ 2,500,000	\$ 77,610,050	\$ -	\$ -	\$ -	99.91%	\$ 70,390	\$ -	\$ 77,539,660	\$ -	\$ 7,003,222	\$ 70,390
Overtime for Fire Training	\$ 10,048,550	\$ 10,048,550	\$ -	\$ 10,048,550	\$ -	\$ -	\$ -	86.93%	\$ 1,307,474	\$ -	\$ 8,741,076	\$ -	\$ 710,660	\$ 1,307,474
Transportation Fee	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	0.00%	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Design Fees/Consult	\$ 5,815,487	\$ 5,815,487	\$ -	\$ 5,815,487	\$ -	\$ -	\$ -	38.45%	\$ 3,638,528	\$ -	\$ 2,276,959	\$ -	\$ -	\$ 3,638,528
Design costs	\$ 2,276,959	\$ 2,276,959	\$ -	\$ 2,276,959	\$ -	\$ -	\$ -	83.17%	\$ 4,471,951	\$ -	\$ 4,471,951	\$ -	\$ -	\$ 4,471,951
Consultant cost	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ -	\$ -	\$ -	86.30%	\$ 616,502	\$ -	\$ 3,883,498	\$ -	\$ 307,500	\$ 616,502
Taxes, Legal and Other	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	95.86%	\$ 24,031	\$ -	\$ 725,969	\$ -	\$ -	\$ 725,969
Property taxes	\$ 150,000	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	96.86%	\$ 24,031	\$ -	\$ 126,969	\$ -	\$ -	\$ 126,969
Right lease/other allowances	\$ 4,350,000	\$ 4,350,000	\$ -	\$ 4,350,000	\$ -	\$ -	\$ -	90.10%	\$ 14,888,224	\$ -	\$ 130,944,553	\$ -	\$ 8,152,328	\$ 14,888,224
Development Agreement/	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	90.10%	\$ 14,888,224	\$ -	\$ 130,944,553	\$ -	\$ 8,152,328	\$ 14,888,224
Other	\$ 150,000	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	90.10%	\$ 14,888,224	\$ -	\$ 130,944,553	\$ -	\$ 8,152,328	\$ 14,888,224
Make-Up Cost	\$ 131,874,077	\$ 142,837,077	\$ 2,500,000	\$ 146,337,077	\$ -	\$ -	\$ -	90.10%	\$ 14,888,224	\$ -	\$ 130,944,553	\$ -	\$ 8,152,328	\$ 14,888,224
Fees / Permits / Taxes / Other Subtotal	\$ 131,874,077	\$ 142,837,077	\$ 2,500,000	\$ 146,337,077	\$ -	\$ -	\$ -	90.10%	\$ 14,888,224	\$ -	\$ 130,944,553	\$ -	\$ 8,152,328	\$ 14,888,224

FOUNTAINBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 9/30/08

DESCRIPTION	RESORT COSTS AMOUNT			COSTS INCURRED					NET AMOUNTS				
	CLOSING RESORT BUDGET (A)	PRIOR BUDGET (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	PREVIOUS COMPLETED DATE (G FROM PRIOR MONTH) (E)	CURRENT PERIOD COMPLETED DATE (F)	TOTAL COMPLETED DATE (H=FE+G)	% COMPLETED (G/H) (M)	BALANCE TO COMPLETE (G-I) (J)	TOTAL RETAINAGE (L)	TOTAL COMPLETED DATE (K FROM PRIOR MONTH) (K)	PREVIOUS COMPLETED DATE (L FROM PRIOR MONTH) (L)	CURRENT PERIOD COMPLETED DATE (M-L=K)	BALANCE TO COMPLETE (N-K=I)
Debt Service Accrued Through Scheduled Opening													
Debt Service	\$ 332,379,033	\$ 332,379,033	\$ -	\$ 163,928,807	\$ 163,928,807	\$ 163,928,807	49.32%	\$ 168,450,226	\$ -	\$ 163,928,807	\$ 163,928,807	\$ -	\$ 168,450,226
Debt Service Accrued Through Scheduled Opening Subtotal	\$ 332,379,033	\$ 332,379,033	\$ -	\$ 163,928,807	\$ 163,928,807	\$ 163,928,807	49.32%	\$ 168,450,226	\$ -	\$ 163,928,807	\$ 163,928,807	\$ -	\$ 168,450,226
Condominium-Hotel Selling Expenses													
Condominium-Hotel Selling Expenses	\$ 49,776,523	\$ 25,000,000	\$ -	\$ 15,703,533	\$ 343,438	\$ 15,703,533	62.82%	\$ 9,256,067	\$ 142,633	\$ 15,555,410	\$ 15,555,410	\$ -	\$ 8,444,650
Condominium-Hotel Selling Expenses Subtotal	\$ 49,776,523	\$ 25,000,000	\$ -	\$ 15,703,533	\$ 343,438	\$ 15,703,533	62.82%	\$ 9,256,067	\$ 142,633	\$ 15,555,410	\$ 15,555,410	\$ -	\$ 8,444,650
Fees and Expenses													
Fees and Expenses	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 59,545,871	\$ -	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Fees and Expenses Subtotal	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 59,545,871	\$ -	\$ 59,545,871	98.03%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
COSTS Accrued Through Opening Date	\$ 652,635,003	\$ 554,804,482	\$ -	\$ 390,857,854	\$ 10,831,431	\$ 390,857,854	59.69%	\$ 383,946,638	\$ 148,633	\$ 389,709,370	\$ 389,709,370	\$ 10,393,959	\$ 264,005,161
TOTAL COSTS	\$ 2,973,641,431	\$ 3,080,243,141	\$ (0)	\$ 1,554,471,308	\$ 111,314,472	\$ 1,554,471,308	50.45%	\$ 1,526,231,433	\$ 64,382,166	\$ 1,489,745,142	\$ 1,383,349,508	\$ 105,756,637	\$ 1,591,004,939

(1) To be filled out without offering Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-closing Hard Costs Paid to Date %	54.9%
Contingency Adjustment	
Required Minimum Contingency	\$ 56,002,516
Less: Unallocated Contingency Balance (Actual)	\$ (7,271,571)
Contingency Adjustment Subtotal	\$ (27,246,694)
Other Adjustments	
Required Minimum Cash Support	\$ -
Required Minimum Liquidity Account	\$ -
Required Minimum Excess Revolver Support Amount	\$ 22,595,527
Payment of Existing Debt	\$ 6,995,837
Adjustment for Additional Cash Support	\$ -
TOTAL	\$ 1,595,310,610

IN BALANCE TEST AVAILABLE CUSHION	
STARTING CUSHION	\$ 50,000,000
CURRENT CUSHION	\$ 63,179,156
Required Minimum Cash Support	\$ -
Other Unallocated in Balance Contingency	\$ 27,246,694
Required Minimum Liquidity Account	\$ -
Required Minimum Excess Revolver Support Amount	\$ 8,459,029
Adjustment for Additional Cash Support	\$ -
Total Other Unallocated in Balance Contingency	\$ -
TOTAL CUSHION	\$ 63,179,156

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 REMAINING COST REPORT
 APPENDIX A TO EXHIBIT C-1
 September 30, 2008

DESCRIPTION	REPORT COSTS AMOUNT				COSTS INCURRED				REMAINING			
	CLOSING REPORT BUDGET (A)	PRIOR REPORT BUDGET (B) FROM PRIOR MONTHS	CURRENT PERIOD BUDGET ADDITION MONTHS (C)	REPORT BUDGET (B+C+D)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-E)	RETAINAGE (J)	TOTAL COMPLETED TO DATE (B+H+I)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTHS)	CURRENT PERIOD COMPLETED TO DATE (L+M)	BALANCE TO COMPLETE (D-N)
Total Construction Costs	\$ 17,515,497	\$ 1,324,666,867	\$ 11,006,272	\$ 1,343,699,629	\$ 1,086,871,397	80.97%	\$ 256,828,232	\$ 64,927,374	\$ 1,021,948,023	\$ 867,013,588	\$ 154,934,435	
Turnkey Wet Construction	\$ 73,784,287	\$ 73,784,287	\$ -	\$ 73,784,287	\$ 73,784,287	100.00%	\$ -	\$ -	\$ 73,784,287	\$ 73,784,287	\$ -	
Unlicensed Contingency	\$ 111,009,880	\$ -	\$ -	\$ 111,009,880	\$ -	0.00%	\$ 111,009,880	\$ -	\$ 111,009,880	\$ -	\$ 111,009,880	
Additional Cost Contingency	\$ -	\$ 49,120,816	\$ (11,006,272)	\$ 38,114,544	\$ -	0.00%	\$ 38,114,544	\$ -	\$ 38,114,544	\$ -	\$ 38,114,544	
Retainage	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 21,308,927	53.26%	\$ 18,691,073	\$ 18,691,073	\$ 21,308,927	\$ 21,308,927	\$ -	
Rooms FF&E	\$ 20,383,298	\$ 20,383,298	\$ -	\$ 20,383,298	\$ 19,592,021	96.13%	\$ 791,277	\$ -	\$ 19,592,021	\$ 19,592,021	\$ -	
Hotel and F&B Operating Equipment	\$ 49,381,557	\$ 49,381,557	\$ -	\$ 49,381,557	\$ 49,381,557	100.00%	\$ -	\$ -	\$ 49,381,557	\$ 49,381,557	\$ -	
Kitchen Equipment	\$ 22,289,240	\$ 22,289,240	\$ -	\$ 22,289,240	\$ 22,289,240	100.00%	\$ -	\$ -	\$ 22,289,240	\$ 22,289,240	\$ -	
Exterior Signage	\$ 25,537,270	\$ 25,537,270	\$ -	\$ 25,537,270	\$ 18,725,588	73.34%	\$ 6,811,682	\$ 18,725,588	\$ 25,537,270	\$ 18,725,588	\$ 6,811,682	
Common Area FF&E	\$ 20,383,298	\$ 20,383,298	\$ -	\$ 20,383,298	\$ 12,357,166	60.68%	\$ 8,026,132	\$ 12,357,166	\$ 20,383,298	\$ 12,357,166	\$ 8,026,132	
Garage FF&E	\$ 40,871,089	\$ 40,871,089	\$ -	\$ 40,871,089	\$ 38,589,269	94.42%	\$ 2,281,820	\$ 38,589,269	\$ 40,871,089	\$ 38,589,269	\$ 2,281,820	
Entertainment	\$ 12,283,721	\$ 12,283,721	\$ -	\$ 12,283,721	\$ -	0.00%	\$ 12,283,721	\$ -	\$ 12,283,721	\$ -	\$ 12,283,721	
A&C and Furniture and IT	\$ 71,920,896	\$ 71,920,896	\$ -	\$ 71,920,896	\$ 7,184,881	10.00%	\$ 64,736,015	\$ -	\$ 7,184,881	\$ 7,184,881	\$ 64,736,015	
Other FF&E	\$ 152,975,836	\$ 152,975,836	\$ -	\$ 152,975,836	\$ 7,184,881	4.70%	\$ 145,790,955	\$ -	\$ 7,184,881	\$ 7,184,881	\$ 145,790,955	
Pre-Opening/Marketing Capital	\$ 82,847,876	\$ 82,847,876	\$ (5,500,000)	\$ 77,347,876	\$ 77,347,876	100.00%	\$ -	\$ -	\$ 77,347,876	\$ 77,347,876	\$ -	
Fee/Patents/Taxes/Other	\$ 131,844,077	\$ 143,837,877	\$ 2,800,000	\$ 145,571,977	\$ 130,446,550	90.33%	\$ 15,125,427	\$ -	\$ 130,446,550	\$ 130,446,550	\$ 15,125,427	
Debt Service Accrued Through Scheduled Opening Date	\$ 382,756,833	\$ 332,319,833	\$ -	\$ 382,756,833	\$ 189,439,235	49.50%	\$ 193,317,598	\$ -	\$ 189,439,235	\$ 189,439,235	\$ 193,317,598	
Construction-Non-Selling Expenses	\$ 4,779,822	\$ 26,000,000	\$ -	\$ 26,000,000	\$ 16,700,330	64.23%	\$ 9,299,670	\$ -	\$ 16,700,330	\$ 16,700,330	\$ 9,299,670	
Fees and Expenses	\$ 80,748,214	\$ 80,748,214	\$ -	\$ 80,748,214	\$ 59,446,871	73.62%	\$ 21,301,343	\$ -	\$ 59,446,871	\$ 59,446,871	\$ 21,301,343	
Costs Accrued Through Opening Date	\$ 59,565,932	\$ 53,824,262	\$ -	\$ 59,565,932	\$ 30,857,854	51.73%	\$ 28,708,078	\$ -	\$ 30,857,854	\$ 30,857,854	\$ 28,708,078	
TOTAL COSTS	\$ 2,920,048,391	\$ 3,988,242,141	\$ (8) \$	\$ 3,988,242,141	\$ 1,554,911,203	39.00%	\$ 2,433,330,938	\$ 64,927,374	\$ 1,489,983,829	\$ 1,489,983,829	\$ 2,500,000,000	

IN BALANCE TEST ADJUSTMENTS

Post-Closing Hard Costs Paid to Date %	39.00%
Contingency Adjustment	\$ -
Required Minimum Contingency	\$ -
Less: Unlicensed Contingency Balance (Actual)	\$ -
Contingency Adjustment Subtotal	\$ -
Required Minimum Liquidity Account	\$ -
Required Minimum Escrow Releaser Support Amount	\$ -
Requirement of Existing Debt %	\$ -
TOTAL	\$ 1,583,316.00

(1) To be filed with remaining Retainage
 (2) To be filed with zero Retainage per Closing Date

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 RETAIL REMAINING COST REPORT
 APPENDIX IX TO EXHIBIT C-1
 September 30, 2008

DESCRIPTION	CLOSING RETAIL BUDGET (A)	RETAIL BUDGET (B)	RETAIL BUDGET SPENT TO DATE (C)	RETAIL BUDGET REMAINING COSTS (D = B - C)
Retail Tenant Allowance	\$ 55,000,000	\$ 55,000,000	\$ -	\$ 55,000,000
Retail Lease Commissions	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 6,000,000
TOTAL RETAIL REMAINING COSTS	\$ 62,000,000	\$ 62,000,000	\$ -	\$ 62,000,000

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE
 September 30, 2008

RETAIL BUDGET		
Cash Management Account Reimbursement for Other Retail Costs		\$ -
Total Cash Management Account Reimbursement (A)		\$ -
Retail Tenant Allowance		\$ -
Retail Lease Commissions		\$ -
RETAIL REQUEST (B)		\$ -

RESORT BUDGET (INCLUDING ALL SHARED COSTS)		
Cash Management Account Reimbursement		
Cash Management Account Reimbursement for Resort Project Costs		\$ 1,467,209
Total Cash Management Account Reimbursement (C)		\$ 1,467,209
Debt Service		
Debt Service - Bank Credit Facilities		\$ -
Debt Service - Second Mortgage Notes		\$ -
Total Debt Service (D)		\$ -
Bank Revolving Credit Facility Reimbursement		
Bank Revolving Credit Facility Advances made in respect of L/Cs ⁽¹⁾		\$ -
Total Bank Revolving Credit Facility Reimbursement (E)		\$ -
Project Costs (without duplication with amounts above)		
Turnberry West Construction		\$ 86,701,999
Insurance		\$ 152,703
Total Construction Costs		\$ 86,854,702
Rooms FF&E		\$ 3,998,544
Hotel and F&B Operating Equipment		\$ -
Kitchen Equipment		\$ -
Exterior Signage		\$ 1,685,419
Common Area FF&E		\$ 930,508
Total Costed FF&E		\$ 6,614,471
Gaming FF&E		\$ -
Entertainment		\$ -
A&G and Facilities and IT		\$ 1,732,458
Total Other FF&E		\$ 1,732,458
Pre-Opening / Working Capital		\$ 298,782
Fees / Permits / Taxes / Other		\$ 8,097,706
Condominium-Hotel Selling Expenses		\$ 693,309
Fees and Expenses		\$ -
Subtotal		\$ 9,089,797
RESORT REQUEST (F)		\$ 105,758,637

(1) Only applicable to the extent that the Resort Request will not be satisfied by the Bank Revolving Facility.

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV

SHARED COST ALLOCATION REPORT
APPENDIX II TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE
September 30, 2008

		Total Shared Costs
Retail Lenders Shared Cost Commitment	(A)	\$ 83,000,000
Retail Shared Cost Percentage ⁽¹⁾	(B)	15.0%
Cumulative Retail Lenders Funding Requirement	(C)	\$ 12,471,094
Less: Retail Lender Funding to Date	(D)	\$ 8,740,466
Retail Lender Funding Required	(E)	\$ 3,730,628

(1) Calculated as the amount of spending since the Initial Bank Advance Date on the Podium (as defined in the Detailed Remaining Cost Report, and including amounts reflected in this Advance Request and including any applicable reimbursements to the Cash Management Account) divided by total budgeted spending following the Initial Bank Advance Date for the Podium, multiplied by 100%.

CURRENT AVAILABLE SOURCES REPORT
APPENDIX III TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

September 30, 2008

RETAIL SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)	\$ -	N/A	\$ -
Retail Payment Account balance (including interest income)	\$ -	\$ -	\$ -
Retail Facility Availability	\$ 168,888,091	N/A	\$ 168,888,091
CURRENT AVAILABLE RETAIL SOURCES	\$ 168,888,091	\$ -	\$ 168,888,091

RESORT SOURCES	CURRENT BALANCE	LESS: PAYMENTS ⁽¹⁾	BALANCE
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))	\$ 3,730,628	N/A	\$ 3,730,628
Resort Loss Proceeds Account balance	\$ 301	N/A	\$ 301
Resort Payment Account balance (including interest income)	\$ 9,935,070	\$ (9,928,388)	\$ 6,682
Interest Account balance (including interest income)	\$ 3,405,718	\$ (3,399,672)	\$ 6,046
Amount by which the Liquidity Account balance exceeds \$50,000,000	\$ 100,647	N/A	\$ 100,647
Bonded Condo Proceeds Account balance	\$ -	N/A	\$ -
Equity Funding Account balance	\$ 39	N/A	\$ 39
Second Mortgage Proceeds Account balance	\$ -	N/A	\$ -
Bank Proceeds Account balance	\$ 485,448,109	N/A	\$ 485,448,109
Delay Draw Term Loan Availability	\$ -	N/A	\$ -
Bank Revolving Availability	\$ -	N/A	\$ -
Completion Guaranty Availability	\$ -	N/A	\$ -
Liquidity Account balance (without duplication with any amounts listed above)	\$ 50,000,000	N/A	\$ 50,000,000
CURRENT AVAILABLE RESORT SOURCES	\$ 552,620,513	\$ (13,328,060)	\$ 539,292,453

(1) Payments (including Debt Services) to be made pursuant to previous Advance Requests from the Retail Payment Account, Resort Payment Account and Interest Account, entered as negative amounts.

FUNDING ORDER REPORT
APPENDIX IV TO EXHIBIT C-1

VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE

September 30, 2008

RETAIL SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Retail Request (Requested Cost Report Row B)	\$ -		
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)		\$ -	\$ -
Retail Payment Account balance (including interest income)		\$ -	\$ -
Retail Facility Availability		\$ 168,888,091	\$ -
TOTAL	\$ -	\$ 168,888,091	\$ -

RESORT SOURCES	REQUEST TO BE SATISFIED	BALANCE (From Current Available Sources Report)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied)
	(A)	(B)	(C)
Resort Request (Requested Cost Report Row F)	\$ 105,758,637		
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))		\$ 3,730,628	\$ 3,730,628
Resort Loss Proceeds Account balance		\$ 301	\$ 301
Resort Payment Account balance (as adjusted in the Current Available Sources Report)		\$ 6,682	\$ 6,682
Interest Account balance (as adjusted in the Current Available Sources Report)		\$ 6,046	\$ 6,046
Amount by which the Liquidity Account balance exceeds \$50,000,000		\$ 100,647	\$ 100,647
Bonded Condo Proceeds Account balance		\$ -	\$ -
Equity Funding Account balance		\$ 39	\$ 39
Second Mortgage Proceeds Account balance		\$ -	\$ -
Bank Proceeds Account balance		\$ 485,448,109	\$ 101,914,293
Delay Draw Term Loan Availability (min. \$150,000,000 draws) ⁽¹⁾		\$ -	\$ -
Bank Revolving Facility Availability (excluding last \$62,000,000 Available)		\$ -	\$ -
Completion Guaranty Availability ⁽²⁾		\$ -	\$ -
Liquidity Account balance (without duplication with any amounts listed above)		\$ 50,000,000	\$ -
Remaining Bank Revolving Credit Facility Availability		\$ -	\$ -
TOTAL	\$ 105,758,637	\$ 539,292,453	\$ 105,758,637

(1) As long as Availability remains under the Delay Draw Term Loan, the Company may at its option choose to draw up to \$150,000,000 on the Bank Revolving Facility prior to taking an Advance from the Delay Draw Term Loan. The proceeds from any such Delay Draw Term Loan Advance will go first to repay borrowing under the Bank Revolving Facility.

(2) Completion Guaranty Availability is not available to be used towards Debt Service.

RETAIL	AMOUNT
Cash Management Account (Requested Cost Report Row A)	\$ -
Retail Payment Account (Requested Cost Report Row B less amounts listed above)	\$ -
TOTAL	\$ -

RESORT	AMOUNT
Cash Management Account (Requested Cost Report Row C)	\$ 1,467,209
Interest Account (Requested Cost Report Row D)	\$ -
L/C Reimbursement to Bank Revolving Facility (Requested Cost Report Row E)	\$ -
Resort Payment Account (Requested Cost Report Row F less amounts listed above)	\$ 104,291,428
TOTAL	\$ 105,758,637
Bank Proceeds Account (Total of Funding Order Report C less total of Funding Order Report Column A)	\$ -

Fontainebleau LV Invoice Summary

10/27/2008

<i>Invoices Approved and Sent to Accounting for Payments</i>			
	<i>Gross Amount</i>	<i>Retention</i>	<i>Draw Amount</i>
HARD COSTS	\$ 92,437,732.89	\$ 5,735,734.24	\$ 86,701,998.65
INSURANCE	152,703.14	-	\$ 152,703.14
FF&E	8,692,204.85	187,269.00	\$ 8,504,935.85
PRE-OPENING/WORKING CAPITAL	1,535,865.77	-	\$ 1,535,865.77
FEES/PERMITS/TAXES/OTHER	8,152,326.28	-	\$ 8,152,326.28
CONDO EXPENSES	343,639.03	(367,168.14)	\$ 710,807.17
DEBT SERVICE	-		\$ -
Draw Sub-total	\$ 111,314,471.96	\$ 5,555,835.10	\$ 105,758,636.86
Draw before pd interest	111,314,471.96	5,555,835.10	105,758,636.86
Funding from Interest pd on resort accounts	(6,681.55)		(6,681.55)
Total Draw to be funded	\$ 111,307,790.41	\$ 5,555,835.10	\$ 105,751,955.31

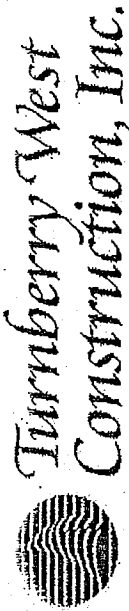
Fontainebleau Las Vegas, LLC								
List of Additional Contracts								
Subcontractor/Vendor	Scope of Work	Tower Amount	Exec'd	Podium/Site Amount	Exec'd	Garage Amount	Exec'd	Total Executed
None for September 2008								

**Appendix 17
to Advance Request**

List of Scope Changes

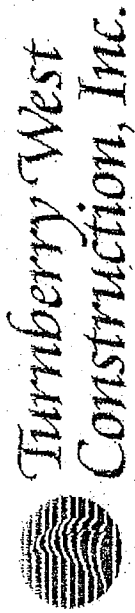
None

OFFSITE STORED MATERIALS



PROJECT:	DESCRIPTION OF MATERIALS STORED (ATTACH INVOICES, LISTINGS, AND/OR OTHER PRICE SUPPORTING DOCUMENTATION)	LOCATION WHERE STORED	NAME OF SUBCONTRACTOR OR SUPPLIER	OPENING INVENTORY	TRANSFERS FROM DEPOSITS	ADDITIONS TO INVENTORY	USAGE OF INVENTORY	CLOSING INVENTORY
10200	Reinforcing Steel	4910 Donovan Way, NLV, NV	Century Steel/Specific Coast Steel	\$ 2,592,872.99	\$ -	\$ -	\$ 2,592,872.99	\$ -
10200	Hotel Vanities/Comdo Vanities	16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	531,333.00				531,333.00
10200	Caniliver Brackets	16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	250,000.00				250,000.00
10200	Elevator Lobbies	16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	1,045,400.00		65,400.00		1,111,800.00
10200	Stone Shelvies Support	16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	62,400.00		3,900.00		66,300.00
10200	FCU Thermal Fuse	16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	12,784.50				12,784.50
10200	FCU Sub Top	16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	173,680.25				173,680.25
10200	KD Frames	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Collings Interiors	148,711.15		25,000.00		163,711.15
10200	Brse & Case	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Gallaigh-Kaiser (AMI)	138,655.00				138,655.00
10200	Welded Frames & Metal Doors	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Gallaigh-Kaiser (AMI)	577,498.00	300,000.00			277,498.00
10200	Hardware	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Gallaigh-Kaiser (AMI)	105,570.66				105,570.66
10200	Wood Doors	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Gallaigh-Kaiser (AMI)	500,000.00				500,000.00
10200	Upgrade - Base & Case	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Gallaigh-Kaiser (AMI)	780,738.00	250,000.00			530,738.00
10200	Upgrade - Entry Hardware	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Architectural Materials	189,902.41				189,902.41
10200	Crown Molding	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Architectural Materials	67,616.00	6,711.04			74,327.04
10200	Chesey Pocket Fascia Board	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Architectural Materials	62,465.69	141,540.00			203,995.69
10200	Custom Casing	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Architectural Materials	271,360.81	49,087.00			320,447.81
10200	Glass Shower/Partition/Accessories	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Architectural Materials	1,672.75			280.80	1,391.95
10200	Typical Guest Room/Vanear/Chesed Doors	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Architectural Materials	8,899.00	45,539.40			54,438.40
10200	Upgrade Casing in Bay & Junior Suites	4030 Industrial Cir Dr, Suite 500, NLV, NV 89030	Architectural Materials	379,655.70	94,885.50			474,541.20
10200	Crystal White Polished Tile	2020 Mendenhall Rd., North Las Vegas, NV	Architectural Materials	277,240.00	109,976.08			387,216.08
10200	Calacatta, Galala, Carrara, etc.	3750 W. Quail Ave., LV, NV	Architectural Materials	25,072.50	10,992.25			36,064.75
10200	The Materials	2020 Mendenhall Rd., North Las Vegas, NV	Architectural Materials	1,905,210.77				1,905,210.77
10200	Tile Materials	1205 N. Miller Street, Anaheim, CA 92806	Architectural Materials	267,474.77				267,474.77
10200	Tile Materials	2020 Mendenhall Rd., North Las Vegas, NV	Architectural Materials	1,895,077.78				1,895,077.78
10200	Tile Materials	280 Orville Wright Ct., Las Vegas, NV	Architectural Materials	300,552.00				300,552.00
10200	Tile Materials	4855 West Harmon, LV, NV 89119	Architectural Materials	5,726,117.14				5,726,117.14
10200	Tile Materials	Fountainbleau Mendenhall Warehouse	Architectural Materials	1,455,384.34				1,455,384.34
10200	Tile Materials	4375 S. Valley View, LV, NV	Architectural Materials	9,350.00				9,350.00
10200	Tile Materials	3950 W. Diablo Dr., LV, NV	Architectural Materials	156,555.00				156,555.00
10200	Tile Materials	5370 S. Valley View, LV, NV	Architectural Materials	28,403.00				28,403.00
10200	Tile Materials	4375 S. Valley View, LV, NV	Architectural Materials	324,552.00				324,552.00
10200	Tile Materials	4375 S. Valley View, LV, NV	Architectural Materials	127,719.00				127,719.00
10200	Tile Materials	13169 Slover Ave., Fontana, CA	Architectural Materials	908,822.00				908,822.00
10200	Tile Materials	3950 W. Diablo Dr., Whse #6, LV, NV	Architectural Materials	843,912.00				843,912.00
10200	Tile Materials	4375 S. Valley View, LV, NV	Architectural Materials	69,767.00				69,767.00

OFFSITE STORED MATERIALS



ITEM NO.	DESCRIPTION OF MATERIALS STORED (ATTACH INVOICES, LISTINGS, AND/OR OTHER PRICE SUPPORTING DOCUMENTATION)	LOCATION WHERE STORED	NAME OF SUBCONTRACTOR or SUPPLIER	OPENING INVENTORY	TRANSFERS FROM DEPOSITS	ADDITIONS TO INVENTORY	USAGE OF INVENTORY	CLOSING INVENTORY
10200	Lighting Fixtures	3950 W. Diablo Dr., LV, NV	Bombard Electric (NECO)	772,283.00		593,518.00		1,365,801.00
10200	MC Cable	4375 S. Valley View, LV, NV	Bombard Electric	385,889.00				385,889.00
10200	Cable Tray	3465 W. Reno Avenue, Sun Valley	Bombard Electric (Sun Valley)	94,476.00		223,610.00		318,086.00
10200	Wiring Devices	6065 Polaris	Bombard Electric (WESCO)	354,183.00				377,793.00
			Subtotal:	23,144,093.78	1,033,826.78	5,942,705.57	4,540,101.84	24,660,404.29
10300	Structural Steel Raw Material	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	817.00			.097.00	80.00
10300	Structural Steel-Fabricated	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	22,865.00			21,085.00	1,880.00
10300	Freight (All materials excluding Acelor)	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	21.00			19.00	2.00
10300	Archler & All Trans Freight	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	19.00			17.00	2.00
10300	Bolts & Misc. Components	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	69.00			63.00	6.00
10300	Rolled Steel	JR Metals W/ste, 2333 McCall St., Dayton OH 45403	Modernoid (W&SA Metals/AR Metals)	503,872.00				503,872.00
10300	Elevator Equipment	4855 West Harmon, LV, NV 89119	Thyssenkrupp Elevator	2,587,812.00				2,587,812.00
10300	Copper-Hydraulics (Kelly's Pipe & Supply)	Turnberry West Construction Warehouse		85,638.42				85,638.42
10300	Copper Tubing-Plumbing (Kelly's Pipe & Supply)	Turnberry West Construction Warehouse		137,558.44				137,558.44
10300	Wire	3755 W. Hacienda Ave, LV, NV	Desert Plumbing & Heating	28,060.00				28,060.00
10300	Gears/Switches/Transformers	3465 W. Reno Ave, Suite 8, LV, NV 89119	Johnson Controls (Mojave)	691,003.04		22,190.00	500,097.22	15,915.00
10300	Light Fixtures	3755 Sunset W., LV, NV 89102	Cordale	288,668.44		57,538.00	65,219.44	204,095.72
10300	Copper & Aluminum wire	Mendenhall Warehouses	Comli Electric	231,257.50		28,980.00	151,903.50	201,002.00
10300	4 EMT Conduit 4-IN O.D. 30,000 ft.	NECO Warehouse, 4200 Spring Min Rd., LV, NV	Comli Electric (NECO)	105,702.00				105,702.00
			Subtotal:	4,684,737.84	108,708.00	108,708.00	792,684.52	4,001,761.22
10500	Structural Steel Raw Material	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	305,846.00		474,411.00	705,725.00	75,535.00
10500	Structural Steel-Fabricated	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	7,458.00			6,737.00	721.00
10500	Freight (All materials excluding Acelor)	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	146.00			126.00	14.00
10500	Archler & All Trans Freight	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	227.00			204.00	23.00
10500	Bolts & Misc. Components	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	72,813.00		72,549.00	131,308.00	14,084.00
10500	AFCO Steel	1423 E. 6th, Little Rock, AR 72202	W&W Steel, LLC (AFCO)	152,453.00			137,713.00	14,740.00
10500	HSS 7 x 9 x Various	6623 W. Gary Avenue, LV, NV	Union Erectors, LLC	203,112.34				203,112.34
10500	Stainless Steel for Pools/Decks/Spas	710 Sunnyvale Dr., Wilmington, NC 28412	Tracy & Ryder (Bradford Products)	1,363,552.00				1,363,552.00
10500	Stainless Steel for Pools/Decks/Spas	710 Sunnyvale Dr., Wilmington, NC 28412	Tracy & Ryder (Bradford Products)	473,253.00				473,253.00
10500	Materials for Spas	710 Sunnyvale Dr., Wilmington, NC 28412	Water FX (Bradford)	477,073.00		589,985.00		477,073.00
10500	Elevator & Escalator Components	4855 West Harmon, LV, NV 89119	Thyssenkrupp Elevator	1,715,159.00				2,285,154.00
10500	Copper-Hydraulics (Kelly's Pipe & Supply)	Turnberry West Construction Warehouse		5,343.90			502.00	4,841.90
10500	Copper Tubing-Plumbing (Kelly's Pipe & Supply)	Turnberry West Construction Warehouse		288,787.84			11,715.24	257,082.60
10500	Wire	3755 W. Hacienda Ave, LV, NV	Johnson Controls (Mojave Elctc)	56,170.00			10,565.00	45,605.00
10500	Electrical Gear-Various	3455 W. Reno Ave, Suite 8, LV, NV 89119	Sun Valley Warehouse-Sun Valley/Comit	1,006,953.95		148,635.00	539,828.00	615,770.95
			Subtotal:	6,109,335.03	1,033,826.78	5,417,083.57	1,544,423.24	5,530,501.79
			Grand Totals:	33,932,163.85	1,033,826.78	6,417,083.57	6,877,209.70	34,511,667.90

Note 1: Prior period inventory addition adjustment.
 Note 2: Usage of inventory needs to be verified.
 Note 3: Usage of inventory needs to be verified.

GENERAL CONTRACTOR ADVANCE CERTIFICATE

Date: September 30, 2008
Advance Date: September 30, 2008

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Lehman Brothers Holdings Inc.
as Retail Agent
c/o Lehman Brothers Holdings
399 Park Avenue
New York, New York 10022
Attention: Josh Freedman
Facsimile No.: (212) 713-1278

Bank of America, N.A.,
as Bank Agent
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Attn: Donna F. Kimbrough

Wells Fargo Bank, National Association,
as Trustee
MAC N9311-110
625 Marquette Avenue
Minneapolis, MN 55479
Attention: Fontainebleau Account Manager

Re: Advance Request No. [15] under the Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Turnberry West Construction, Inc. (the "General Contractor") hereby certifies as follows:

1. Pursuant to our Application for Payment (as described in the Prime Construction Agreement) dated June 6, 2007 ("Application for Payment #22") we have requested \$86,701,998.65.

2. The Prime Construction Agreement is in full force and effect except for amendments not prohibited by Section 6.1 of the Disbursement Agreement or the Financing Agreements. The General Contractor is not in default under any material term of the Prime Construction Agreement and, to the best of the General Contractor's knowledge, the Project Entities are not in default under any material term of the Prime Construction Agreement, except as detailed below [List all defaults which are inconsistent with the foregoing statements]:

NONE

*Turnberry West
Construction, Inc.*

FONTAINEBLEAU LAS VEGAS, 3755 LAS VEGAS BLVD, SO., LAS VEGAS, NV 89109
PHONE 702.495.7360 FAX 702.495.7366 www.turnberryhd.com NV Lic. #0007885

3. The "Work" (as defined in the Prime Construction Agreement) performed to date has been performed in accordance with the Prime Construction Agreement and the "Schedule" (as defined in the Prime Construction Agreement) in effect on the date hereof. Invoices submitted, including the current invoice, are in accordance with the requirements of the Prime Construction Agreement.

4. The Control Estimate (as described in the Prime Construction Agreement) most recently submitted by the General Contractor pursuant to Article 6 of the Prime Construction Agreement is based on reasonable assumptions as to all legal and factual matters material to the estimates set forth therein and reflects the costs expected to be incurred by the General Contractor to complete the remaining "Work" (as defined in the Prime Construction Agreement) on the Project.

5. Attached hereto is a list of each first tier trade subcontractor or materialmen under the Prime Construction Agreement.

6. The General Contractor hereby certifies and confirms (i) that the construction performed as of the date hereof is substantially in accordance with the plans and specifications for the Project and that the disbursement described in Paragraph 1 above is appropriate in light of the percentage of construction completed and the amount of stored materials and (ii) as of the date hereof, the date upon which Substantial Completion (as defined in the Prime Construction Agreement) must be achieved pursuant to Section 4.3 of the Prime Construction Agreement is September 29, 2009 [Note to Disbursement Agent and Construction Consultant: date inserted must be on or before the Scheduled Opening Date under the Disbursement Agreement]. There is no reason to believe that the Substantial Completion Date (as defined in the Prime Construction Agreement) will not occur on or prior to such date. As required pursuant to Section 4.4 of the Prime Construction Agreement the most recent "Schedule" (as defined in the Prime Construction Agreement) is attached to the Application for Payment (as described in the Prime Construction Agreement). Such "Schedule" (as defined in the Prime Construction Agreement) is true, complete and correct in all material respects. The General Contractor is unaware of any change in the plans and specifications for the Project set forth in the drawings issued for construction as of the date of the previous advance or any other change to the design, layout, architecture or quality of the Project set forth in the drawings issued for construction from that which was contemplated on the date of the previous advance, (unless such change is required by law) (a "Scope Change"), other than as set forth in Schedule 1 (to the extent that such Scope Changes, are (or would be if implemented) under the Prime Construction Agreement).

7. There is no material adverse change in the condition of the General Contractor which in the reasonable judgment of the General Contractor would be likely to materially adversely affect the General Contractor's ability to perform the "Work" (as defined in the Prime Construction Agreement) in accordance with the terms of the Prime Construction Agreement.

All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

The foregoing representations are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of making advances pursuant to the above referenced Disbursement Agreement; provided, that, to the extent any such Person is not entitled to rely on such representations, warranties and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations, warranties and certifications are deemed to not to have been made to such Person and such Person may not rely on thereon.

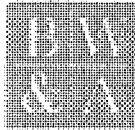
IN WITNESS WHEREOF, the undersigned has executed this General Contractor Advance Certificate as of the 30th September, 2008.

TURNBERRY WEST CONSTRUCTION, INC.,
a Nevada corporation

By: 

Name: Jeffrey M. Soffer

Title: Chairman



Bergman, Walls & Associates, Ltd.
ARCHITECTS * PLANNERS

EXHIBIT A

ARCHITECT'S ADVANCE CERTIFICATE

Date: October 1, 2008

Advance Date: September 30, 2008

Bank of America, N.A.,
as Disbursement Agent
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Bank of America, N.A.
750 Walnut Avenue
MC: NJ6-502-01-03
Cranford, NJ 07016
Attn: Jeanne P. Brown, Vice President

Lehman Brothers Holdings Inc.
as Retail Agent
c/o Lehman Brothers Holdings
399 Park Avenue
New York, New York 10022
Attention: Josh Freedman
Facsimile No.: (212) 713-1278

Bank of America, N.A.,
as Bank Agent
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Attn: Donna F. Kimbrough

Wells Fargo Bank, National
Association,
as Trustee
MAC N9311-110
625 Marquette Avenue
Minneapolis, MN 55479
Attention: Fontainebleau Account
Manager

Re: Advance Request No. 22 under the Master Disbursement Agreement dated as of October 2, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities") the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Bergman, Walls & Associates, Ltd., a Nevada professional corporation (the "Architect"), hereby represents to its knowledge, information and belief as follows:

W02-WEST-1BBE1400231388.7

The Architect has reviewed the above referenced Advance Request (the "Advance Request") to the extent necessary to provide the certification contained herein.

The Agreement Between Fontainebleau Las Vegas, LLC and Bergman, Walls & Associates, Ltd. for Architectural Services, dated as of April 2, 2007 (the "Architect's Agreement") is in full force and effect except for amendments not prohibited by Section 6.1 of the Disbursement Agreement or the Financing Agreements. The Architect is not in default under any material term of the Architect's Agreement and, to the Architect's knowledge, the Project Entities are not in default under any material term of the Architect's Agreement, except as detailed below [List all defaults which are inconsistent with the foregoing statements]:

The construction performed on the Project as of the date hereof is in general accordance with the "Drawings and Specifications" (as described in the Prime Construction Agreement), and other plans and specifications for the Project, all as approved by the relevant governmental authorities (collectively, the "Plans and Specifications").

All Plans and Specifications which have been prepared and submitted thus far comply in all material respects with all applicable zoning regulations, set-back requirements, other building code requirements of Clark County, Nevada.

As used herein, the word "certify" shall mean an expansion of the Architect's professional opinion to the best of its information, knowledge and belief, and does not constitute a warranty or guarantee by the Architect.

Except for the permits and governmental authorizations detailed in Exhibit G to the above referenced Disbursement Agreement, to the best of our actual knowledge, there are no other material permits or governmental authorizations currently required in connection with the construction and operation of the Project.

All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

The foregoing representations are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of making advances pursuant to the above referenced Disbursement Agreement; provided, that, to the extent any such Person is not entitled to rely on such representations and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations and certifications are deemed to not have been made to such Person and such Person may not rely on thereon.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the undersigned has executed this Architect's Advance Certificate as of the 1st day of October, 2008.

BERGMAN, WALLS & ASSOCIATES, LTD.,
a Nevada professional corporation

By: 

Name: Scott U. Walls

Title: President/COO

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