

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division
CASE NO.: 09-2106-MD-GOLD/GOODMAN**

IN RE:

**FONTAINEBLEAU LAS VEGAS
CONTRACT LITIGATION**

MDL NO. 2106

This document relates to all actions.

**NOTICE OF FILING ON THE PUBLIC RECORD DEPOSITION EXHIBITS
PREVIOUSLY FILED UNDER SEAL RELATED TO SUMMARY JUDGMENT
FILINGS (PART 2: DEPOSITION EXHIBITS 204-489)**

Avenue CLO Fund, et al. (“Plaintiffs”) and Defendant Bank of America N.A. (“BANA”) hereby give notice that they are jointly filing on the public record certain documents, previously filed under seal, related to Plaintiffs’ Motion for Partial Summary Judgment and BANA’s Motion for Summary Judgment in the above-titled case.

On October 4, 2013, this Court issued an Order Upon Mandate [D.E. #368] requiring the parties to specify, by district court docket entry number, which documents previously filed under seal could be unsealed.¹ However, because the parties could not view the sealed entries on the electronic CM/ECF docket in this case—and therefore, could not determine which district court docket entry numbers corresponded to each sealed document—the Court later issued a Sua Sponte Order Regarding Mandate and Documents Filed Under Seal [D.E. #370] requiring the

¹ The parties previously filed with the Eleventh Circuit a letter dated December 14, 2012, identifying documents and testimony that should remain sealed. Since that time, the parties have determined that certain evidence included on that list no longer needs to remain sealed and, upon further review of the record, the parties have identified other evidence that should remain sealed which was inadvertently omitted from the letter.

parties to make a recommendation by November 1, 2013 regarding how they proposed to comply with this Court's October 4, 2013 Order Upon Mandate.

On November 1, 2013, the parties filed a Joint Notice Regarding Proposal for Partially Unsealing Summary Judgment Filings [D.E. #373]. The parties proposed submitting to the Court redacted copies of all memoranda of law and statements of material facts, in addition to one copy of each exhibit and a single compilation of each witness's deposition transcript excerpts cited in all memoranda of law. On November 5, 2013, this Court entered an Order Approving Joint Proposal [D.E. #374], approving the parties' joint proposal and ordering the parties to file via CM/ECF redacted copies of the summary judgment memoranda of law, statements of facts, and exhibits, on or before December 6, 2013.

The parties previously filed under seal the deposition exhibits listed below, which were cited in their respective summary judgment memoranda of law and statements of fact filed on August 5, 2011, September 9, 2011, and September 27, 2011. Exhibits cited by Plaintiffs were attached to appendices of exhibits filed in support of their briefs; exhibits cited by BANA were attached to declarations by Daniel Cantor filed in support of its briefs. In compliance with this Court's Order Approving Joint Proposal, the parties now file the following deposition exhibits on the public record with the exception of those that remain under seal either in full or in part (as indicated below):²

DEPOSITION EXHIBITS (PART 1: Exhibits 1-182)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 1		Publicly filed (attached)
Dep. Ex. 3		Publicly filed (attached)

² Additional documents previously filed under seal related to Plaintiffs' Motion for Partial Summary Judgment and BANA's Motion for Summary Judgment, including the respective memoranda of law and statements of facts, will be filed under separate cover.

DEPOSITION EXHIBITS (PART 1: Exhibits 1-182)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 4	Cantor Decl. Ex. 34, Cantor Opp. Decl. Ex. 41	Publicly filed (attached)
Dep. Ex. 5	Cantor Opp. Decl. Ex. 42	Publicly filed (attached)
Dep. Ex. 8	Cantor Decl. Ex. 35, Cantor Opp. Decl. Ex. 43	Publicly filed (attached)
Dep. Ex. 9	Cantor Decl. Ex. 85, Cantor Opp. Decl. Ex. 49	Publicly filed (attached)
Dep. Ex. 11	Cantor Reply Decl. Ex. 20	Filed Under Seal
Dep. Ex. 14	Cantor Decl. Ex. 40, Cantor Opp. Decl. Ex. 52	Publicly filed (attached)
Dep. Ex. 16		Filed Under Seal
Dep. Ex. 18	Cantor Opp. Decl. Ex. 67	Publicly filed (attached)
Dep. Ex. 19	Cantor Opp. Decl. Ex. 89	Publicly filed (attached)
Dep. Ex. 21		Filed Under Seal
Dep. Ex. 22	Cantor Opp. Decl. Ex. 73	Publicly filed (attached)
Dep. Ex. 23	Cantor Opp. Decl. Ex. 74	Filed Under Seal
Dep. Ex. 24	Cantor Decl. Ex. 55, Cantor Opp. Decl. Ex. 75	Publicly filed (attached)
Dep. Ex. 26		Filed Under Seal
Dep. Ex. 28	Cantor Opp. Decl. Ex. 78	Filed Under Seal
Dep. Ex. 29		Filed Under Seal
Dep. Ex. 30	Cantor Decl. Ex. 58, Cantor Opp. Decl. Ex. 79	Filed Under Seal
Dep. Ex. 31		Filed Under Seal
Dep. Ex. 32		Publicly filed (attached)
Dep. Ex. 34		Filed Under Seal
Dep. Ex. 35	Cantor Opp. Decl. Ex. 83	Filed Under Seal
Dep. Ex. 36	Cantor Decl. Ex. 60, Cantor Opp. Decl. Ex. 80	Filed Under Seal
Dep. Ex. 37		Filed Under Seal
Dep. Ex. 38		Filed Under Seal
Dep. Ex. 40		Filed Under Seal
Dep. Ex. 41	Cantor Opp. Decl. Ex. 87	Filed Under Seal
Dep. Ex. 42	Cantor Decl. Ex. 78, Cantor Opp. Decl. Ex. 86	Publicly filed (attached)
Dep. Ex. 43		Filed Under Seal
Dep. Ex. 44		Publicly filed (attached)

DEPOSITION EXHIBITS (PART 1: Exhibits 1-182)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 45		Filed Under Seal
Dep. Ex. 46	Cantor Opp. Decl. Ex. 69	Filed Under Seal
Dep. Ex. 47		Filed Under Seal
Dep. Ex. 48		Filed Under Seal
Dep. Ex. 50		Filed Under Seal
Dep. Ex. 53		Filed Under Seal
Dep. Ex. 54		Filed Under Seal
Dep. Ex. 56		Publicly filed (attached)
Dep. Ex. 57		Publicly filed (attached)
Dep. Ex. 58		Publicly filed (attached)
Dep. Ex. 59		Publicly filed (attached)
Dep. Ex. 61		Publicly filed (attached)
Dep. Ex. 62		Publicly filed (attached)
Dep. Ex. 63		Publicly filed (attached)
Dep. Ex. 67	Cantor Opp. Decl. Ex. 44	Publicly filed (attached)
Dep. Ex. 68		Publicly filed (attached)
Dep. Ex. 69		Publicly filed (attached)
Dep. Ex. 72	Cantor Decl. Ex. 1, Cantor Opp. Decl. Ex. 1	Publicly filed (attached)
Dep. Ex. 73		Publicly filed (attached)
Dep. Ex. 75	Cantor Decl. Ex. 39, Cantor Opp. Decl. Ex. 51	Publicly filed (attached)
Dep. Ex. 76	Cantor Decl. Ex. 42, Cantor Opp. Decl. Ex. 54	Publicly filed (attached)
Dep. Ex. 77	Cantor Decl. Ex. 47, Cantor Opp. Decl. Ex. 59	Publicly filed (attached)
Dep. Ex. 78		Publicly filed (attached)
Dep. Ex. 79		Publicly filed (attached)
Dep. Ex. 80	Cantor Opp. Decl. Ex. 62, Cantor Reply Decl. Ex. 22	Publicly filed (attached)
Dep. Ex. 81	Cantor Opp. Decl. Ex. 58, Cantor Reply Decl. Ex. 21	Publicly filed (attached)
Dep. Ex. 91	Cantor Opp. Decl. Ex. 93	Publicly filed (attached)
Dep. Ex. 92	Cantor Opp. Decl. Ex. 48	Publicly filed (attached)
Dep. Ex. 97	Cantor Decl. Ex. 74, Cantor Opp. Decl. Ex. 85	Publicly filed (attached)

DEPOSITION EXHIBITS (PART 1: Exhibits 1-182)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 104	Cantor Decl. Ex. 76	Publicly filed (attached)
Dep. Ex. 115		Publicly filed (attached)
Dep. Ex. 126	Cantor Opp. Decl. Ex. 36	Filed Under Seal
Dep. Ex. 127	Cantor Opp. Decl. Ex. 37	Filed Under Seal
Dep. Ex. 128	Cantor Opp. Decl. Ex. 38	Filed Under Seal
Dep. Ex. 129	Cantor Opp. Decl. Ex. 39	Filed Under Seal
Dep. Ex. 137	Cantor Opp. Decl. Ex. 35	Filed Under Seal
Dep. Ex. 151	Cantor Reply Decl. Ex. 37	Publicly filed (attached)
Dep. Ex. 154	Cantor Opp. Decl. Ex. 92	Publicly filed (attached)
Dep. Ex. 158	Cantor Opp. Decl. Ex. 68, Cantor Reply Decl. Ex. 23	Publicly filed (attached)
Dep. Ex. 160	Cantor Opp. Decl. Ex. 71, Cantor Reply Decl. Ex. 28	Publicly filed (attached)
Dep. Ex. 175	Cantor Reply Decl. Ex. 38	Publicly filed (attached)
Dep. Ex. 182	Cantor Opp. Decl. Ex. 94	Publicly filed (attached)

DEPOSITION EXHIBITS (PART 2: Exhibits 204-489)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 204		Publicly filed (attached)
Dep. Ex. 205	Cantor Decl. Ex. 43, Cantor Opp. Decl. Ex. 55	Publicly filed (attached)
Dep. Ex. 206		Publicly filed (attached)
Dep. Ex. 210	Cantor Decl. Ex. 64	Publicly filed (attached)
Dep. Ex. 212		Publicly filed (attached)
Dep. Ex. 216		Publicly filed (attached)
Dep. Ex. 217		Publicly filed (attached)
Dep. Ex. 218		Publicly filed (attached)
Dep. Ex. 220		Publicly filed (attached)
Dep. Ex. 222		Publicly filed (attached)
Dep. Ex. 227		Publicly filed (attached)
Dep. Ex. 228		Publicly filed (attached)
Dep. Ex. 230		Publicly filed (attached)
Dep. Ex. 231		Publicly filed (attached)
Dep. Ex. 232		Publicly filed (attached)
Dep. Ex. 233		Publicly filed (attached)

DEPOSITION EXHIBITS (PART 2: Exhibits 204-489)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 237	Cantor Opp. Decl. Ex. 45	Publicly filed (attached)
Dep. Ex. 239		Publicly filed (attached)
Dep. Ex. 240		Publicly filed (attached)
Dep. Ex. 241	Cantor Decl. Ex. 38, Cantor Opp. Decl. Ex. 50	Publicly filed (attached)
Dep. Ex. 243		Publicly filed (attached)
Dep. Ex. 244		Publicly filed (attached)
Dep. Ex. 245		Publicly filed (attached)
Dep. Ex. 246		Publicly filed (attached)
Dep. Ex. 247		Publicly filed (attached)
Dep. Ex. 248		Publicly filed (attached)
Dep. Ex. 249		Publicly filed (attached)
Dep. Ex. 250		Publicly filed (attached)
Dep. Ex. 251		Publicly filed (attached)
Dep. Ex. 252		Publicly filed (attached)
Dep. Ex. 254	Cantor Opp. Decl. Ex. 65	Publicly filed (attached)
Dep. Ex. 263		Publicly filed (attached)
Dep. Ex. 264		Publicly filed (attached)
Dep. Ex. 265		Publicly filed (attached)
Dep. Ex. 268	Cantor Decl. Ex. 81	Filed Under Seal
Dep. Ex. 269		Publicly filed (attached)
Dep. Ex. 270		Publicly filed (attached)
Dep. Ex. 271		Publicly filed (attached)
Dep. Ex. 274		Publicly filed (attached)
Dep. Ex. 275		Publicly filed (attached)
Dep. Ex. 278	Cantor Decl. Ex. 36, Cantor Opp. Decl. Ex. 46	Publicly filed (attached)
Dep. Ex. 279	Cantor Opp. Decl. Ex. 95	Publicly filed (attached)
Dep. Ex. 280	Cantor Decl. Ex. 48	Publicly filed (attached)
Dep. Ex. 281	Cantor Decl. Ex. 46	Publicly filed (attached)
Dep. Ex. 282	Cantor Decl. Ex. 53	Publicly filed (attached)
Dep. Ex. 283	Cantor Decl. Ex. 44, Cantor Opp. Decl. Ex. 56	Publicly filed (attached)
Dep. Ex. 285	Cantor Decl. Ex. 51, Cantor Opp. Decl. Ex. 64	Publicly filed (attached)
Dep. Ex. 286	Cantor Decl. Ex. 54,	Publicly filed (attached)

DEPOSITION EXHIBITS (PART 2: Exhibits 204-489)		
Deposition Exhibit	Cantor Exhibit	Filing Status
	Cantor Opp. Decl. Ex. 72	
Dep. Ex. 288	Cantor Decl. Ex. 65	Publicly filed (attached)
Dep. Ex. 291-B		Publicly filed (attached)
Dep. Ex. 298	Cantor Decl. Ex. 83, Cantor Opp. Decl. Ex. 91	Publicly filed (attached)
Dep. Ex. 331		Publicly filed (attached)
Dep. Ex. 346	Cantor Reply Decl. Ex. 29	Publicly filed (attached)
Dep. Ex. 348	Cantor Decl. Ex. 77	Publicly filed (attached)
Dep. Ex. 377	Cantor Opp. Decl. Ex. 98, Cantor Reply Decl. Ex. 24	Publicly filed (attached)
Dep. Ex. 379	Cantor Opp. Decl. Ex. 99, Cantor Reply Decl. Ex. 26	Publicly filed (attached)
Dep. Ex. 381	Cantor Opp. Decl. Ex. 70, Cantor Reply Decl. Ex. 27	Publicly filed (attached)
Dep. Ex. 382	Cantor Opp. Decl. Ex. 40, Cantor Reply Decl. Ex. 17	Publicly filed (attached)
Dep. Ex. 399		Publicly filed (attached)
Dep. Ex. 410	Cantor Decl. Ex. 79	Publicly filed (attached)
Dep. Ex. 455	Cantor Decl. Ex. 41, Cantor Opp. Decl. Ex. 53	Publicly filed (attached)
Dep. Ex. 456		Filed Under Seal
Dep. Ex. 458	Cantor Decl. Ex. 45, Cantor Opp. Decl. Ex. 57	Filed Under Seal
Dep. Ex. 459	Cantor Decl. Ex. 50, Cantor Opp. Decl. Ex. 61	Publicly filed (attached)
Dep. Ex. 463		Filed Under Seal
Dep. Ex. 465	Cantor Decl. Ex. 52, Cantor Opp. Decl. Ex. 66	Publicly filed (attached)
Dep. Ex. 470		Filed Under Seal
Dep. Ex. 471		Publicly filed (attached)
Dep. Ex. 472		Publicly filed (attached)
Dep. Ex. 473		Publicly filed (attached)
Dep. Ex. 475		Publicly filed (attached)
Dep. Ex. 479		Publicly filed (attached)
Dep. Ex. 481		Publicly filed (attached)
Dep. Ex. 486	Cantor Decl. Ex. 57	Publicly filed (attached)
Dep. Ex. 487		Publicly filed (attached)

DEPOSITION EXHIBITS (PART 2: Exhibits 204-489)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 488		Publicly filed (attached)
Dep. Ex. 489		Publicly filed (attached)

DEPOSITION EXHIBITS (PART 3: Exhibits 491-932)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 491		Publicly filed (attached)
Dep. Ex. 493		Publicly filed (attached)
Dep. Ex. 495		Publicly filed (attached)
Dep. Ex. 497		Publicly filed (attached)
Dep. Ex. 498	Cantor Decl. Ex. 62, Cantor Opp. Decl. Ex. 81	Publicly filed (attached)
Dep. Ex. 600	Cantor Decl. Ex. 66	Publicly filed (attached)
Dep. Ex. 604	Cantor Decl. Ex. 69	Publicly filed (attached)
Dep. Ex. 607		Publicly filed (attached)
Dep. Ex. 608	Cantor Decl. Ex. 72	Publicly filed (attached)
Dep. Ex. 609		Publicly filed (attached)
Dep. Ex. 610	Cantor Decl. Ex. 73	Publicly filed (attached)
Dep. Ex. 611	Cantor Decl. Ex. 75	Publicly filed (attached)
Dep. Ex. 613	Cantor Decl. Ex. 80	Publicly filed (attached)
Dep. Ex. 614		Publicly filed (attached)
Dep. Ex. 622		Publicly filed (attached)
Dep. Ex. 623		Publicly filed (attached)
Dep. Ex. 624		Publicly filed (attached)
Dep. Ex. 625		Publicly filed (attached)
Dep. Ex. 626		Publicly filed (attached)
Dep. Ex. 627		Publicly filed (attached)
Dep. Ex. 628		Publicly filed (attached)
Dep. Ex. 629		Publicly filed (attached)
Dep. Ex. 634		Publicly filed (attached)
Dep. Ex. 635		Publicly filed (attached)
Dep. Ex. 636		Publicly filed (attached)
Dep. Ex. 637		Publicly filed (attached)
Dep. Ex. 638		Publicly filed (attached)
Dep. Ex. 639		Publicly filed (attached)
Dep. Ex. 640		Publicly filed (attached)

DEPOSITION EXHIBITS (PART 3: Exhibits 491-932)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 641		Publicly filed (attached)
Dep. Ex. 642		Filed Under Seal
Dep. Ex. 643		Publicly filed (attached)
Dep. Ex. 644		Publicly filed with redactions (attached)
Dep. Ex. 653		Publicly filed with redactions (attached)
Dep. Ex. 654		Publicly filed with redactions (attached)
Dep. Ex. 655		Publicly filed with redactions (attached)
Dep. Ex. 658	Cantor Decl. Ex. 2, Cantor Opp. Decl. Ex. 2	Publicly filed (attached)
Dep. Ex. 660		Publicly filed (attached)
Dep. Ex. 664	Cantor Opp. Decl. Ex. 90	Publicly filed (attached)
Dep. Ex. 692		Publicly filed (attached)
Dep. Ex. 694		Publicly filed (attached)
Dep. Ex. 696		Publicly filed (attached)
Dep. Ex. 804		Publicly filed (attached)
Dep. Ex. 805		Publicly filed (attached)
Dep. Ex. 808	Cantor Decl. Ex. 84	Publicly filed (attached)
Dep. Ex. 809	Cantor Decl. Ex. 59	Publicly filed (attached)
Dep. Ex. 810	Cantor Decl. Ex. 61	Publicly filed (attached)
Dep. Ex. 811	Cantor Decl. Ex. 63, Cantor Opp. Decl. Ex. 82	Publicly filed (attached)
Dep. Ex. 813	Cantor Decl. Ex. 67	Publicly filed (attached)
Dep. Ex. 814	Cantor Decl. Ex. 68, Cantor Opp. Decl. Ex. 84	Publicly filed (attached)
Dep. Ex. 816	Cantor Decl. Ex. 70	Publicly filed (attached)
Dep. Ex. 819	Cantor Decl. Ex. 71	Publicly filed (attached)
Dep. Ex. 820		Publicly filed (attached)
Dep. Ex. 825		Publicly filed (attached)
Dep. Ex. 827	Cantor Decl. Ex. 82	Publicly filed (attached)
Dep. Ex. 828	Cantor Reply Decl. Ex. 36	Publicly filed (attached)
Dep. Ex. 829		Publicly filed (attached)
Dep. Ex. 831	Cantor Opp. Decl. Ex. 88	Publicly filed (attached)

DEPOSITION EXHIBITS (PART 3: Exhibits 491-932)		
Deposition Exhibit	Cantor Exhibit	Filing Status
Dep. Ex. 832		Publicly filed (attached)
Dep. Ex. 834		Publicly filed (attached)
Dep. Ex. 835		Publicly filed (attached)
Dep. Ex. 851	Cantor Reply Decl. Ex. 32	Publicly filed (attached)
Dep. Ex. 860		Publicly filed (attached)
Dep. Ex. 861	Cantor Reply Decl. Ex. 30	Publicly filed (attached)
Dep. Ex. 862	Cantor Reply Decl. Ex. 31	Publicly filed (attached)
Dep. Ex. 864		Publicly filed (attached)
Dep. Ex. 865		Publicly filed (attached)
Dep. Ex. 866		Publicly filed (attached)
Dep. Ex. 868	Cantor Reply Decl. Ex. 19	Publicly filed (attached)
Dep. Ex. 884		Publicly filed (attached)
Dep. Ex. 888	Cantor Decl. Ex. 87	Publicly filed (attached)
Dep. Ex. 890	Cantor Opp. Decl. Ex. 63	Publicly filed (attached)
Dep. Ex. 891		Publicly filed (attached)
Dep. Ex. 892	Cantor Reply Decl. Ex. 18	Publicly filed (attached)
Dep. Ex. 896		Publicly filed (attached)
Dep. Ex. 898		Publicly filed (attached)
Dep. Ex. 899		Publicly filed (attached)
Dep. Ex. 901	Cantor Decl. Ex. 37, Cantor Opp. Decl. Ex. 47	Publicly filed (attached)
Dep. Ex. 902		Filed Under Seal
Dep. Ex. 903		Publicly filed (attached)
Dep. Ex. 904	Cantor Decl. Ex. 49, Cantor Opp. Decl. Ex. 60	Publicly filed (attached)
Dep. Ex. 905	Cantor Decl. Ex. 56, Cantor Opp. Decl. Ex. 76	Publicly filed (attached)
Dep. Ex. 906		Publicly filed (attached)
Dep. Ex. 907	Cantor Opp. Decl. Ex. 77	Publicly filed (attached)
Dep. Ex. 910		Publicly filed with redactions (attached)
Dep. Ex. 915		Publicly filed (attached)
Dep. Ex. 917		Publicly filed (attached)
Dep. Ex. 932, Plaintiffs' Exhibit 1503	Cantor Decl. Ex. 28, Cantor Reply Decl. Ex. 33	Publicly filed with redactions (attached)

Date: Miami, Florida
December 5, 2013

By: /s/ Jamie Zysk Isani
Jamie Zysk Isani

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By: /s/ Lorenz Michel Prüss
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*Attorneys for Plaintiffs Avenue CLO Fund,
Ltd., et al*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **NOTICE OF FILING ON THE PUBLIC RECORD DEPOSITION EXHIBITS PREVIOUSLY FILED UNDER SEAL RELATED TO SUMMARY JUDGMENT FILINGS (PART 2: DEPOSITION EXHIBITS 204-489)** was filed with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically the Notice of Electronic Filing.

Dated: December 5, 2013.

/s/ Lorenz Michel Prüss
Lorenz Michel Prüss

Dep. Ex. 204

From: Yunker, Bret D. Sent: 9/19/2008 9:09 AM.
To: Susman, Jeff; Howard, David; Varnell, Jon M; Susman, Jeff; Howard, David; Varnell, Jon M.
Cc: Bolio, Brandon; Bender, Kyle D; Bolio, Brandon; Bender, Kyle D.
Bcc: .
Subject: Re: Fontainebleau Investors.

Let's discuss at 12:30pm central, kyle - please send around a planner, thanks

Bret Yunker, Principal | Real Estate, Gaming & Lodging Investment Banking | Banc of America Securities
333 S. Hope St. 24th Floor, Los Angeles, CA 90071 | O: (213) 621-8780 | C: (310) 266-8393

— Original Message —

From: Susman, Jeff
To: Yunker, Bret D; Howard, David; Varnell, Jon M
Cc: Bolio, Brandon
Sent: Fri Sep 19 06:00:44 2008
Subject: RE: Fontainebleau Investors

I am alerting Legal now via e-mail.

I do not know if this will go into the weekend. I will impress upon Legal the time constraint.

My Outlook calendar is up to date. As of now, my only conflicts are 1:00-3:30 Central.

— Original Message —

From: Yunker, Bret D
Sent: Friday, September 19, 2008 7:57 AM
To: Howard, David; Susman, Jeff; Varnell, Jon M
Cc: Bolio, Brandon
Subject: Re: Fontainebleau Investors

If this is going into the weekend, we need to advise the company this morning. Who is reaching out to internal legal today? What times work for an update call?

Bret Yunker, Principal | Real Estate, Gaming & Lodging Investment Banking | Banc of America Securities
333 S. Hope St. 24th Floor, Los Angeles, CA 90071 | O: (213) 621-8780 | C: (310) 266-8393

— Original Message —

From: Howard, David
To: Susman, Jeff; Yunker, Bret D; Varnell, Jon M

EXHIBIT

204

Cc: Bolio, Brandon
Sent: Fri Sep 19 05:51:45 2008
Subject: Re: Fontainebleau Investors

Internal legal's opinion is very important here.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Susman, Jeff
To: Yunker, Bret D; Howard, David; Varnell, Jon M
Cc: Bolio, Brandon
Sent: Fri Sep 19 08:41:27 2008
Subject: RE: Fontainebleau Investors

In my opinion, there is still one issue that still needs to be resolved. That is, do we as the Bank Agent make the unilateral call to interpret the FB funding as Retail Agent funding (or waive the condition if interpreted differently) or do we seek Required Lender consent.

I want to spend more time on this point with David (for investor views) and with counsel (on implications).

I spoke with Doug last night on this matter. His initial reaction is that he thinks the FB finding and no adjustment to In Balance this month are reasonable and make sense. While he is out of the office today, he is reachable.

I plan on resolving my points today and getting a message off to Doug for his confirmation.

Regards...Jeff

-----Original Message-----

From: Yunker, Bret D
Sent: Friday, September 19, 2008 7:31 AM
To: Susman, Jeff; Howard, David; Varnell, Jon M
Cc: Bolio, Brandon
Subject: Re: Fontainebleau Investors

Ok. What times work for you today to wrap up the lehman issue with jim (i'm on bb or would check your calendar). If there is no change to in balance, and unless i'm missing something, the company's advance request is satisfied and we move on. Company obviously needs to address some longer term issues but will have breathing room to do so

Bret Yunker, Principal | Real Estate, Gaming & Lodging Investment Banking | Banc of America Securities

333 S. Hope St. 24th Floor, Los Angeles, CA 90071 | O: (213) 621-8780 | C: (310) 266-8393

— Original Message —

From: Susman, Jeff
To: Howard, David; Yunker, Bret D; Varnell, Jon M
Cc: Bolio, Brandon
Sent: Fri Sep 19 05:13:31 2008
Subject: Fontainebleau Investors

As noted in Brandon's message below, Z Capital Partners has requested a meeting with management. I received a call yesterday from Al Bacchi that he has a couple of investors that want to speak with management. Finally, I took calls from Carlyle and from Princeton yesterday. The common thread is they all want to speak with management or want them to have a conference call.

I realize that there are more questions than answers right now and that we are formulating a plan to address Lehman and the Retail Facility, but I anticipate that we will get more calls today.

It seems apparent that the Company should also work on a plan to communicate with its investors. My sense is that a posting to IntraLinks may not satisfy them, or at least not the ones that have contacted us.

Just an observation.

Regards...Jeff

From: Bolio, Brandon
Sent: Thursday, September 18, 2008 8:41 PM
To: Susman, Jeff
Subject: RE:

FYI. This is an investor on FB Las Vegas (Z Capital Partners - \$21.3MM) who will be in Vegas and wants to meet w/ mgmt team (~45min).

From: Bolio, Brandon
Sent: Thursday, September 18, 2008 8:40 PM
To: 'Ryan Falconer'
Cc: Susman, Jeff
Subject: RE:

Hi Ryan -

Received your voicemail today – is your desire to tour the property or to discuss items with

management? If the former, we can set up a site visit for you in conjunction with the construction consultant monthly site tour. If you have specific questions regarding the deal, you can send them to me in an e-mail and we can try to help them get answered.

Thanks,
Brandon

From: Ryan Falconer [mailto:rfalconer@zcap.net]
Sent: Thursday, September 18, 2008 3:47 PM
To: Bolio, Brandon
Subject:

Brandon-

Give a ring when you have a chance on FLBU.

Ryan Falconer
Director

Z Capital Partners, L.L.C.
Two Conway Park
150 Field Dr. Suite 300
Lake Forest, IL 60045
847-235-8100 Office
847-235-8111 Fax

<http://www.zcap.net> <<http://www.zcap.net/>>

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Dep. Ex. 205

From: Howard, David. Sent: 10/3/2008 10:30 AM.
To: Blanton, Charles; Roof, Robyn E.
Cc: Susman, Jeff.
Bcc:
Subject: RE: ***REMINDER - FONTAINEBLEAU - LENDER UPDATE CALL TODAY***

call notice was never posted to IntraLinks and will be postponed...company is not ready to have the call and is working on a solution...they understand the urgency and lenders' angst...they may choose to communicate in written form vs. a call...will update as soon as possible. Whatever communication is delivered it will be for private only at this time.

David Howard
(704) 386-8316 phone
(704) 386-0255 fax
Mail Code: NC1-027-20-01 [New Mail Code]
214 North Tryon St.
Charlotte, NC 28255

From: Blanton, Charles
Sent: Friday, October 03, 2008 9:37 AM
To: Howard, David; Roof, Robyn E
Subject: FW: ***REMINDER - FONTAINEBLEAU - LENDER UPDATE CALL TODAY***

Is today's Fontainebleau call for both public and private side accounts?

From: Hull, Martin W
Sent: Friday, October 03, 2008 9:30 AM

HIGHLY CONFIDENTIAL

BANA_FB00735299

EXHIBIT

205

To: Lackey, Matthew V; DG Syn Fin Private Sales
Subject: RE: ***REMINDER - FONTAINEBLEAU - LENDER UPDATE CALL TODAY***

Does anyone know if this will be for Public lenders?

From: Lackey, Matthew V
Sent: Friday, October 03, 2008 9:25 AM
To: DG Syn Fin Private Sales
Subject: ***REMINDER - FONTAINEBLEAU - LENDER UPDATE CALL TODAY***

WHEN: 3:30 PM ET

WHERE: CONFERENCE CALL

DIAL IN: (800) 230 - 1096

ACCESS CODE: FONTAINEBLEAU

REPLAY: (800) 475-6701

ACCESS CODE: 963265

AVAILABLE ON 10/3/08 AT 6:30 PM ET TO 10/10/08 AT 11:59 PM ET

Matt Lackey
Banc of America Securities
Syndicated Finance | Loan Syndicate

HIGHLY CONFIDENTIAL

BANA_FB00735300

214 North Tryon Street
Charlotte, NC 28255
(704) 386 - 5053

HIGHLY CONFIDENTIAL

BANA_FB00735301

Dep. Ex. 206

Credit Approval Memorandum

Borrower FONTAINEBLEAU LAS VEGAS LLC	GCI 333899417	Business Unit CDP - Gaming	Approval Doc Date: 16 JAN 09			Date Approval Needed By:				
Address LAS VEGAS, NV	Client Since 2007	Exposure Strategy Old New	SLT	Shared Nat'l Credit	Subject to Reg O	Key Risk Name		FastTrack, GI or SI: SI		
Business Casino Hotels	NAICS Industry Gaming/Cruiselines	M D	(N)	(Y)	(N)	(Y)				
	Quartile: N/A	Existing	Score- card	Over- ride	Agency	Sr. Debt Rating	Sub. Debt Rating	CP Rating	Corp Rating	Outlook Rating
Primary Ownership: Private - 100% indirectly owned by Fontainebleau Resorts, LLC	Ticker: N/A				Moody's	Caa2	-	-	-	Negative
Market Value (if public): N/A	KMV-EDF: N/A	KMV Implied RR: N/A	7+	8	S&P	CCC	CC	-	CCC	Negative

Borrower FONTAINEBLEAU LAS VEGAS LLC / FONTAINEBLEAU LAS VEGAS II LLC	GCI 335680143	Business Unit CDP - Gaming	Approval Doc Date: 16 JAN 09			Date Approval Needed By:				
Address LAS VEGAS, NV	Client Since 2007	Exposure Strategy Old New	SLT	Shared Nat'l Credit	Subject to Reg O	Key Risk Name		FastTrack, GI or SI: SI		
Business Casino Hotels	NAICS Industry Gaming/Cruiselines	M D	(N)	(N)	(N)	(Y)				
	Quartile: N/A	Existing	Score- card	Over- ride	Agency	Sr. Debt Rating	Sub. Debt Rating	CP Rating	Corp Rating	Outlook Rating
Primary Ownership: Private - 100% indirectly owned by Fontainebleau Resorts, LLC	Ticker: N/A				Moody's	Caa2	-	-	-	Negative
Market Value (if public): N/A	KMV-EDF: N/A	KMV Implied RR: N/A	7+	8	S&P	CCC	CC	-	CCC	Negative

Borrower FONTAINEBLEAU LAS VEGAS HOLDINGS LLC	GCI 333899383	Business Unit CDP - Gaming	Approval Doc Date: 16 JAN 09			Date Approval Needed By:				
Address LAS VEGAS, NV	Client Since 2007	Exposure Strategy Old New	SLT	Shared Nat'l Credit	Subject to Reg O	Key Risk Name		FastTrack, GI or SI: SI		
Business Casino Hotels	NAICS Industry Gaming/Cruiselines	M D	(N)	(N)	(N)	(Y)				
	Quartile: N/A	Existing	Score- card	Over- ride	Agency	Sr. Debt Rating	Sub. Debt Rating	CP Rating	Corp Rating	Outlook Rating
Primary Ownership: Private - 100% indirectly owned by Fontainebleau Resorts, LLC	Ticker: N/A				Moody's	-	Ca	-	Caa3	Negative
Market Value (if public): N/A	KMV-EDF: N/A	KMV Implied RR: N/A	7	8	S&P	CCC	CC	-	CCC	Negative

#	Facility Type	Requested Amount	Existing Amount	Utilizations	Expiration Date (New)	Final Maturity Date (New)	FRR	Secured, Supported, Other
1.	Fontainebleau Las Vegas REV	\$100,000,000	\$100,000,000	\$1,577,788			8	Sup
2.	Fontainebleau Las Vegas / Fontainebleau Las Vegas II DRVQ	\$11,278,403	\$14,500,000	\$10,645,677	28/JAN/2011	28/JAN/2011	8	Oth
3.	Fontainebleau Las Vegas Holdings DRVL	\$0	\$5,000,000	\$0	CANCEL		8	Oth

Request Summary

- 1-3 Annual review. Set next annual review date as January 31, 2010.
- 2. Place \$14.5MM derivative exposure on runoff.
- 3. Cancel \$5MM derivative limit due to inactivity.

Change exposure strategy to "Decrease" from "Maintain". Recommend Real Estate SAG Advisory.

EXHIBIT

206

Credit Approval Memorandum

	Loans & Loan Equivalents	Intraday Risk	Memo	Relationship Profitability Summary (use available and/or applicable information. Not all lines of business utilize each of the fields below)		
					Existing as of LTM 11/30/08*	Pro Forma
Borrower Direct	\$100,500,000			Revenue	\$1,106M	
Borrower Contingent				ROE/RAROC	18%	
Related	\$106,620,517	\$3,000,000		Shareholder Value Added	\$208M	
Total	\$207,120,517	\$3,000,000		Credit Capital	\$2,819M	
Concentration Limit						
Concentration Limit Maturity:				Issuer Limit: \$2,870,150		

Policy Exception: (N)	MUV: (N)	Facility#	Exception:
Comments / Summary / Special Approval Requirements: * Profitability shown is that of Fontainebleau Las Vegas, LLC. Profitability for the entire Fontainebleau Resorts relationship as of LTM 11/30/08 provided 56% RAROC and \$2,428M SVA. Fontainebleau Las Vegas LLC is a Key Risk Client based on total relationship TRE of \$207MM exceeding House Guidelines of \$25MM for a RR 7 or worse. Note: TRE reflected above excludes Merrill Lynch TRE of \$22.6MM (RR 7) and \$110.9MM (RR 8). See Exposure Strategy for additional details.			

NARRATIVE

SECTION 1: TRANSACTION OVERVIEW AND RATIONALE

A. Underwriting:

Request

- Document the Annual Review for Fontainebleau Las Vegas, LLC ("Fontainebleau," "FB LV," or the "Company") and BofA's \$100MM hold of the \$800MM Revolver to FB LV. **Recommend real estate SAG advisory in conjunction with this CAM.** The next annual review date will be reset to 1/31/2010.
 - The Company's Credit Facilities consist of an \$800MM 5-year revolver, a \$700MM 7-year term loan, and \$350MM 7-year delay-draw term loan.
 - BofA originally underwrote \$617MM (1/3) of the total \$1.85Bn Senior Credit Facilities. The financing was raised in conjunction with \$675MM Second Mortgage Notes to finance the construction of an original \$2.9Bn casino resort on a 24.5-acre site on the north end of the Las Vegas Strip.
- Place the \$14.5MM DRVL at Fontainebleau Las Vegas / Fontainebleau Las Vegas II in runoff.
- Cancel the \$5MM DRVL at Fontainebleau Las Vegas Holdings due to inactivity.

Construction Status

- Construction consists of a 63-story tower with 3,800 total rooms (2,689 guest rooms, 178 suites, and 933 condo-hotel units), a 100,000 sq ft casino, a 353,000 sq ft convention center, and a 60,000 sq ft spa. In addition, the property will include a 286,500 sq ft retail component with restaurants, nightclub, and related amenities.
- With 66% of costs spent as of 1/30/09, the overall construction progress is tracking in-line with the latest construction schedule, which indicates an 10/1/09 Grand Opening. Per the IVI project status report #21, 98.5% of direct costs are under contract. In addition to the ~\$77MM of remaining unallocated contingency, the project is supported by a funded \$50MM liquidity reserve and a \$100MM Turnberry Residential completion guaranty, \$50MM of which is in the form of an LC.
- In June 2008, Fontainebleau increased the budget by ~\$200MM due to conversion of design drawings to construction drawings which resulted in more steel, engineering costs, labor costs, and installation costs for necessary design enhancements, modifications to the garage, budget changes, and concealed field conditions related to underground utilities. The budget increase was funded 100% with equity from the proceeds of the Nakheel investment (see below).

Nakheel PJSC Investment

- On 12/10/07, Fontainebleau Resorts, LLC ("FB Resorts") entered into a letter of intent with Nakheel PJSC ("Nakheel"), a 100% subsidiary of Dubai World (an investment fund wholly-owned by the government of Dubai), pursuant to which a U.S. affiliate of Nakheel purchased a 50% interest in the Fontainebleau Miami resort in exchange for a capital contribution of \$375MM in cash. This transaction closed in April 2008.
- \$237.5MM of the capital contribution was kept at Fontainebleau Resort Properties I, LLC (the common owner of both FB Miami and FB LV) as additional capital for the Miami and Las Vegas projects. Of this, \$200MM was contributed to the FB Las Vegas project in June 2008 to fund additional construction costs as outlined above. The remainder (\$37.5MM) remains at Fontainebleau Resort Properties I, LLC.
- For additional detail regarding the 50% acquisition, refer to FB Miami's Amendment No. 1 CAM MOD dated 3/10/2008 located in ECF.

Lehman Brothers Bankruptcy

- Lehman underwrote a \$400MM Retail Credit Facility as financing for the retail portions of the project, consisting of a \$315MM Retail Construction Loan and an \$85MM Retail Mezzanine Loan (of which \$125.4MM and \$85MM were funded at closing in June 2007). \$100MM of the \$315MM Construction Loan was syndicated to a group of lenders consisting of Sumitomo, National City and ULLICO.
- Of the total Retail Construction Loan, \$83MM is dedicated towards shared construction costs in the podium. Draws for shared construction costs began in August 2008, concurrently with the Senior Secured advance (after proceeds from the 2nd Mortgage Notes were exhausted). As of December 2008, \$21.9MM of retail shared costs were funded.
- On 9/16/08, Lehman Brothers Holdings, Inc. declared bankruptcy. To date, the retail facility lenders have continued to fund their portion of the retail shared costs when requested (a condition precedent to funding from bank proceeds). Separately, there is \$62MM of unfunded obligations for Tenant Improvements / Tenant Allowances for the retail facility, but funding this amount is not a requirement of the Senior Secured Facility. The Company has been working diligently with Lehman Brothers and the co-lenders to ensure that there are no interruptions in funding for the retail component. However, there are no assurances that Lehman Brothers will continue to fund all or any portion of its share of the remaining obligation under the Retail Construction Loan, or that the co-lenders will fund any Lehman Brothers shortfall in funding.

NARRATIVE

Recommendation for Amendment / Restructuring

- CDP recommends that the FB LV undergo an amendment / restructuring to address the following issues: i) the lack of cash flow due to no expected condominium sales and ii) lower expected operating results when the project opens in 4Q09 due to continued deterioration in both the national and Las Vegas economies. CDP believes these factors will impact the Company's ability to operate the project within the existing financial covenants, as reflected in CDP's Base Case in this CAM.
 - When the transaction was underwritten in FY 2007, FB LV was expected to generate \$702MM of condo sales proceeds, of which approximately \$677MM would be used to pay down the \$1.85Bn Senior Secured Credit Facility to meet step-down requirements under the total and senior leverage tests.
 - In addition, rising unemployment and reduced consumer spending have lead to lower operating results for gaming companies in Las Vegas.

Current Market Conditions

- With the depressed economic environment and rising unemployment, demand for casino gaming and other leisure activities has been adversely impacted as consumers have limited discretionary spending.
- Factors that could lead the economy out of its current depressed state are: (1) An economic reform plan that may include tax cuts to lower and middle-class families; (2) The creation of new jobs through an infrastructure program; and (3) The recent decline in gas prices, which are expected to help restore consumer confidence which would eventually begin to normalize discretionary spending.

Ratings Update

- Moody's: On 3/4/09, Moody's downgraded FB LV's Corporate Family Rating to 'Caa3' from 'Caa1' with a Negative Outlook. Moody's also lowered the ratings for the \$1.85Bn First Lien Credit Facility to 'Caa2' from 'B3' and the \$675MM Second Mortgage Notes to 'Ca' from 'Caa3.'
 - The downgrade reflects Moody's expectation that FB Las Vegas will be unable to sell a sufficient number of condo-hotels to reduce construction debt to a serviceable level by the time the resort opens in 4Q09. Moody's also noted a potential funding shortfall for the retail component of the project, which also was a factor in the downgrade.
 - The 'Negative' Outlook contemplates the high risk that the Company could default on its debt obligations if demand for condo-hotels and visitation to Las Vegas does not materially improve.
- S&P: On 2/20/09, S&P lowered FB LV's Corporate Credit Rating to 'CCC' from 'B-' with a Negative Outlook. S&P also lowered the ratings for the \$1.85Bn First Lien Credit Facility to 'CCC' from 'B' and the \$675MM Second Mortgage Notes to 'CC' from 'CCC.'
 - Rationale for the downgrade was prompted by S&P's concern that reduced consumer discretionary spending and its effect on the gaming industry (specifically, LV Strip) would hinder FB's ability to amortize its debt. The downgrade also reflects S&P's belief that FB will not generate any meaningful level of proceeds from condo sales to reduce its all-inclusive projected \$2.9Bn debt balance following property's opening in 4Q09.
 - The 'Negative' Outlook contemplates S&P's expectation of reduced consumer spending on the LV Strip given depressed economic conditions and the potential that FB LV will need to restructure its capital structure to meet its debt obligations.

B. Business Case:

Relationship with the Client

- BofA's relationship with Glen Schaefer (CEO) dates back to 1987 with Mandalay Bay, where he served as President. Since then, BofA developed a substantial corporate and investment banking role as the Company's lead bank. As a result, BofA was awarded the Joint Lead (left) position in 2005 on a \$500MM Credit Facility for Schaeffer's venture, Fontainebleau Resorts.
- Turnberry Associates ("Turnberry") has been a Bank of America client for more than 25 years, and the relationship historically consisted of Lending, Treasury Management, Capital Markets, Private-Client Services, and Premier Banking Services.
- For the FB LV relationship, BofA serves as Joint Lead Arranger (Left) and Joint Book Manager as well as Administrative Agent and Swing Line Lender.
- For the FB Miami relationship, BofA serves as Joint Lead Arranger (Left) and Joint Book Manager as well as Administrative Agent and L/C Issuer.

Client Selection

- Strong Management Team – The Company's strong management team, which includes Glenn Schaeffer and Jeff Soffer, is considered highly experienced and has successful track records with both the development and operation of major gaming and leisure multi-use facilities.
- Significant Development Experience

NARRATIVE

- o *Glenn Schaeffer / Former Mandalay Resort Group team* – This team developed numerous projects over the years, including over 16,000 hotel rooms, over 600,000 square feet of gaming space, and a 1.5 million square foot convention center at Mandalay Bay. Mr. Schaeffer's success has been recognized by Institutional Investor and Las Vegas Magazine, which depicted him as one of the top-ten corporate financiers in the US and one of the five executives who shaped 21st century Las Vegas, respectively.
- o *Jeff Soffer / Turnberry Associates* – Turnberry is one of America's premier real estate development and property management companies. Turnberry has developed more than \$7Bn in commercial and residential property, including approximately 20 million square feet of retail space, more than 7,000 apartments and condo units, 1.5 million square feet of office space, and in excess of 2,000 hotel and resort rooms. Since 1999, Turnberry has been active in the Las Vegas market, having achieved condo sales of over \$1.5Bn, starting with the development of Turnberry Place, a 4-story, \$700MM, luxury, high-rise residential community at the north end of the Las Vegas Strip. Turnberry developed the second and third towers of the three condo-hotel towers at the Residences at MGM Grand Las Vegas, a JV with MGM and several other residential and lifestyle centers in Las Vegas, including Turnberry Towers and Town Square.
- Significant Real Estate Value – Cushman & Wakefield conducted an appraisal in February 2007 in conjunctions with the underwriting of the transaction (which closed in June 2007). In the appraisal, Cushman derived a land value "As is on December 2006" of \$501MM and prospective values at stabilization for the casino-hotel of \$2.9Bn, condo-hotel cash flow of \$116MM, and a \$652MM wholesale value for the condos. No appraisal has been conducted since that time as there is not requirement in the Credit Agreement / Disbursement Agreement to have the project re-appraised.
- Good Location – When complete, the FB LV property will represent the northernmost of the "mega resorts" on the Las Vegas Strip. FB LV will be a premiere casino-hotel resort property offering high-end luxurious amenities and retail outlets compared to the likes of Wynn Encore and Wynn Las Vegas in the north and CityCenter in the south.

Company and Industry Snapshot

- Please see Appendix I and II, respectively.

Exposure and Capital Strategy

- Combined TRE to Fontainebleau Resorts at both institutions is \$340.5MM, with \$222.7MM to FB Las Vegas.

Exposure Summary - FB Las Vegas & FB Miami (\$ in MMs)			
Bank of America TRE		Merrill Lynch TRE	
<i>Fontainebleau Las Vegas (RR 8)</i>		<i>Fontainebleau Las Vegas (RR 8)</i>	
\$100.0	Revolver	\$100.0	Revolver
\$11.3	Derivatives Line (Runoff)	\$10.9	Derivatives Line (peak)
\$0.5	Credit Card Limit		
<u>\$111.8</u>		<u>\$110.9</u>	
<i>Fontainebleau Miami (RR 6)</i>		<i>Fontainebleau Miami (RR 7)</i>	
\$40.0	Construction Loan	\$22.6	Derivatives Line (peak)
\$40.0	Mezzanine Loan		
\$14.0	Derivatives Line (Runoff)		
\$1.2	Cash Secured Standby LC		
<u>\$95.2</u>		<u>\$22.6</u>	
<u>\$207.0</u>	BofA Total	<u>\$133.5</u>	ML Total
Combined TRE = \$340.5 MM			

- Combined relationship TRE of \$340.5MM exceeds House Guidelines, thus confirming that Fontainebleau Las Vegas is a Key Risk Client. In May 2008, CDP downgraded FB Las Vegas' risk rating to RR 7+ (from RR 6-) in concurrence with the downturn in the economy and its effects on the Las Vegas market. Due to further deterioration in the market and the unlikelihood that the Company will sell condos and/or meet original underwriting projections, CDP is further downgrading FB Las Vegas to RR 8.
- New exposure strategy is **Decrease**. CDP will look to opportunistically reduce exposure, beginning with canceling unused trading lines and placing existing derivative lines in runoff (concurrently with this CAM). Recommend real estate SAG advisory in conjunction with this CAM.

Relationship Economics

- Over the LTM ending 11/30/08, the Fontainebleau Las Vegas relationship has generated a RAROC of 18% and SVA of \$208M driven by \$1.1MM of revenue (\$1.0MM Credit & Leasing and \$82M Treasury & Trade).

NARRATIVE

Market Pricing

- **Bond Pricing:**

Type	Issuance (\$MM)	Coupon	Maturity	Price	YTM	YTW	LIBOR Equivalent Spread (bps)
Second Mortgage Notes	\$675	10.250%	6/15/2015	9.000	115.157%	115.157%	11,376

Pricing as of 1/14/09 *Source: Lighthouse*

SECTION 2: FINANCIAL INFORMATION

A. Summary Financial Information:

Financial Review

- At this time, the Company is not generating revenue due to its status as an in-progress construction project. Through its financial statements, management details its expenses for each reporting period and, therefore, incurs losses in those respective periods. Expenses will increase throughout the construction process, mainly due to pre-opening expense and interest expense, until the property opens in 4Q09.
 - The construction process is ~66% complete with approximately 3,200 trade people on-site. According to IVI, our construction consultant, the project schedule is aggressive but is tracking in-line for an Oct'09 completion.
- The primary objective of the following analysis will consist of expected operating performance from opening through FY 2012. The credit facility matures in June 2012.
- While quarterly financial statements have been received throughout the construction period, the first statements reflecting operations are not expected until 4Q09, which will only account for one or two months of operations since the grand opening is not expected until November 2009. The first Compliance Certificate is not expected until the first test date, which is the last day of the first fiscal quarter which ends six months or more following the opening date (expected to be 6/30/10).

Primary Sources of Repayment: *Cash Flow from Operations Augmented by Refinancing in a Normal and Stable Bank Market (Weak)*

- Given stabilized (FY 2011) EBITDA of \$229MM and Fixed Charge Coverage Ratio ("FCCR") of 1.10x based on CDP's revisions to management projections from the 2007 underwriting and the assumption that none of the 1,018 condos will be sold (detailed below), the PSOR is considered Weak. Cash flows are sufficient to service interest expense and amortize the minimal amounts required on the term debt while also maintaining the property.

Base Case Assumptions:

- CDP revised Base Case projections from the 2007 underwriting to reflect deteriorated market conditions and none of the 1,018 condos are sold. Further validating CDP's skepticism of the current Las Vegas condo market, in December 2008, MGM announced its plans to cancel the condo component for Hamon at CityCenter.
- To determine a reasonable cash flow level at opening and growing to stabilization in FY 2011, CDP compared projected gaming and hotel revenue drivers to JPMorgan research analyst reports published on 1/7/09 for comparable casino-hotel properties (MGM's Bellagio, Wynn Las Vegas, Wynn Encore, and Las Vegas Sands' Venetian and Palazzo).
 - **Hotel Drivers:**
 - The Average Daily Rate ("ADR") for FB LV were lowered ~25% against previous underwriting / management's estimate in the first three years of operations, and then assumed to grow at an average rate of 6% through FY 2012. ADR was forecasted downward due to an expectation of lower room rates via increased promotions from current Las Vegas Strip operators once the property opens; both Wynn Las Vegas and Wynn Encore have reduced room rates in an effort to maintain occupancy rates in this depressed economic environment.
 - The resulting Base Case hotel assumptions are below the expected FY 2010 averages for the comp set and are intended to reflect a reversion to the mean. Assumptions for the comp set were compared to JPMorgan equity analyst estimates for FY 2010. As shown in the chart below, RevPAR for FB LV in FY 2010 of \$188 is below the average for the comp set of \$216. CDP deems this conservatism versus published analyst estimates appropriate given more recent volatility and early evidence of further deterioration in 4Q08.

NARRATIVE

2010 Competitive Set Hotel Assumptions				
	# of Rooms	ADR	Occupancy	RevPAR
FB Las Vegas ⁽¹⁾	3,889	\$220	85.3%	\$188
Competitive Set:				
Bellagio ⁽²⁾	3,993	\$244	88.6%	\$216
Wynn Las Vegas ⁽²⁾	2,716	\$263	89.9%	\$236
Wynn Encore ⁽²⁾	2,034	\$265	89.9%	\$238
Venetian ⁽²⁾	4,027	\$214	90.0%	\$193
Palazzo ⁽²⁾	3,025	\$217	89.8%	\$195
Total Mean	3,159	\$241	89.6%	\$216

(1) Based on CDP's forecast for ADR and occupancy in the first full year of operations.

(2) Based on JPMorgan equity analyst estimates published 1/7/2009.

- o **Gaming Drivers:** Table game and slot WPU were not discounted in FY 2010 since these drivers were already below historical averages, where information was available; however, table and slot WPU growth rates in FY 2011 and FY 2012 were tempered (2% growth by CDP vs. 3% growth by management). In this case, the Company's expectations for gaming revenue in FY 2010 are below historical averages for Venetian, Palazzo, and Wynn Las Vegas.

Estimated 2010 Casino Comparables				
	# Slots	WPU	# Table Games	WPU
FB Las Vegas ⁽¹⁾	1,700	\$196	125	\$3,546
Competitive Set:				
Las Vegas Sands (Venetian & Palazzo) ⁽²⁾	3,025	\$182	260	\$3,659
Wynn Las Vegas ⁽²⁾	1,956	\$200	139	\$8,240
Wynn Encore ⁽²⁾	900	\$291	60	\$7,952
Total Mean	1,960	\$224	153	\$6,617

(1) Based on management estimates.

(2) Based on JPMorgan equity analyst estimates published 1/7/2009

- The overall result is FB LV hotel and gaming drivers at or below management expectations throughout the projection set, as detailed below.

Fontainebleau Las Vegas Revenue Drivers						
	2010		Stabilization 2011		2012	
	Company	CDP	Company	CDP	Company	CDP
Hotel Drivers						
ADR	\$291	\$220	\$311	\$235	\$327	\$247
Occupancy	93.9%	85.3%	93.9%	85.3%	93.9%	85.3%
RevPAR	\$273	\$188	\$292	\$201	\$307	\$211
Casino Drivers						
Slot WPU / Day	\$196	\$196	\$210	\$200	\$218	\$204
Table WPU / Day	\$3,546	\$3,546	\$3,900	\$3,617	\$3,978	\$3,689

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NARRATIVE

CDP Base Case:

Fontainebleau Las Vegas - Base Case										
Assumes No Condo Sales										
(\$ in Millions)	3 Months				12 Months		Stabilization			
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	12/31/10	12/31/11	12/31/12	12/31/12	12/31/12
Operating Performance										
Net Revenues	\$ 194.4	\$ 233.9	\$ 235.7	\$ 206.6	\$ 206.6	\$ 882.8	\$ 916.2	\$ 944.5		
Y-O-Y Net Revenue Growth					6.3%		3.8%	3.1%		
EBITDA	\$ 37.2	\$ 58.6	\$ 59.0	\$ 51.7	\$ 51.7	\$ 221.0	\$ 228.8	\$ 236.4		
EBITDA Margin	19.1%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%		
Summary Cash Flow										
EBITDA	\$ 37.2	\$ 58.6	\$ 59.0	\$ 51.7	\$ 51.7	\$ 221.0	\$ 228.8	\$ 236.4		
Plus: Condo Sales Proceeds	-	-	-	-	-	-	-	-		
Less: Capitalized Condo Selling Costs	1.9	1.4	0.6	-	-	2.0	-	-		
Less: Net Interest Expense	42.3	42.6	43.2	43.6	43.6	173.5	179.7	179.7		
Less: Change in Working Capital	6.0	-	-	-	-	-	-	-		
Less: Change in Accrued Interest	17.3	(17.3)	17.3	(17.3)	17.3	-	-	-		
Less: Maintenance Capital Expenditures	2.5	2.5	2.5	2.5	2.5	10.0	20.0	25.0		
Less: Owners' Tax Distributions	-	-	-	-	-	-	-	-		
Cash Flow Before Mandatory Debt Repayment	(32.9)	29.3	(4.6)	22.9	(11.7)	35.5	29.1	31.7		
Less: Mandatory Term Loan Repayment from Condo Sales	-	-	-	-	-	-	-	-		
Less: Mandatory Revolver Repayment from Condo Sales	-	-	-	-	-	-	-	-		
Free Cash Flow	(32.9)	29.3	(4.6)	22.9	(11.7)	35.5	29.1	31.7		
Less: Term Loan Amortization	-	-	-	2.6	2.6	5.3	10.5	10.5		
Net Free Cash Flow	(32.9)	29.3	(4.6)	20.3	(14.3)	30.2	18.6	21.2		
Summary Balance Sheet										
Operating Cash	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1		
Funded Liquidity Reserve	50.0	50.0	50.0	50.0	-	-	-	-		
Total Cash and Cash Equivalents	\$ 64.1	\$ 64.1	\$ 64.1	\$ 64.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1		
LV Revolver	\$ 774.2	\$ 744.8	\$ 749.4	\$ 729.1	\$ 694.0	\$ 694.0	\$ 675.4	\$ 654.2		
LV Term Loans	1,050.0	1,050.0	1,050.0	1,047.4	1,044.8	1,044.8	1,034.3	1,023.8		
First Senior Secured Debt	\$ 1,824.2	\$ 1,794.8	\$ 1,799.4	\$ 1,776.5	\$ 1,738.7	\$ 1,738.7	\$ 1,709.6	\$ 1,678.0		
2nd Mortgage Notes	675.0	675.0	675.0	675.0	675.0	675.0	675.0	675.0		
Total Debt	\$ 2,499.2	\$ 2,469.8	\$ 2,474.4	\$ 2,451.5	\$ 2,413.7	\$ 2,413.7	\$ 2,384.6	\$ 2,353.0		
Credit Statistics										
LTM EBITDA		\$ 206.3	\$ 206.5	\$ 221.0	\$ 221.0	\$ 221.0	\$ 228.8	\$ 236.4		
First Senior Secured Debt/ EBITDA		8.72x	8.60x	7.87x	7.87x	7.87x	7.47x	7.10x		
Covenant Level		5.15x	5.00x	4.75x	4.75x	4.75x	3.50x	3.00x		
Cushion (%)		-69.3%	-72.1%	-65.6%	-65.6%	-65.6%	-113.5%	-136.6%		
Total Debt/ EBITDA		11.99x	11.87x	10.92x	10.92x	10.92x	10.42x	9.96x		
Covenant Level		8.30x	8.00x	7.75x	7.75x	7.75x	6.25x	5.50x		
Cushion (%)		-44.5%	-48.4%	-40.9%	-40.9%	-40.9%	-66.7%	-81.0%		
Fixed Charge Coverage Ratio		1.29x	1.21x	1.17x	1.17x	1.17x	1.16x	1.11x		
Covenant Level		1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.25x		
Cushion (%)		9.0%	0.9%	-3.4%	-3.4%	-3.4%	-9.8%	-13.8%		

Operating Performance:

- Due to CDP's changes to the Base Case, net revenues are down -17%, -19% and -21% compared to management's projections for FY 2010, FY 2011 and FY 2012, respectively. Revenue of \$883Bn in the first full year of operations (FY 2010) is projected to grow at a conservative 2% CAGR over the projected period through FY 2012 to \$945MM.
 - Note that in the event that condos were sold, condo owners at FB LV would be permitted make their residences available to prospective hotel guests by placing them in the hotel rental pool. As such, the condo owner and FB LV would share in the revenue stream coming from the rented residences.
 - As a positive, in the event that none of the condos are sold the condos will be used as hotel suites and made available to hotel guests, where the Company would enjoy the full benefit of the room revenues.
- EBITDA is down -17%, -27%, and -28% compared to management's projections for FY 2010, FY 2011 and FY 2012. EBITDA of \$221MM in FY 2010 (first full year of operations) is projected to grow at a 2% CAGR as CDP projected margins to remain at 25% through FY 2012 as the Company operates on a consistent basis to maintain patronage levels. FB LV also hopes to attract clientele from its signature property in Miami, Fontainebleau Miami, which had its grand opening in November 2008.
- The projected revenue mix at FB LV is in-line with what is typically seen in major Las Vegas Strip properties, as the revenue mix continues to become less gaming focused. For example, FY 2010 revenues are expected to be comprised of the following: 32% gaming, 30% hotel, 23% F&B, and 15% other.
- Projected supply additions on the LV Strip over the next three years have decreased due to the current depressed market environment which has resulted in less LV Strip visitation, decreased operating performance at LV Strip properties, and constrained credit and high yield debt availability. According to a Deutsche Bank research report, only 12,600 rooms of the projected 45,000 rooms will come online from FY 2009 through FY 2012 after

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accounting for project cancellations (Crown, Tropicana, etc.) or indefinite project delays (Echelon, Plaza, Cosmopolitan, Caesars, MGM / Kerzner, etc.).

Covenant Compliance:

- Due to the likely scenario where no condos are sold at FB LV and CDP's downward revisions to the revenue drivers, the Company is not expected to be in compliance at its first covenant test date on 6/30/2010 and through FY 2012.
 - At 6/30/10 (first test quarter), First Senior Secured Debt to EBITDA is projected at 8.7x (vs. a 5.15x covenant), and Total Debt to EBITDA is projected at 12.0x (vs. an 8.30x covenant). The Company is projected to be in compliance with its Fixed Charge Coverage Ratio for the first two test periods (6/30/10 and 9/30/10), albeit with tight cushions, and breaches its covenant level thereafter.
 - When the Credit Agreement and related documents were written, excess cash flow from condo proceeds were ear-marked for mandatory amortization of the Credit Facilities. Without condo proceeds, there is not enough excess cash flow to significantly reduce debt and remain in compliance.
- The Company is aware of the likely event that condos are not sold and has expressed interest in revisiting the current Credit Agreement with BofA and both parties' respective legal advisors to examine and confirm the possibility of a recapitalization, likely in the form of additional equity and / or repurchases of Second Mortgage Notes, which are currently trading at an extreme discount.
 - After Fontainebleau Resorts reorganized its corporate structure, approximately 74% of the outstanding voting interests and 59% of the outstanding equity interests in Fontainebleau Resorts were owned or controlled directly by Jeff Soffer. Mr. Soffer is also a significant owner and officer of the group of related individuals and entities collectively referred to as Turnberry Associates.
 - CDP contemplated possible equity infusions (which count toward the calculation of LTM EBITDA) from FB Resorts and Jeff Soffer. A total of \$485MM of additional equity over a three year period would be needed to remain in compliance with Financial Covenants and pay down debt. A brief synopsis is listed below as well and additional detail in Appendix III.

FB Las Vegas Covenant / Equity Infusion Analysis		
(\$ in Millions)		
	6/30/10	6/30/11
First Senior Secured Debt	\$1,614	\$1,217
Total Debt	\$2,289	\$1,892
LTM EBITDA	\$453	\$525
Equity Injection ⁽¹⁾	\$185	\$300
First Secured Senior Leverage	3.56x	2.32x
Covenant Level	5.15x	3.75x
Total Leverage	5.05x	3.60x
Covenant Level	8.30x	6.50x

(1) Designated Equity Contributions to meet EBITDA shortfall (per CDP Base Case).

- Alternatively, FB Resorts and Jeff Soffer could redeem the Company's Second Mortgage Notes, which are currently trading at approximately \$0.08 on the dollar and would result in a \$54MM redemption price. This would drive Base Case Total Leverage at the first test date (6/30/10) down to 8.7x (vs. 8.3x covenant). Even though the Company would still be out of compliance with its Total and First Lien Leverage tests, FB Resorts and Jeff Soffer could inject cash-equity into the Company to make up for the remaining EBITDA shortfall.
- With potential funding issues and expected covenant violations at the first test period, CDP fully expects to address these concerns with the Company in 2009 in the form of an amendment to the current Credit Agreement.

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Stress Case:

Fontainebleau Las Vegas - Stress Case									
Assumes No Condo Sales									
(\$ in Millions)	3 Months					12 Months		Stabilization	
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	12/31/10	12/31/11	12/31/12	
Operating Performance									
Net Revenues	\$ 189.7	\$ 210.6	\$ 212.2	\$ 185.9	\$ 185.9	\$ 794.6	\$ 824.7	\$ 850.2	
Y-O-Y Net Revenue Growth	-	-	-	-	(2.0%)	-	3.8%	3.1%	
EBITDA	\$ 34.1	\$ 47.4	\$ 47.8	\$ 41.9	\$ 41.9	\$ 178.9	\$ 185.8	\$ 191.6	
EBITDA Margin	18.0%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	
Summary Cash Flow									
EBITDA	\$ 34.1	\$ 47.4	\$ 47.8	\$ 41.9	\$ 41.9	\$ 178.9	\$ 185.8	\$ 191.6	
Plus: Condo Sales Proceeds	-	-	-	-	-	-	-	-	
Less: Capitalized Condo Selling Costs	1.9	1.4	0.6	-	-	2.0	-	-	
Less: Net Interest Expense	47.6	49.2	51.2	53.1	53.1	208.7	240.1	256.6	
Less: Change in Working Capital	6.0	-	-	-	-	-	-	-	
Less: Change in Accrued Interest	17.3	(17.3)	17.3	(17.3)	17.3	-	-	-	
Less: Maintenance Capital Expenditures	2.5	2.5	2.5	2.5	2.5	10.0	20.0	25.0	
Less: Owners' Tax Distributions	-	-	-	-	-	-	-	-	
Cash Flow Before Mandatory Debt Repayment	(41.3)	11.5	(23.9)	3.6	(31.0)	(41.8)	(74.3)	(90.0)	
Less: Mandatory Term Loan Repayment from Condo Sales	-	-	-	-	-	-	-	-	
Less: Mandatory Revolver Repayment from Condo Sales	-	-	-	-	-	-	-	-	
Free Cash Flow	(41.3)	11.5	(23.9)	3.6	(31.0)	(41.8)	(74.3)	(90.0)	
Less: Term Loan Amortization	-	-	-	2.6	2.6	5.3	10.5	10.5	
Net Free Cash Flow	\$ (41.3)	\$ 11.5	\$ (23.9)	\$ 0.9	\$ (33.7)	\$ (47.1)	\$ (84.8)	\$ (100.5)	
Summary Balance Sheet									
Operating Cash	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	
Funded Liquidity Reserve	50.0	50.0	50.0	50.0	-	-	-	-	
Total Cash and Cash Equivalents	\$ 64.1	\$ 64.1	\$ 64.1	\$ 64.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	
LV Revolver	\$ 789.7	\$ 778.1	\$ 802.0	\$ 801.1	\$ 786.8	\$ 786.8	\$ 871.5	\$ 972.1	
LV Term Loans	1,050.0	1,050.0	1,050.0	1,047.4	1,044.8	1,044.8	1,034.3	1,023.8	
First Senior Secured Debt	\$ 1,839.7	\$ 1,828.1	\$ 1,852.0	\$ 1,848.4	\$ 1,831.5	\$ 1,831.5	\$ 1,905.8	\$ 1,995.8	
2nd Mortgage Notes	875.0	875.0	875.0	875.0	875.0	875.0	875.0	875.0	
Total Debt	\$ 2,514.7	\$ 2,503.1	\$ 2,527.0	\$ 2,523.4	\$ 2,506.5	\$ 2,506.5	\$ 2,580.8	\$ 2,670.8	
Credit Statistics									
LTM EBITDA		\$ 172.3	\$ 171.1	\$ 178.9	\$ 178.9	\$ 178.9	\$ 185.8	\$ 191.6	
First Senior Secured Debt/ EBITDA		10.75x	10.80x	10.24x	10.24x	10.24x	10.26x	10.42x	
Covenant Level		5.15x	5.00x	4.75x	4.75x	4.75x	3.50x	3.00x	
Cushion (%)		-108.7%	-116.1%	-115.5%	-115.5%	-115.5%	-193.1%	-247.2%	
Total Debt/ EBITDA		14.67x	14.75x	14.01x	14.01x	14.01x	13.89x	13.94x	
Covenant Level		8.30x	8.00x	7.75x	7.75x	7.75x	6.25x	5.50x	
Cushion (%)		-76.7%	-84.4%	-80.8%	-80.8%	-80.8%	-122.2%	-153.4%	
Fixed Charge Coverage Ratio		0.90x	0.83x	0.79x	0.79x	0.79x	0.69x	0.66x	
Covenant Level		1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.25x	
Cushion (%)		-25.3%	-30.7%	-33.9%	-33.9%	-33.9%	-42.2%	-47.1%	

Stress Case Assumptions: In-Line with Gaming IRS Guidelines

- CDP assumed that continued general macroeconomic weakness or travel disruption to Las Vegas (i.e. reduced consumer spending, terrorism, airport capacity constraints, etc.) combined with intense Las Vegas Strip competition lead to lower than expected demand.
- The Stress Case projection set, in line with Gaming IRS Guidelines, represents a 10% decline in revenues and a 10% decline in EBITDA margins from the Base Case from FY 2010 through FY 2012. Projected operating performance in FY 2009 remained the same when compared to the Base Case since the property will have only been open for less than one full quarter. Note that hotel drivers in the Base Case already contemplate a ~25% and ~10% discount to management's expectation for ADR and occupancy rate, respectively. ADR and occupancy in the Stress Case were reduced by another 5%, which resulted in ADR of \$209 and occupancy of ~81%. In addition, CDP also reduced gaming drivers by 5% as a result of less gaming demand. LIBOR margin was increased quarterly by 25 bps from 4Q09 through 3Q12 and held constant thereafter, which resulted in an aggregate increase of 300 bps.
- Note that the Base Case assumes no condos are sold; as such, this assumption remained the same in the Stress Case.

Operating Performance and Covenant Compliance:

- Due to the stringent assumptions enacted in the Stress Case scenario, average EBITDA throughout the full three-year period is approximately 19% below the Base Case scenario.
- With high levels of debt outstanding and increasing LIBOR, cash flow does not fully service interest expense and maintenance capital expenditures, with any shortfall funded through the Company's revolver.
- The Stress Case operating scenario also results in the Company overdrawing its \$800MM starting in 2Q10 through FY 2012 to service interest expense and maintenance capital expenditures.

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- Reduced cash flows and no condo proceeds result in peak Total Leverage of 14.75x (vs. an 8.00x covenant) at 9/30/10.
- As a result of the Stress Case, the Company would be in violation of its financial covenants in all reporting periods. The management team at FB LV would need to approach the bank group for an amendment, at which times the banks would seek additional structure and pricing concessions.

Repayment / Refinancing:

- As the Stress Case scenario already assumes drastic operating conditions, the Company would not be able to repay its Credit Facilities at maturity, which validates the CDP's claim that the PSOR is Weak.
- As the banks would likely require increased pricing and, effectively, a forced amortization of the Credit Facilities, at which point the Company could deem a refinancing through the bank market too expensive, FB LV could look to a secondary source of repayment.

B. Secondary Sources of Repayment: Restructuring and/or Refinancing in the High Yield Market (Weak) or Sale of the FB LV property (Moderate)

Restructuring and/or Refinancing in the HY Market

- In the event that the PSOR was not viable, the Company would look to refinance its Credit Facilities in the high yield market and other leveraged finance market. Until Total Leverage is less than 5.0x, the FB Resorts guaranty remains in place and could be called upon in a distressed scenario.
- Attached below is a list of recent HY issuances from gaming-related companies.

Corporate High Yield Issuances - 2008 (\$ in millions)							Credit
Issuer	Issue Date	Proceeds	Type	Maturity	Coupon	Ratings	
MGM Mirage	10/30/08	\$750.0	Sr Notes	11/15/13	13.000%	Bb/Ba1	
Scientific Games International	06/02/08	\$200.0	Sr Sub Notes	06/15/16	7.875%	BB-/Ba3	
Harrah's Operating Company, Inc.	01/25/08	\$1,402.6	Sr Gtd PIK Toggle Nte	02/01/18	10.750%	B-/B3	
Harrah's Operating Company, Inc.	01/25/08	\$4,932.4	Sr Gtd Nts	02/01/16	10.750%	B-/B3	
Wynn Las Vegas LLC / Capital Crp	11/01/07	\$1,300.0	1st Mtg Notes	12/01/14	6.250%	BBB-/Ba2	
Downstream Development Authority	09/27/07	\$197.0	Sr Notes	10/15/15	12.000%	B-/B3	
Waterford Gaming LLC / Finance Corp.	09/21/07	\$128.5	Sr Notes	09/15/14	8.625%	BB-/Ba3	
Pinnacle Entertainment Inc.	06/05/07	\$385.0	Sr Sub Notes	06/15/15	7.500%	B-/B3	
Fontainebleau Las Vegas Holdings, LLC	05/24/07	\$675.0	2nd Mtg Notes	06/15/15	10.250%	CCC+/Caa1	
MGM Mirage	05/08/07	\$750.0	Sr Notes	06/01/16	7.500%	BB/Ba2	

- Given the Stress Case scenario, the Company and its banks may view that the HY market may not provide enough support to repay the Credit Facilities. As such, the Company would look to its secondary source of repayment, which is the sale of the Fontainebleau Las Vegas property.

Sale of Business

- In the event that FB Resorts is unable to help FB LV access the HY market to refinance its Credit Facilities, FB Resorts could sell the FB LV property to repay debt.
- On 12/15/2008, MGM announced an agreement to sell Treasure Island to Phil Ruffin for \$775MM, which represents an EBITDA multiple of 7.0x based on LTM EBITDA of \$111MM (8.7x 2009 Wall Street estimates). It is important to note, however, that the deal was struck based on Phil Ruffin's expectations of run-rate EBITDA of \$75 - \$80MM. Given the \$775MM transaction value, this would imply an EBITDA multiple of ~10.0x or a 10% capitalization rate.
 - In addition, although the sale of Treasure Island, essentially a mid-tier property, represents a healthy transaction, FB LV would command a premium (based on EBITDA multiple) since the property is considered an upper-tier resort comparable to MGM's Bellagio, Wynn Las Vegas / Encore, and Venetian / Palazzo.
- Assuming Base Case projected FY 2011 EBITDA of \$229MM and applying the same 10.0x multiple / 10% cap rate would generate a transaction value of \$2.29Bn. This represents a ~37% haircut from the appraised value of the project at underwriting of \$3.67Bn, and would cover first lien debt of \$1.71Bn by 1.3x and total debt of \$2.38Bn by 0.96x.

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SECTION 3: RISK ANALYSIS

A. Key Credit Risks:

1. Continued Depressed Economic Conditions and High Levels of Competition on the Las Vegas Strip Resulting in Less Patronage and Reduced Cash Flow (*Likelihood: High / Impact: High*)
 - o FB LV's luxury destination resort is expected to attract upper-middle to high-income status clientele who are typically less impacted by economic downturns than other clientele.
 - o To continue to attract high-end clientele, FB LV will ensure that its property will offer the highest-quality resort atmosphere with respect to location, resort amenities, and customer service.
 - o Historically, new properties on the Las Vegas Strip have grown the market and all properties have benefited from the increase in foot traffic. However, with the cancellation and indefinite delays of certain hotel projects, excess supply concerns may be alleviated as the Las Vegas Strip benefits from a projected 12,600 additional rooms coming online (vs. the expected 45,000 rooms) through FY 2012.
 - o In the event that the property performs below projections, a likely covenant violation would force the Company to approach its group of lenders for an amendment, at which time additional structural / pricing concessions would be achieved.
2. Construction Risk Resulting in any Delay of the Projected Opening Date in Late 2009 (*Likelihood: Moderate / Impact: Moderate*)
 - o Both Glenn Schaeffer and Turnberry Associates have overseen multiple projects of similar size and scope. Most recently, both parties recently completed the renovation and had the grand opening of Fontainebleau Florida in Miami (11/14/08), which was a \$549MM redevelopment project.
 - o Mr. Schaeffer previously oversaw the development of a 1.5MM square foot convention center and the development of the branded luxury all-suite tower (THEHotel) on the south end of the Las Vegas Strip.
 - o Turnberry Associates has developed more than \$7Bn in commercial and residential property, including approximately 20 million square feet of retail space, more than 7,000 apartments and condo units, 1.5 million square feet of office space, and in excess of 2,000 hotel and resort rooms.
 - o IVI International serves as construction consultant for the lenders. IVI is well known and respected in the construction industry and provides lenders with timely reports on progress.
3. High Leverage Scenario Resulting in Difficulty in Repaying and / or Refinancing the Credit Facility (*Likelihood: Moderate / Impact: High*)
 - o As outlined in the Credit Agreement, equity contributions are allowed in the event of an EBITDA shortfall. Any contribution would be applied to pay down debt and also contemplated in the calculation of LTM EBITDA, thereby reducing leverage.
 - o The bank facilities are senior to other debt in the capital structure, enhancing BofA's position in the capital structure / collateral pool. The 2015 \$675MM Second Mortgage Notes are behind the bank debt.
 - o In the event condos are sold and cash flow becomes available, there is an Excess Cash Flow recapture mechanism in place that will allocate net condo proceeds to amortize the Credit Facilities. In addition, standard mandatory prepayment terms apply.

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Management Analysis:

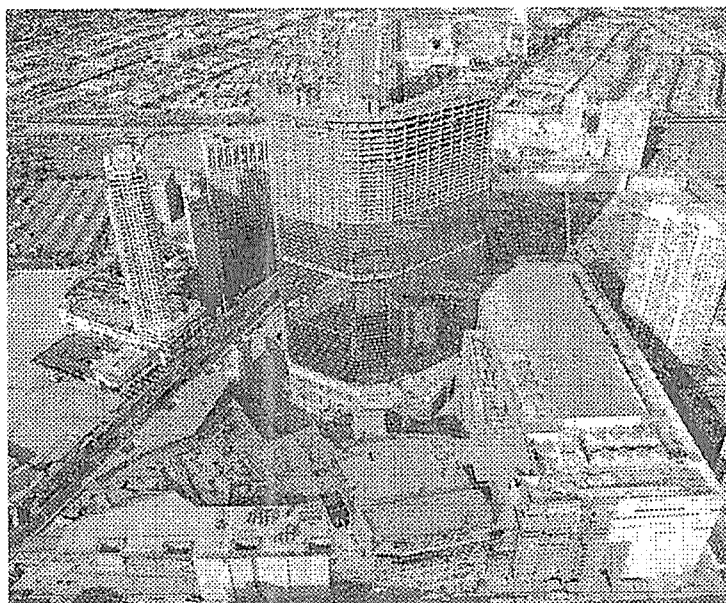
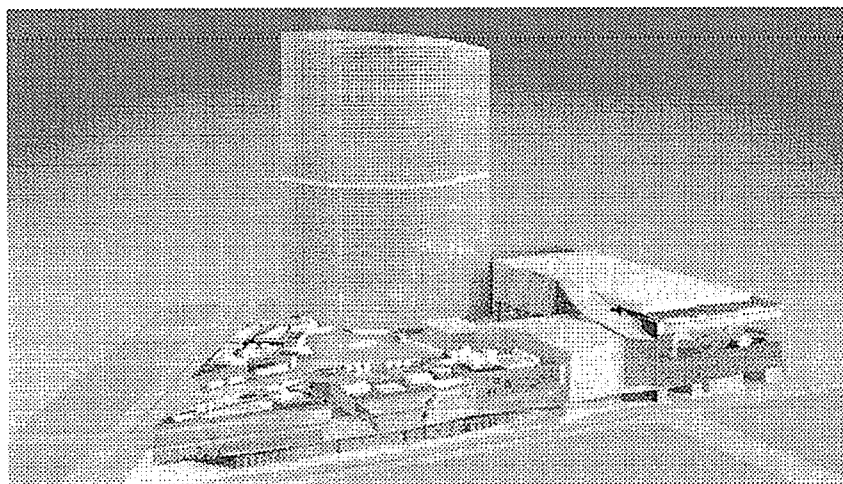
- Glenn Schaeffer and Jeff Soffer assembled a talented management team since the Company's inception in 2005. Members of the management team (listed below) are considered highly experienced and have had successful track records with both the development and operation so major gaming and leisure multi-use properties.
 - Jim Freeman (Senior VP and CFO) – Jim oversees debt and capital raising, financial planning, accounting, and cash management at the Company. He joined as CFO in March 2006 following 14 years of experience in the private equity and investment banking industries with a focus in the gaming and leisure industry.
 - Howard Karawan (COO) – Howard was appointed COO of Fontainebleau Resorts, LLC in September 2007. Howard's roles include responsibility for operations at FB Las Vegas and FB Miami, and marketing, human resources, retail, and information technology initiatives. Previously, Howard was President of Kerzner International's destination resorts business, where he was recognized for his contribution to that company's success, with Atlantis, Paradise Island in The Bahamas and development of Atlantis into a leading international resort brand. His influence extended to Kerzner International's Dubai Atlantis project planning as well as the strategic direction of its top-rated One&Only Resorts.
- Turnberry is a leading property developer and manager in the United States with extensive history and success in numerous U.S. markets, including Florida and Las Vegas. Turnberry has developed over \$7.0Bn worth of real estate properties, including properties that are managed by major corporations such as MGM MIRAGE and Hilton.
- **Corporate Governance:**
 - During the deal process in 2007, an Enhanced Due Diligence was performed on the Executive Board of the Company as well as the Board of Publishing and Broadcasting Limited ("PBL"), as PBL is a 20% equity investor in Fontainebleau Resorts. There were no issues on the Executive Board of Fontainebleau, however, James Packer, the Executive Chairman of PBL, was alleged to have bribed a witness before speaking to investigators of Australian Securities and Investments Commission regarding the collapse of One Tel in 2001.
 - Given PBL's investment, it will need to abide by strict regulations imposed by the Nevada Gaming Control Board if it plans to pursue a gaming license at some point.
 - In the future, the Company intends to launch a public equity offering and must abide by stringent SEC regulations.
 - The Company's auditor's, Deloitte and Touche ("DT"), completed an independent investigation of the Company's internal controls and found a number of issues as detailed in a letter dated 9/13/06. The Company responded in a letter dated 3/28/07 and has addressed and rectified these issues.

SECTION 4: RISK RATING

- Since FB LV is a real estate construction project at this point, CDP risk rated the Company using the Commercial Real Estate Developers Scorecard, which initially resulted in a RR 6- at the time of the initial underwriting. In May 2008, CDP re-ran the Company's scorecard utilizing then current market factors (negative economic trends) and adjusting for the non-financial factors, resulting in a risk rating of RR 7+.
- CDP is enacting a non-quantified override and downgrade of the Company's risk rating to a RR 8 (from RR 7+) in conjunction with this CAM. After adjusting the 2007 underwriting projections to reflect depressed market conditions and the likely scenario that no condos are sold results in a high probability default; therefore, CDP is proactively downgrading the risk rating to 8. CDP will revisit the risk rating if (when) the Company approaches its bank group for an amendment later this year.
- CDP will monitor the following upgrade / downgrade triggers:
 - Upgrade triggers are as follows:
 - Funding requirements including, if necessary, the Completion Guarantee continue to be met;
 - Completion of FB Las Vegas substantially on-time and on-budget; and
 - The Company meets its financial covenants.
 - Downgrade triggers are as follows:
 - Failure to meet funding requirements, including non-compliance with the In-Balance Test and failure to meet the Completion Guarantee;
 - Failure to complete the project; or
 - Any covenant default left uncured.
- Upon final completion, CDP will use the Judgmental Scorecard to rate the Company and will revert to the Large Corporate – Private Scorecard once 15 months of financial information is attained, which is not expected until FY 2011.

Appendix I: Company Snapshot

- FB LV is a 100% indirectly owned subsidiary of Fontainebleau Resorts, LLC, an entity that is majority owned by Jeffrey Soffer (Chairman of Parent and a principal of the Turnberry group of companies, a diversified real estate development organization ("Turnberry")). Glenn Schaeffer (President and CFO of Mandalay Resort Group prior to its sale to MGM MIRAGE) serves as CEO. Publishing and Broadcasting Limited ("PBL") is a ~20% equity investor. The parent is also undertaking a simultaneous \$549MM redevelopment of the 16-acre Fontainebleau Resort in Miami Beach, Florida, which had its grand opening on 11/14/08.
- The Company is currently developing the Fontainebleau Las Vegas, a signature casino hotel resort with gaming, lodging, convention, and entertainment amenities. The property will have a 63-story tower with 3,800 total rooms (2,689 standard rooms, 178 suites and 933 condo-hotel units), a 100,000 square-foot casino, a 353,000 square-foot convention center, and a 60,000 square-foot spa. In addition, the property will include a 286,500 square-foot retail component with restaurants, nightclub, and related amenities.
- Attached below are an artist rendering (top, used in 2007 Offering Memorandum and deal CAM) and a current photo of the construction site (bottom, aerial photography as of 11/24/08).



Appendix II: Industry Snapshot

Las Vegas Strip

- Las Vegas Boulevard (the "Strip") is the core of the Las Vegas gaming market. As most of Las Vegas' attractions are on the Strip, increases in visitor volume have historically translated directly into increases in Las Vegas Strip gaming revenue. The Las Vegas Strip has evolved over the last 15 years from a pure gaming / casino environment to an entertainment destination with a vast array of resort amenities, leisure activities, dining options, high end retail outlets and convention, and meeting facilities. This evolution will continue as multi-billion dollar master-planned mixed-use projects that will once again transform the Las Vegas Strip are under construction.
- Attached below is a chart detailing Las Vegas Strip individual property operating performance as of LTM 6/30/08.

Las Vegas Strip as of LTM 6/30/08					
Property (Owner)	LTM Revenue (\$MM)	LTM EBITDA (\$MM)	Slots	Table Games	Total Rooms
Bellagio (MGM)	\$1,299	\$427	2,328	140	3,933
Venetian (LVS)	\$1,171	\$387	1,700	130	4,027
MGM Grand (MGM)	\$1,174	\$333	2,530	176	6,340
Wynn Las Vegas (Wynn)	\$1,213	\$300	1,970	140	2,716
Mandalay Bay (MGM)	\$976	\$274	2,025	115	4,328
Caesars (Harrah's)	\$892	\$310	1,440	160	3,600
Paris / Bally's (Harrah's)	\$833	\$273	2,300	170	5,730
Mirage (MGM)	\$788	\$212	2,008	106	3,044
Luxor (MGM)	\$433	\$154	1,393	87	4,396
Harrah's (Harrah's)	\$470	\$159	1,600	110	2,530
Rio (Harrah's)	\$581	\$179	1,220	110	2,520
Flamingo (Harrah's)	\$434	\$144	1,420	120	3,460
NY - NY (MGM)	\$330	\$133	1,774	69	2,024
Excalibur (MGM)	\$356	\$134	1,755	68	3,980
Monte Carlo (MGM)	\$266	\$76	1,531	74	3,002
Treasure Island* (MGM)	\$407	\$116	1,637	67	2,885
Circus Circus (MGM)	\$278	\$71	2,354	92	3,764
Tropicana (Tropicana Entertainment)	\$157	\$41	975	37	1,876
Riviera (Riviera Holdings)	\$144	\$26	915	35	2,075

* MGM entered into agreement to sell Treasure Island to Phil Ruffin in December 2008.

Source: October 2008 Gaming Market Overview

Current Economic Conditions

- With the decline in economic conditions and job market through FY 2008 and continuing into FY 2009, casino operators have noted that nearly all casino customer segments (high-end, middle-class, lower-class) were impacted by the general trends that affected the economy (downturn in financial markets, increased unemployment, and reduced consumer spending).
- In a report from BAS Research detailing the Las Vegas gaming market, the Lehman Brothers bankruptcy filing in September 2008, the related freezing of credit markets, and the eventual impact on the US consumer have created significant uncertainty around FY 2009 gaming fundamentals, especially in Las Vegas. However, BAS Research believes that casino operators will be able to adjust their cost structures and that longer-term visitation to Las Vegas will remain strong leading to an eventual recovery on the Las Vegas Strip. While no immediate time-frame was given for this analysis, BAS Research indicated this would be a long-term recovery.
- While airlines enacted capacity cuts and reduced flights to Las Vegas by 5% to 8% to combat previously high gas prices and reduced consumer spending, these acts were mitigated by the fact that airlines cut many flights with excess capacity and most of the seats that were cut only represent connecting flights through Las Vegas.
 - For example, US Air's recent cuts of flights to Las Vegas by 50% represent those flights that are overnight flights through the city, where an estimated 60% of the passengers were connecting through Las Vegas.

Appendix II: Industry Snapshot

Projected Room Supply

- Expectations of large supply growth in FY 2009 and FY 2010 are mitigated by the fact that some projects have not and / or may not be developed due to the deterioration of the credit market. As a result, Las Vegas may actually benefit if certain projects are not developed as there may not be the expected increase of available rooms in FY 2009 and FY 2010.
- With the recent announcement of the US economy being in a recession, the new room supply coming on-line in the next few years should benefit since the US may be in the early stages of an economic recovery.
- Note that Harrah's announced it is delaying the opening of the 665-room Octavius Tower at Caesars Las Vegas "until there is stronger demand for hotel rooms." The tower was topped off in October 2008. Other parts of the expansion (which was scheduled to open in 4Q09), including 110,000 square feet of meeting space, an extended pool, and three 10,000-square foot luxury villas, will open on schedule. Harrah's noted that strong advance bookings justified the finishing of the new meeting space.
- Detailed below are the expected and delayed projects on the Las Vegas Strip and incremental room supply:

Ongoing Projects	Developer	Expected Opening	Rooms / Condos
Hard Rock expansion	Morgans / DLJ	2009	875
Planet Hollywood Towers	Private	2009	1,228
Fontainebleau Las Vegas	Fontainebleau	2009	3,800
CityCenter	MGM Mirage	2009	6,700

Source: October 2008 Gaming Market Overview, December 2008 Deutsche Bank analyst report, & Gaming Weekly Update (1/16/09)

Delayed / Cancelled Projects	Developer	Rooms / Condos
Cosmopolitan	Private	3,000
Caesar's Octavius Tower	Harrah's	665
Hard Rock residential expansion	Hard Rock	1,208
Waldorf-Astoria	Conrad Majestic	988
Tropicana redevelopment	Tropicana	9,000
W Las Vegas	Edge Group / Starwood	3,000
Palazzo condo tower	LVS	UTD
Crown Las Vegas	Private	UTD
Sahara redevelopment	SBE Entertainment	1,000
Echelon	Boyd	5,000
Las Vegas Plaza	Elad Group	6,700
MGM / Kerzner - Istithmar JV	MGM / Kerzner	UTD

Source: October 2008 Gaming Market Overview, December 2008 Deutsche Bank analyst report, & Gaming Weekly Update (1/16/09)

- For more details on the Gaming industry, please refer to the September 2008 Gaming Industry IRS Document.

Appendix III: Cushion Analysis

COVENANT ANALYSIS - Base Case (no equity injection)		(\$ in Millions)															
		6/30/10		9/30/10		12/31/10		3/31/11		6/30/11		9/30/11		12/31/11		3/31/12 (1)	
FIRST LIEN LEVERAGE RATIO		\$1,799	\$1,776	\$1,739	\$1,710	\$1,710	\$1,716	\$1,696	\$1,710	\$1,681	\$1,681	\$1,681	\$1,681	\$1,681	\$1,681	\$1,681	\$1,681
LTM EBITDA		\$206	\$206	\$221	\$223	\$223	\$225	\$227	\$229	\$231	\$231	\$231	\$231	\$231	\$231	\$231	\$231
First Senior Secured Debt / EBITDA		8.72x	8.60x	7.87x	7.67x	7.67x	7.62x	7.47x	7.47x	7.28x	7.28x	7.28x	7.28x	7.28x	7.28x	7.28x	7.28x
Actual		5.15x	5.00x	4.75x	3.75x	3.75x	3.75x	3.50x	3.50x	3.00x	3.00x	3.00x	3.00x	3.00x	3.00x	3.00x	3.00x
Covenant		(\$1.43)	(\$1.49)	(\$1.45)	(\$2.33)	(\$2.32)	(\$2.32)	(\$2.57)	(\$2.56)	(\$3.30)	(\$3.30)	(\$3.30)	(\$3.30)	(\$3.30)	(\$3.30)	(\$3.30)	(\$3.30)
EBITDA Cushion (\$)		-69.3%	-72.1%	-65.6%	-104.4%	-103.2%	-103.2%	-113.4%	-113.4%	-142.8%	-142.8%	-142.8%	-142.8%	-142.8%	-142.8%	-142.8%	-142.8%
EBITDA Cushion (%)																	
TOTAL LEVERAGE RATIO		\$2,474	\$2,451	\$2,414	\$2,385	\$2,385	\$2,391	\$2,371	\$2,385	\$2,356	\$2,356	\$2,356	\$2,356	\$2,356	\$2,356	\$2,356	\$2,356
LTM EBITDA		\$206	\$206	\$221	\$223	\$223	\$225	\$227	\$229	\$231	\$231	\$231	\$231	\$231	\$231	\$231	\$231
Actual		11.99x	11.87x	10.92x	10.69x	10.62x	10.62x	10.44x	10.42x	10.21x	10.21x	10.21x	10.21x	10.21x	10.21x	10.21x	10.21x
Covenant		8.30x	8.00x	7.75x	6.50x	6.50x	6.50x	6.25x	6.25x	5.50x	5.50x	5.50x	5.50x	5.50x	5.50x	5.50x	5.50x
EBITDA Cushion (\$)		(\$92)	(\$100)	(\$90)	(\$144)	(\$143)	(\$143)	(\$152)	(\$153)	(\$198)	(\$198)	(\$198)	(\$198)	(\$198)	(\$198)	(\$198)	(\$198)
EBITDA Cushion (%)		-44.5%	-48.4%	-40.9%	-64.5%	-63.4%	-63.4%	-67.1%	-67.1%	-85.6%	-85.6%	-85.6%	-85.6%	-85.6%	-85.6%	-85.6%	-85.6%
Fixed Charge Coverage Ratio		\$118	\$169	\$221	\$223	\$223	\$225	\$227	\$229	\$231	\$231	\$231	\$231	\$231	\$231	\$231	\$231
EBITDA / (LTM Cash Interest Expense + LTM Scheduled Amortization + LTM Taxes + LTM Maintenance CapEx + LTM Lease Expense)		\$91	\$140	\$190	\$196	\$196	\$200	\$204	\$208	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210
Actual		1.29x	1.21x	1.17x	1.14x	1.14x	1.12x	1.11x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x
Covenant		1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x
EBITDA Cushion (\$)		\$11	\$1	(\$8)	(\$14)	(\$14)	(\$17)	(\$20)	(\$22)	(\$23)	(\$23)	(\$23)	(\$23)	(\$23)	(\$23)	(\$23)	(\$23)
EBITDA Cushion (%)		9.0%	0.9%	-3.4%	-6.3%	-6.3%	-7.6%	-8.9%	-9.8%	-9.9%	-9.9%	-9.9%	-9.9%	-9.9%	-9.9%	-9.9%	-9.9%

(1) The Credit Facility matures on 6/7/12.

COVENANT ANALYSIS - Base Case (with equity injection)		(\$ in Millions)															
		6/30/10		9/30/10		12/31/10		3/31/11		6/30/11		9/30/11		12/31/11		3/31/12 (1)	
EQUITY INJECTION		\$185	-	-	-	-	\$300	-	-	-	-	-	-	-	-	-	
FIRST LIEN LEVERAGE RATIO		\$1,614	\$1,588	\$1,548	\$1,516	\$1,516	\$1,217	\$1,556	\$1,567	\$1,535	\$1,535	\$1,535	\$1,535	\$1,535	\$1,535	\$1,535	
LTM EBITDA		\$453	\$391	\$406	\$408	\$408	\$525	\$527	\$529	\$531	\$531	\$531	\$531	\$531	\$531	\$531	
First Senior Secured Debt / EBITDA		3.56x	4.06x	3.81x	3.71x	3.71x	2.32x	2.95x	2.96x	2.89x	2.89x	2.89x	2.89x	2.89x	2.89x	2.89x	
Actual		5.15x	5.00x	4.75x	3.75x	3.75x	3.50x	3.50x	3.00x	3.00x	3.00x	3.00x	3.00x	3.00x	3.00x	3.00x	
Covenant		(\$1.43)	(\$1.49)	(\$1.45)	(\$2.33)	(\$2.32)	(\$2.32)	(\$2.57)	(\$2.56)	(\$3.30)	(\$3.30)	(\$3.30)	(\$3.30)	(\$3.30)	(\$3.30)	(\$3.30)	
EBITDA Cushion (\$)		-69.3%	-72.1%	-65.6%	-104.4%	-103.2%	-103.2%	-113.4%	-113.4%	-142.8%	-142.8%	-142.8%	-142.8%	-142.8%	-142.8%	-142.8%	
EBITDA Cushion (%)																	
TOTAL LEVERAGE RATIO		\$2,289	\$2,283	\$2,223	\$2,191	\$2,191	\$1,892	\$2,231	\$2,242	\$2,210	\$2,210	\$2,210	\$2,210	\$2,210	\$2,210	\$2,210	
LTM EBITDA		\$453	\$391	\$406	\$408	\$408	\$525	\$527	\$529	\$531	\$531	\$531	\$531	\$531	\$531	\$531	
Actual		5.05x	5.78x	5.47x	5.37x	5.37x	3.60x	4.23x	4.24x	4.16x	4.16x	4.16x	4.16x	4.16x	4.16x	4.16x	
Covenant		8.30x	8.00x	7.75x	6.50x	6.50x	6.25x	6.25x	5.50x	5.50x	5.50x	5.50x	5.50x	5.50x	5.50x	5.50x	
EBITDA Cushion (\$)		\$177	\$109	\$119	\$71	\$71	\$234	\$170	\$170	\$129	\$129	\$129	\$129	\$129	\$129	\$129	
EBITDA Cushion (%)		39.2%	27.7%	29.4%	17.4%	17.4%	44.6%	32.3%	32.2%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	
Fixed Charge Coverage Ratio		\$303	\$354	\$406	\$408	\$408	\$525	\$527	\$529	\$531	\$531	\$531	\$531	\$531	\$531	\$531	
EBITDA / (LTM Cash Interest Expense + LTM Scheduled Amortization + LTM Taxes + LTM Maintenance CapEx + LTM Lease Expense)		\$91	\$137	\$183	\$187	\$187	\$187	\$188	\$191	\$193	\$193	\$193	\$193	\$193	\$193	\$193	
Actual		3.34x	2.59x	2.21x	2.19x	2.19x	2.81x	2.80x	2.77x	2.74x	2.74x	2.74x	2.74x	2.74x	2.74x	2.74x	
Covenant		1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	
EBITDA Cushion (\$)		\$646	\$491	\$411	\$403	\$403	\$845	\$846	\$829	\$820	\$820	\$820	\$820	\$820	\$820	\$820	
EBITDA Cushion (%)		213.5%	138.5%	101.3%	98.6%	98.6%	161.0%	160.5%	154.5%	154.5%	154.5%	154.5%	154.5%	154.5%	154.5%	154.5%	

(1) The Credit Facility matures on 6/7/12.

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Appendix III: Cushion Analysis

		GOVERNMENT ANALYSIS - Stress Case (no equity/injection)									
		(\$ in Millions)									
		6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12	(1)	
FIRST LIEN LEVERAGE RATIO											
First Senior Secured Debt / EBITDA		\$1,852	\$1,848	\$1,832	\$1,827	\$1,859	\$1,864	\$1,906	\$1,907		
LTM EBITDA		\$172	\$171	\$179	\$181	\$183	\$184	\$186	\$187		
Actual		10.75x	10.80x	10.24x	10.11x	10.18x	10.12x	10.26x	10.18x		
Covenant		5.75x	5.00x	4.75x	3.75x	3.75x	3.50x	3.50x	3.00x		
EBITDA Cushion (\$)		(\$187)	(\$199)	(\$207)	(\$306)	(\$313)	(\$348)	(\$359)	(\$448)		
EBITDA Cushion (%)		-108.7%	-116.1%	-115.5%	-169.6%	-171.5%	-189.2%	-193.1%	-239.3%		
TOTAL LEVERAGE RATIO											
Total Debt		\$2,527	\$2,523	\$2,507	\$2,502	\$2,534	\$2,539	\$2,581	\$2,582		
LTM EBITDA		\$172	\$171	\$179	\$181	\$183	\$184	\$186	\$187		
Actual		14.67x	14.75x	14.01x	13.84x	13.88x	13.79x	13.89x	13.78x		
Covenant		8.30x	8.00x	7.75x	6.50x	6.50x	6.25x	6.25x	5.50x		
EBITDA Cushion (\$)		(\$132)	(\$144)	(\$145)	(\$204)	(\$207)	(\$222)	(\$227)	(\$282)		
EBITDA Cushion (%)		-76.7%	-84.4%	-80.8%	-113.0%	-113.5%	-120.6%	-122.2%	-150.6%		
Fixed Charge Coverage Ratio											
EBITDA / (LTM Cash Interest Expense + LTM Scheduled Amortization + LTM Taxes + LTM Maintenance CapEx + LTM Lease Expense)		\$95	\$137	\$179	\$181	\$183	\$184	\$186	\$187		
Fixed Charges		\$106	\$165	\$226	\$238	\$248	\$258	\$268	\$275		
Actual		0.90x	0.83x	0.79x	0.76x	0.74x	0.71x	0.69x	0.68x		
Covenant		1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x		
EBITDA Cushion (\$)		(\$29)	(\$51)	(\$73)	(\$80)	(\$85)	(\$90)	(\$94)	(\$97)		
EBITDA Cushion (%)		-30.4%	-36.9%	-40.7%	-44.1%	-46.4%	-48.7%	-50.7%	-52.0%		

(1) The Credit Facility matures on 6/7/12.

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Credit Approval Memorandum (USCG)

Annual Review (Y)

Action Needed Date:

CAM Date: 16/Jan/09

Borrower		GCI	Client Segment			Primary Ownership: Primary Ownership: Private – 100% indirectly owned by Fontainebleau Resorts, LLC					
FONTAINEBLEAU LAS VEGAS LLC		333899417	Strategic			Exchange Traded:			Ticker:		
City, State		EIN	Exp. Strategy			Rating Agency	Sr	Sub	CP	Corp	Outlook
LAS VEGAS, NV			Existing	New		Moody's S&P	Caa2	-	-	-	Neg
Business		Country of Incorporation	Obligor Risk Rating			Moody's S&P	Caa2	-	-	-	Neg
Casino Hotels		US				CCC	CC	-	CCC		Neg
Multiple Borrowers (N)	Subject to Reg O: (N)	NAICS 721110	Existing	Score card	Over ride	KMV - EDF		KMV Implied RR			
Co-Borrowers (Y) # 5		SLT (N)	7+	8							
Client Designation: PRIVATE											

Borrower		GCI	Client Segment			Primary Ownership: Primary Ownership: Private – 100% indirectly owned by Fontainebleau Resorts, LLC					
FONTAINEBLEAU LAS VEGAS LLC / FONTAINEBLEAU LAS VEGAS II LLC		335680143	Strategic			Exchange Traded:			Ticker:		
City, State		EIN	Exp. Strategy			Rating Agency	Sr	Sub	CP	Corp	Outlook
LAS VEGAS, NV			Existing	New		Moody's S&P	Caa2	-	-	-	Neg
Business		Country of Incorporation	Obligor Risk Rating			Moody's S&P	Caa2	-	-	-	Neg
Casino Hotels		US				CCC	CC	-	CCC		Neg
Multiple Borrowers (N)	Subject to Reg O: (N)	NAICS 721110	Existing	Score card	Over ride	KMV - EDF		KMV Implied RR			
Co-Borrowers (N)		SLT (N)	7+	8							
Client Designation: PRIVATE											

Borrower		GCI	Client Segment			Primary Ownership: Primary Ownership: Private – 100% indirectly owned by Fontainebleau Resorts, LLC					
FONTAINEBLEAU LAS VEGAS HOLDINGS LLC		333899383	Strategic			Exchange Traded:			Ticker:		
City, State		EIN	Exp. Strategy			Rating Agency	Sr	Sub	CP	Corp	Outlook
LAS VEGAS, NV			Existing	New		Moody's S&P	-	Ca	-	Caa3	Neg
Business		Country of Incorporation	Obligor Risk Rating			Moody's S&P	Caa2	-	-	-	Neg
Casino Hotels		US				CCC	CC	-	CCC		Neg
Multiple Borrowers (N)	Subject to Reg O: (N)	NAICS 721110	Existing	Score card	Over ride	KMV - EDF		KMV Implied RR			
Co-Borrowers (N)		SLT (N)	7	8							
Client Designation: PRIVATE											

Borrower		GCI	Client Segment			Primary Ownership: Private (Jeff Soffer - Majority Owner)					
FONTAINEBLEAU RESORTS LLC		334253622	Strategic			Exchange Traded:			Ticker:		
City, State		EIN	Exp. Strategy			Rating Agency	Sr	Sub	CP	Corp	Outlook
LAS VEGAS, NV			Existing	New							
Business		Country of Incorporation	Obligor Risk Rating								
Casino Hotels		US									
Multiple Borrowers (N)	Subject to Reg O: (N)	NAICS 721110	Existing	Score card	Over ride	KMV - EDF		KMV Implied RR			
Co-Borrowers (N)		SLT (N)	7	8							
Client Designation: PRIVATE											

#	Fac Type	R Cr	R B C	Requested Amount	Cur	Existing Amount	Utilizations	Expiration Date (Old)	Expiration Date (New)	Final Maturity Date (New)	FRR Existing	FRR Score card	FRR Over ride	C'Iny Of Risk	Sec. Sup. Oth	T&C Chg: Y/N
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FONTAINEBLEAU LAS VEGAS LLC 333899417																
1.	REV	C		\$100,000,000		\$100,000,000	\$1,577,788	06/JUN/2012		06/JUN/2012	7+	8		US	Sup	N
FONTAINEBLEAU LAS VEGAS LLC / FONTAINEBLEAU LAS VEGAS II LLC 335680143																
2.				\$11,278,403		\$14,500,000	\$10,645,677	28/JAN/2011	28/JAN/2011	28/JAN/2011	7+	8		US	Oth	N
2.1	TCRIS LIMIT	C		\$11,278,403		\$7,979,856	\$10,645,677				7+	8		US	Oth	N
2.2	DRVQ	G		\$0		\$6,520,144	\$0				7+	8		US	Oth	N
FONTAINEBLEAU LAS VEGAS HOLDINGS LLC 333899383																
3.				\$0		\$5,000,000	\$0									
3.1	TCRIS LIMIT	G		\$0		\$5,000,000	\$0	20/NOV/2008	CANCEL		7			US	Oth	N
3.2	DRVL	C		\$0		\$0	\$0	20/NOV/2008			7			US	Oth	N



#	Action / Purpose
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1-3 Annual review. Set next annual review date as January 31, 2010.
 2. Place \$14.5MM derivative exposure on runoff.


16/Jan/09

FONTAINEBLEAU LAS VEGAS LLC, et al PIMS as of date: 15/Jan/2009
 Bank of America - Confidential - CRMS 14.5.8

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Credit Approval Memorandum (USCG)

- 3. Cancel \$5MM derivative limit due to inactivity.
- 1-4 Change exposure strategy to "Decrease" from "Maintain". Recommend Real Estate SAG Advisory.

Merrill Lynch Facilities Addendum 1 of 2								
Individual Borrower/Counterparty: Fontainebleau Las Vegas LLC						Obligor RR		
CoPeR: 163840306						ML Existing mIB-	BAC RR 8	ML Equivalent mIB-
Traded Products								
#	Fac Type	LGD Basis			D LGD % (New Request: Refer to LDG Table below Existing: Refer to Credit Studio)	BAC Equivalent		
		A New Limit	B Existing Limit (from Credit Studio)	C Potential Loss (from Credit Studio)		E New Limit (A/D)	F Existing Limit (B/D)	G PE or Binding Commitment (C/D)
	CE							8,636,000
1.	PE 2 week			8,901,000				8,901,000
2.	PE Up to 1 year	\$0	\$0	8,982,000	25%	\$0	\$0	8,982,000
3.	PE 1 to 5 years	\$0	\$0	2,204,000	25%	\$0	\$0	2,204,000
4.	PE 5 to 10 years							
5.	PE 10 to 20 years							
6.	PE Over 20 years							
7.	Maximum Daily Delivery (Intraday Exposure – FXSL)							
Loans								
#	Fac Type	Facility Description			ML Exposure Existing (from Exposure Column in Credit Studio)*	ML Exposure New (Request)	Final Maturity Date Existing	Final Maturity Date New
8.	Primary Loans/Deposits	Total Sum of all Loan Exposure						
8.a	Loan							
8.b	Loan							
8.c	Loan							
* for facility level detail refer to loan blotter detail in Credit Studio  FFH CH.pdf								

#	Action / Purpose
---	------------------

- 1. Set next annual review date as January 31, 2010. Runoff limit will be established on a separate CAM.

Credit Approval Memorandum (USCG)

Merrill Lynch Facilities Addendum 2 of 2								
Individual Borrower/Counterparty: Fontainebleau Las Vegas II LLC						Obligor RR		
CoPeR: 163840272						ML Existing mlB-	BAC RR 8	ML Equivalent mlB-
Traded Products								
#	Fac Type	LGD Basis			D LGD % (New Request: Refer to LDG Table below Existing: Refer to Credit Studio)	BAC Equivalent		
		A New Limit	B Existing Limit (from Credit Studio)	C Potential Loss (from Credit Studio)		E New Limit (A/D)	F Existing Limit (B/D)	G PE or Binding Commitment (C/D)
	CE							
1.	PE 2 week							
2.	PE Up to 1 year							
3.	PE 1 to 5 years							
4.	PE 5 to 10 years							
5.	PE 10 to 20 years							
6.	PE Over 20 years							
7.	Maximum Daily Delivery (Intraday Exposure - FXSL)							
Loans								
#	Fac Type	Facility Description			ML Exposure Existing (from Exposure Column in Credit Studio)*	ML Exposure New (Request)	Final Maturity Date Existing	Final Maturity Date New
8.	Primary Loans/Deposits	Total Sum of all Loan Exposure						
8.a								

* for facility level detail refer to loan blotter detail in Credit Studio

#	Action / Purpose
---	------------------

Annual review of \$100MM Revolver. Set next annual review date as January 31, 2010

	Loans & Loan Equivalents	Intraday Risk	Relationship Profitability Summary			Multi-Bank Facilities	
			Existing as of LTM 11/30/08*	Pro Forma	Administrative Agent	Bank of America	
Borrower Direct			Net Income	\$520M		BAC Title	Administrative Agent
BAC	\$100,500,000						
Merrill	110,900,000						
Subtotal	\$211,400,000						
Borrower Contingent	\$0	\$0	Credit Capital	\$2,819M		Total Facility	\$800MM REV, \$700MM TML, \$350MM DDTL
Related			Total Economic capital	\$2,952M		BAC Underwritten	\$333.3MM REV, \$283MM TML
BAC	\$106,620,517	\$3,000,000					
Merrill	22,600,000	0					
Subtotal	\$129,220,517	\$3,000,000					
BAC	\$207,120,517	\$3,000,000	Velocity	41%		BAC Hold	\$100MM REV
Merrill	133,500,000	0					
Subtotal	\$340,620,517	\$3,000,000					
Less: Trading Adjustment			Rel. Return on Econ. Cap.	18%		Institutional Tranches (Y/N)	Y
Less: Credit Default Swap			Shareholder Value Added	\$208M		If Yes, fully underwritten (Y/N)	Y (4-way split)
Total	\$340,620,517	\$3,000,000	Performance Gap			Shared National Credit	Req # 1
Concentration Limit	\$0	\$0	Issuer Risk Limit: \$2,870,150				
Distribution: (N)							
Policy Exception (N)	MUV: (N)	Facility#	Exception:				
Comments / Summary / Special Approval Requirements:							
* Profitability shown is that of Fontainebleau Las Vegas, LLC. Profitability for the entire Fontainebleau Resorts relationship as of LTM 11/30/08 provided 56% RAROC and \$2.428M SVA.							
Fontainebleau Las Vegas LLC is a Key Risk Client based on total relationship TRE of \$207MM exceeding House Guidelines of \$25MM for a RR 7 or worse.							

Do the actions in this CAM/ CAM MOD fall under the CCA Program?	YES	NO X
---	-----	------

16Jan/09

FONTAINEBLEAU LAS VEGAS LLC, et al PIMS as of date: 15/Jan/2009
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Credit Approval Memorandum (USCG)

CDP CIP/KYC DUE DILIGENCE

1. KYC Action

- New
- Revised
- Reviewed / No Change

2. GCI: 333899417

3. Date CIP/KYC Created or Updated: 1/15/09

4. MCD Record ID#: KYCS tool

5. Client AML Risk Classification: Medium AML Risk

Version – 11/17/2008

CAM Prepared By: Khoa Duong Brandon Bolio Telephone Number: 214.209.9415 214.209.3795 Name of PMA Reviewing Data: Diane Dycus Originaling Unit Name: Gaming Mail Code: TX1-492-64-01

Approved							
New Borrower Restriction (N)			If "Y", Date of Initial Approval:				
CDPO		CDP - IL		SRM		Special Assets	
Name	Date	Name	Date	Name	Date	Name	Date
		Brian Corum		Doug Keyston		Henry Yu	
Telephone		Telephone 214.209.0921		Telephone 415.913.5808		Telephone 925-962-9082	
Recommended							
CIBB / CDB		Syndication Product Structurer				Risk Review & Control Approval Sign-Off	
Name	Date	Name	Date	Name	Date	Name	Date
Telephone		Telephone		Telephone		Telephone	
Conditions for Approval:							

CRMS 14.5.8 Exposure Report

Data is presented from the perspective of FONTAINEBLEAU LAS VEGAS LLC - GCI:333899417

Data Includes: [] Entire GCI Family [] Borrower only [] R-Credits In

Borrower: FONTAINEBLEAU LAS VEGAS, et al	Date: 16/Jan/09
--	-----------------

Borrower Direct

#	Borrower	Fac Type	R C F	R B C	Loan & Loan Equivalent Facility Amount	Intraday Risk Facility Amount	Cur	Utilizations	Expiration Date	Final Maturity Date	R R	Sec. Sup. Oth	C'try of Risk	SOR#
1	FONTAINEBLEAU LAS VEGAS LLC	REV		C	\$100,000,000			\$1,577,788	06/JUN/2012	06/JUN/2012	8	Sup	US	005760470001535997
2	(Com'l)	BAC		A	\$500,000			\$108,895	04/FEB/2009	04/FEB/2009	8		US	004338930006943460
Borrower Direct Totals					\$100,500,000			\$1,686,483						

Borrower Related

#	Borrower	Fac Type	R C F	R B C	Loan & Loan Equivalent Facility Amount	Intraday Risk Facility Amount	Cur	Utilizations	Expiration Date	Final Maturity Date	R R	Sec. Sup. Oth	C'try of Risk	SOR#
1	FONTAINEBLEAU FLORIDA HOTEL LLC	CMBS		C	\$40,000,000			\$40,000,000	09/JUN/2012	09/JUN/2012	6	Sup	US	70007210003407928
2	FONTAINEBLEAU FLORIDA HOTEL LLC AND	CON		C	\$20,487,805			\$16,051,846	06/JUN/2012	06/JUN/2012	6-	Sup	US	005769190001591262
3		TML		C	\$19,512,195			\$19,512,195	06/JUN/2012	06/JUN/2012	6-	Sup	US	005769190001874179
# 4	FONTAINEBLEAU FLORIDA HOTEL LLC AND				\$14,142,114			\$13,001,137	13/MAR/2012	13/MAR/2012				3357471911TR01
		TCRIS LIMIT		C	\$14,142,114			\$13,001,137			6-	Oth	US	
		DVRQ		G	\$0						6-	Oth	US	
5	FONTAINEBLEAU FLORIDA TOWER 3 LLC AND	SLC		C	\$1,200,000			\$1,200,000	31/JAN/2010	31/JAN/2010	1	Sec	US	009241540001755143
X 6	FONTAINEBLEAU LAS VEGAS HOLDINGS LLC				(\$5,000,000)			\$0	CANCEL					333899363TR01
		TCRIS LIMIT		G	\$0						7	Oth	US	
		DRVL		C	\$0						7	Oth	US	
X 7	FONTAINEBLEAU LAS VEGAS LLC / FONTAINE				\$11,278,403			\$10,645,677	28/JAN/2011	28/JAN/2011				335680143TR01
		TCRIS LIMIT		C	\$11,278,403			\$10,645,677			8	Oth	US	
		DRVQ		G	\$0						8	Oth	US	
8	FONTAINEBLEAU RESORTS LLC (Com'l)	TMCUS TLMT		A		\$3,000,000			22/AUG/2009	22/AUG/2009	8	Oth	US	003180033425362201
Borrower Related Totals					\$106,620,517	\$3,000,000		\$100,410,855						
Grand Totals					\$207,120,517	\$3,000,000		\$102,078,306						

16/Jan/09

FONTAINEBLEAU LAS VEGAS LLC, et al PIMS as of date: 15/Jan/2009
Bank of America - Confidential - CRMS 14.5.8

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HIGHLY CONFIDENTIAL

Trading Limits

Limits Expiry Date: 28/JAN/2011

RECOMMENDED		Master Trading Limit	TOTAL			FONTAINEBLEAU LAS VEGAS LLC/FONTAINE	FONTAINEBLEAU LAS VEGAS HOLDINGS LLC			
A. Derivatives Pre-Settlement (Sublimit)	Am't	Am't	Am't	Tenor	Am't	Tenor	Am't	Tenor	Am't	Tenor
B. FX Pre-Settlement (Sublimit)		\$11,728,403			\$11,728,403	Runoff	\$5,000,000	Cancel		
Securities Pre-Settlement										
Total Pre-Settlement Trading Limits		\$11,728,403			\$11,728,403		\$0			
FX Settlement*										
Sec Settlement*										
Total Settlement										
FX Contract*										
Securities Contract*										
Total Contract										
Risk Rating					8					
Credit Codes (see below)					2, 3A, 4A, 5C					
A&B Documentation complete? Y/N**					Y					
New Documentation required prior to trade? Y/N					N					
GCI					335680143				333899383	
Change? Y/N/New (indicate line changed)					N					

*The full limit will be available to shortest approved tenor. Settlement and Contract will drop by half with each additional tenor bucket unless noted below. Documentation refers to master agreements covering derivatives and FX trading with the primary US Bank. This does not address trading which may occur with other Bank of America entities.

APPROPRIATENESS: FB LV: To manage floating rate risk during the development of the casino resort property. Borrower is required to fix at least 75% of the anticipated outstanding balance of the bank debt. Borrower is considered sophisticated in the use of and risks associated with derivative instruments. FB FL: All of Borrower's debt is floating rate. To manage floating rate risk during the renovation of the hotel property. Borrower is required to hedge most of its debt. Borrower is considered sophisticated in the use of and risks associated with derivative instruments.

COMMENTS:

Credit Codes for development of master agreements:	Comments on Credit Codes:
1. Unsecured.	
2. Guaranteed (Specify Guarantor(s)).	2. Cross-guaranteed to Credit Agreement (LV)
3. Secured.	
3A- Cross Collateralized with Credit Agreement (Specify if Real Estate)	3A. Cross-collateralized to Credit Agreement (secured by real estate in Nevada and Florida)
3B- Margin/MTM collateral (discuss: bilateral/unilateral, threshold, minimum transfer amount, independent amount, valuation frequency/dates, eligible collateral/instruments; and, for FX only: initial margin %, margin call threshold, liquidation threshold).	
3C- Other (Specify).	
4. Incorporate Existing Credit Agreement (Identify agreement), with survival clause, i.e.:	
4A- Cross Default to the Credit Agreement, as may be amended.	4A. Cross-default to the Credit Agreement (LV)
Note: Cross Default to all obligations for borrowed money (i.e. all credit agreements) is a standard provision—specify threshold amount or it will be the same as in the Credit Agreement.	
4B- Incorporate the Credit Agreement by reference, amend only with our consent (Specify).	
5. Optional Provisions to consider (possible termination events).	
5A - Ratings downgrade trigger. SD - Parent ownership clause.	
5B - Financial covenants/ratios. SE - Springing lien.	
5C - Bank exits from credit facilities.	5C. Bank exits from credit facilities (LV)
6. Additional entities whose bankruptcy or default would cause counterparty default under our agreement (Specify who).	
7. Other (Specify/discuss)	

FONTAINEBLEAU LAS VEGAS LLC, et al

CRMS 14.5.8

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BANA_FB00815576

Trading Limits

Terms and Conditions (USCG)

Borrower: FONTAINEBLEAU LAS VEGAS LLC		CAM Date: 16/Jan/09	
FYE:	12/31	51 % Vote Required to Change or Amend Covenants	100 % Vote Required to Change amount, maturity, amortization, Int. Rate, waive payment default or release collateral
Request#	1	Identify Multiple Borrowers / Co-Borrowers (Name)	Fontainebleau Las Vegas II LLC
		GCH#	333899466
		Limitation on Amount	
		Form of Support	



PW APPROVAL
REQUESTED Fontair

FONTAINEBLEAU LAS VEGAS LLC, et al

CRMS 14.5.8

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HIGHLY CONFIDENTIAL

BANA_FB00815577

Dep. Ex. 210

From: Jim Freeman. Sent: 2/24/2009 7:28 PM.
To: Naval, Ronaldo; Naval, Ronaldo.
Cc: Howard, David; Varnell, Jon M; Corum, Brian; Bolio, Brandon; Howard, David; Varnell, Jon M; Corum, Brian; Bolio, Brandon.
Bcc:
Subject: RE: Lender Call Letter dated 02.23.09.

Attached please find the Company's response to the lender request of last night.

From: Naval, Ronaldo [mailto:ronaldo.naval@bankofamerica.com]
Sent: Monday, February 23, 2009 7:13 PM
To: Jim Freeman
Cc: Howard, David; Varnell, Jon M; Corum, Brian; Bolio, Brandon
Subject: Lender Call Letter dated 02.23.09

Dear Jim,

Attached please find a letter from Bank of America requesting a lender call tomorrow.

Regards,

Ron Naval

Agency Management
Bank of America, N.A.
901 Main Street
Mail Code TX1-492-14-11
Dallas, TX 75202
Phone: (214) 209-1162
Fax: (877) 511-6124

NOTE: This e-mail message and any attachments are CONFIDENTIAL and may contain PRIVILEGED information and are intended only for the use of the specific individual(s) to which it is addressed. If you are not an intended recipient of this e-mail, you are hereby notified that any unauthorized use, dissemination or copying of this e-mail or the information contained in it or attached to it is strictly prohibited. If you have received this e-mail in error, please delete and destroy all copies of this message and any attachments and immediately notify the person named above by reply e-mail.

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Replying to this e-mail:

Please do not reply to this e-mail with sensitive information, such as an account number, PIN, password or ID, unless you are replying through a secure channel. The security and confidentiality of your personal information is important to us. If you have any questions, please contact your client service representative.

EXHIBIT

210

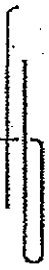
CONFIDENTIAL

BANA_FB00283993

Privacy and security:

Keeping your financial information secure is one of our most important responsibilities. You can learn how Bank of America keeps your personal information secure and how you can help protect yourself by clicking [here](#).

Thank you.



FONTAINEBLEAU RESORTS, LLC

702 495 8100
2827 PARADISE ROAD
LAS VEGAS NV 89109

FONTAINEBLEAU.COM

February 24, 2009

VIA ELECTRONIC MAIL

Brian D. Corum, Senior Vice President
Bank of America, N.A.,
as Administrative Agent

RE: CREDIT AGREEMENT DATED AS OF JUNE 6, 2007 AMONG FONTAINEBLEAU
LAS VEGAS, LLC, FONTAINEBLEU LAS VEGAS II, LLC, THE LENDERS PARTY
THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

Dear Brian:

We are writing in response to your letter of February 23, 2009. As you know, we submitted an Advance Request earlier this month requesting that the Advances described therein be made tomorrow, February 25. On Friday, the 20th of February, we received from Bank of America a set of questions that were said to arise from uncertainties about the "national economy and the Las Vegas marketplace." Although we have satisfied all conditions to the requested Advance, as confirmed by IVI, an independent third party consultant engaged by the lenders, we accommodated the request for additional information. In fact, we turned that request around over a weekend and submitted our written response on Monday, the 23rd.

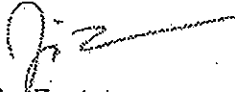
Your letter of this morning invites us to participate in an open-forum call with lenders, with virtually no advance notice. We must politely decline that invitation. As you know, yesterday we offered to respond to any follow up questions from the lenders arising out of our initial set of responses. The lenders have apparently rejected this offer, and instead are reiterating the invitation to participate in a forum where we do not have an opportunity to review the questions and prepare thoughtful, accurate and complete responses. We do not feel that such a conference call will be productive. As you know, this proposed call is not required as a condition to the requested Advances and has not been part of the procedure we have followed over the past 20 or so months since our financing was closed.

Moreover, the invitation is being made at a time when we have serious concerns about the lender group's discretion with respect to information related to this Project. As you know, yesterday Standard & Poor's LCD published a story with details of the pending Advance Request as well as some of the details of the lender questions that we responded to in our letter of February 23rd. These types of leaks by the lender group are extremely detrimental to the Project in that they erode the confidence that our contractors and other counterparties have in the Project and trigger harmful rumors and speculation that detract from their commitment to dedicate the necessary work force to complete their Project in a timely manner. We respectfully

request your assurances that Bank of America is taking appropriate measures to ensure that this type of breach of our confidences will not occur again.

We are in the process of developing a very large scale resort, with a large number of contractors and sub-subcontractors. The development process requires us to manage complex and intricate construction schedules and contractual and subcontractual relationships. Our contractors are expecting to be paid this week, and we fully expect the lenders to comply with their obligations to fund the requested Advances so that we can make good on our contractual obligations and avoid potentially serious and costly consequences.

Very truly yours,



Jim Freeman,
SVP and Chief Financial Officer

Dep. Ex. 212

March 23, 2009

Re: Fontainebleau Las Vegas, LLC

Dear Fontainebleau Las Vegas Lenders.

Bank of America as Disbursement Agent and Administrative Agent has been working with JVI and the Borrower through the weekend to clarify their respective positions on the Remaining Cost Report and the In-Balance Test. We anticipate that the Borrower will submit revised draw materials which will reflect an approximately \$13.8 million positive In-Balance calculation. There are two issues which may impact this calculation:

1) Revolver Availability. There is a divergence in opinions as to the reading of 2.1(c)(iii) of the Credit Agreement. Bank of America's position is that since the Borrower has requested all of the Delay Draw Term Loans, and almost all of the loans have funded (whether or not the outstanding \$21,666,667 is ultimately received), Section 2.1(c)(iii) now permits the Borrower to request Revolving Loans which result in the aggregate amount outstanding under the Revolving Commitments being in excess of \$150,000,000. As a result, we would permit the relevant portion of the Revolving Commitment to be reflected in Available Funds.

2) Treatment of Unfunded Delay Draw Commitments. Several Lenders (including First National Bank of Nevada, whose commitment has been terminated) have not funded the \$350MM Delay Draw Term Loan requested by the Borrower. The Borrower continues to include a \$21,666,667 portion of the Delay Draw Term Loans in its calculation of "Available Funds" for the purpose of the In-Balance Test in their Advance Request certifications. The \$21,666,667 does not include the former commitments of First National Bank of Nevada.

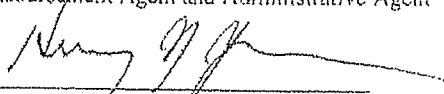
Bank of America's position is that it is willing to include the \$21,666,667 for the March 25 Advance, pending further information about whether these lenders will fund. Absent any other changes, note that the exclusion of the \$21,666,667 amount from Available Funds would result in a failure to satisfy the In-Balance Test.

Please note that we cannot discuss these matters with our public-side colleagues who hold or manage a small term loan exposure, so the positions ascribed to Bank of America do not apply to our public-side colleagues.

We request that any Lender which does not support these interpretations immediately inform us in writing of their specific position.

Sincerely,

BANK OF AMERICA, N.A.
As Disbursement Agent and Administrative Agent

By: 
Henry Yu, Senior Vice President

W02-WEST:LARW01443443.2

-1-

EXHIBIT

212

Dep. Ex. 216

From: Jim Freeman. Sent: 5/28/2008 6:14 PM.
To: jeff.susman@bankofamerica.com; jon.m.varnell@bofasecurities.com; bdyunker@bofasecurities.com; jeff.susman@bankofamerica.com; jon.m.varnell@bofasecurities.com; bdyunker@bofasecurities.com.
Cc: Deven Kumar; Deven Kumar.
Bcc: .
Subject: Change orders.

Please find attached the change order schedule for tomorrow's discussion. Call is set for 9:00/11:00/12:00. Jeff is sending around the dial in. Talk to you tomorrow.

Jim Freeman / Senior Vice President and Chief Financial Officer

Fontainebleau Resorts LLC

jfreeman@fontainebleau.com / fontainebleau.com

O 702 495 8220 / C 310 428 7896 / F 702 495 8011

2827 Paradise Road / Las Vegas NV 89109

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

PIFs' EXHIBIT 216
WITNESS: Varnell
PAGE 1 OF 5
RENEE D. ZEPEZAUER, 6275
DATE: 3.17.11

FONTAINEBLEAU RESORT LAS VEGAS

A	B	C	D
1 AREA	Change Orders	Responsible for Change	Total
2 Site	\$621,497	Design Development	
3 Site	\$368,264	County Requirement	
4 Site	\$1,727,598	Nevada Power	
5			\$2,707,359
6 Garage	\$ 26,273,339	Structural Change	
7 Garage	\$ 3,318,648	Design Development	
8 Garage	\$ 4,524,784	County Requirement	
9 Garage	\$ 13,058,120	MEP	
10			\$47,174,891
11 GC's	\$ 4,892,760	Field Conditions	
12 GC's	\$ 4,154,288	Progress	
13			\$9,047,048
14 Podium	\$20,569,989	Design Development	
15 Podium	\$66,851,561	Structural Changes	
16 Podium	\$30,633,716	MEP	
17 Podium	\$457,443	County Requirement	
18			\$118,502,708
19 Tower	\$811,246	Design Development	
20 Tower	\$8,173,828	MEP	
21 Tower	\$2,511,101	Structural Changes	
22 Tower	\$1,336,840	County Requirement	
23			\$12,833,015
24			
25 Owner	\$11,023,000	Design Development	
26			\$11,023,000
27			\$201,288,021
28			
29			
30			
31			
32	\$36,334,380	Design Development	
33	\$95,636,001	Structural Changes	
34	\$51,865,663	MEP	
35	\$8,404,929	County Requirements	
36	\$9,047,048	General Conditions	
37	\$201,288,021		
38			
39			
40			

Potential Change Order Log

FONTAINEBLEAU RESORT LAS VEGAS

A	B	C	D	E
1	AREA	Change Orders	Responsible for Change	
2	Site	\$621,497	Design Development	
3	Site	\$1,187,991	Nevada Power	
4	Site	\$277,000	County Requirement	
5	Site	\$70,864	County Requirement	
6	Site	\$10,400	County Requirement	
7	Site	\$153,931	Nevada Power	
8	Site	\$236,376	Nevada Power	
9	Site	\$149,300	Nevada Power	
10	Total Site			\$2,707,359
11	Garage	\$ 2,976,952	Structural Change	
12	Garage	\$ 284,591	Structural Change	
13	Garage	\$ 2,060,400	Structural Change	
14	Garage	\$ 229,806	Structural Change	
15	Garage	\$ 3,766,147	County Requirement	
16	Garage	\$ 474,500	Design Development	
17	Garage	\$ 755,753	County Requirement	
18	Garage	\$ 255,000	Design Development	
19	Garage	\$ 160,000	Design Development	
20	Garage	\$ 888,349	Design Development	
21	Garage	\$ 1,442,969	Design Development	
22	Garage	\$ 156,335	Design Development	
23	Garage	\$ 883,958	MEP	
24	Garage	\$ 2,799,683	Structural Change	
25	Garage	\$ 1,257,801	MEP	
26	Garage	\$ 80,564	MEP	
27	Garage	\$ 3,117,334	Structural Change	
28	Garage	\$ 25,000	Design Development	
29	Garage	\$ 7,920	Design Development	
30	Garage	\$ 51,401	Design Development	
31	Garage	\$ 13,509	Design Development	
32	Garage	\$ 2,884	County Requirement	
33	Garage	\$ 4,101,761	MEP	
34	Garage	\$ 3,605,523	MEP	
35	Garage	\$ 2,929,013	MEP	
36	Garage	\$ 4,983,802	Structural Change	
37	Garage	\$ 6,006,640	Structural Change	
38	Garage	\$ 43,165	MEP	
39	Garage	\$ 2,102,029	Structural Change	
40	Garage	\$ 1,712,102	Structural Change	
41	Total Garage			\$47,174,891

Potential Change Order Log

FONTAINEBLEAU RESORT LAS VEGAS

A	B	C	D	E
42 GC's	Increased Budget for Cranes & Hoisting - Added (2) Cranes and (1) Manlift	\$ 953,323	Field Conditions	
43 GC's	Increased Budget for Additional Crane & Hoisting Costs for OT	\$ 3,939,437	Field Conditions	
44 GC's	Increased Budget for Mobile Cranes (not in original budget)	\$ 440,000	Progress	
45 GC's	Increased Budget for Field Labor Burden	\$ 1,250,000	Progress	
46 GC's	Increased Budget for Management Staffing	\$ 981,976	Progress	
47 GC's	Increased Budget for Additional Laydown Yard (old GES)	\$ 1,125,000	Progress	
48 GC's	Increased Budget for Additional Dust Control	\$ 357,312	Progress	
49	Total General Conditions			\$9,047,049
50 Podium	Added Elevators CP4	\$214,488	Design Development	
51 Podium	Structural Drawing Revisions STRUCTURAL STEEL ONLY	\$41,568,038	Structural Changes	
52 Podium	Added Glass back to elevators CP3 & CP4	\$20,394	Design Development	
53 Podium	Added Rear opening to Elevator TF2	\$19,746	Design Development	
54 Podium	AMEP-S Progress Set of Drawing	\$15,068,994	MEP	
55 Podium	Added Stairs in "Permit Drawings of Drawing	\$457,443	County Requirement	
56 Podium	North Podium Structure	\$10,000,000	Structural Changes	
57 Podium	S-2 Structural Revisions	\$25,513	Structural Changes	
58 Podium	MEP Progress Revisions at Pool Deck	\$1,550,803	MEP	
59 Podium	S-3 Structural Revisions	\$6,386,275	Structural Changes	
60 Podium	S-4 Structural Revisions	\$4,526,448	Structural Changes	
61 Podium	S-5 Structural Revisions	\$659,461	Structural Changes	
62 Podium	Increase of Structure above the Gaming Area (net)	\$1,030,000	Structural Changes	
63 Podium	Eaton Switch Gear	\$567,682	MEP	
64 Podium	MEP Progress Information	\$9,707,062	MEP	
65 Podium	Elevator Escalator Misc. Changes	(\$819,619)	Design Development	
66 Podium	Valet Gate System - Conduit & Wire ONLY	\$125,000	Design Development	
67 Podium	Adjustment to Build out Allowance based on the Casino Master Plan (Lease Venues)	\$21,000,000	Design Development	
68 Podium	S-6 Structural Revisions	\$2,255,826	Structural Changes	
69 Podium	S-7 Structural Revisions	\$1,000,000	Structural Changes	
70 Podium	MEP modifications to accommodate Casino master Plan	\$3,000,000	MEP	
71 Podium	Split the Fire and Domestic Water Loop	\$739,174	MEP	
72 Podium	Deduct for Expansion Joints - Moved to Garage	(\$600,000)	MEP	
73	Total Podium		Structural Changes	\$118,502,709

Potential Change Order Log

FONTAINEBLEAU RESORT LAS VEGAS

A	B	C	D	E
74 Tower	Add fire hose valve lockable covers	\$28,635	Design Development	
75 Tower	Add high voltage riser conduit from Retail Mech to T31 and T62	\$122,219	MEP	
76 Tower	Add vertical reinforcing as per structural changes issued in TASH#007 & SSK-07	\$19,940	Structural Changes	
77 Tower	Add Reinforcing/Couplers at lines T26 & T24 - Added Embeds required for Podium tie-in as detailed in TASH#024	\$6,976	Structural Changes	
78 Tower	Add embed plates at T2 overhang per TASH#040	\$7,868	Design Development	
79 Tower	Add PT cables per Delta 3A structural's	\$11,987	Structural Changes	
80 Tower	Add pile cap reinforcing per Delta 4 structural	\$309,521	Structural Changes	
81 Tower	Add reinforcing per Delta 5 structural	\$7,423	Structural Changes	
82 Tower	Add reinforcing per Delta 9 structural	\$3,265	Structural Changes	
83 Tower	Add reinforcing per Delta 10 structural	\$6,905	Structural Changes	
84 Tower	Add stairs 4, 5 and 6 at roof	\$35,000	Design Development	
85 Tower	Add aluminum handrail and walk pads for emergency egress at Roof	\$300,000	County Requirement	
86 Tower	Permanent Roof horizontal Life Line System - OSHA requirement	\$410,500	County Requirement	
87 Tower	Add lintel beams at core shear walls	\$140,000	Design Development	
88 Tower	Additional grinding at BOH ceilings to eliminate drywall ceilings	\$32,941	Design Development	
89 Tower	ASI 083 rework formwork during slab pour at T13 and T14 on T16	\$8,744	Design Development	
90 Tower	Fireproof all link beams - not originally called for on plans	\$275,653	Design Development	
91 Tower	Add rubber walkway for emergency PH egress to stairs 1 and 3	\$14,219	Design Development	
92 Tower	(2) Service cars must stop at every floor per IBC 2006	\$626,340	County Requirement	
93 Tower	Add FCU's and Ductwork in Rev. 8	\$935,000	Design Development	
94 Tower	Added testing of SA risers per Fire Protection Report	\$250,000	MEP	
95 Tower	Additional quantity of concrete required over original Estimate (A/E drawing revs 1-9)	\$1,619,976	Structural Changes	
96 Tower	Added Reinforcing Labor/Material due to Elevation changes at the Casino Mechanical Level per TASH#016	\$31,406	Design Development	
97 Tower	Added BMU steel additions at roof	\$500,000	Structural Changes	
98 Tower	Elevation change at Casino Mechanical level	\$46,000	Design Development	
99 Tower	Slab extension at T2 overhang	\$137,681	Design Development	
100 Tower	Fireproof added roof tonnage based on PH steel design	\$245,000	Design Development	
101 Tower	Add PH terrace pavers and pedestal system	\$87,102	Design Development	
102 Tower	Added roofing boots for BMU steel column supports penetrating the roof	\$23,108	Design Development	
103 Tower	Provide waterproofing membrane at T2 Overhang	\$45,000	Design Development	
104 Tower	Add Incomm ALL UNITS (IR entry hardware only)	\$454,675	MEP	
105 Tower	Misc. curtain wall revisions, engineering and detailing	\$60,000	Design Development	
106 Tower	Provide curtain wall @ North Elevation - eliminate knee wall	\$204,797	Design Development	
107 Tower	Modify completed framing on T3 and T4 due to Revision 11 drawings	\$7,343	Design Development	
108 Tower	Add sprinkler heads to patios @ pool deck level	\$9,241	MEP	
109 Tower	Revision & sprinkler additions	\$282,542	MEP	
110 Tower	Revision 11 sprinkler additions - raise Condo bath ceilings to 7'-8"	\$18,004	MEP	
111 Tower	Add 6" whips to FCU's for relocated T-slats in King Rooms	\$172,456	Design Development	
112 Tower	Credit for T-Slats due to InComm by Owner	(\$267,189)	MEP	
113 Tower	Slab edge extension at T2 on	\$9,510	Design Development	
114 Tower	Add voice/data & time clock risers in public areas/stairwells Revision 5 MEPS	\$396,315	MEP	
115 Tower	Add wireless internet system at Guest Rooms (empty conduit only)	\$505,920	MEP	
116 Tower	Wireless radio system infrastructure, T10.08, detail A, (empty conduit only)	\$505,920	MEP	
117 Tower	Provide CP boxes in lieu of vertical feeds for low voltage - ALL UNITS	\$1,110,349	MEP	
118 Tower	Add Incomm ALL UNITS (conduit boxes, wiring, cable testing only)	\$2,761,898	MEP	
119 Tower	Install Owner Furnished Incomm ALL UNITS (conduit, boxes, wiring, cable testing only)	\$350,825	MEP	
120	Total Tower			\$12,833,015
121				
122 Owner	Total Designer, Architectural, and Misc Fees	\$11,023,000		\$11,023,000
123				
124	Total Potential Change Orders			\$201,288,022

Dep. Ex. 217

From: Susman, Jeff. Sent: 6/10/2008 9:30 AM.
To: Yunker, Bret D; Bender, Kyle D; Yunker, Bret D; Bender, Kyle D.
Cc: Varnell, Jon M; Bolio, Brandon; Varnell, Jon M; Bolio, Brandon.
Bcc: .
Subject: RE: FB Costs.

Brandon spoke with IVI yesterday after the meeting and I spoke with them this morning. It is not good.

IVI reported that Turnberry West was not prepared for an in depth discussion of the additional costs. The only information brought to the meeting was the same worksheet that Jim provided us a couple of weeks ago (that we then provided to IVI). The meeting was scheduled for three hours, but it barely made it 90 minutes. One piece of information that did come out of the meeting was that the \$201MM of increases is not all inclusive. It was apparent to IVI that there are additional known cost increases, but the amount was not disclosed to them.

In a related matter, Roger McElfresh was not in attendance at the regular monthly draw meeting that took place last week (the second draw meeting in a row he missed), nor were any of his component heads.

Brandon, Jon, and I called Jim yesterday in order to express our concerns. Jim will look into these matters and will see that IVI is provided the information it needs. I will call Jim back this afternoon to see what is being done. After my call, I will report back to this group.

Up until the draw meeting last month, the communication and information flow with Turnberry West was very good. It is imperative that we reverse the recent negative trend. I will also discuss this with Jim, but we need to be prepared to elevate this in FB and here if necessary.

Regards...Jeff

-----Original Message-----

From: Yunker, Bret D
Sent: Monday, June 09, 2008 10:07 PM
To: Bender, Kyle D; Susman, Jeff; Bolio, Brandon
Subject: Re: FB Costs

Thanks kyle. Let's make sure we are crystal clear with IVI and the company on the mechanics tomorrow so that we don't have any surprises that hold up the draw request. Jeff/brandon, may be worth arranging a phone call so that we get everyone signed off as a group

DIF
WITNESS: Varnell EXHIBIT 217
PAGE 1 OF 3
RENEE D. ZEPEZAUER, 6275
DATE: 3-17-11

Bret Yunker, CFA
Real Estate, Gaming & Lodging
Banc of America Securities LLC
(213) 621-8780

----- Original Message -----

From: Bender, Kyle D
To: Susman, Jeff; Bolio, Brandon
Cc: Yunker, Bret D
Sent: Mon Jun 09 22:47:23 2008
Subject: FB Costs

Hey fellas. Hadn't heard any updates on IVI/Turnberry meeting, but we have been working through some mechanical ideas here.

In the interest of keeping things moving (especially based on Kathy's confusion today) I have attached an In Balance spreadsheet for us to play with so that we can anticipate how the certificates will change. This spreadsheet isolates the cost increases vs. last month's report (i.e. it does not reflect next month's draw).

The levers that I see are as follows:

- 1) Split of costs between hard, soft and contingency (to the extent not all of the costs go into specific Line Items). I have assumed here that all of the \$200mm of costs will go into Line Items.
- 2) Amount of contingency (if any) allocated to the new costs. I have assumed here that \$25mm of the \$200mm comes from contingency. These would not technically be new Budget increases the way I read it, so I have assumed that allocated contingency reduces the required equity contribution
- 3) Effect on % Hard Costs Paid to Date. The three required excess cash support amount components will go up to the extent that completed Hard Costs % goes down. I have shown a minimal change here to illustrate this.

This is just a straw man at this point, but it would be helpful for you guys to take a glance and let me know if you disagree with how these concepts mesh with the docs. I think we want to be ready to move with an answer to the company as early as possible once IVI gives a read - especially given that draw certificates are going to be tight;y timed this month.

KB

Kyle D. Bender
Real Estate, Gaming & Lodging
Banc of America Securities LLC
213.621.8783 o

415.503.5009 f
310.897.0342 c

Dep. Ex. 218

From: Varnell, Jon M. Sent:9/11/2008 3:11 AM.
To: Bender, Kyle D; Bender, Kyle D.
Cc: .
Bcc: .
Subject: Re: Kenny Moelis?.

Hellfire may soon rain down upon Fontainebleau.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Bender, Kyle D
To: Varnell, Jon M
Sent: Thu Sep 11 00:05:10 2008
Subject: Re: Kenny Moelis?

Is he meeting with Jim?

----- Original Message -----

From: Varnell, Jon M
To: Bender, Kyle D
Sent: Thu Sep 11 00:03:21 2008
Subject: Fw: Kenny Moelis?

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Varnell, Jon M
To: 'jfreeman@fontainebleau.com' <jfreeman@fontainebleau.com>
Cc: Yunker, Bret D
Sent: Wed Sep 10 23:56:38 2008
Subject: Kenny Moelis?

Sent from my BlackBerry Wireless Handheld

PLG's EXHIBIT 218
WITNESS: Varnell
PAGE 1 OF 1
RENEE D. ZEPEZAUER, 6275
DATE: 3-17-11

Dep. Ex. 220

From: Jim Freeman [/o=fontainebleau resorts corporate/ou=first administrative group/cn=recipients/cn=jfreeman]
Sent: Thursday, September 11, 2008 9:53 AM
To: Varnell, Jon M
Subject: Re: Kenny Moelis?

Ok - speak with you then.

-----Original Message-----

From: Varnell, Jon M [mailto:Jon.M.Varnell@bofasecurities.com]
Sent: Thursday, September 11, 2008 9:37 AM
To: Jim Freeman
Subject: Re: Kenny Moelis?

Available for a call at 12:30?

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Jim Freeman <jfreeman@fontainebleau.com>
To: Varnell, Jon M
Sent: Thu Sep 11 08:49:48 2008
Subject: RE: Kenny Moelis?

Sure - or come over now.

From: Varnell, Jon M [mailto:Jon.M.Varnell@bofasecurities.com]
Sent: Thursday, September 11, 2008 8:48 AM
To: Jim Freeman
Subject: RE: Kenny Moelis?

Headed to airport. Catch up this afternoon?

From: Jim Freeman [mailto:jfreeman@fontainebleau.com]
Sent: Thursday, September 11, 2008 8:47 AM
To: Varnell, Jon M
Subject: Re: Kenny Moelis?

Still in lv?

PLG's EXHIBIT 220
WITNESS: Varnell
PAGE 1 OF 2
RENEE D. ZEPEZAUER, 6275
DATE: 3-17-11

----- Original Message -----

From: Varnell, Jon M <Jon.M.Varnell@bofasecurities.com>

To: Jim Freeman

Cc: Yunker, Bret D <bdyunker@bofasecurities.com>

Sent: Thu Sep 11 01:08:46 2008

Subject: Kenny Moelis?

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Dep. Ex. 222

From: Vertrees, Jennifer M. Sent: 9/26/2008 2:49 PM.
To: Yunker, Bret D; Sturzenegger, Ron D; Yunker, Bret D; Sturzenegger, Ron D.
Cc: Varnell, Jon M; Varnell, Jon M.
Bcc: .
Subject: RE: Turnberry meeting.

Shooting for about 11:45am-ish. Will confirm location Monday.
jen

From: Yunker, Bret D
Sent: Friday, September 26, 2008 11:46 AM
To: Sturzenegger, Ron D
Cc: Varnell, Jon M
Subject: RE: Turnberry meeting

That should work, I have a dinner incted - **Not Reso**cthe night before (October 1st), so assuming there is a Buffalo flight early on the 2nd I should make it in time. Please advise on time/location when you have it, thanks.

Bret

From: Sturzenegger, Ron D
Sent: Friday, September 26, 2008 11:44 AM
To: Yunker, Bret D
Cc: Varnell, Jon M
Subject: Turnberry meeting

Bret,

Can you join me in NYC for lunch next Thursday Oct 2nd.? We are meeting with Turnberry team regarding capital raising ideas of which Fontainebleau, LV is a key part.

Ron Sturzenegger
Managing Director, Global Head
Real Estate, Gaming & Lodging Investment Banking

DIFS' EXHIBIT 222
WITNESS: Varnell
PAGE 1 OF 2
RENEE D. ZEPEZAUER, 6275
DATE: 3-17-11

Banc of America Securities LLC

(415) 627-2004

(415) 913-5802 - Fax

rsturzenegger@bofasecurities.com

Dep. Ex. 227

From: Varnell, Jon M. Sent: 1/2/2009 2:50 PM.
To: maya.varnell@gmail.com; maya.varnell@gmail.com.
Cc: .
Bcc: .
Subject: FW: Current Activity.

Should be ok for now (see below).

From: Ladouceur, Evan
Sent: Friday, January 02, 2009 11:44 AM
To: Varnell, Jon M
Subject: Re: Current Activity

Perfect!

From: Varnell, Jon M
To: Ladouceur, Evan
Cc: Varnell, Jon M
Sent: Fri Jan 02 11:42:33 2009
Subject: Current Activity

Hey - Happy New Year back at ya.

See below - didn't have time to coordinate with the others, so you may get slightly different takes on some situations, but it's a start.

Let me know if I can help with your process.

Good luck and fasten your seat belt!

JV

Active Mandates

Given the time of year as well as the state of the capital markets, mandated business is centered on bank amendments and related activity:

DIG EXHIBIT 227
WITNESS: Varnell
PAGE 1 OF 3
MICHAEL D. ZEPEZAUER, 6275
DATE 3.17.11

Company Type Expected IB Revenue Notes

Redacted--Not Responsive

Likely Mandates

Our leadership positions together with active dialogues position us to take full advantage of a credit market thaw and equity market rally:

*

Fontainebleau Resorts - we are positioned to share with Moelis & Co. a TBD capital raise/advisory fee for up to \$500MM of junior capital. Though BAS and ML jointly financed the formation of Fontainebleau and raised the capital for the Las Vegas and Miami projects, only BAS is in line to share this latest fee. The BofA/ML combination serves to strengthen the combined company's leadership position with this name.

*

Fontainebleau Resorts - liability management on \$850MM of public second lien notes, to be effected in conjunction with junior capital raise noted above. The new BAS will lead/coordinate this effort.

*

Redacted--Not Responsive

Scheduled Pitches/Other Situations

As has been discussed, calling efforts are directed at positioning for anticipated improvement in capital markets which should catalyze vigorous activity in debt, equity and M&A:

*

Redacted--Not Responsive

Redacted--Not Responsive

*
Fontainebleau Resorts - meeting 1/7 with CEO/CFO to discuss topics noted above.
*

Redacted--Not Responsive

Dep. Ex. 228

From: Varnell, Jon M. Sent: 4/17/2009 1:25 PM.
To: Ladouceur, Evan; Ladouceur, Evan.
Cc: .
Bcc: .
Subject: .

By the way, you may have heard that Brian Maier (the ultimate sticky booger) and Todd Kaplan are working with Soffer and Turnberry on Fontainebleau. Not sure how that squares with Moelis' role, but I think it doesn't bode well for the Soffer/Schaeffer relationship. We've been asked to keep this to a tight circle for now.

DIGI EXHIBIT 228
WITNESS: Varnell
PAGE 1 OF 1
RENEE D. ZEPEZAUER, 6275
DATE: 3-17-11

Dep. Ex. 230

From: Howard, David. Sent: 10/6/2008 3:01 PM.
To: Susman, Jeff; Varnell, Jon M; Yunker, Bret D; Bender, Kyle D; Susman, Jeff; Varnell, Jon M; Yunker, Bret D; Bender, Kyle D.
Cc: Bill Scott; Fuad, Peter H -Legal; Bill Scott; Fuad, Peter H -Legal.
Bcc: .
Subject: FW: Fontainebleau Las Vegas - follow up.

Understand from Jim that will be receiving something in writing today.

David Howard
(704) 386-8316 phone
(704) 386-0255 fax
Mail Code: NC1-027-20-01 [New Mail Code]
214 North Tryon St.
Charlotte, NC 28255

-----Original Message-----

From: Kevin Rourke [mailto:KRourke@hcmllp.com]
Sent: Monday, October 06, 2008 2:59 PM
To: Howard, David
Cc: Andrei Dorenbaum
Subject: RE: Fontainebleau Las Vegas - follow up

David,

Today's Ch 11 filing by Lehman's Commercial Paper subsidiary, combined with public reports that Lehman's \$4MM portion of the September Retail Facility draw was actually funded by the equity sponsors underscores the questions and concerns we discussed with you last week.

Management's continued evasiveness is not acceptable. Please advise when a lender call will be held.

Thank you,

Kevin Rourke
Highland Capital Management, LP
13455 Noel Road, Suite 800
(972) 628-4100
krourke@hcmllp.com

-----Original Message-----

PIFs' EXHIBIT 290
WITNESS: Varnell
PAGE 1 OF 3
RENEE D. ZESPEZAUER, 6275
DATE: 3-18-11

From: Howard, David [mailto:david.howard@bankofamerica.com]
Sent: Friday, October 03, 2008 11:27 AM
To: Kevin Rourke
Cc: Susman, Jeff
Subject: Re: Fontainebleau Las Vegas - follow up

Call postponed...waiting on company to re-schedule...pushing for Monday...pls let Brad know.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Kevin Rourke <KRourke@hcmlp.com>
To: Howard, David
Sent: Thu Oct 02 16:23:56 2008
Subject: Fontainebleau Las Vegas - follow up

David,

Any updates on timing of a lender call? Thanks.

Kevin Rourke
Highland Capital Management, LP
13455 Noel Road, Suite 800
(972) 628-4100
krourke@hcmlp.com

Highland Capital Management is growing. Check out Careers at
www.hcmlp.com.

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Dep. Ex. 231

From: Varnell, Jon M. Sent: 10/15/2008 5:45 PM.
To: Howard, David; Howard, David.
Cc: .
Bcc: .
Subject: FW: Dial In for Conference Call on Thurs. 10/16/08 at 2pm EDT / 11am PDT.

FYI - please join.

We'll discuss ahead of time.

From: Sandra King-Bodnar [mailto:SKBodnar@fontainebleau.com]
Sent: Wednesday, October 15, 2008 2:33 PM
To: Elissa.Hricik@nationalcity.com; druby@smbclf.com; hkolben@ullico.com; Eric Salzinger; csullivan@SMBC-LF.COM; Varnell, Jon M; Yunker, Bret D; Jim Freeman
Subject: Dial In for Conference Call on Thurs. 10/16/08 at 2pm EDT / 11am PDT

The dial-in information for tomorrow's conference call is as follows:

US Dial In: 1-866-422-9305 / Int. Dial In: 1-281-540-4904

Participant Code: 51 84 65 26 59 #

Kind regards,

Sandra

Sandra King-Bodnar / Senior Executive Assistant to Albert E. Kotite
Fontainebleau Resorts LLC
skbodnar@fontainebleau.com / fontainebleau.com
O 305 682 4200 / C 305 807 8098 / F 305 682 4201
19950 West Country Club Drive / Aventura FL 33180

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

Plf's' EXHIBIT 231
WITNESS: Varnell
PAGE 1 OF 1
RENEE D ZEPEZAUER, 6275
DATE: 3-19-11

Dep. Ex. 232

From: Jim Freeman. Sent: 10/16/2008 2:20 PM.
To: Varnell, Jon M; Varnell, Jon M.
Cc: .
Bcc: .
Subject: RE: Dial In for Conference Call on Thurs. 10/16/08 at 2pm EDT / 11am PDT.

No great job.

From: Varnell, Jon M [mailto:Jon.M.Varnell@bofasecurities.com]
Sent: Thursday, October 16, 2008 11:19 AM
To: Jim Freeman
Subject: RE: Dial In for Conference Call on Thurs. 10/16/08 at 2pm EDT / 11am PDT

So far so good? Do I need to clean anything up?

From: Jim Freeman [mailto:jfreeman@fontainebleau.com]
Sent: Thursday, October 16, 2008 11:04 AM
To: Varnell, Jon M
Subject: FW: Dial In for Conference Call on Thurs. 10/16/08 at 2pm EDT / 11am PDT

From: Sandra King-Bodnar
Sent: Wednesday, October 15, 2008 2:33 PM
To: 'Elissa.Hricik@nationalcity.com'; 'druby@smbclf.com'; 'hkolben@ullico.com'; Eric Salzinger; csullivan@SMBC-LF.COM; jon.m.varnell@bofasecurities.com; bdyunker@bofasecurities.com; Jim Freeman
Subject: Dial In for Conference Call on Thurs. 10/16/08 at 2pm EDT / 11am PDT

The dial-in information for tomorrow's conference call is as follows:

US Dial In: 1-866-422-9305 / Int. Dial In: 1-281-540-4904

Participant Code: 51 84 65 26 59 #

PIFS' EXHIBIT 232
WITNESS: Varnell
PAGE 1 OF 2
ROBERT D. ZEPEZAUER, 6275
3-19-11

Kind regards,

Sandra

Sandra King-Bodnar / Senior Executive Assistant to Albert E. Kotite
Fontainebleau Resorts LLC
skbodnar@fontainebleau.com / fontainebleau.com
O 305 682 4200 / C 305 807 8098 / F 305 682 4201
19950 West Country Club Drive / Aventura FL 33180

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

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Dep. Ex. 233

From: Varnell, Jon M. Sent: 10/16/2008 1:32 PM.
To: Jim Freeman; Jim Freeman.
Cc: .
Bcc: .
Subject: .

--

Pf's EXHIBIT 233
WITNESS: Varnell
PAGE 1 OF 4
RENÉE D. ZEPPEAUER, 8275
S.S.R. 3-17-11

From: Kevin Rourke. Sent: 10/10/2008 12:42 PM.
To: Andrei Dorenbaum; Brad Means.
Cc: .
Bcc: .
Subject: FW: High Yield: HY Gaming, Lodging & Leisure Weekly - United States - 32pp.

FYI - re: Fontainebleau equity sponsor funding for retail commitment.

Kevin Rourke
Highland Capital Management, LP
13455 Noel Road, Suite 800
(972) 628-4100
krourke@hcmlp.com

-----Original Message-----

From: ML-John Maxwell [mailto:feedback@mlresearch.ml.com]
Sent: Friday, October 03, 2008 11:29 AM
To: Kevin Rourke
Subject: High Yield: HY Gaming, Lodging & Leisure Weekly - United States - 32pp

Link to full report including important disclosures*

<http://research1.ml.com/C/?q=sGaH03J5e%2BTltljEpgrEYA%3D%3D&r=rourke>

Gaming, Lodging & Leisure Recent Performance

Gaming: Highlights

1) Legislative Update - The Time Grows Near. We provide an overview of several gaming initiatives slated for the November 4, 2008 ballot. Highlighted states include AR, CO, IL, KY, MD, MO and OH.

2) Las Vegas Sands Issues Convertible Notes. LVS has entered into a \$475 million convertible note offering with the Adelson family. Proceeds will be used to reduce the debt of the U.S. credit facility and cure potential covenant violations.

3) Foxwoods Announces Layoffs. MASHTU announced plans to layoff 700 workers (6% of total) at its Foxwoods and MGM Grand at Foxwoods properties.

4) Penn National Lowers 3Q 2008 Guidance. Adjusted EBITDA is now expected to be \$146.3 million (was \$178.6 million), due to i) the economic slowdown, ii) heightened competition and iii) hurricane disruptions.

5) Fontainebleau Update. We understand that the FBLEAU equity sponsors have funded the amount required from Lehman on the retail credit facility due this month (\$4 million). As a result, there are no delays in construction thus far.

Lodging: Highlights

1) Marriott Reports 3Q 2008 Results; Maintain UW-30%. We are still not comfortable given the ongoing slowing lodging fundamentals.

2) Lodging - 3Q 2008 RevPAR Preview. We expect actual 3Q 2008 RevPAR's to be at or slightly below

the low-end of management guidance. We have included a monthly RevPAR summary, credit flashes and a lodging comp sheet.

3) Starwood Hotels - Downgrading to UW-30%. Our ratings change primarily reflects the potential for slowing international demand.

4) Smith Travel Research: Weekly Lodging RevPAR -2%; -1.8% Past Month.

Leisure: Highlights

None

To reply to John Maxwell directly, Click here mailto:john_maxwell@ml.com or call +1 212 449 5936

* Read the research report, available through the link above, for complete information including important disclosures and analyst certification(s). The research report and the link to such report is for the use of Merrill Lynch customers only and all copying, redistribution, retransmission, publication, and any other unauthorized dissemination or use of the contents thereof are prohibited. Reports can be saved to your local drive in .pdf format. There may be more recent information available. Please visit one of the electronic venues that carry Merrill Lynch research or contact your Merrill Lynch representative for further information.

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Publication: 571136-10772194.pdf
Recipient: Kevin Rourke

Dep. Ex. 237

From: Brown, Jeanne P. Sent: 9/17/2008 4:23 PM.
To: Rafeedie, McLendon; josh.freedman@lehman.com; Rustgi, Amit.
Cc: Naval, Ronaldo; Phalen, Jesse C; Dycus, Diane; Boljo, Brandon.
Bcc:
Subject: SigabaSecure: Fontainebleau Las Vegas - Sept. 25, 2008 .

Mac – Here is the IVI Certification and the signed Advance Confirmation Notice. Even though the attachment appears to be for August, when you open it you will see it is for Sept.

Bank of America, as Disbursement Agent, has approved the Fontainebleau Las Vegas September 25, 2008 draw request. Please wire \$3,789,276.00 from the Retail Facility Account (Shared Costs) to the following account on the morning of September 25th:

Bank of America, N.A.

Account Name: Fontainebleau Las Vegas, LLC Retail Funding Account FBO Bank of America, N.A.

Account Number: 1233057335

ABA: 026009593

Attn: Diane Dycus

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com

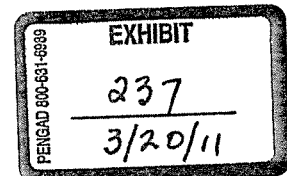


EXHIBIT E
to Master Disbursement Agreement

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:

Anna Brown

Title:

VP Dist. Agent

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.

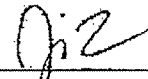
IN WITNESS WHEREOF, the Project Entities have executed this Advance Confirmation Notice as of the date hereof.

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

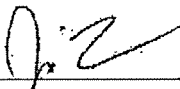
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

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

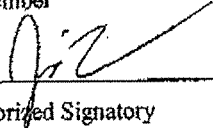
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

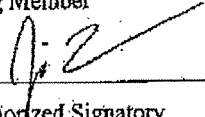
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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



CONSTRUCTION CONSULTING &
PROJECT MANAGEMENT

INSPECTION & VALUATION
INTERNATIONAL, INC.

55 West Red Oak Lane
White Plains, New York 10604
(914) 694-1900 (tel)
(914) 694-4007 (fax)
www.ivi-intl.com

EXHIBIT C-2
to the Master Disbursement Agreement

CONSTRUCTION CONSULTANT ADVANCE CERTIFICATE

(Delivered pursuant to Sections 2.4.4(b) and 3.3.5 of the Disbursement Agreement)

Date: September 17, 2008
Advance Date: September 25, 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
Corporate Trust Services
MAC N9303-120
608 2nd Avenue South
Minneapolis, MN 55479
Attention: Fontainebleau Resorts Account
Manager

Re: Advance Request No. 17 (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.

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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.

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 September 4, 2008 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 reflect, in all material respects, the Remaining Costs required to achieve Final Completion, segregated by each Line Item Category;
- d) The Unallocated Contingency Balance is substantially as set forth in the Detailed Remaining Cost Report attached to the Current Advance Request and does equal or exceed 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 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;
- 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.

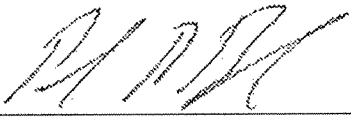
In making the foregoing representations, warranties and certifications, the Construction Consultant has relied whenever it has deemed it reasonably appropriate to do so, on the accuracy and legality of all documents provided to the Construction Consultant by third parties. The Construction Consultant 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]

IN WITNESS WHEREOF, the Construction Consultant has executed this Construction Consultant Advance Certificate as of the 17 day of September, 2008.

INSPECTION & VALUATION INTERNATIONAL, INC.,
a New York corporation

By: 
Name: Paul R. Bonvicino Jr.
Title: Senior Project Manager

Dep. Ex. 239

From: Brown, Jeanne P. Sent: 12/30/2008 9:45 AM.
To: Susman, Jeff; Susman, Jeff.
Cc: .
Bcc: .
Subject: RE: Fontainebleau Las Vegas Advance.

Jeff - Mac at Trimont expects Ullico to fund the Lehman piece, but he has not seen the funds yet. Once those are in, Sumitomo will fund their share. Mac knows to alert me, but I will call him periodically if I don't hear from him.

-----Original Message-----

From: Susman, Jeff
Sent: Tuesday, December 30, 2008 9:39 AM
To: Brown, Jeanne P
Subject: Re: Fontainebleau Las Vegas Advance

Per Jim Freeman of FB, the funds from the Retail lenders was to be sent this morning.

Jeff Susman
Senior Vice President
Corporate Debt Products
Bank of America
Tel: 214-209-0964
Fax: 214-209-0085
jeff.susman@bankofamerica.com

----- Original Message -----

From: Brown, Jeanne P
To: Susman, Jeff
Sent: Tue Dec 30 06:36:54 2008
Subject: RE: Fontainebleau Las Vegas Advance

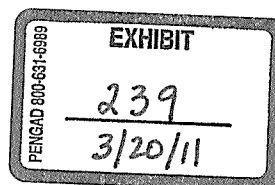
Not yet. I will call them.

-----Original Message-----

From: Susman, Jeff
Sent: Tuesday, December 30, 2008 9:31 AM
To: Brown, Jeanne P
Subject: Fontainebleau Las Vegas Advance

Has Trimont sent funds yet this morning?

Jeff Susman
Senior Vice President



Corporate Debt Products
Bank of America
Tel: 214-209-0964
Fax: 214-209-0085
jeff.susman@bankofamerica.com

Dep. Ex. 240

From: Brown, Jeanne P. Sent: 2/25/2009 3:48 PM.
To: Bolio, Brandon.
Cc: .
Bcc: .
Subject: FW: Please let me know when you've received the Ullico wire..

What next?

From: Rafeedie, McLendon [mailto:mrafeedie@trimontrea.com]
Sent: Wednesday, February 25, 2009 3:43 PM
To: Eric Salzinger
Cc: Brown, Jeanne P; Rustgi, Amit
Subject: RE: Please let me know when you've received the Ullico wire.

All the money is in and we are generating a wire to BOA. Should go out shortly.

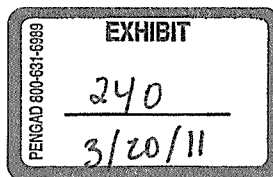
From: Rafeedie, McLendon
Sent: Wednesday, February 25, 2009 3:03 PM
To: 'Eric Salzinger'
Subject: RE: Please let me know when you've received the Ullico wire.

Ok, got that one too. Waiting on National City - have a call into them, and Sumitomo.

From: Eric Salzinger [mailto:esalzinger@fontainebleau.com]
Sent: Wednesday, February 25, 2009 2:54 PM
To: Rafeedie, McLendon
Subject: RE: Please let me know when you've received the Ullico wire.

Please check again, Ullico funded the Lehman portion with a simultaneous wire as the first one, I gather.

Eric Salzinger



Fontainebleau Resorts LLC

esalzinger@fontainebleau.com / fontainebleau.com

O 305 682 4204 / C 305 962 8682/ F 305 682 4205

19950 West Country Club Drive / Aventura FL 33180

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

From: Rafeedie, McLendon [mailto:mrafeedie@trimontrea.com]
Sent: Wednesday, February 25, 2009 2:51 PM
To: Eric Salzinger
Cc: Brown, Jeanne P
Subject: RE: Please let me know when you've received the Ullico wire.

We received ULLICO's portion of the draw. Still waiting on Nat City, Lehman's share and Sumitomo. Spoke with Grace Wong at Sumitomo, so she is aware of the situation.

From: Eric Salzinger [mailto:esalzinger@fontainebleau.com]
Sent: Wednesday, February 25, 2009 1:32 PM
To: Rafeedie, McLendon
Cc: Rustgi, Amit
Subject: Re: Please let me know when you've received the Ullico wire.

Any update?

From: Rafeedie, McLendon
To: Eric Salzinger
Cc: Rustgi, Amit
Sent: Wed Feb 25 09:10:05 2009
Subject: RE: Please let me know when you've received the Ullico wire.

OK

From: Eric Salzinger [mailto:esalzinger@fontainebleau.com]
Sent: Wednesday, February 25, 2009 12:11 PM
To: Rafeedie, McLendon
Subject: Please let me know when you've received the Ullico wire.

Eric Salzinger

Fontainebleau Resorts LLC

esalzinger@fontainebleau.com / fontainebleau.com

O 305 682 4204 / C 305 962 8682/ F 305 682 4205

19950 West Country Club Drive / Aventura FL 33180

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

Dep. Ex. 241

From: Susman, Jeff. Sent: 9/26/2008 2:54 PM.
To: [-] Varnell, Jon M; Yunker, Bret D; Bender, Kyle D; Howard, David; Fuad, Peter H -Legal; Bill Scott; Varnell, Jon M; Yunker, Bret D; Bender, Kyle D; Howard, David; Fuad, Peter H -Legal; Bill Scott.
Cc: Bolfo, Brandon; Bolfo, Brandon.
Bcc:
Subject: FW: FBLV.

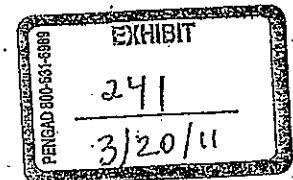
FYI

From: Brown, Jeanne P
Sent: Friday, September 26, 2008 1:31 PM
To: Bolfo, Brandon
Cc: Susman, Jeff
Subject: FBLV

The wire for the Lehman portion has arrived. Please advise.

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ
NJ6-502-01-03
750 Walnut Avenue
Cranford, NJ 07016

Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com



Dep. Ex. 243

From: Brown, Jeanne P.

Sent: 10/20/2008 1:44 PM.

To: Rafeedie, McLendon; josh.freedman@lehman.com; Rustgi, Amit.

Cc: Naval, Ronaldo; Phalen, Jesse C; Dycus, Diane; Bolio, Brandon; Camejo, Claudia I; Crifo, Rose A.

Bcc:

Subject: SigabaSecure: Fontainebleau Las Vegas - October 27, 2008 .

Bank of America, as Disbursement Agent, has approved the Fontainebleau Las Vegas October 27, 2008 draw request. Please wire \$3,730,628.00 from the Retail Facility Account (Shared Costs) to the following account:

Bank of America, N.A.

Account Name: Fontainebleau Las Vegas, LLC Retail Funding Account FBO Bank of America, N.A.

Account Number: [REDACTED]

ABA: 026009593

Attn: Diane Dycus

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com

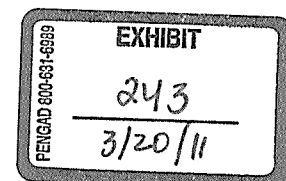


EXHIBIT E
to Master Disbursement Agreement

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

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:

Jane Brown
VP Dist Agent

W02-WEST:LARM00328619.1

-3-

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

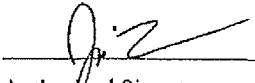
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

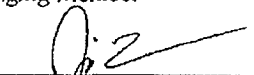
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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



CONSTRUCTION CONSULTING & PROJECT MANAGEMENT

INSPECTION & VALUATION INTERNATIONAL, INC.

55 West Red Oak Lane
White Plains, New York 10604
(914) 694-1900 (tel)
(914) 694-4007 (fax)
www.ivi-intl.com

EXHIBIT C-2
to the Master Disbursement Agreement

CONSTRUCTION CONSULTANT ADVANCE CERTIFICATE

(Delivered pursuant to Sections 2.4.4(b) and 3.3.5 of the Disbursement Agreement)

Date: October 13, 2008
Advance Date: October 25, 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
Corporate Trust Services
MAC N9303-120
608 2nd Avenue South
Minneapolis, MN 55479
Attention: Fontainebleau Resorts Account
Manager

Re: Advance Request No. 18 (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.

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LOS ANGELES · MIAMI · WASHINGTON, D.C.
BARCELONA · LONDON · PARIS · NICE · STOCKHOLM

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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.

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 October 1 & 2, 2008 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 reflect, in all material respects, the Remaining Costs required to achieve Final Completion, segregated by each Line Item Category;
- d) The Unallocated Contingency Balance is substantially as set forth in the Detailed Remaining Cost Report attached to the Current Advance Request and does equal or exceed 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 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;
- 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.

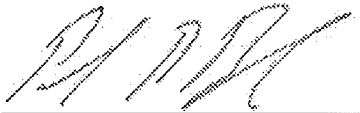
In making the foregoing representations, warranties and certifications, the Construction Consultant has relied whenever it has deemed it reasonably appropriate to do so, on the accuracy and legality of all documents provided to the Construction Consultant by third parties. The Construction Consultant 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]

IN WITNESS WHEREOF, the Construction Consultant has executed this Construction Consultant Advance Certificate as of the 13 day of October, 2008.

INSPECTION & VALUATION INTERNATIONAL, INC.,
a New York corporation

By: 
Name: Paul R. Bonvicino Jr.
Title: Senior Project Manager

Dep. Ex. 244

From: Brown, Jeanne P. Sent: 11/19/2008 10:31 AM.
To: Rafeedie, McLendon; josh.freedman@lehman.com; Rustgi, Amit; Rafeedie, McLendon; josh.freedman@lehman.com; Rustgi, Amit.
Cc: [-] Naval, Ronaldo; Phalen, Jesse C; Dycus, Diane; Bolio, Brandon; Camejo, Claudia I; Crifo, Rose A; Naval, Ronaldo; Phalen, Jesse C; Dycus, Diane; Bolio, Brandon; Camejo, Claudia I; Crifo, Rose A.
Bcc: .
Subject: SigabaSecure: Fontainebleau Las Vegas - November 25, 2008 .

Mac – please let us know the amounts of the individual wires so that we track their receipt.

Bank of America, as Disbursement Agent, has approved the Fontainebleau Las Vegas November 25, 2008 draw request. Please wire \$4,493,907.00 from the Retail Facility Account (Shared Costs) to the following account:

Bank of America, N.A.

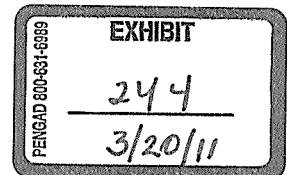
Account Name: Fontainebleau Las Vegas, LLC Retail Funding Account FBO Bank of America, N.A.

Account Number: **Non-R**

ABA: **Non-F**

Attn: Diane Dycus

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com





**CONSTRUCTION CONSULTING &
PROJECT MANAGEMENT**

**INSPECTION & VALUATION
INTERNATIONAL, INC.**

55 West Red Oak Lane
White Plains, New York 10604
(914) 694-1900 (tel)
(914) 694-4007 (fax)
www.ivi-intl.com

EXHIBIT C-2
to the Master Disbursement Agreement

CONSTRUCTION CONSULTANT ADVANCE CERTIFICATE

(Delivered pursuant to Sections 2.4.4(b) and 3.3.5 of the Disbursement Agreement)

Date: November 14, 2008
Advance Date: November 25, 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
Corporate Trust Services
MAC N9303-120
608 2nd Avenue South
Minneapolis, MN 55479
Attention: Fontainebleau Resorts Account
Manager

Re: Advance Request No. 19 (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.

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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.

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 November 3, 2008 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 reflect, in all material respects, the Remaining Costs required to achieve Final Completion, segregated by each Line Item Category;
- d) The Unallocated Contingency Balance is substantially as set forth in the Detailed Remaining Cost Report attached to the Current Advance Request and does equal or exceed 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 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;
- 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.

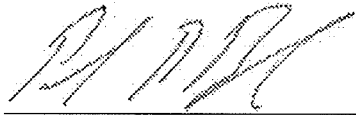
The foregoing representations, warranties and certifications are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon by such parties for the purposes of making Advances pursuant to the Disbursement Agreement; 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 to have been made to such Person and such Person may not rely on thereon.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Construction Consultant has executed this Construction Consultant Advance Certificate as of the 14 day of November, 2008.

INSPECTION & VALUATION INTERNATIONAL, INC.,
a New York corporation

By:



Name: Paul R. Bonvicino Jr.
Title: Senior Project Manager

EXHIBIT E
to Master Disbursement Agreement

ADVANCE CONFIRMATION NOTICE

Requested Advance Date: November 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. 11-25-2008 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	\$ 4,493,907.00
For Other Retail Costs	\$0
Total Retail Facility Advances	\$ 4,493,907.00
From Resort Loss Proceeds Account	\$.00
From the Second Mortgage Proceeds Account	\$.00
From the Equity Funding Account	\$.00

From the Bank Proceeds Account	\$143,838,250.93
Interest Earned in Interest Payment Account	\$.00
Amount Liquidity Account Exceeds \$50,000,000	\$ 107,374.08

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	\$ 4,493,907.00

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	\$.00
--------------------------------------	--------

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	\$.00
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	\$ 93,928,324.62
Interest Payment Account #1233055973	\$ 49,909,926.31

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	\$ 107,374.08
--------------------------------------	---------------

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	\$.00
--------------------------------------	--------

Note: Resort Account Balance for Interest Earned already in an account and not to be advanced with this request \$2,757.09.

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: *Anna Brown*
Title: *AP - Disbursement Agent*

w02-wesyl:LRM00328619.1

-3-

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.

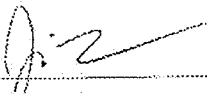
IN WITNESS WHEREOF, the Project Entities have executed this Advance Confirmation Notice as of the date hereof.

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

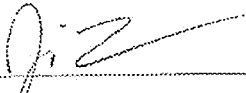
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

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

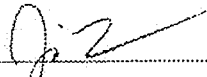
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

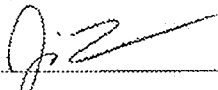
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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

Dep. Ex. 245

Neely, Latrelle L

From: Brown, Jeanne P
Sent: Tuesday, December 02, 2008 8:15 AM
To: Neely, Latrelle L
Subject: FW: Fontainebleau Las Vegas - Nov. 26, 2008
Attachments: Advance Confirmation Notice 112508.pdf

La Trelle – I got an out-of-office notice when I sent this to April. Can you check into it for me?

From: Brown, Jeanne P
Sent: Tuesday, December 02, 2008 11:13 AM
To: Brown, April V
Subject: FW: Fontainebleau Las Vegas - Nov. 26, 2008

April – the client contacted me because they are not seeing the \$107,374.08 moved as requested in the first part of the below email. Can you check into that for me?

From: Brown, Jeanne P
Sent: Wednesday, November 26, 2008 4:45 PM
To: Brown, April V
Cc: Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I
Subject: Fontainebleau Las Vegas - Nov. 26, 2008

April –

Please wire \$107,374.08 from the Fontainebleau Las Vegas Liquidity Account (5090110382) to the Fontainebleau Las Vegas Resort Payment Account (501001203813). I would appreciate a confirmation once this transfer has been made, including what the remaining balance is.

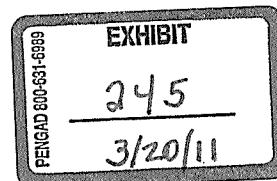
Please wire \$143,838,250.93 from the Bank Proceeds Account (5090110384) and credit as follows:
Fontainebleau Las Vegas Resort (501001203813) \$93,928,324.62
FBLV Interest Payment Account (1233055973) \$49,909,926.31

Please call Brandon Bolio if you have any questions.

Thank you,

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com

12/2/2008



Dep. Ex. 246

From: Brown, Jeanne P. Sent: 12/18/2008 9:40 AM.
To: Rafeedie, McLendon; josh.freedman@lehman.com; Rustgi, Amit.
Cc: Naval, Ronaldo; Phalen, Jesse C; Dycus, Diane; Bolio, Brandon; Camejo, Claudia I; Crifo, Rose A; Susman, Jeff.
Bcc:
Subject: SigabaSecure: Fontainebleau Las Vegas - December 29, 2008 .

Mac – please let us know the amounts of the individual wires so that we can track their receipt.

Bank of America, as Disbursement Agent, has approved the Fontainebleau Las Vegas December 29, 2008 draw request. Please wire \$4,969,135.00 from the Retail Facility Account (Shared Costs) to the following account:

Bank of America, N.A.

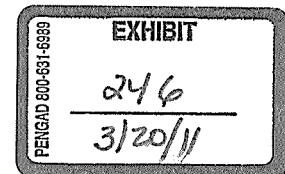
Account Name: Fontainebleau Las Vegas, LLC Retail Funding Account FBO Bank of America, N.A.

Account Number: 1233057335

ABA: 026009593

Attn: Diane Dycus

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com





**CONSTRUCTION CONSULTING &
PROJECT MANAGEMENT**

**INSPECTION & VALUATION
INTERNATIONAL, INC.**

55 West Red Oak Lane
White Plains, New York 10604
(914) 694-1900 (tel)
(914) 694-4007 (fax)
www.ivi-intl.com

EXHIBIT C-2
to the Master Disbursement Agreement

CONSTRUCTION CONSULTANT ADVANCE CERTIFICATE

(Delivered pursuant to Sections 2.4.4(b) and 3.3.5 of the Disbursement Agreement)

Date: December 16, 2008
Advance Date: December 25, 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
Corporate Trust Services
MAC N9303-120
608 2nd Avenue South
Minneapolis, MN 55479
Attention: Fontainebleau Resorts Account
Manager

Re: Advance Request No. 20 (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.

NEW YORK · ATLANTA · AUSTIN · CHICAGO · LAS VEGAS
LOS ANGELES · MIAMI · WASHINGTON, D.C.
BARCELONA · LONDON · PARIS · NICE · STOCKHOLM

Member of SOCOTEC Group  with 140 offices worldwide

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.

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 December 3, 2008 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 reflect, in all material respects, the Remaining Costs required to achieve Final Completion, segregated by each Line Item Category;
- d) The Unallocated Contingency Balance is substantially as set forth in the Detailed Remaining Cost Report attached to the Current Advance Request and does equal or exceed 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 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;
- 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.

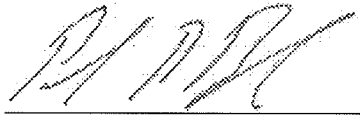
The foregoing representations, warranties and certifications are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon by such parties for the purposes of making Advances pursuant to the Disbursement Agreement; 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 to have been made to such Person and such Person may not rely on thereon.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Construction Consultant has executed this Construction Consultant Advance Certificate as of the 16 day of December, 2008.

INSPECTION & VALUATION INTERNATIONAL, INC.,
a New York corporation

By:



Name: Paul R. Bonvicino Jr.
Title: Senior Project Manager

EXHIBIT E
to Master Disbursement Agreement

ADVANCE CONFIRMATION NOTICE

Requested Advance Date: December 29, 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. 12-29-2008 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	\$ 4,969,135.00
For Other Retail Costs	\$0
Total Retail Facility Advances	\$ 4,969,135.00
From Resort Loss Proceeds Account	\$ 1,803,988.78
From the Second Mortgage Proceeds Account	\$.00
From the Equity Funding Account	\$.00

W02-WESTLAR430328619.J

-1-

From the Bank Proceeds Account	\$102,800,125.34
Interest Earned in Interest Payment Account	\$ 835.29
Amount Liquidity Account Exceeds \$50,000,000	\$ 97,307.56

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	\$ 4,969,135.00

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	\$ 1,803,988.78
--------------------------------------	-----------------

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	\$ 835.29
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	\$ 99,502,095.86
Interest Payment Account #1233055973	\$ 3,298,029.48

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	\$ 97,307.56
--------------------------------------	--------------

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	\$.00
--------------------------------------	--------

Note: Resort Account Balance for Interest Earned already in an account and not to be advanced with this request \$2,290.15.

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: *[Signature]*

Title: *VP Disbursement Agent*

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.

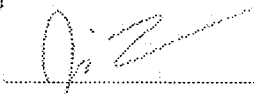
IN WITNESS WHEREOF, the Project Entities have executed this Advance Confirmation Notice as of the date hereof.

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

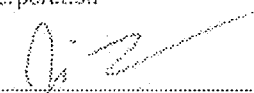
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

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

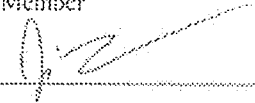
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

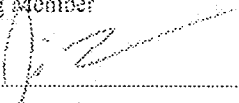
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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

Dep. Ex. 247

Brown, April V

From: Brown, Jeanne P
Sent: Tuesday, December 30, 2008 1:29 PM
To: Brown, April V
Cc: Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Neely, Latrelle L
Subject: Fontainebleau Las Vegas - December 30, 2008
Attachments: Advance Confirmation Notice 122908.pdf

April –

Please wire \$97,307.56 from the Fontainebleau Las Vegas Liquidity Account (5090110382) to the Fontainebleau Las Vegas Resort Payment Account (501001203813). I would appreciate a confirmation once this transfer has been made, including what the remaining balance is.

Please wire \$102,800,125.34 from the Bank Proceeds Account (5090110384) and credit as follows:

Fontainebleau Las Vegas Resort (501001203813)	\$99,502,095.86
FBLV Interest Payment Account (1233055973)	\$ 3,298,029.48

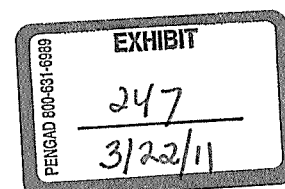
Please call me if you have any questions.

Thank you,

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com

12/30/2008

HIGHLY CONFIDENTIAL



BANA_FB00839712

Dep. Ex. 248

From: Brown, Jeanne P. Sent: 1/14/2009 3:23 PM.
To: Brown, Jeanne P.
Cc:
Bcc:
Subject: Fontainebleau Las Vegas - January 26, 2009 .

Mac – please let us know when the wire(s) have been sent so that we can track their receipt.

Bank of America, as Disbursement Agent, has approved the Fontainebleau Las Vegas January 29, 2009 draw request. Please wire \$3,324,093.00 from the Retail Facility Account (Shared Costs) to the following account:

Bank of America, N.A.

Account Name: Fontainebleau Las Vegas, LLC Retail Funding Account FBO Bank of America, N.A.

Account Number: 1233057335

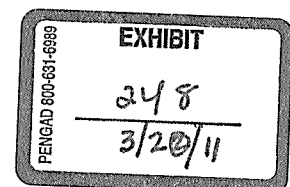
ABA: 026009593

Attn: Diane Dycus

Jeanne P. Brown
Vice President
Relationship Administration Office Manager

HIGHLY CONFIDENTIAL

BANA_FB00235088



Credit Services & Administration
Commercial Real Estate NJ
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com

EXHIBIT E
to Master Disbursement Agreement

ADVANCE CONFIRMATION NOTICE

Requested Advance Date: **January 26, 2009**

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. **1-26-2009** 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	\$ 3,324,093.00
For Other Retail Costs	\$0
Total Retail Facility Advances	\$ 3,324,093.00
From Resort Loss Proceeds Account	\$ 427.34
From the Second Mortgage Proceeds Account	\$.00
From the Equity Funding Account	\$.00

W02-WEST:LAR400328619.1

-1-

From the Bank Proceeds Account	\$ 88,801,951.38
Interest Earned in Interest Payment Account	\$ 18,090.66
Amount Liquidity Account Exceeds \$50,000,000	\$ 75,351.14

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	\$ 3,324,093.00

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	\$ 427.34
--------------------------------------	-----------

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	\$ 18,090.66
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	\$ 88,801,951.38
--------------------------------------	------------------

Liquidity Account Excess funds shall be deposited into the Bank Funding Account, for further credit to the following Account:

Resort Payment Account #501001203813	\$ 75,351.14
--------------------------------------	--------------

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	\$.04
--------------------------------------	--------

Note: Resort Account Balance for Interest Earned already in an account and not to be advanced with this request \$1,264.54.

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:

Jeanne Brown

Title:

VP Disb. Agent

W02-WEST:LAR400328619.1

-3-

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

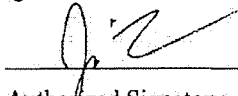
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

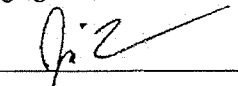
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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



CONSTRUCTION CONSULTING &
PROJECT MANAGEMENT

INSPECTION & VALUATION
INTERNATIONAL, INC.

55 West Red Oak Lane
White Plains, New York 10604
(914) 694-1900 (tel)
(914) 694-4007 (fax)
www.ivi-intl.com

EXHIBIT C-2
to the Master Disbursement Agreement

CONSTRUCTION CONSULTANT ADVANCE CERTIFICATE

(Delivered pursuant to Sections 2.4.4(b) and 3.3.5 of the Disbursement Agreement)

Date: January 13, 2009
Advance Date: January 25, 2009

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
Corporate Trust Services
MAC N9303-120
608 2nd Avenue South
Minneapolis, MN 55479
Attention: Fontainebleau Resorts Account
Manager

Re: Advance Request No. 21 (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.

NEW YORK · ATLANTA · AUSTIN · CHICAGO · LAS VEGAS
LOS ANGELES · MIAMI · WASHINGTON, D.C.
BARCELONA · LONDON · PARIS · NICE · STOCKHOLM

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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.

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 January 5, 2009 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 reflect, in all material respects, the Remaining Costs required to achieve Final Completion, segregated by each Line Item Category;
- d) The Unallocated Contingency Balance is substantially as set forth in the Detailed Remaining Cost Report attached to the Current Advance Request and does equal or exceed 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 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;
- 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.

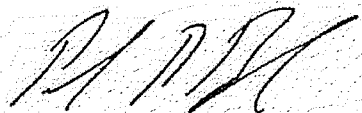
The foregoing representations, warranties and certifications are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon by such parties for the purposes of making Advances pursuant to the Disbursement Agreement; 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]

IN WITNESS WHEREOF, the Construction Consultant has executed this Construction Consultant Advance Certificate as of the 13 day of January, 2009.

INSPECTION & VALUATION INTERNATIONAL, INC.,
a New York corporation

By:



Name: Paul R. Bonvicino Jr.
Title: Senior Project Manager

Dep. Ex. 249

Neely, Latrelle L

To: Brown, Jeanne P
Cc: Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Brown, April V
Subject: RE: Fontainebleau Las Vegas - January 28, 2009

Jeanne,

I will take care of this in the morning.

La Trelle

From: Brown, Jeanne P
Sent: Tuesday, January 27, 2009 2:15 PM
To: Neely, Latrelle L
Cc: Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Brown, April V
Subject: Fontainebleau Las Vegas - January 28, 2009

La Trelle,

Because of potential weather-related issues predicted for Wednesday, January 28th, I am forwarding this request tonight for processing on Wednesday.

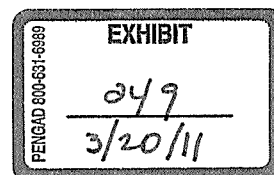
1. Please wire \$88,801,951.38 from the Fontainebleau Las Vegas Liquidity Account (5090110384) to the Fontainebleau Las Vegas Resort Payment Account (501001203813). I would appreciate a confirmation from you once this transfer has been made, including what the remaining balance is.
2. Please wire \$75,351.14 from the Bank Proceeds Account (5090110382) and credit it to the Fontainebleau Las Vegas Resort (501001203813) account.

Please call me if you have any questions.

Thank you,

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com

1/27/2009



Dep. Ex. 250

From: Bolio, Brandon. Sent: 2/24/2009 11:08 AM.
To: [-] Yu, Henry; Fuszard, Joseph; Corum, Brian; Bill Scott; AMartin@sheppardmullin.com; Swenson, Ken -Legal; Sieke, Eric -Legal; Howard, David; Varnell, Jon M; Yu, Henry; Fuszard, Joseph; Corum, Brian; Bill Scott; AMartin@sheppardmullin.com; Swenson, Ken -Legal; Sieke, Eric -Legal; Howard, David; Varnell, Jon M.
Cc: Dsouza, Naomi; Duong, Khoa; Brown, Jeanne P; Naval, Ronaldo; Dsouza, Naomi; Duong, Khoa; Brown, Jeanne P; Naval, Ronaldo.
Bcc:
Subject: FW: Fontainebleau Las Vegas - February 25, 2009

FYI. Attached is the signed Advance Confirmation Notice from the Disbursement Agent and their communication to the Retail Facility loan servicer (Trimont) below.

David: Any word from Fontainebleau regarding a revised borrowing notice (i.e. still drawing tomorrow under base rate or resubmitting labor for a later date)?

Question for the team: **Redacted--Privileged**
Redacted--Privileged

From: Brown, Jeanne P
Sent: Tuesday, February 24, 2009 9:18 AM
To: 'mrafeedie@trimontrea.com'; 'josh.freedman@lehman.com'
Cc: 'arustgi@trimontrea.com'; Naval, Ronaldo; Dycus, Diane; Bolio, Brandon; Camejo, Claudia I; Corum, Brian
Subject: Fontainebleau Las Vegas - February 25, 2009

Mac – please let us know when the wire(s) have been sent so that we can track their receipt.

Bank of America, as Disbursement Agent, has approved the Fontainebleau Las Vegas February 25, 2009 draw request. Please wire \$4,043,132.00 from the Retail Facility Account (Shared Costs) to the following account:

Bank of America, N.A.

Account Name: Fontainebleau Las Vegas, LLC Retail Funding Account FBO Bank of America, N.A.

Account Number: **cted--Not Respo**

ABA **acted--Not Respon**

Attn: Diane Dycus

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com

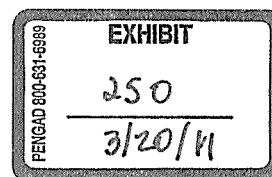


EXHIBIT E
to Master Disbursement Agreement

ADVANCE CONFIRMATION NOTICE

Requested Advance Date: February 25, 2009

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. 2-25-2009 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	\$ 4,043,132.00
For Other Retail Costs	\$0
Total Retail Facility Advances	\$ 4,043,132.00
From Resort Loss Proceeds Account	\$.00
From the Second Mortgage Proceeds Account	\$.00
From the Equity Funding Account	\$.00

From the Bank Proceeds Account	\$ 50,241,078.79
Interest Earned in Interest Payment Account	\$ 28,513.99
From the Revolver	\$ 68,000,000.00
Amount Liquidity Account Exceeds \$50,000,000	\$ 57,049.79

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	\$ 4,043,132.00

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	\$.00
--------------------------------------	--------

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	\$ 28,513.99
Cash Management Account #4968332450	\$

All the advances from the Revolver shall be deposited into the Bank Funding Account for further credit to the following Accounts:

Resort Payment Account #501001203813	\$ 68,000,000.00
--------------------------------------	------------------

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	\$ 50,241,078.79
--------------------------------------	------------------

Liquidity Account Excess funds shall be deposited into the Bank Funding Account, for further credit to the following Account:

Resort Payment Account #501001203813	\$ 57,049.79
--------------------------------------	--------------

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	\$.00
--------------------------------------	--------

Note: Resort Account Balance for Interest Earned already in an account and not to be advanced with this request \$614.10.

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:

Jane Brown
VP Dist. Agent

W02-WEST-LAR400323619.1

-3-

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.

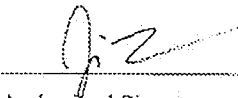
IN WITNESS WHEREOF, the Project Entities have executed this Advance Confirmation Notice as of the date hereof.

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

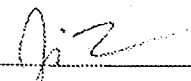
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

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

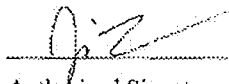
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

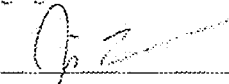
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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



CONSTRUCTION CONSULTING & PROJECT MANAGEMENT

INSPECTION & VALUATION INTERNATIONAL, INC.

55 West Red Oak Lane
White Plains, New York 10604
(914) 694-1900 (tel)
(914) 694-4007 (fax)
www.ivi-intl.com

EXHIBIT C-2
to the Master Disbursement Agreement

CONSTRUCTION CONSULTANT ADVANCE CERTIFICATE

(Delivered pursuant to Sections 2.4.4(b) and 3.3.5 of the Disbursement Agreement)

Date: February 13, 2009
Advance Date: February 25, 2009

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
Corporate Trust Services
MAC N9303-120
608 2nd Avenue South
Minneapolis, MN 55479
Attention: Fontainebleau Resorts Account
Manager

Re: Advance Request No. 22 (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.

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LOS ANGELES · MIAMI · WASHINGTON, D.C.
BARCELONA · LONDON · PARIS · NICE · STOCKHOLM

Member of SOCOTEC Group with 140 offices worldwide

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.

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 February 1, 2009 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 reflect, in all material respects, the Remaining Costs required to achieve Final Completion, segregated by each Line Item Category;
- d) The Unallocated Contingency Balance is substantially as set forth in the Detailed Remaining Cost Report attached to the Current Advance Request and does equal or exceed 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 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;
- 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.

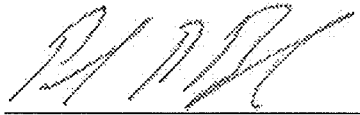
The foregoing representations, warranties and certifications are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon by such parties for the purposes of making Advances pursuant to the Disbursement Agreement; 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 to have been made to such Person and such Person may not rely on thereon.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Construction Consultant has executed this Construction Consultant Advance Certificate as of the 16 day of February, 2009.

INSPECTION & VALUATION INTERNATIONAL, INC.,
a New York corporation

By:



Name: Paul R. Bonvicino Jr.
Title: Senior Project Manager

Dep. Ex. 251

From: Brown, Jeanne P. Sent: 2/27/2009 9:42 AM.
To: Bolio, Brandon; Bolio, Brandon.
Cc:
Bcc:
Subject: RE: Fontainebleau Las Vegas - February 25, 2009.

I do not consider the drama over until FB actually has the funds in their hands. Hope you are enjoying yourself, Ski Bunny.

From: Bolio, Brandon
Sent: Friday, February 27, 2009 9:40 AM
To: Brown, Jeanne P
Subject: RE: Fontainebleau Las Vegas - February 25, 2009

yay! the drama is over on this one, at least for now.....

From: Brown, Jeanne P
Sent: Friday, February 27, 2009 6:59 AM
To: Neely, Latrelle L
Cc: Bolio, Brandon; Corum, Brian; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Brown, April V
Subject: Fontainebleau Las Vegas - February 25, 2009

La Trelle,

Please wire \$50,241,078.79 from the Fontainebleau Las Vegas Bank Proceeds Account (5090110384) to the Fontainebleau Bank Funding Account (1233056005).

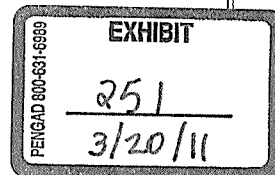
Please wire \$57,049.79 from the Fontainebleau Funded Liquidity Account (5090110382) and credit it to the Fontainebleau Bank Funding Account (1233056005).

I would appreciate a confirmation from you once this transfer has been made.

Call me if you have any questions.

Thank you,

Jeanne P. Brown
Vice President
Relationship Administration Office Manager



Credit Services & Administration
Commercial Real Estate NJ & PA
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com

Dep. Ex. 252

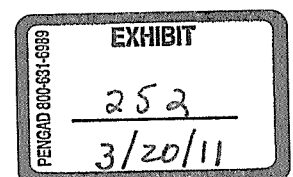
From: Bolio, Brandon. Sent: 3/26/2009 3:16 PM.
To: [-] Yu, Henry; Alan Martin; Bill Scott; Sieke, Eric -Legal; Howard, David; Varnell, Jon M; Yu, Henry; Alan Martin; Bill Scott; Sieke, Eric -Legal; Howard, David; Varnell, Jon M.
Cc: Corum, Brian; Naval, Ronaldo; Brown, Jeanne P; Camejo, Claudia I; Corum, Brian; Naval, Ronaldo; Brown, Jeanne P; Camejo, Claudia I.
Bcc: .
Subject: FW: Fontainebleau Las Vegas .

FYI...The Retail Shared Costs (~\$5MM) arrived today and bank funds (~\$133MM) are being transferred as we speak.

From: Camejo, Claudia I
Sent: Thursday, March 26, 2009 1:29 PM
To: Neely, Latrelle L
Cc: Bolio, Brandon; Corum, Brian; Naval, Ronaldo; Crifo, Rose A; Brown, April V; Brown, Jeanne P
Subject: FW: Fontainebleau Las Vegas

Latrelle: Wire is in, please see attachment

Claudia I Camejo
Officer - Relationship Administrator II
Credit Services & Administration
Bank Of America
Mail Code: NJ6-502-01-03
750 Walnut Avenue
Cranford, NJ 07016
Ph: (908) 709-6009
Fx: (908) 709-6437
e-mail: claudia.i.camejo@bankofamerica.com



From: . Sent:3/26/2009 10:39 AM.
To: Neely, Latrelle L.
Cc: Bolio, Brandon; Corum, Brian; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Brown, April V.
Bcc: .
Subject: Fontainebleau Las Vegas - March 25, 2009.

La Trelle,

Please wire \$133,036,297.86 from the Fontainebleau Las Vegas Bank Proceeds Account (5090110384) to the Fontainebleau Bank Funding Account (1233056005).

Please wire \$34,673.87 from the Fontainebleau Funded Liquidity Account (5090110382) and credit it to the Fontainebleau Bank Funding Account (1233056005).

I would appreciate a confirmation from you once this transfer has been made.

Call me if you have any questions.

Thank you,
Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration
Commercial Real Estate NJ & PA
Phone: (908) 709-6096
Fax: (908) 709-6437
Jeanne.P.Brown@bankofamerica.com

EXHIBIT E
to Master Disbursement Agreement

ADVANCE CONFIRMATION NOTICE

Requested Advance Date: **March 25, 2009**

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. **3-25-2009** 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	\$ 4,854,180.00
For Other Retail Costs	\$0
Total Retail Facility Advances	\$ 4,854,180.00
From Resort Less Proceeds Account	\$.00
From the Second Mortgage Proceeds Account	\$.00
From the Equity Funding Account	\$.00

From the Bank Proceeds Account	\$ 133,036,297.86
Interest Earned in Interest Payment Account	\$ 40.23
From the Delayed Draw Term Loan	
Amount Liquidity Account Exceeds \$50,000,000	\$ 34,673.87

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	\$ 4,854,180.00

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	\$.00
--------------------------------------	--------

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	\$ 40.23
--------------------------------------	----------

All the advances from the Delayed Draw shall be deposited into the Bank Funding Account for further credit to the following Accounts:

Resort Payment Account #501001203813	\$ 129,263,447.61
Interest Payment Account #1233055973	\$ 3,739,924.38

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	\$ 32,925.87
--------------------------------------	--------------

Liquidity Account Excess funds shall be deposited into the Bank Funding Account, for further credit to the following Account:

Resort Payment Account #501001203813	\$ 34,673.87
--------------------------------------	--------------

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	\$.00
--------------------------------------	--------

Note: Resort Account Balance for Interest Earned already in an account and not to be advanced with this request \$457.59.

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

[Handwritten Signature]
[Handwritten Title: AP- Dist. Agent]

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.

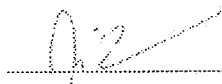
IN WITNESS WHEREOF, the Project Entities have executed this Advance Confirmation Notice as of the date hereof.

FONTAINEBLEAU LAS VEGAS HOLDINGS, L.L.C.,
a Nevada limited liability company

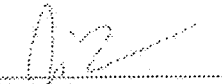
By: Fontainebleau Resort Properties I, L.L.C.,
its Managing Member

By: Fontainebleau Resort Holdings, L.L.C.,
its Managing Member

By: Fontainebleau Resorts, L.L.C., its Managing
Member

By: 
Title: Authorized Signatory

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.,
a Delaware corporation

By: 
Title: Authorized Signatory

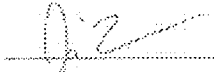
FONTAINEBLEAU LAS VEGAS RETAIL, L.L.C.,
a Delaware limited liability company

By: Fontainebleau Las Vegas Retail Mezzanine, L.L.C.,
its Managing Member

By: Fontainebleau Las Vegas Retail Parent, L.L.C.,
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

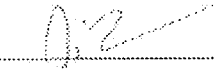
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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

Dep. Ex. 254

From: Jim Freeman. Sent: 10/22/2008 3:31 PM.
To: Howard, David; Susman, Jeff; Howard, David; Susman, Jeff.
Cc: bscott@sheppardmullin.com; Varnell, Jon M; bscott@sheppardmullin.com; Varnell, Jon M.
Bcc: .
Subject: RE: 10-22-08 Lehman Update Memo.pdf - Adobe Acrobat Professional.

I thought it went fine – let me know what you hear from them. The call was not contentious – they asked a fair amount about Lehman at the start and I told them what I could. We spent the rest of the time talking about construction progress, the budget, the market, condos, our equity sponsors, staging of opening, etc.

From: Howard, David [mailto:david.howard@bankofamerica.com]
Sent: Wednesday, October 22, 2008 12:26 PM
To: Jim Freeman; Susman, Jeff
Cc: bscott@sheppardmullin.com; Varnell, Jon M
Subject: RE: 10-22-08 Lehman Update Memo.pdf - Adobe Acrobat Professional

how'd that go?

David Howard
(704) 386-8316 phone
(704) 386-0255 fax
Mail Code: NC1-027-20-01 [New Mail Code]
214 North Tryon St.
Charlotte, NC 28255

From: Jim Freeman [mailto:jfreeman@fontainebleau.com]
Sent: Wednesday, October 22, 2008 3:24 PM
To: Susman, Jeff
Cc: bscott@sheppardmullin.com; Varnell, Jon M; Howard, David
Subject: RE: 10-22-08 Lehman Update Memo.pdf - Adobe Acrobat Professional

Ok thanks. I spent about a half hour on the phone with Kevin Rourke and Brad Means from Highland

Track _____ Exhibit 254
Date _____
Witness _____
G. Lewis # 437 _____ Page _____

today.

From: Susman, Jeff [mailto:jeff.susman@bankofamerica.com]
Sent: Wednesday, October 22, 2008 11:50 AM
To: Jim Freeman
Cc: bscott@sheppardmullin.com; Varnell, Jon M; Howard, David
Subject: RE: 10-22-08 Lehman Update Memo.pdf - Adobe Acrobat Professional

The memo has been posted to IntraLinks.

From: Jim Freeman [mailto:jfreeman@fontainebleau.com]
Sent: Wednesday, October 22, 2008 12:24 PM
To: Susman, Jeff
Cc: bscott@sheppardmullin.com; Varnell, Jon M; Howard, David
Subject: FW: 10-22-08 Lehman Update Memo.pdf - Adobe Acrobat Professional

Jeff – here is the proposed memo for posting. Let me know if you have any questions before we post.
Thanks.

From: Whitney Thier
Sent: Wednesday, October 22, 2008 10:20 AM
To: Jim Freeman
Subject: 10-22-08 Lehman Update Memo.pdf - Adobe Acrobat Professional

Whitney Thier / General Counsel
Fontainebleau Resorts, LLC
wthier@fontainebleau.com / fontainebleau.com
O 702 495 8108 / C 702 249 5590
2827 Paradise Road / Las Vegas NV 89109

THE STAGE IS YOURS. LIVE YOUR PART.

please take note of my new email address

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Dep. Ex. 263

EXHIBIT C-1
to Master Disbursement Agreement

ADVANCE REQUEST

Certificate Date: February 13, 2009

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. 2-25-2009 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: February 25, 2009
Resort Amount Requested: \$122,370,388.67
Retail Amount Requested: \$0
Period Covered: January 1, 2009 through January 31, 2009

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- Track _____ Exhibit 263
Date 3-23-11
Witness FREEMAN
C. Lewis #457 _____ Puyuu

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.

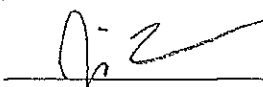
IN WITNESS WHEREOF, the Project Entities have executed this Advance Request as of the date hereof.

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

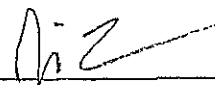
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

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

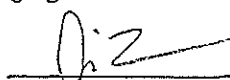
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

HIGHLY CONFIDENTIAL

FOXTAIR BELEAU RESORT AND CASINO
LAS VEGAS, NV
REMAINING COST REPORT
APPENDIX VI TO THE BUDGET SCHEDULE AMENDMENT CERTIFICATE
January 31, 2009

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED						NET AMOUNTS			
	CLOSING RESORT BUDGET	PROR RESORT BUDGET (B) FROM PRIOR MONTH	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED TO DATE (G) FROM PRIOR MONTH	CURRENT PERIOD COMPLETED (H)	TOTAL COMPLETED TO DATE (G+H+I)	% COMPLETED (J)	BALANCE TO COMPLETE (K-L+M)	RETAINAGE	TOTAL COMPLETED TO DATE (G+H)	PREVIOUS COMPLETED TO DATE (G) FROM PRIOR MONTH	CURRENT PERIOD COMPLETED TO DATE (H) FROM PRIOR MONTH	BALANCE TO COMPLETE (K-L+M)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
Timberly West Construction	\$ 1,353,834,074	\$ 1,909,246,938	\$ 13,654,877	\$ 1,923,150,283	\$ 1,244,308,205	\$ 95,844,282.25	\$ 1,465,293,328	73.87%	\$ 817,257,465	\$ 89,233,925	\$ 1,376,468,424	\$ 1,244,308,205	\$ 80,276,622	\$ 637,284,288
Unallocated Contingency	\$ 111,878,050	\$ 77,271,671	\$ (423,126)	\$ 76,848,445	\$ -	\$ -	\$ -	0.00%	\$ 76,848,445	\$ -	\$ -	\$ -	\$ -	\$ 76,848,445
Additional Cost Contingency	\$ -	\$ 12,141,751	\$ (13,141,751)	\$ 0	\$ -	\$ -	\$ -	0.00%	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0
Insurance	\$ 40,000,000	\$ 49,000,000	\$ -	\$ 40,000,000	\$ 22,851,474	\$ 118,740.03	\$ 23,233,214	58.61%	\$ 17,209,785	\$ -	\$ 21,239,214	\$ 22,851,474	\$ 178,740	\$ 17,060,740
Total Construction Costs	\$ 1,505,672,024	\$ 2,035,519,230	\$ -	\$ 2,003,998,728	\$ 1,267,163,679	\$ 97,683,023.28	\$ 1,487,493,563	70.83%	\$ 812,225,835	\$ 89,233,925	\$ 1,399,099,638	\$ 1,267,163,679	\$ 81,497,363	\$ 701,599,819
Rooms FF&E	\$ 73,784,287	\$ 73,784,287	\$ -	\$ 73,784,287	\$ 31,372,232	\$ 3,432,371.95	\$ 34,804,604	47.31%	\$ 38,879,643	\$ -	\$ 34,804,604	\$ 31,372,232	\$ 3,532,372	\$ 28,879,643
Hotel and F&B Operating Equipment	\$ 49,881,857	\$ 49,881,857	\$ -	\$ 49,881,857	\$ 3,214,821	\$ -	\$ 3,214,821	6.57%	\$ 46,667,036	\$ -	\$ 3,214,821	\$ 3,214,821	\$ -	\$ 46,667,036
Kitchen Equipment	\$ 22,289,240	\$ 22,289,240	\$ -	\$ 22,289,240	\$ 255,734	\$ 85,892.25	\$ 391,679	1.75%	\$ 21,897,561	\$ -	\$ 311,676	\$ 255,734	\$ 45,892	\$ 21,517,564
Exterior Signage	\$ 25,832,720	\$ 25,832,720	\$ -	\$ 25,832,720	\$ 6,878,276	\$ -	\$ 6,878,276	26.82%	\$ 18,954,444	\$ 687,828	\$ 8,165,448	\$ 6,165,448	\$ -	\$ 20,442,272
Common Area FF&E	\$ 28,665,812	\$ 28,665,812	\$ -	\$ 28,665,812	\$ 13,271,637	\$ 1,412,723.58	\$ 14,744,360	51.44%	\$ 13,921,452	\$ -	\$ 14,744,360	\$ 13,271,637	\$ 1,412,723	\$ 13,821,462
Costed FF&E	\$ 200,363,516	\$ 200,363,516	\$ -	\$ 200,363,516	\$ 53,261,960	\$ 4,845,095.53	\$ 60,127,057	30.01%	\$ 142,241,623	\$ 687,828	\$ 63,428,123	\$ 60,127,057	\$ 6,859,977	\$ 143,828,897
Gaming FF&E	\$ 40,811,039	\$ 40,811,039	\$ -	\$ 40,811,039	\$ 159,771	\$ -	\$ 159,771	0.37%	\$ 40,651,268	\$ -	\$ 159,771	\$ 159,771	\$ -	\$ 40,651,268
Entertainment	\$ 12,288,731	\$ 12,288,731	\$ -	\$ 12,288,731	\$ -	\$ -	\$ -	0.00%	\$ 12,288,731	\$ -	\$ -	\$ -	\$ -	\$ 12,288,731
A&G and Facilities and IT	\$ 71,829,896	\$ 71,829,896	\$ -	\$ 71,829,896	\$ 7,833,810	\$ 4,759,614.33	\$ 12,593,425	17.51%	\$ 59,236,476	\$ 40,424	\$ 32,555,072	\$ 7,833,810	\$ 4,719,092	\$ 58,205,524
Other FF&E	\$ 125,975,428	\$ 125,975,428	\$ -	\$ 125,975,428	\$ 7,993,581	\$ 4,759,614.33	\$ 12,745,287	10.19%	\$ 117,229,150	\$ 40,424	\$ 112,763,843	\$ 7,833,810	\$ 4,719,092	\$ 112,319,583
Pre-Opening / Working Capital	\$ 59,847,879	\$ 81,861,879	\$ (970,000)	\$ 80,891,879	\$ 31,128,336	\$ 7,212,271.05	\$ 39,290,609	47.38%	\$ 42,572,970	\$ -	\$ 31,128,336	\$ 31,128,336	\$ -	\$ 42,572,970
Taxes / Permits / Taxes / Other	\$ 131,814,077	\$ 134,803,077	\$ (970,000)	\$ 134,833,077	\$ 144,458,812	\$ 1,219,940.85	\$ 145,678,753	53.20%	\$ 186,022,315	\$ -	\$ 145,038,761	\$ 144,458,812	\$ 1,212,510	\$ 18,859,319
Dist. Service Received Through Scheduled Opening Date	\$ 392,758,033	\$ 392,758,033	\$ -	\$ 392,758,033	\$ 217,138,793	\$ 13,867,273.24	\$ 231,006,066	60.41%	\$ 161,674,967	\$ -	\$ 231,006,066	\$ 217,138,793	\$ 13,867,273	\$ 101,874,597
Contingency/Unallocated Selling Expenses	\$ 49,778,823	\$ 25,000,000	\$ -	\$ 25,000,000	\$ 17,232,748	\$ 659,697.49	\$ 17,892,445	71.17%	\$ 7,205,184	\$ -	\$ 17,892,445	\$ 17,232,748	\$ 659,697	\$ 7,269,764
Fees and Expenses	\$ 63,740,784	\$ 63,740,784	\$ -	\$ 63,740,784	\$ 69,544,471	\$ -	\$ 69,544,471	98.07%	\$ 1,184,273	\$ -	\$ 69,544,471	\$ 69,544,471	\$ -	\$ 1,184,273
Costs Accrued Through Opening Date	\$ 499,938,025	\$ 454,804,492	\$ -	\$ 454,804,492	\$ 409,206,631	\$ 22,851,261.93	\$ 432,061,632	76.10%	\$ 162,743,283	\$ -	\$ 432,061,632	\$ 409,206,631	\$ 22,851,262	\$ 162,743,283
TOTAL COSTS	\$ 2,219,048,351	\$ 3,082,243,141	\$ -	\$ 3,082,243,141	\$ 1,972,677,941	\$ 139,445,070.35	\$ 2,122,422,650	66.83%	\$ 1,827,819,282	\$ 94,122,375	\$ 1,902,201,603	\$ 1,822,419,201	\$ 122,849,201	\$ 1,117,944,426

IN-BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	73.75
Contingency Adjustment	
Required Minimum Contingency	\$ (1,111,527)
Less: Unallocated Contingency Balance (Actual)	\$ (2,946,645)
Contingency Adjustment Subtotal	\$ (4,058,172)
Required Minimum Working Account	\$ (1,111,527)
Required Minimum Excess Payover Support Amount	\$ (247,404)
Requirement of Excess Debt	\$ -
TOTAL	\$ (4,417,103)

BANA_FB00215461

Dep. Ex. 264

EXHIBIT C-1

to Master Disbursement Agreement

ADVANCE REQUEST

Certificate Date: **March 11, 2009**

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. **3-25-2009** 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: **March 25, 2009**
Resort Amount Requested: **\$137,925,649.55**
Retail Amount Requested: **\$0**
Period Covered: **February 1, 2009 through February 28, 2009**

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-

Track _____ Exhibit 264
Date 3-23-11
Witness FREEMAN
C. LEWIS # 437 _____ FURTHER:

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.

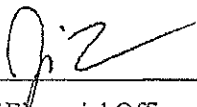
IN WITNESS WHEREOF, the Project Entities have executed this Advance Request as of the date hereof.

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

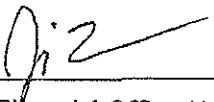
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

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

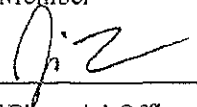
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

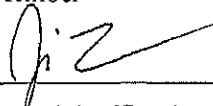
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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

CONFIDENTIAL
 COMPARISON OF BUDGET TO ACTUALS REPORT
 APPENDIX A TO THE BUDGET SCHEDULE AMENDMENT CERTIFICATE
 February 27, 2009

DESCRIPTION	BUDGET COSTS AMOUNT				% COSTS INCURRED				REMAINAGE	BALANCE TO DATE			BALANCE TO DATE (BY DATE)
	CLOSURE BUDGET	FROM BUDGET	CURRENT PERIOD BUDGET	BUDGET MODIFICATIONS	PREVIOUS COMPLETED TO DATE (BY FROM PROGRAM)	CURRENT PERIOD COMPLETED (BY DATE)	TOTAL COMPLETED TO DATE (BY DATE)	% COMPLETED (BY DATE)		COMPLETED (BY DATE)	PREVIOUS COMPLETED TO DATE (BY FROM PROGRAM)	CURRENT PERIOD COMPLETED TO DATE (BY DATE)	
Tanquer West Construction	1,882,500.00	1,882,500.00	1,882,500.00	0.00	1,882,500.00	1,882,500.00	100.00%	0.00%	1,882,500.00	1,882,500.00	1,882,500.00	1,882,500.00	1,882,500.00
Unallocated Contingency	11,000,000.00	11,000,000.00	11,000,000.00	0.00	11,000,000.00	11,000,000.00	100.00%	0.00%	11,000,000.00	11,000,000.00	11,000,000.00	11,000,000.00	11,000,000.00
Additional Contingency	40,000,000.00	40,000,000.00	40,000,000.00	0.00	40,000,000.00	40,000,000.00	100.00%	0.00%	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00
Inventories	1,500,000.00	1,500,000.00	1,500,000.00	0.00	1,500,000.00	1,500,000.00	100.00%	0.00%	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
Flower FEE	72,784,287.00	72,784,287.00	72,784,287.00	0.00	72,784,287.00	72,784,287.00	100.00%	0.00%	72,784,287.00	72,784,287.00	72,784,287.00	72,784,287.00	72,784,287.00
Hotel and F&M Operating Expenses	6,681,827.00	6,681,827.00	6,681,827.00	0.00	6,681,827.00	6,681,827.00	100.00%	0.00%	6,681,827.00	6,681,827.00	6,681,827.00	6,681,827.00	6,681,827.00
Kitchen Equipment	2,200,000.00	2,200,000.00	2,200,000.00	0.00	2,200,000.00	2,200,000.00	100.00%	0.00%	2,200,000.00	2,200,000.00	2,200,000.00	2,200,000.00	2,200,000.00
Entertainment	20,000,000.00	20,000,000.00	20,000,000.00	0.00	20,000,000.00	20,000,000.00	100.00%	0.00%	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
Common Area F&E	2,482,827.00	2,482,827.00	2,482,827.00	0.00	2,482,827.00	2,482,827.00	100.00%	0.00%	2,482,827.00	2,482,827.00	2,482,827.00	2,482,827.00	2,482,827.00
Security F&E	50,000,000.00	50,000,000.00	50,000,000.00	0.00	50,000,000.00	50,000,000.00	100.00%	0.00%	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
Gaming F&E	48,971,000.00	48,971,000.00	48,971,000.00	0.00	48,971,000.00	48,971,000.00	100.00%	0.00%	48,971,000.00	48,971,000.00	48,971,000.00	48,971,000.00	48,971,000.00
Entertainment	12,000,000.00	12,000,000.00	12,000,000.00	0.00	12,000,000.00	12,000,000.00	100.00%	0.00%	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00
ASG and F&M and IT	7,100,000.00	7,100,000.00	7,100,000.00	0.00	7,100,000.00	7,100,000.00	100.00%	0.00%	7,100,000.00	7,100,000.00	7,100,000.00	7,100,000.00	7,100,000.00
Other F&E	13,871,000.00	13,871,000.00	13,871,000.00	0.00	13,871,000.00	13,871,000.00	100.00%	0.00%	13,871,000.00	13,871,000.00	13,871,000.00	13,871,000.00	13,871,000.00
Pre-Opening (Marketing Capital)	80,000,000.00	80,000,000.00	80,000,000.00	0.00	80,000,000.00	80,000,000.00	100.00%	0.00%	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00
Fast Forward / Home Office	13,000,000.00	13,000,000.00	13,000,000.00	0.00	13,000,000.00	13,000,000.00	100.00%	0.00%	13,000,000.00	13,000,000.00	13,000,000.00	13,000,000.00	13,000,000.00
Bank Services (Account Through Scheduled Opening Date)	3,000,000.00	3,000,000.00	3,000,000.00	0.00	3,000,000.00	3,000,000.00	100.00%	0.00%	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Contingency-Initial Opening Expenses	4,000,000.00	4,000,000.00	4,000,000.00	0.00	4,000,000.00	4,000,000.00	100.00%	0.00%	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
Fast and Expense	60,000,000.00	60,000,000.00	60,000,000.00	0.00	60,000,000.00	60,000,000.00	100.00%	0.00%	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00
Costs Accrued Through Opening Date	5,000,000.00	5,000,000.00	5,000,000.00	0.00	5,000,000.00	5,000,000.00	100.00%	0.00%	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00
TOTAL COSTS	2,720,000,000.00	2,720,000,000.00	2,720,000,000.00	0.00	2,720,000,000.00	2,720,000,000.00	100.00%	0.00%	2,720,000,000.00	2,720,000,000.00	2,720,000,000.00	2,720,000,000.00	2,720,000,000.00

IN-CASH TEST ADJUSTMENTS	
Required Minimum Contingency	7,100,000.00
Less: Unallocated Contingency (Balance Actual)	(11,800,000.00)
Contingency Adjustment Subtotal	4,700,000.00
Required Minimum Liquidity Account	1,000,000.00
Required Minimum Excess Recovery Support Amount	7,500,000.00
Appropriation/Eligible Debt in	1,000,000.00
TOTAL	14,200,000.00

Dep. Ex. 265

EXHIBIT C-1

to Master Disbursement Agreement

ADVANCE REQUEST

Certificate Date: **March 11, 2009**

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. **3-25-2009** 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: **March 25, 2009**
Resort Amount Requested: **\$137,925,649.55**
Retail Amount Requested: **\$0**
Period Covered: **February 1, 2009 through February 28, 2009**

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:ICDGM00185305.9

-1-

Track _____ Exhibit 265
Date 3-23-11
Witness FREEMAN
C. Lewis # 437 _____ Payor

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 November 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.

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PAGE 02/05

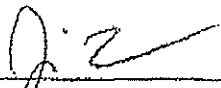
IN WITNESS WHEREOF, the Project Entities have executed this Advance Request as of the date hereof.

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

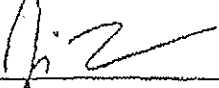
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

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

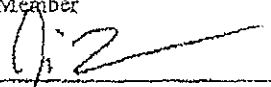
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

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PAGE 03/05

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

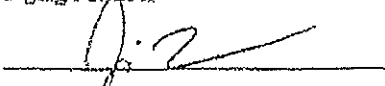
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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

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Dep. Ex. 268
FILED UNDER SEAL

Dep. Ex. 269

From: Kathy Hernandez. Sent: 10/16/2008 8:46 PM.
To: Camejo, Claudia I; 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..
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

Track _____ Exhibit 269
Date 3-23-11
Witness FREEMAN
C. Lewis # 437 _____ Payor

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, 755 LAS VEGAS BLVD, SO. LAS VEGAS, NV 89109
PHONE 702.495.7360 FAX 702.495.7360 www.turnberrytd.com NV Lic. #0062865

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:

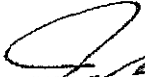

Name: Jeffrey M. Soffer
Title: CHAIRMAN

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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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.

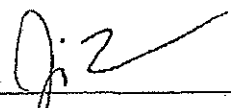
IN WITNESS WHEREOF, the Project Entities have executed this Advance Request as of the date hereof.

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

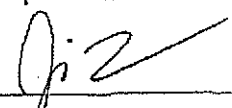
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

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

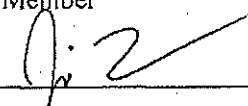
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

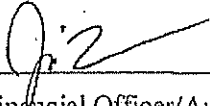
By: Fontainebleau Las Vegas Holdings, LLC,
Managing Member of each of the foregoing

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

W02-WEST:LARM400328619.1

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.

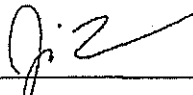
IN WITNESS WHEREOF, the Project Entities have executed this Advance Confirmation Notice as of the date hereof.

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

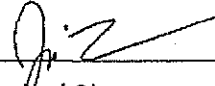
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

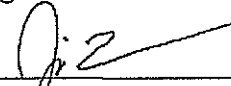
By: 
Title: Authorized Signatory

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

W02-WEST:ICDG1400220629.12

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.
 - * X 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:
- * X 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):

W02-WEST:ICDGI1400220629.12

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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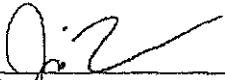
IN WITNESS WHEREOF, the Project Entities have executed this Budget/Schedule Amendment Certificate as of the 31st day of May, 2008.

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

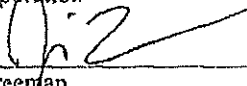
By: Fontainebleau Resort Properties I, LLC,
its Managing Member

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

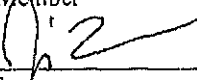
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

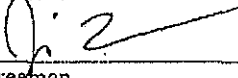
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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) X 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 I to Appendix I.

CONFIDENTIAL

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 (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	REPORT BUDGET (B+C=D) (D)	PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH) (E)	CURRENT PERIOD COMPLETED ¹ (F)	TOTAL COMPLETED TO DATE (E+F=G) (G)	% COMPLETED (G/D) (H)	BALANCE TO COMPLETE (D- G) (I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED TO DATE (G-J=K) (K)	PREVIOUS COMPLETED TO DATE (L FROM PRIOR MONTH) (L)	CURRENT PERIOD COMPLETED TO DATE (M-L=N) (M)	BALANCE TO COMPLETE (O- N) (O)
Construction Hard Costs														
Tower	\$ 657,718,399	\$ 658,840,544	\$ 20,662,348	\$ 663,483,262	\$ 209,355,187	\$ 45,016,205	\$ 357,350,452	53.66%	\$ 306,132,810	\$ 27,411,758	\$ 329,838,694	\$ 283,662,592	\$ 46,075,698	\$ 333,544,568
Podium	\$ 658,419,565	\$ 725,400,078	\$ -	\$ 722,408,978	\$ 258,551,359	\$ 54,751,717	\$ 283,283,658	39.21%	\$ 439,125,320	\$ 46,110,558	\$ 287,163,122	\$ 243,835,154	\$ 23,223,538	\$ 495,243,656
Convention	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garage/Convention/Central Plant	\$ 318,855,718	\$ 497,892,317	\$ 4,474,204	\$ 412,282,561	\$ 360,858,822	\$ 21,641,290	\$ 262,475,702	63.46%	\$ 149,805,859	\$ 14,250,919	\$ 248,195,897	\$ 239,202,481	\$ 19,366,406	\$ 164,086,674
Central Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Site	\$ 94,259,869	\$ 16,055,191	\$ -	\$ 16,855,191	\$ 10,855,255	\$ 206,625	\$ 10,855,170	64.45%	\$ 5,993,021	\$ 697,411	\$ 10,168,758	\$ 3,752,871	\$ 415,068	\$ 6,620,433
Bond cost	\$ 6,000,000	\$ 5,051,110	\$ 35,152	\$ 3,081,332	\$ 3,252,368	\$ 126,792	\$ 2,378,062	77.16%	\$ 703,270	\$ -	\$ 2,378,062	\$ 2,562,360	\$ 125,702	\$ 703,270
Construction Hard Costs Subtotal	\$ 1,703,088,898	\$ 1,789,888,688	\$ 28,846,724	\$ 1,818,115,326	\$ 828,615,384	\$ 95,739,658	\$ 916,355,844	50.48%	\$ 881,748,228	\$ 58,508,528	\$ 857,846,524	\$ 768,013,691	\$ 89,832,833	\$ 860,268,880
LEED Qualification Costs														
LEED Qualification Costs	\$ 22,000,000	\$ 17,614,479	\$ -	\$ 17,614,479	\$ 4,433,474	\$ 507,498	\$ 4,940,972	28.05%	\$ 12,673,508	\$ 2,575	\$ 4,938,397	\$ 4,430,913	\$ 507,484	\$ 12,676,083
LEED Qualification Costs Subtotal	\$ 22,000,000	\$ 17,614,479	\$ -	\$ 17,614,479	\$ 4,433,474	\$ 507,498	\$ 4,940,972	28.05%	\$ 12,673,508	\$ 2,575	\$ 4,938,397	\$ 4,430,913	\$ 507,484	\$ 12,676,083
LEED Sales Tax Benefit														
LEED Sales Tax Benefit	\$ (58,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEED Sales Tax Benefit Subtotal	\$ (58,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Conditions/Requirements/Holding														
CM Staging	\$ 24,200,042	\$ 23,349,242	\$ 4,337,171	\$ 28,544,419	\$ 24,815,510	\$ 1,832,651	\$ 26,368,394	89.59%	\$ 3,236,025	\$ -	\$ 26,368,394	\$ 24,575,912	\$ 1,832,691	\$ 3,236,025
Field Engineering	\$ 1,162,200	\$ 2,553,848	\$ 209,716	\$ 3,162,205	\$ 2,882,249	\$ 282,258	\$ 3,162,205	100.00%	\$ (0)	\$ (0)	\$ 3,162,205	\$ 2,882,249	\$ 229,236	\$ (0)
Horizontal Consulting	\$ 100,000	\$ 50,000	\$ -	\$ 20,000	\$ 78,000	\$ -	\$ 20,000	100.00%	\$ (0)	\$ (0)	\$ 20,000	\$ 20,000	\$ -	\$ (0)
COC (OT for Inspectors misc certifications)	\$ 300,000	\$ 200,000	\$ (131,449)	\$ 68,555	\$ 58,430	\$ 126	\$ 68,555	100.00%	\$ (0)	\$ (0)	\$ 68,555	\$ 68,430	\$ 126	\$ (0)
Safety	\$ 4,226,707	\$ 4,456,053	\$ 364,243	\$ 6,830,908	\$ 6,254,657	\$ 568,211	\$ 6,830,908	100.00%	\$ (0)	\$ (0)	\$ 6,830,908	\$ 6,254,657	\$ 568,211	\$ (0)
Field Offices and Equipment	\$ 5,557,540	\$ 7,730,438	\$ (182,238)	\$ 3,541,508	\$ 2,444,845	\$ 37,392	\$ 3,541,508	100.00%	\$ (0)	\$ (0)	\$ 3,541,508	\$ 2,444,845	\$ 37,392	\$ (0)
Temporary Utilities	\$ 2,456,303	\$ 2,657,463	\$ 574,216	\$ 3,041,809	\$ 2,816,948	\$ 352,451	\$ 2,809,301	92.36%	\$ 232,509	\$ 393	\$ 4,925,363	\$ 4,732,411	\$ 194,552	\$ 232
Temporary Protection	\$ 4,828,475	\$ 4,637,366	\$ (161,091)	\$ 4,927,275	\$ 4,732,720	\$ 194,552	\$ 4,927,275	100.00%	\$ (0)	\$ 110,017	\$ 10,340,644	\$ 9,815,575	\$ 649,656	\$ 110,237
Material and Labor Staging	\$ 8,348,200	\$ 8,251,768	\$ 849,412	\$ 10,470,881	\$ 9,821,769	\$ 649,112	\$ 10,470,881	100.00%	\$ (0)	\$ (0)	\$ 10,470,881	\$ 9,821,768	\$ 649,112	\$ (0)
Clean-up (Continual and Final)	\$ 2,843,200	\$ 3,131,217	\$ 11,265,195	\$ 3,322,019	\$ 8,652,563	\$ (1,700,949)	\$ 3,322,019	100.00%	\$ (0)	\$ (0)	\$ 2,843,200	\$ 2,646,863	\$ 2,365,582	\$ 90,481
General Equipment and Tools	\$ 1,821,200	\$ 1,846,518	\$ 544	\$ 2,646,863	\$ 2,656,692	\$ 50,831	\$ 2,646,863	100.00%	\$ (0)	\$ (0)	\$ 2,646,863	\$ 2,646,863	\$ (0)	\$ (0)
Project Documentation	\$ 1,825,200	\$ 222,145	\$ (161,348)	\$ 71,899	\$ 18,350	\$ 4,295	\$ 16,747	23.36%	\$ 54,952	\$ -	\$ 1,847,747	\$ 1,847,747	\$ (0)	\$ (0)
Misc. Project Expenses	\$ 322,500	\$ 2,236,347	\$ -	\$ 2,236,347	\$ 2,016,763	\$ (27,036)	\$ 1,989,673	88.57%	\$ 246,674	\$ -	\$ 1,989,673	\$ 2,016,765	\$ (27,030)	\$ 246,674
Testing and Inspection (ATC Associates)	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursable blueprinting	\$ 1,200,000	\$ 1,029,750	\$ 23,212	\$ 2,162,551	\$ 1,894,759	\$ 26,711	\$ 1,662,551	76.88%	\$ 600,000	\$ -	\$ 1,662,551	\$ 1,392,750	\$ 66,761	\$ 500,000
Sub Total General Conditions/Requirements/Holding	\$ 26,237,610	\$ 29,816,811	\$ (2,765,850)	\$ 26,889,830	\$ 15,746,379	\$ 1,824,316	\$ 17,109,693	63.78%	\$ 9,789,244	\$ 4,622	\$ 17,096,207	\$ 15,247,912	\$ 2,058,270	\$ 9,713,723
Total Hard Costs and General Conditions/Requirements/Holding	\$ 1,753,824,874	\$ 1,904,564,881	\$ 30,842,388	\$ 1,924,666,651	\$ 905,886,128	\$ 100,210,537	\$ 1,006,199,665	52.41%	\$ 928,410,187	\$ 58,791,640	\$ 847,402,425	\$ 812,888,249	\$ 84,102,776	\$ 887,244,826
Contingency														
Unallocated Contingency	\$ 111,038,860	\$ 77,271,571	\$ -	\$ 77,271,571	\$ -	\$ -	\$ -	0.00%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ -	\$ 77,271,571
Additional Cost Contingency	\$ -	\$ 78,743,206	\$ (10,942,390)	\$ 48,120,816	\$ -	\$ -	\$ -	0.00%	\$ 48,120,816	\$ -	\$ -	\$ -	\$ -	\$ 48,120,816
Contingency Subtotal	\$ 111,038,860	\$ 156,014,777	\$ (10,942,390)	\$ 125,392,387	\$ -	\$ -	\$ -	0.00%	\$ 125,392,387	\$ -	\$ -	\$ -	\$ -	\$ 125,392,387
Insurance														
Insurance package	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 20,951,789	\$ 124,444	\$ 21,056,234	52.72%	\$ 18,913,766	\$ -	\$ 21,056,234	\$ 20,961,750	\$ 124,444	\$ 18,913,766
Insurance Subtotal	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 20,951,789	\$ 124,444	\$ 21,056,234	52.72%	\$ 18,913,766	\$ -	\$ 21,056,234	\$ 20,961,750	\$ 124,444	\$ 18,913,766
Total Construction Costs	\$ 1,864,872,154	\$ 2,099,899,238	\$ (0)	\$ 2,099,899,238	\$ 926,841,918	\$ 100,237,088	\$ 1,027,279,893	49.22%	\$ 1,027,719,339	\$ 58,791,640	\$ 858,488,253	\$ 879,860,029	\$ 94,528,228	\$ 1,131,510,978

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CONFIDENTIAL

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	PRIOR RESORT BUDGET (D FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C=D)	PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED ¹¹	TOTAL COMPLETED TO DATE (E+F=G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D- G)	TOTAL RETAINAGE	TOTAL COMPLETED TO DATE (G+H)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (K-L=N)	BALANCE TO COMPLETE (D- N)
Rooms FF&E														
Condo Suite	\$ 15,356,572	\$ 13,356,572	\$ -	\$ 15,360,572	\$ 2,652,391	\$ 452,623	\$ 3,015,015	19.63%	\$ 12,344,557	\$ -	\$ 3,016,015	\$ 2,652,392	\$ 413,623	\$ 12,344,557
Condo Unit One Bedroom	\$ 7,494,252	\$ 7,494,252	\$ -	\$ 7,494,252	\$ 1,637,547	\$ 216,256	\$ 1,853,232	24.63%	\$ 5,641,020	\$ -	\$ 1,853,232	\$ 1,637,547	\$ 216,256	\$ 5,641,020
Center Suite	\$ 754,259	\$ 734,259	\$ -	\$ 734,259	\$ 123,263	\$ 8,641	\$ 103,904	14.31%	\$ 624,355	\$ -	\$ 103,904	\$ 123,263	\$ 8,641	\$ 103,904
Junior Suite	\$ 1,658,312	\$ 1,658,312	\$ -	\$ 1,647,402	\$ 126,740	\$ 25,452	\$ 152,238	9.36%	\$ 1,431,074	\$ -	\$ 152,238	\$ 126,740	\$ 29,498	\$ 1,431,074
Three Bay Suite	\$ 1,647,402	\$ 1,647,402	\$ -	\$ 1,647,402	\$ 422,278	\$ 46,020	\$ 505,266	30.67%	\$ 1,142,136	\$ -	\$ 505,266	\$ 422,278	\$ 46,020	\$ 1,142,136
Four Bay Suite	\$ 141,352	\$ 141,352	\$ -	\$ 141,352	\$ 141,352	\$ -	\$ 141,352	100.00%	\$ -	\$ -	\$ 141,352	\$ 141,352	\$ -	\$ -
Six Bay Suite	\$ 468,673	\$ 468,673	\$ -	\$ 468,673	\$ -	\$ -	\$ -	0.00%	\$ 468,673	\$ -	\$ -	\$ -	\$ -	\$ 468,673
Typical King	\$ 14,458,574	\$ 14,458,574	\$ -	\$ 14,458,574	\$ 4,029,240	\$ 514,371	\$ 4,613,711	31.91%	\$ 9,842,863	\$ -	\$ 4,613,711	\$ 4,029,240	\$ 514,371	\$ 9,842,863
Typical Queen	\$ 31,821,197	\$ 31,821,197	\$ -	\$ 31,821,197	\$ 1,121,815	\$ 1,203,671	\$ 7,325,263	22.95%	\$ 24,595,914	\$ -	\$ 7,325,263	\$ 1,121,815	\$ 1,203,671	\$ 24,595,914
Rooms FF&E Subtotal	\$ 73,784,267	\$ 73,784,267	\$ -	\$ 73,784,267	\$ 15,313,259	\$ 2,427,288	\$ 17,740,549	24.04%	\$ 56,043,618	\$ -	\$ 17,740,549	\$ 15,313,259	\$ 2,427,288	\$ 56,043,618
Hotel and F&B Operating Equipment														
Ball 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	\$ 10,627,110	\$ 10,627,110	\$ -	\$ 10,627,110	\$ -	\$ -	\$ -	0.00%	\$ 10,627,110	\$ -	\$ -	\$ -	\$ -	\$ 10,627,110
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	\$ 198,194	\$ 198,194	\$ -	\$ 198,194	\$ -	\$ -	\$ -	0.00%	\$ 198,194	\$ -	\$ -	\$ -	\$ -	\$ 198,194
Hotel Sales	\$ 2,619,607	\$ 2,619,607	\$ -	\$ 2,619,607	\$ 6,794	\$ -	\$ 6,794	0.26%	\$ 2,611,813	\$ -	\$ 6,794	\$ 6,794	\$ -	\$ 2,611,813
Convention Center	\$ 10,251,357	\$ 10,251,357	\$ -	\$ 10,251,357	\$ 1,620	\$ -	\$ 1,620	0.02%	\$ 10,253,771	\$ -	\$ 1,620	\$ 1,620	\$ -	\$ 10,253,771
Business Center	\$ 546,115	\$ 546,115	\$ -	\$ 546,115	\$ -	\$ -	\$ -	0.00%	\$ 546,115	\$ -	\$ -	\$ -	\$ -	\$ 546,115
Telephone	\$ 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	\$ 6,256,824	\$ 6,256,824	\$ -	\$ 6,256,824	\$ 2,265	\$ -	\$ 2,265	0.00%	\$ 6,259,089	\$ -	\$ 2,265	\$ 2,265	\$ -	\$ 6,259,089
Catering	\$ 49,011,857	\$ 49,011,857	\$ -	\$ 49,011,857	\$ 10,684	\$ -	\$ 10,684	0.02%	\$ 49,011,273	\$ -	\$ 10,684	\$ 10,684	\$ -	\$ 49,011,273
Hotel and F&B Operating Equipment Subtotal	\$ 49,011,857	\$ 49,011,857	\$ -	\$ 49,011,857	\$ 10,684	\$ -	\$ 10,684	0.02%	\$ 49,011,273	\$ -	\$ 10,684	\$ 10,684	\$ -	\$ 49,011,273
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	\$ 5,588,888	\$ (5,588,888)	\$ -	0.00%	\$ 26,532,720	\$ -	\$ -	\$ 5,588,888	\$ (5,588,888)	\$ 26,532,720
Exterior Signage Subtotal	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ 5,588,888	\$ (5,588,888)	\$ -	0.00%	\$ 26,532,720	\$ -	\$ -	\$ 5,588,888	\$ (5,588,888)	\$ 26,532,720
Common Area														
FOH	\$ 23,281,213	\$ 23,281,213	\$ -	\$ 23,281,213	\$ 11,025,655	\$ 330,463	\$ 11,426,118	49.08%	\$ 11,855,095	\$ -	\$ 11,426,118	\$ 11,025,655	\$ 330,463	\$ 11,855,095
BOH	\$ 6,384,699	\$ 6,384,699	\$ -	\$ 6,384,699	\$ -	\$ -	\$ -	0.00%	\$ 6,384,699	\$ -	\$ -	\$ -	\$ -	\$ 6,384,699
Common Area Subtotal	\$ 28,665,912	\$ 28,665,912	\$ -	\$ 28,665,912	\$ 11,025,655	\$ 330,463	\$ 11,426,118	39.85%	\$ 17,239,694	\$ -	\$ 11,426,118	\$ 11,025,655	\$ 330,463	\$ 17,239,694
Costed FF&E	\$ 280,363,996	\$ 280,363,996	\$ -	\$ 280,363,996	\$ 31,919,603	\$ (2,742,157)	\$ 29,177,445	14.36%	\$ 251,186,545	\$ -	\$ 29,177,445	\$ 31,919,603	\$ (2,742,157)	\$ 251,186,545
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	\$ 40,871,099	\$ 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

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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 (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C+D) (D)	PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH) (E)	CURRENT PERIOD COMPLETED (F)	TOTAL COMPLETED TO DATE (E+F+G) (G)	% COMPLETED (G/D) (H)	BALANCE TO COMPLETE (D-G) (I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED TO DATE (G+J+K) (K)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH) (L)	CURRENT PERIOD COMPLETED TO DATE (K-L+M) (M)	BALANCE TO COMPLETE (D-K+H) (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														
General, Administrative, HR, Finance	\$ 2,653,222	\$ 2,653,222	\$ -	\$ 2,653,222	\$ 922,720	\$ 26,310	\$ 430,048	14.51%	\$ 2,233,174	\$ -	\$ 430,048	\$ 26,310	\$ 2,533,174	
Marketing & Casino Marketing	\$ 686,518	\$ 686,518	\$ -	\$ 686,518	\$ -	\$ -	\$ -	0.00%	\$ 686,518	\$ -	\$ -	\$ -	\$ 686,518	
Engineering	\$ 11,594,656	\$ 11,594,656	\$ -	\$ 11,594,656	\$ 210,361	\$ -	\$ 210,361	1.81%	\$ 11,384,295	\$ -	\$ 210,361	\$ 210,361	\$ 11,384,295	
Internal Maintenance	\$ 1,171,277	\$ 1,171,277	\$ -	\$ 1,171,277	\$ -	\$ -	\$ -	0.00%	\$ 1,171,277	\$ -	\$ -	\$ -	\$ 1,171,277	
Transportation	\$ 184,509	\$ 184,509	\$ -	\$ 184,509	\$ -	\$ -	\$ -	0.00%	\$ 184,509	\$ -	\$ -	\$ -	\$ 184,509	
Retail	\$ 194,973	\$ 194,973	\$ -	\$ 194,973	\$ -	\$ -	\$ -	0.00%	\$ 194,973	\$ -	\$ -	\$ -	\$ 194,973	
Wardrobe	\$ 742,813	\$ 742,813	\$ -	\$ 742,813	\$ 141,250	\$ 192,851	\$ 334,761	45.07%	\$ 408,052	\$ -	\$ 334,761	\$ 141,250	\$ 192,511	
IT														
I.T.	\$ 47,709,040	\$ 47,709,040	\$ -	\$ 47,709,040	\$ 3,742,349	\$ 626,250	\$ 4,439,305	9.30%	\$ 43,270,735	\$ -	\$ 4,438,305	\$ 3,742,349	\$ 695,356	
Surveillance (Gaming & Hotel)	\$ 6,663,589	\$ 6,663,589	\$ -	\$ 6,663,589	\$ -	\$ -	\$ -	0.00%	\$ 6,663,589	\$ -	\$ -	\$ -	\$ 6,663,589	
A&G and Facilities and IT Subtotal	\$ 71,928,598	\$ 71,928,598	\$ -	\$ 71,928,598	\$ 4,498,297	\$ 815,477	\$ 5,413,474	7.53%	\$ 66,597,122	\$ -	\$ 5,413,474	\$ 4,498,297	\$ 815,177	
Other FF&E	\$ 125,875,426	\$ 125,875,426	\$ -	\$ 125,875,426	\$ 4,498,297	\$ 815,477	\$ 5,413,474	4.33%	\$ 119,661,952	\$ -	\$ 5,413,474	\$ 4,498,297	\$ 815,177	
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	\$ 927,125	\$ 927,125	\$ -	\$ 927,125	\$ -	\$ -	\$ -	0.00%	\$ 927,125	\$ -	\$ -	\$ -	\$ 927,125	
Taxes	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	0.00%	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	
Pre-Opening														
Payroll Burden	\$ 45,468,454	\$ 45,468,454	\$ (2,300,000)	\$ 45,468,454	\$ 1,222,444	\$ 156,405	\$ 7,987,849	17.50%	\$ 37,510,605	\$ -	\$ 7,987,849	\$ 1,222,444	\$ 735,405	
Marketing	\$ 26,600,000	\$ 26,600,000	\$ -	\$ 26,600,000	\$ 4,696,369	\$ 636,827	\$ 6,239,597	20.16%	\$ 20,760,403	\$ -	\$ 6,239,597	\$ 4,696,369	\$ 20,760,403	
Office and Related	\$ 1,414,000	\$ 1,414,000	\$ -	\$ 1,414,000	\$ 826,401	\$ 71,653	\$ 955,854	67.60%	\$ 458,106	\$ -	\$ 955,854	\$ 826,401	\$ 71,493	
Recruitment	\$ 1,841,000	\$ 1,841,000	\$ -	\$ 1,841,000	\$ 725,322	\$ 54,620	\$ 764,342	46.58%	\$ 876,658	\$ -	\$ 764,342	\$ 725,322	\$ 54,620	
Other	\$ 2,247,000	\$ 2,247,000	\$ 3,600,000	\$ 5,247,000	\$ 3,297,943	\$ 492,122	\$ 4,277,132	81.52%	\$ 969,868	\$ -	\$ 4,277,132	\$ 3,297,942	\$ 489,182	
Pre-Opening and Working Capital Subtotal	\$ 83,847,578	\$ 83,847,578	\$ -	\$ 83,847,578	\$ 17,285,276	\$ 1,908,537	\$ 18,194,814	20.45%	\$ 74,652,765	\$ -	\$ 18,194,814	\$ 17,285,278	\$ 1,908,537	
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	\$ 14,815,823	\$ 14,815,823	\$ -	\$ 14,815,823	\$ 12,626,219	\$ 237,000	\$ 12,932,290	89.93%	\$ 1,583,533	\$ -	\$ 12,932,290	\$ 12,626,219	\$ 237,000	
Sewer Fees														
Hotel Rooms	\$ 7,734,608	\$ 7,734,608	\$ -	\$ 7,734,608	\$ 7,734,608	\$ -	\$ 7,734,608	99.42%	\$ 44,792	\$ -	\$ 7,734,608	\$ 7,734,608	\$ -	
Remainder of Padum	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	100.00%	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	
Water Assessment Fees														
Regional connection charges	\$ 11,181,709	\$ 11,181,709	\$ -	\$ 11,181,709	\$ 7,684,929	\$ -	\$ 7,684,929	67.82%	\$ 3,596,781	\$ -	\$ 7,684,929	\$ 7,684,929	\$ -	
Health Department / Other Misc. Fees	\$ 13,360	\$ 13,360	\$ -	\$ 13,360	\$ 60,515	\$ 1,822	\$ 61,847	21.59%	\$ 224,653	\$ -	\$ 61,847	\$ 60,515	\$ 1,832	
Overline for Fire Testing	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	0.00%	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000	
Transportation Fee	\$ 4,612,551	\$ 4,612,551	\$ -	\$ 4,612,551	\$ 3,626,112	\$ -	\$ 3,626,112	76.44%	\$ 1,086,840	\$ -	\$ 3,626,112	\$ 3,626,112	\$ -	
Design Fees / Costs														
Design costs	\$ 70,510,550	\$ 70,510,550	\$ 3,200,000	\$ 70,510,550	\$ 67,285,965	\$ 3,140,643	\$ 70,535,438	99.50%	\$ 73,612	\$ -	\$ 70,535,438	\$ 67,285,965	\$ 3,140,443	
Consultant costs	\$ 10,048,550	\$ 10,048,550	\$ -	\$ 10,048,550	\$ 7,284,369	\$ 756,827	\$ 8,030,396	79.92%	\$ 2,018,154	\$ -	\$ 8,030,396	\$ 7,284,369	\$ 766,037	
Taxes, Legal and Other														
Facility appraisals	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	0.00%	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	
Property taxes	\$ 10,415,497	\$ 10,415,497	\$ (8,200,000)	\$ 10,415,497	\$ 2,276,369	\$ -	\$ 2,276,369	21.86%	\$ 8,139,128	\$ -	\$ 2,276,369	\$ 2,276,369	\$ -	
Legal fees/ other allowance	\$ 5,061,616	\$ 5,061,616	\$ -	\$ 5,061,616	\$ 4,052,243	\$ 290,618	\$ 4,310,661	85.16%	\$ 750,955	\$ -	\$ 4,310,661	\$ 4,052,243	\$ 258,616	
Development Agreement	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ 3,870,988	\$ -	\$ 3,870,988	79.47%	\$ 629,012	\$ -	\$ 3,870,988	\$ 3,870,988	\$ -	
Turnberry Place Ramp	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	0.00%	\$ 750,000	\$ (0)	\$ -	\$ -	\$ (0)	
Mock Up Cost	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ 720,147	\$ 20,222	\$ 725,869	96.80%	\$ 24,031	\$ -	\$ 725,869	\$ 720,147	\$ 2,822	
Fees / Permits / Taxes / Other Subtotal	\$ 121,814,877	\$ 121,814,877	\$ -	\$ 121,814,877	\$ 118,292,297	\$ 4,400,839	\$ 122,796,227	85.97%	\$ 20,048,650	\$ -	\$ 122,796,227	\$ 118,292,317	\$ 4,402,839	

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CONFIDENTIAL

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	PRIOR RESORT BUDGET (D FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED (H)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-E)	TOTAL RETAINAGE	TOTAL COMPLETED TO DATE (J+K)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (K-L+M)	BALANCE TO COMPLETE (D-K+N)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
Debt Service Accrued Through Scheduled Opening														
Debt Service	\$ 382,756,833	\$ 382,756,833	\$ (30,377,000)	\$ 332,379,833	\$ 192,928,135	\$ 2,399,672	\$ 163,928,807	49.32%	\$ 168,450,226	\$ -	\$ 163,928,807	\$ 192,928,135	\$ 3,399,672	\$ 168,450,226
Debt Service Accrued Through Scheduled Opening Subtotal	\$ 382,756,833	\$ 382,756,833	\$ (30,377,000)	\$ 332,379,833	\$ 192,928,135	\$ 2,399,672	\$ 163,928,807	49.32%	\$ 168,450,226	\$ -	\$ 163,928,807	\$ 192,928,135	\$ 3,399,672	\$ 168,450,226
Condominium-Hotel Selling Expenses														
Condominium-Hotel Selling Expenses	\$ 48,776,523	\$ 25,000,000	\$ -	\$ 25,000,000	\$ 14,217,131	\$ 1,043,163	\$ 15,360,294	61.44%	\$ 9,639,706	\$ 515,691	\$ 14,844,602	\$ 13,545,744	\$ 1,298,858	\$ 10,155,397
Condominium-Hotel Selling Expenses Subtotal	\$ 48,776,523	\$ 25,000,000	\$ -	\$ 25,000,000	\$ 14,217,131	\$ 1,043,163	\$ 15,360,294	61.44%	\$ 9,639,706	\$ 515,691	\$ 14,844,602	\$ 13,545,744	\$ 1,298,858	\$ 10,155,397
Fees and Expenses														
Fees and Expenses	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 60,740,794	\$ 59,545,871	\$ -	\$ 59,545,871	99.69%	\$ 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	99.69%	\$ 1,194,923	\$ -	\$ 59,545,871	\$ 59,545,871	\$ -	\$ 1,194,923
Costs Accrued Through Opening Data														
Costs Accrued Through Opening Data	\$ 689,835,885	\$ 685,181,482	\$ (30,377,000)	\$ 654,804,482	\$ 370,669,816	\$ 10,756,262	\$ 381,426,078	58.15%	\$ 273,978,459	\$ 515,691	\$ 381,426,078	\$ 369,288,243	\$ 11,918,878	\$ 274,494,161
TOTAL COSTS	\$ 2,829,849,361	\$ 3,116,626,542	\$ (30,377,000)	\$ 3,086,249,541	\$ 1,333,429,634	\$ 189,267,282	\$ 1,442,696,916	48.84%	\$ 1,637,946,305	\$ 59,207,321	\$ 1,343,286,566	\$ 1,279,676,388	\$ 103,713,118	\$ 1,686,833,638

(*) 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	\$ 56,918,577
Less: Unallocated Contingency Balance (Actual)	\$ (77,271,571)
Contingency Adjustment Subtotal	\$ (20,352,994)
Other Adjustments	
Required Minimum Cash Support	\$ -
Required Minimum Liquidity Account	\$ 26,449,859
Required Minimum Excess Revolver Support Amount	\$ 7,335,751
Repayment of Existing Debt	\$ -
Adjustment for Additional Cash Support	\$ -
TOTAL	\$ 1,769,316,692

IN BALANCE TEST AVAILABLE CUSHION		
	STARTING CUSHION	CURRENT CUSHION
Required Minimum Cash Support	\$ 56,918,577	\$ -
Other Unallocated In Balance Cushion		
Contingency Adjustment Subtotal	\$ -	\$ 20,352,994
Required Minimum Liquidity Account	\$ -	\$ 24,550,141
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	\$ 56,918,577	\$ 52,861,510

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CONFIDENTIAL

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	PRIOR RESORT BUDGET (D FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C=D)	PREVIOUS COMPLETED TO DATE (I FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED (V)	TOTAL COMPLETED TO DATE (E+F=G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D- G=)	TOTAL RETENANCE	TOTAL COMPLETED TO DATE (G-J=K)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (N-L=M)	BALANCE TO COMPLETE (D- M=N)
Construction Hard Costs														
Tower	\$ 652,716,350	\$ 652,716,350	\$ 21,701,347	\$ 684,417,697	\$ 257,350,462	\$ 81,622,233	\$ 419,992,775	61.15%	\$ 264,424,922	\$ 30,596,622	\$ 388,044,178	\$ 223,595,594	\$ 58,465,483	\$ 286,780,432
Podium	\$ 628,515,265	\$ 723,409,078	\$ 2,255,637	\$ 729,669,815	\$ 223,253,859	\$ 15,120,871	\$ 308,397,631	42.10%	\$ 420,881,184	\$ 17,224,638	\$ 291,036,193	\$ 287,105,123	\$ 23,871,071	\$ 436,032,622
Convention	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garage/Convention/Central Plant	\$ 379,895,718	\$ 412,262,561	\$ 10,882,236	\$ 422,881,814	\$ 322,476,702	\$ 22,764,227	\$ 283,240,309	66.98%	\$ 139,640,905	\$ 16,372,073	\$ 267,661,336	\$ 249,285,287	\$ 19,465,449	\$ 155,220,476
Central Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Site	\$ 24,253,867	\$ 16,699,791	\$ -	\$ 16,859,191	\$ 10,891,170	\$ 492,128	\$ 11,275,359	66.88%	\$ 5,583,833	\$ 763,576	\$ 10,571,780	\$ 10,369,756	\$ 403,021	\$ 6,287,411
Bond cost	\$ 6,606,209	\$ 3,881,352	\$ (39,152)	\$ 3,651,170	\$ 2,378,062	\$ -	\$ 2,378,062	77.94%	\$ 673,108	\$ -	\$ 2,378,062	\$ 2,379,262	\$ -	\$ 673,108
Construction Hard Costs Subtotal	\$ 1,703,988,669	\$ 1,818,115,234	\$ 38,928,275	\$ 1,857,845,599	\$ 818,255,844	\$ 107,929,681	\$ 1,024,284,735	55.16%	\$ 832,768,864	\$ 64,233,187	\$ 866,951,548	\$ 857,848,524	\$ 102,205,024	\$ 866,944,851
LEED Qualification Costs														
LEED Qualification Costs	\$ 22,000,000	\$ 17,614,479	\$ (9,905,641)	\$ 12,546,438	\$ 4,940,972	\$ 343,921	\$ 5,283,993	42.12%	\$ 7,262,446	\$ 2,626	\$ 5,281,367	\$ 4,928,537	\$ 342,970	\$ 7,265,072
LEED Qualification Costs Subtotal	\$ 22,000,000	\$ 17,614,479	\$ (9,905,641)	\$ 12,546,438	\$ 4,940,972	\$ 343,921	\$ 5,283,993	42.12%	\$ 7,262,446	\$ 2,626	\$ 5,281,367	\$ 4,928,537	\$ 342,970	\$ 7,265,072
LEED Sales Tax Benefit														
LEED Sales Tax Benefit	\$ (59,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LEED Sales Tax Benefit Subtotal	\$ (59,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Conditions/Requirements/Holding														
CM Staffing	\$ 21,202,242	\$ 23,544,819	\$ (3,819,622)	\$ 25,824,587	\$ 26,200,224	\$ (1,270,272)	\$ 25,030,117	96.95%	\$ 894,470	\$ -	\$ 25,030,117	\$ 28,269,294	\$ (1,270,272)	\$ 894,470
Field Engineering	\$ 1,182,209	\$ 1,161,026	\$ 2,645,922	\$ 6,016,007	\$ 3,752,288	\$ 2,824,769	\$ 5,797,074	94.86%	\$ 369,013	\$ -	\$ 5,797,074	\$ 3,368,255	\$ 2,524,709	\$ 349,013
Hazmat Consulting	\$ 100,000	\$ 20,000	\$ -	\$ 20,000	\$ 75,000	\$ (5,100)	\$ 14,892	74.45%	\$ 5,108	\$ -	\$ 14,892	\$ 20,000	\$ (5,108)	\$ 5,108
COC (OT for Inspectors misc certifications)	\$ 300,000	\$ 66,555	\$ (31,448)	\$ 200,000	\$ 89,555	\$ (89,555)	\$ 10,550	5.27%	\$ 189,450	\$ -	\$ 10,550	\$ 68,552	\$ (58,002)	\$ 189,450
Safety	\$ 4,326,707	\$ 6,226,228	\$ (1,014,643)	\$ 5,216,063	\$ 6,050,209	\$ (1,631,615)	\$ 5,139,493	98.53%	\$ 76,571	\$ 21,622	\$ 5,111,811	\$ 6,265,229	\$ (1,691,415)	\$ 104,252
Field Offices and Equipment	\$ 5,267,940	\$ 3,541,628	\$ 189,226	\$ 3,730,434	\$ 3,541,303	\$ 21,751	\$ 3,563,268	95.52%	\$ 167,155	\$ 32,648	\$ 3,469,623	\$ 3,442,863	\$ 21,761	\$ 260,810
Temporary Utilities	\$ 2,456,900	\$ 3,641,823	\$ (85,220)	\$ 2,956,500	\$ 2,893,265	\$ (60,584)	\$ 2,722,337	92.10%	\$ 6,322,104	\$ -	\$ 2,722,337	\$ 2,783,918	\$ (50,174)	\$ 281,579
Temporary Protection	\$ 4,528,872	\$ 4,527,215	\$ 1,882,681	\$ 6,597,365	\$ 4,227,275	\$ 1,424,828	\$ 6,322,104	95.92%	\$ 255,262	\$ 7,410	\$ 6,324,634	\$ 6,326,858	\$ (333)	\$ 212,728
Material and Labor Staging	\$ 6,248,202	\$ 18,476,884	\$ 783,681	\$ 11,231,772	\$ 10,870,881	\$ 696,894	\$ 11,160,686	99.28%	\$ 81,087	\$ 110,232	\$ 11,040,449	\$ 10,993,664	\$ 679,604	\$ 191,224
Clean-up (Continual and Final)	\$ 2,843,268	\$ 3,325,018	\$ (445,696)	\$ 2,875,323	\$ 2,872,918	\$ (1,478,258)	\$ 1,167,563	60.85%	\$ 1,167,563	\$ -	\$ 1,167,563	\$ 2,945,863	\$ (1,479,300)	\$ 776,603
General Equipment and Tools	\$ 1,821,262	\$ 3,546,658	\$ (705,697)	\$ 1,843,165	\$ 2,646,953	\$ (1,478,258)	\$ 1,167,563	7.16%	\$ 212,728	\$ -	\$ 16,417	\$ 18,747	\$ (333)	\$ 212,728
Project Documentation	\$ 1,825,100	\$ 71,628	\$ 157,846	\$ 229,146	\$ 18,747	\$ (220)	\$ 15,417	7.16%	\$ 212,728	\$ -	\$ 16,417	\$ 18,747	\$ (333)	\$ 212,728
Misc. Project Expenses	\$ 922,500	\$ 2,226,347	\$ (2)	\$ 2,226,345	\$ 1,828,873	\$ (33,727)	\$ 1,955,906	87.46%	\$ 280,439	\$ -	\$ 1,955,906	\$ 1,989,675	\$ (33,767)	\$ 280,439
Testing and Inspection (ATC Associates)	\$ 2,659,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursable blueprintting	\$ 1,550,000	\$ 2,182,071	\$ (827,215)	\$ 1,928,739	\$ 1,862,261	\$ (292,793)	\$ 1,293,842	67.24%	\$ 631,897	\$ -	\$ 1,296,842	\$ 1,622,551	\$ (365,709)	\$ 631,897
Holding	\$ 26,232,419	\$ 24,806,910	\$ (2,281,612)	\$ 4,928,688	\$ 17,108,509	\$ (1,524,282)	\$ 3,189,468	64.93%	\$ 1,740,091	\$ 4,911	\$ 3,183,356	\$ 17,688,297	\$ (13,912,251)	\$ 1,744,602
Sub Total General Conditions/Requirements/Holding	\$ 87,634,874	\$ 91,877,648	\$ (22,152,983)	\$ 76,074,885	\$ 84,897,648	\$ (15,834,878)	\$ 69,062,770	89.84%	\$ 6,961,415	\$ 291,561	\$ 48,771,109	\$ 44,617,185	\$ (15,445,916)	\$ 7,252,976
Total Hard Costs and General Conditions/Requirements/Holding	\$ 1,792,624,074	\$ 1,924,686,851	\$ 11,488,272	\$ 1,945,616,123	\$ 1,903,153,492	\$ 92,437,733	\$ 1,092,631,307	54.47%	\$ 846,844,725	\$ 64,527,374	\$ 1,034,164,023	\$ 947,482,025	\$ 86,741,809	\$ 1,044,656,277
Contingency														
Unallocated Contingency	\$ 111,038,160	\$ 77,271,571	\$ -	\$ 77,271,571	\$ -	\$ -	\$ -	0.00%	\$ 77,271,571	\$ -	\$ -	\$ -	\$ -	\$ 77,271,571
Additional Cost Contingency	\$ -	\$ (120,818)	\$ (11,009,272)	\$ 37,111,544	\$ -	\$ -	\$ -	0.00%	\$ 37,111,544	\$ -	\$ -	\$ -	\$ -	\$ 37,111,544
Contingency Subtotal	\$ 111,038,160	\$ 425,392,247	\$ (11,009,272)	\$ 114,233,115	\$ -	\$ -	\$ -	0.00%	\$ 114,233,115	\$ -	\$ -	\$ -	\$ -	\$ 114,233,115
Insurance														
Insurance package	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 21,008,234	\$ 152,793	\$ 21,238,937	53.10%	\$ 18,761,063	\$ -	\$ 21,238,937	\$ 21,008,234	\$ 152,793	\$ 18,761,063
Insurance Subtotal	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 40,000,000	\$ 21,008,234	\$ 152,793	\$ 21,238,937	53.10%	\$ 18,761,063	\$ -	\$ 21,238,937	\$ 21,008,234	\$ 152,793	\$ 18,761,063
Total Construction Costs	\$ 1,944,672,834	\$ 2,096,889,238	\$ (6)	\$ 2,099,899,238	\$ 1,927,279,898	\$ 92,590,616	\$ 1,119,870,334	51.33%	\$ 989,128,893	\$ 64,527,374	\$ 1,053,342,860	\$ 968,488,259	\$ 86,154,782	\$ 1,044,656,277

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CONFIDENTIAL

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 DETAILED REMAINING COST REPORT
 APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
 As of 9/30/09

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED						NET AMOUNTS			
	CLOSING RESORT BUDGET	PRIOR RESORT BUDGET (J FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED (F)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G)	TOTAL RETAINAGE	TOTAL COMPLETED TO DATE (G+J+K)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (K+L+M)	BALANCE TO COMPLETE (D-K-N)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
Rooms FF&E														
Condo Suite	\$ 19,369,872	\$ 19,326,872	\$ -	\$ 19,369,872	\$ 3,816,315	\$ 1,499,792	\$ 4,515,797	23.30%	\$ 10,844,775	\$ -	\$ 4,515,797	\$ 3,816,315	\$ 1,499,792	\$ 10,844,775
Condo Unit One Bedroom	\$ 7,494,292	\$ 7,494,292	\$ -	\$ 7,494,292	\$ 1,828,273	\$ 1,651,754	\$ 2,999,956	39.64%	\$ 4,504,334	\$ -	\$ 2,999,956	\$ 1,651,754	\$ 1,828,273	\$ 4,504,334
Center Suite	\$ 734,293	\$ 734,293	\$ -	\$ 734,293	\$ 459,306	\$ 66,346	\$ 176,249	24.00%	\$ 558,044	\$ -	\$ 176,249	\$ 66,346	\$ 176,249	\$ 558,044
Junior Suite	\$ 1,689,312	\$ 1,689,312	\$ -	\$ 1,689,312	\$ 166,339	\$ 192,417	\$ 297,625	18.73%	\$ 1,291,657	\$ -	\$ 297,625	\$ 192,417	\$ 297,625	\$ 1,291,657
Three Bay Suite	\$ 1,647,402	\$ 1,647,402	\$ -	\$ 1,647,402	\$ 592,265	\$ 292,478	\$ 791,740	48.05%	\$ 855,662	\$ -	\$ 791,740	\$ 292,478	\$ 791,740	\$ 855,662
Four Bay Suite	\$ 141,368	\$ 141,368	\$ -	\$ 141,368	\$ 114,969	\$ -	\$ 114,969	80.31%	\$ 27,392	\$ -	\$ 114,969	\$ -	\$ 114,969	\$ 27,392
Six Bay Suite	\$ 468,673	\$ 468,673	\$ -	\$ 468,673	\$ -	\$ -	\$ -	0.00%	\$ 468,673	\$ -	\$ -	\$ -	\$ -	\$ 468,673
Typical King	\$ 14,456,574	\$ 14,456,574	\$ -	\$ 14,456,574	\$ 4,612,711	\$ 299,244	\$ 4,911,725	33.98%	\$ 9,544,819	\$ -	\$ 4,911,725	\$ 4,612,711	\$ 299,244	\$ 9,544,819
Typical Queen	\$ 31,921,197	\$ 31,921,197	\$ -	\$ 31,921,197	\$ 1,226,263	\$ 162,346	\$ 8,092,827	26.49%	\$ 23,626,470	\$ -	\$ 8,092,827	\$ 1,226,263	\$ 162,346	\$ 23,626,470
Rooms FF&E Subtotal	\$ 73,784,167	\$ 73,784,167	\$ -	\$ 73,784,167	\$ 17,746,649	\$ 4,117,141	\$ 21,857,791	29.62%	\$ 51,926,476	\$ -	\$ 21,857,791	\$ 17,746,649	\$ 4,117,141	\$ 51,926,476
Hotel and F&B Operating Equipment														
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	\$ 10,627,110	\$ 10,627,110	\$ -	\$ 10,627,110	\$ -	\$ -	\$ -	0.00%	\$ 10,627,110	\$ -	\$ -	\$ -	\$ -	\$ 10,627,110
Room Reservations	\$ 619,000	\$ 619,000	\$ -	\$ 619,000	\$ -	\$ -	\$ -	0.00%	\$ 619,000	\$ -	\$ -	\$ -	\$ -	\$ 619,000
Pool Operations	\$ 3,605,531	\$ 3,605,531	\$ -	\$ 3,605,531	\$ -	\$ -	\$ -	0.00%	\$ 3,605,531	\$ -	\$ -	\$ -	\$ -	\$ 3,605,531
Condo Operations	\$ 199,184	\$ 199,184	\$ -	\$ 199,184	\$ -	\$ -	\$ -	0.00%	\$ 199,184	\$ -	\$ -	\$ -	\$ -	\$ 199,184
Hotel Sales	\$ 2,618,607	\$ 2,618,607	\$ -	\$ 2,618,607	\$ 6,794	\$ -	\$ 6,794	0.26%	\$ 2,611,813	\$ -	\$ 6,794	\$ -	\$ -	\$ 2,611,813
Convention Center	\$ 10,259,771	\$ 10,259,771	\$ -	\$ 10,259,771	\$ 1,626	\$ -	\$ 1,626	0.02%	\$ 10,258,145	\$ -	\$ 1,626	\$ -	\$ -	\$ 10,259,771
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	\$ 9,850,772	\$ 9,850,772	\$ -	\$ 9,850,772	\$ 2,265	\$ -	\$ 2,265	0.02%	\$ 9,848,507	\$ -	\$ 2,265	\$ -	\$ 2,265	\$ 9,850,772
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	\$ 49,881,957	\$ 49,881,957	\$ -	\$ 49,881,957	\$ 10,624	\$ -	\$ 10,624	0.02%	\$ 49,871,373	\$ -	\$ 10,624	\$ -	\$ -	\$ 49,871,373
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	\$ 28,532,720	\$ 28,532,720	\$ -	\$ 28,532,720	\$ -	\$ 1,872,688	\$ 1,872,688	7.08%	\$ 24,660,032	\$ 187,269	\$ 1,885,419	\$ -	\$ 1,885,419	\$ 24,847,301
Exterior Signage Subtotal	\$ 28,532,720	\$ 28,532,720	\$ -	\$ 28,532,720	\$ -	\$ 1,872,688	\$ 1,872,688	7.08%	\$ 24,660,032	\$ 187,269	\$ 1,885,419	\$ -	\$ 1,885,419	\$ 24,847,301
Common Area														
FOH	\$ 23,281,213	\$ 23,281,213	\$ -	\$ 23,281,213	\$ 11,426,119	\$ 690,899	\$ 12,357,106	53.08%	\$ 10,924,107	\$ -	\$ 12,357,106	\$ 11,426,119	\$ 690,899	\$ 10,924,107
BOH	\$ 6,384,699	\$ 6,384,699	\$ -	\$ 6,384,699	\$ -	\$ -	\$ -	0.00%	\$ 6,384,699	\$ -	\$ -	\$ -	\$ -	\$ 6,384,699
Common Area Subtotal	\$ 29,665,912	\$ 29,665,912	\$ -	\$ 29,665,912	\$ 11,426,119	\$ 690,899	\$ 12,357,106	43.11%	\$ 16,339,706	\$ -	\$ 12,357,106	\$ 11,426,119	\$ 690,899	\$ 16,348,706
Costed FF&E	\$ 200,363,996	\$ 200,363,996	\$ -	\$ 200,363,996	\$ 29,177,451	\$ 6,920,811	\$ 36,098,788	18.02%	\$ 164,265,727	\$ 187,269	\$ 35,914,609	\$ 29,177,451	\$ 6,733,549	\$ 164,452,996
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	\$ 40,871,999	\$ 40,871,999	\$ -	\$ 40,871,999	\$ -	\$ -	\$ -	0.00%	\$ 40,871,999	\$ -	\$ -	\$ -	\$ -	\$ 40,871,999
Entertainment														
Theater	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731

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CONFIDENTIAL

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
As of 8/30/03

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED						NET AMOUNTS			
	CLOSING RESORT BUDGET	PRIOR RESORT BUDGET (D FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED ⁽¹⁾	TOTAL COMPLETED TO DATE [E+G]	% COMPLETED (I/O)	BALANCE TO COMPLETE (O-G)	TOTAL RETAINAGE	TOTAL COMPLETED TO DATE (K-J-H)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (K-L-M)	BALANCE TO COMPLETE (O-K-N)
	(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	\$ -	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731
A&O and Facilities and IT														
A&O and Facilities														
General, Administrative, HR, Finance	\$ 2,563,232	\$ 2,563,232	\$ -	\$ 2,563,232	\$ 420,349	\$ 22,404	\$ 488,452	16.02%	\$ 2,473,770	\$ -	\$ 489,452	\$ 489,452	\$ 59,404	\$ 2,473,770
Marketing & Casino Marketing	\$ 686,518	\$ 686,518	\$ -	\$ 686,518	\$ -	\$ -	\$ -	0.00%	\$ 686,518	\$ -	\$ -	\$ -	\$ -	\$ 686,518
Engineering	\$ 11,594,656	\$ 11,594,656	\$ -	\$ 11,594,656	\$ 210,361	\$ -	\$ 210,361	1.81%	\$ 11,384,295	\$ -	\$ 210,361	\$ 210,361	\$ -	\$ 11,384,295
Internal Maintenance	\$ 1,171,277	\$ 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	\$ 194,973	\$ 194,973	\$ -	\$ 194,973	\$ -	\$ -	\$ -	0.00%	\$ 194,973	\$ -	\$ -	\$ -	\$ -	\$ 194,973
Wardrobe	\$ 742,813	\$ 742,813	\$ -	\$ 742,813	\$ 134,764	\$ (181,511)	\$ 153,250	20.63%	\$ 599,563	\$ -	\$ 153,250	\$ 524,714	\$ (181,511)	\$ 599,563
I.T.														
I.T.	\$ 47,709,040	\$ 47,709,040	\$ -	\$ 47,709,040	\$ 4,438,305	\$ 1,634,304	\$ 6,331,799	13.27%	\$ 41,377,241	\$ -	\$ 6,331,799	\$ 4,420,292	\$ 1,893,494	\$ 41,377,241
Survastance (Gaming & Hotel)	\$ 6,663,589	\$ 6,663,589	\$ -	\$ 6,663,589	\$ -	\$ -	\$ -	0.00%	\$ 6,663,589	\$ -	\$ -	\$ -	\$ -	\$ 6,663,589
A&O and Facilities and IT Subtotal	\$ 71,926,596	\$ 71,926,596	\$ -	\$ 71,926,596	\$ 5,613,474	\$ 1,771,387	\$ 7,184,861	9.99%	\$ 64,735,735	\$ -	\$ 7,184,861	\$ 5,413,474	\$ 1,771,387	\$ 64,735,735
Other FF&E	\$ 125,075,426	\$ 125,075,426	\$ -	\$ 125,075,426	\$ 5,613,474	\$ 1,771,387	\$ 7,184,861	5.74%	\$ 117,890,565	\$ -	\$ 7,184,861	\$ 5,413,474	\$ 1,771,387	\$ 117,890,565
Pre-Opening and Working Capital														
Working Capital														
Barstool	\$ 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	\$ 9,927,129	\$ 9,927,129	\$ -	\$ 9,927,129	\$ -	\$ -	\$ -	0.00%	\$ 9,927,129	\$ -	\$ -	\$ -	\$ -	\$ 9,927,129
Taxes	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	0.00%	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Pre-Opening														
Payroll Burden	\$ 47,509,454	\$ 44,456,454	\$ (1,200,000)	\$ 44,218,454	\$ 1,557,949	\$ 751,212	\$ 8,709,881	19.70%	\$ 35,508,573	\$ -	\$ 8,709,881	\$ 2,957,269	\$ 752,032	\$ 35,508,573
Marketing	\$ 20,000,000	\$ 19,000,000	\$ (1,200,000)	\$ 24,700,000	\$ 6,436,357	\$ 336,224	\$ 6,547,647	22.41%	\$ 19,202,353	\$ -	\$ 6,547,647	\$ 6,234,297	\$ 308,051	\$ 19,202,353
Office and Related	\$ 1,641,000	\$ 1,641,000	\$ -	\$ 1,641,000	\$ 858,205	\$ 166,574	\$ 1,124,165	79.50%	\$ 289,835	\$ -	\$ 1,124,165	\$ 858,205	\$ 168,271	\$ 289,835
Recruitment	\$ 1,641,000	\$ 1,641,000	\$ -	\$ 1,641,000	\$ 764,342	\$ -	\$ 764,342	46.58%	\$ 876,658	\$ -	\$ 764,342	\$ 764,342	\$ -	\$ 876,658
Other	\$ 3,247,000	\$ 3,247,000	\$ -	\$ 3,247,000	\$ 4,277,532	\$ 397,512	\$ 4,584,644	97.38%	\$ 662,356	\$ -	\$ 4,584,644	\$ 4,277,532	\$ 307,512	\$ 662,356
Pre-Opening and Working Capital Subtotal	\$ 83,847,579	\$ 83,847,579	\$ (2,500,000)	\$ 81,347,579	\$ 19,184,814	\$ 1,535,856	\$ 20,730,678	22.69%	\$ 79,616,800	\$ -	\$ 20,730,678	\$ 18,184,814	\$ 1,535,856	\$ 79,616,800
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	\$ 14,515,823	\$ 14,515,823	\$ -	\$ 14,515,823	\$ 12,889,190	\$ (34,100)	\$ 12,899,190	98.86%	\$ 1,616,633	\$ -	\$ 12,889,190	\$ 12,889,190	\$ (34,100)	\$ 1,616,633
Sewer Fees														
Hotel Rooms	\$ 7,779,400	\$ 7,779,400	\$ -	\$ 7,779,400	\$ 7,734,608	\$ -	\$ 7,734,608	99.42%	\$ 44,792	\$ -	\$ 7,734,608	\$ 7,734,608	\$ -	\$ 44,792
Remainder of Postum	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	100.00%	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
Water Assessment Fees														
Regional connection charges	\$ 11,181,700	\$ 11,181,700	\$ -	\$ 11,181,700	\$ 7,884,950	\$ -	\$ 7,884,950	67.83%	\$ 3,296,751	\$ -	\$ 7,884,950	\$ 7,884,950	\$ -	\$ 3,296,751
Health Department / Other Misc. Fees	\$ 13,300	\$ 226,858	\$ -	\$ 285,600	\$ 54,847	\$ 1,701	\$ 63,438	22.14%	\$ 223,062	\$ -	\$ 63,438	\$ 65,047	\$ 1,591	\$ 223,062
Overtime for Fire Testing	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	0.00%	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
Transportation Fee	\$ 4,612,951	\$ 4,612,951	\$ -	\$ 4,612,951	\$ 3,526,112	\$ -	\$ 3,526,112	76.44%	\$ 1,086,840	\$ -	\$ 3,526,112	\$ 3,526,112	\$ -	\$ 1,086,840
Design Fees / Costs														
Design costs	\$ 77,539,660	\$ 70,610,658	\$ 7,500,000	\$ 77,610,658	\$ 76,836,428	\$ 1,602,212	\$ 77,539,660	99.91%	\$ 70,330	\$ -	\$ 77,539,660	\$ 70,345,412	\$ 7,603,222	\$ 70,330
Consultant costs	\$ 10,948,650	\$ 10,948,650	\$ -	\$ 10,948,650	\$ 8,840,388	\$ 716,650	\$ 9,741,076	88.99%	\$ 1,307,474	\$ -	\$ 9,741,076	\$ 8,840,388	\$ 710,660	\$ 1,307,474
Taxes, Legal and Other														
Feasibility appraisals	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	0.00%	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Property taxes	\$ 13,915,497	\$ 14,136,937	\$ (9,500,000)	\$ 6,915,497	\$ 2,276,959	\$ -	\$ 2,276,959	38.49%	\$ 3,638,528	\$ -	\$ 2,276,959	\$ 2,276,959	\$ -	\$ 3,638,528
Legal fees / other / allowance	\$ 2,581,816	\$ 2,581,816	\$ -	\$ 2,581,816	\$ 4,318,561	\$ 152,433	\$ 4,473,055	98.97%	\$ 88,221	\$ -	\$ 4,473,055	\$ 4,318,561	\$ 162,433	\$ 88,221
Development Agreement	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ 3,816,984	\$ 307,500	\$ 3,883,489	86.10%	\$ 616,502	\$ -	\$ 3,883,489	\$ 3,816,984	\$ 307,500	\$ 616,502
Turnkey Place Ramp	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	0.00%	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Mock-Up Cost	\$ 24,031	\$ 24,031	\$ -	\$ 24,031	\$ 24,031	\$ -	\$ 24,031	96.80%	\$ 24,031	\$ -	\$ 24,031	\$ 24,031	\$ -	\$ 24,031
Fees / Permits / Taxes / Other Subtotal	\$ 131,814,877	\$ 142,837,877	\$ 2,500,000	\$ 145,317,877	\$ 122,786,221	\$ 8,152,316	\$ 130,948,553	80.10%	\$ 14,388,324	\$ -	\$ 130,948,553	\$ 122,786,227	\$ 8,152,328	\$ 14,388,324

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FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AGREEMENT CERTIFICATE
As of 9/30/08

DESCRIPTION	(a) CLOSING RESORT BUDGET	(b) FROM RESORT BUDGET	(c) CURRENT PERIOD BUDGET MODIFICATIONS	(d) REPORT BUDGET
DEBT SERVICE ACCRUED THROUGH SCHEDULED OPENING	\$ 322,756,933	\$ 322,756,933	\$ -	\$ 322,756,933
DEBT SERVICE ACCRUED THROUGH SCHEDULED OPENING SUBTOTAL	\$ 322,756,933	\$ 322,756,933	\$ -	\$ 322,756,933
CONDOMINIUM/HOTEL SELLING EXPENSES	\$ 42,276,528	\$ 42,276,528	\$ -	\$ 42,276,528
CONDOMINIUM/HOTEL SELLING EXPENSES SUBTOTAL	\$ 42,276,528	\$ 42,276,528	\$ -	\$ 42,276,528
FEES AND EXPENSES	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 60,740,794
FEES AND EXPENSES SUBTOTAL	\$ 60,740,794	\$ 60,740,794	\$ -	\$ 60,740,794
COSTS ACCRUED THROUGH OPENING DATA	\$ 638,935,985	\$ 638,935,985	\$ -	\$ 638,935,985
TOTAL COSTS	\$ 2,028,848,761	\$ 2,089,242,141	\$ (60,393,380)	\$ 1,968,448,761

PREVIOUS DATE COMPLETED TO DATE (FROM PRIOR MONTH)	(e) CURRENT PERIOD COMPLETED TO DATE (FROM PRIOR MONTH)	(f) TOTAL COMPLETED TO DATE (F+e)	(g) % COMPLETED TO DATE (f/g)	(h) BALANCE TO COMPLETE TO DATE (g-h)	(i) BALANCE TO COMPLETE TO DATE (i-h)
\$ 151,828,807	\$ 163,928,807	\$ 315,757,614	49.32%	\$ 163,928,807	\$ 163,928,807
\$ 282,839	\$ 343,638	\$ 626,477	62.82%	\$ 243,638	\$ 243,638
\$ 12,282,254	\$ 13,960,254	\$ 26,242,508	82.82%	\$ 4,917,754	\$ 4,917,754
\$ 52,545,871	\$ 69,545,871	\$ 122,091,742	98.83%	\$ 24,545,871	\$ 24,545,871
\$ 58,545,871	\$ 58,545,871	\$ 117,091,713	88.00%	\$ 28,545,871	\$ 28,545,871
\$ 10,031,831	\$ 398,457,844	\$ 408,489,675	99.69%	\$ 10,031,831	\$ 10,031,831
\$ 1,442,618,938	\$ 1,554,914,472	\$ 2,997,533,410	50.05%	\$ 1,554,914,472	\$ 1,554,914,472
PREVIOUS DATE COMPLETED TO DATE (FROM PRIOR MONTH)	\$ 1,442,618,938	\$ 1,554,914,472	50.05%	\$ 1,554,914,472	\$ 1,554,914,472

PREVIOUS DATE COMPLETED TO DATE (FROM PRIOR MONTH)	(j) CURRENT PERIOD COMPLETED TO DATE (FROM PRIOR MONTH)	(k) TOTAL COMPLETED TO DATE (j+k)	(l) % COMPLETED TO DATE (k/l)	(m) BALANCE TO COMPLETE TO DATE (l-k)	(n) BALANCE TO COMPLETE TO DATE (m-k)
\$ 163,928,807	\$ 163,928,807	\$ 327,857,614	49.32%	\$ 163,928,807	\$ 163,928,807
\$ 282,839	\$ 343,638	\$ 626,477	62.82%	\$ 243,638	\$ 243,638
\$ 12,282,254	\$ 13,960,254	\$ 26,242,508	82.82%	\$ 4,917,754	\$ 4,917,754
\$ 52,545,871	\$ 69,545,871	\$ 122,091,742	98.83%	\$ 24,545,871	\$ 24,545,871
\$ 58,545,871	\$ 58,545,871	\$ 117,091,713	88.00%	\$ 28,545,871	\$ 28,545,871
\$ 10,031,831	\$ 398,457,844	\$ 408,489,675	99.69%	\$ 10,031,831	\$ 10,031,831
\$ 1,442,618,938	\$ 1,554,914,472	\$ 2,997,533,410	50.05%	\$ 1,554,914,472	\$ 1,554,914,472
PREVIOUS DATE COMPLETED TO DATE (FROM PRIOR MONTH)	\$ 1,442,618,938	\$ 1,554,914,472	50.05%	\$ 1,554,914,472	\$ 1,554,914,472

PREVIOUS DATE COMPLETED TO DATE (FROM PRIOR MONTH)	(o) CURRENT PERIOD COMPLETED TO DATE (FROM PRIOR MONTH)	(p) TOTAL COMPLETED TO DATE (o+p)	(q) % COMPLETED TO DATE (p/q)	(r) BALANCE TO COMPLETE TO DATE (q-o)	(s) BALANCE TO COMPLETE TO DATE (r-o)
\$ 163,928,807	\$ 163,928,807	\$ 327,857,614	49.32%	\$ 163,928,807	\$ 163,928,807
\$ 282,839	\$ 343,638	\$ 626,477	62.82%	\$ 243,638	\$ 243,638
\$ 12,282,254	\$ 13,960,254	\$ 26,242,508	82.82%	\$ 4,917,754	\$ 4,917,754
\$ 52,545,871	\$ 69,545,871	\$ 122,091,742	98.83%	\$ 24,545,871	\$ 24,545,871
\$ 58,545,871	\$ 58,545,871	\$ 117,091,713	88.00%	\$ 28,545,871	\$ 28,545,871
\$ 10,031,831	\$ 398,457,844	\$ 408,489,675	99.69%	\$ 10,031,831	\$ 10,031,831
\$ 1,442,618,938	\$ 1,554,914,472	\$ 2,997,533,410	50.05%	\$ 1,554,914,472	\$ 1,554,914,472
PREVIOUS DATE COMPLETED TO DATE (FROM PRIOR MONTH)	\$ 1,442,618,938	\$ 1,554,914,472	50.05%	\$ 1,554,914,472	\$ 1,554,914,472

(1) To be filed out without offsetting Retainage.

IN BALANCE TEST ADJUSTMENTS		IN BALANCE TEST AVAILABLE CUSHION	
Post-Closing Held Costs Paid to Date %	24.9%		
Contingency Adjustment	\$ 26,222,326	Starting Cushion	\$ 26,222,326
Required Minimum Contingency Balance (Actual)	\$ (77,271,571)	Current Cushion	\$ -
Contingency Adjustment Subtotal	\$ (27,248,954)		
Other Adjustments			
Required Minimum Cash Support	\$ 22,525,937	Required Minimum Cash Support	\$ 22,525,937
Required Minimum Liquidity Account	\$ 6,459,823	Required Minimum Liquidity Account	\$ 6,459,823
Required Minimum Excess Revolver Support Amount	\$ -	Required Minimum Excess Revolver Support Amount	\$ -
Requirement of Existing Debt	\$ -	Requirement of Existing Debt	\$ -
Adjustment for Additional Cash Support	\$ -	Adjustment for Additional Cash Support	\$ -
TOTAL	\$ 1,593,378,410	TOTAL	\$ 63,179,158
		Other Unallocated in Balance Cushion	\$ 27,224,024
		Contingency Adjustment Subtotal	\$ 27,224,024
		Required Minimum Cash Support	\$ 22,525,937
		Required Minimum Liquidity Account	\$ 6,459,823
		Required Minimum Excess Revolver Support Amount	\$ -
		Total Other Unallocated in Balance Cushion	\$ 63,179,158
		TOTAL CUSHION	\$ 63,179,158

FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 REMAINING COST REPORT
 APPENDIX VI TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
 September 30, 2008

DESCRIPTION	BUDGET COSTS REQUIRE				COSTS INCURRED				NET AMOUNTS			
	CLOSING REPORT BUDGET (\$0-00)	PIVOTAL REPORT BUDGET (\$0-00)	CURRENT PERIOD BUDGET MODIFICATIONS	REQUEST BUDGET (\$0-00)	CURRENT PERIOD COMPLETED %	TOTAL COMPLETED TO DATE (\$0-00)	% COMPLETED (GD)	BALANCE TO COMPLETE (\$0-00)	RETAINAGE	PREVIOUS COMPLETED TO DATE (\$ FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (\$0-00)	TOTAL COMPLETED TO DATE (\$0-00)
Tambury West Construction	\$ 1,751,061,674	\$ 1,434,000,000	\$ 11,600,272	\$ 1,445,600,272	66.47%	\$ 958,851,297	66.47%	\$ 486,210,375	\$ 84,037,274	\$ 1,042,888,571	\$ 1,534,838,847	\$ 491,950,275
Unallocated Contingency	\$ 111,038,863	\$ 77,271,871	\$ -	\$ 77,271,871	0.00%	\$ -	0.00%	\$ 1,260,811,504	\$ -	\$ -	\$ -	\$ 1,260,811,504
Additional Cost Contingency	\$ -	\$ 48,100,000	\$ 11,000,272	\$ 59,100,272	0.00%	\$ -	0.00%	\$ 1,260,811,504	\$ -	\$ -	\$ -	\$ 1,260,811,504
Insurance	\$ 49,200,000	\$ 49,000,000	\$ -	\$ 49,000,000	53.27%	\$ 26,120,000	53.27%	\$ 90,691,504	\$ 41,871,274	\$ 75,291,274	\$ 125,882,548	\$ 49,200,000
Total Construction Costs	\$ 1,911,300,537	\$ 1,560,271,871	\$ 11,600,272	\$ 1,571,872,143	59.67%	\$ 984,971,297	59.67%	\$ 1,286,331,240	\$ 125,908,548	\$ 1,158,962,742	\$ 1,704,825,288	\$ 845,475,249
Rents FF&E	\$ 40,001,007	\$ 40,001,007	\$ -	\$ 40,001,007	0.00%	\$ -	0.00%	\$ 1,286,331,240	\$ -	\$ -	\$ -	\$ 1,286,331,240
Hotel and F&B Operating Equipment	\$ 22,209,249	\$ 22,209,249	\$ -	\$ 22,209,249	0.00%	\$ -	0.00%	\$ 1,286,331,240	\$ -	\$ -	\$ -	\$ 1,286,331,240
Kitchen Equipment	\$ 26,072,229	\$ 26,072,229	\$ -	\$ 26,072,229	7.00%	\$ 1,825,056	7.00%	\$ 1,278,506,184	\$ 197,259	\$ 26,897,285	\$ 26,897,285	\$ -
Electrification	\$ 23,668,412	\$ 23,668,412	\$ -	\$ 23,668,412	42.11%	\$ 9,965,812	42.11%	\$ 1,268,540,372	\$ 197,259	\$ 10,163,071	\$ 10,163,071	\$ -
Common Area FF&E	\$ 202,252,288	\$ 202,252,288	\$ -	\$ 202,252,288	18.92%	\$ 38,237,027	18.92%	\$ 1,030,304,243	\$ 317,229	\$ 38,554,256	\$ 38,554,256	\$ -
Garages FF&E	\$ 40,071,000	\$ 40,071,000	\$ -	\$ 40,071,000	0.00%	\$ -	0.00%	\$ 1,030,304,243	\$ -	\$ -	\$ -	\$ 1,030,304,243
Entertainment	\$ 12,292,721	\$ 12,292,721	\$ -	\$ 12,292,721	0.00%	\$ -	0.00%	\$ 1,030,304,243	\$ -	\$ -	\$ -	\$ 1,030,304,243
A&G and Facilities and IT	\$ 71,929,000	\$ 71,929,000	\$ -	\$ 71,929,000	8.00%	\$ 5,754,320	8.00%	\$ 972,550,923	\$ -	\$ 5,754,320	\$ 5,754,320	\$ -
Other FF&E	\$ 132,678,228	\$ 132,678,228	\$ -	\$ 132,678,228	0.00%	\$ -	0.00%	\$ 966,800,920	\$ -	\$ -	\$ -	\$ 966,800,920
Pre-Opening Working Capital	\$ 52,041,000	\$ 52,041,000	\$ 6,000,000	\$ 58,041,000	22.66%	\$ 13,141,000	22.66%	\$ 835,659,943	\$ -	\$ 13,141,000	\$ 13,141,000	\$ -
Fees/Permit/Draws/Other	\$ 151,614,000	\$ 142,877,000	\$ 2,600,000	\$ 145,477,000	96.15%	\$ 139,866,000	96.15%	\$ 46,793,943	\$ -	\$ 139,866,000	\$ 139,866,000	\$ -
Draw Service Account Through Schedule Opening Date	\$ 252,546,000	\$ 252,546,000	\$ -	\$ 252,546,000	48.25%	\$ 121,700,000	48.25%	\$ 1,314,634,243	\$ -	\$ 121,700,000	\$ 121,700,000	\$ -
Construction/General Building Expenses	\$ 48,774,000	\$ 48,774,000	\$ -	\$ 48,774,000	62.80%	\$ 30,520,000	62.80%	\$ 609,114,243	\$ 168,000	\$ 30,688,000	\$ 30,688,000	\$ -
Fees and Expenses	\$ 59,310,000	\$ 59,310,000	\$ -	\$ 59,310,000	86.00%	\$ 51,100,000	86.00%	\$ 58,014,243	\$ 168,000	\$ 51,268,000	\$ 51,268,000	\$ -
Costs Accrued Through Opening Date	\$ 893,100,000	\$ 821,000,000	\$ -	\$ 821,000,000	59.92%	\$ 492,310,000	59.92%	\$ 1,338,690,000	\$ 168,000	\$ 492,478,000	\$ 492,478,000	\$ -
TOTAL COSTS	\$ 2,599,041,281	\$ 2,030,201,141	\$ 27,200,544	\$ 2,057,401,685	59.92%	\$ 1,490,116,072	59.92%	\$ 1,567,285,613	\$ 168,000	\$ 1,490,284,072	\$ 1,987,568,144	\$ 517,284,072

IN BALANCE TEST ADJUSTMENTS

Participating Third-Party Costs	\$ 3,333,333
Contingency Adjustment	\$ -
Required Minimum Contingency	\$ -
Cost Understatement Adjustment	\$ -
Contingency Adjustment Subtotal	\$ -
Required Minimum Contingency Account	\$ -
Required Minimum Contingency Support Amount	\$ -
TOTAL	\$ 3,333,333

(1) To be filed with the Schedule Amendment Certificate
 (2) To be filed with the Schedule Amendment Certificate

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.

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED				NET AMOUNTS			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
	CLOSING FROM RESORT PERIOD BUDGET MODIFICATIONS (B+C-D)	CURRENT RESORT BUDGET (B+C)	CURRENT RESORT BUDGET MODIFICATIONS (B+C-D)	RESORT BUDGET (B+C)	PERCENT COMPLETED TO CURRENT DATE (E+F=100%)	PERCENT COMPLETED TO CURRENT DATE (E+F=100%)	PERCENT COMPLETED TO CURRENT DATE (E+F=100%)	PERCENT COMPLETED TO CURRENT DATE (E+F=100%)	TOTAL BALANCE TO COMPLETE TO RETAINTAGE (G+H)	TOTAL BALANCE TO COMPLETE TO RETAINTAGE (G+H)	TOTAL DATE (J-K) MONTHS COMPLETED TO DATE FROM PRIOR MONTH (L)	TOTAL DATE (J-K) MONTHS COMPLETED TO DATE FROM PRIOR MONTH (L)
Construction Hard Costs	657,156,930	657,156,930	657,156,930	657,156,930	61.5%	61.5%	61.5%	61.5%	389,404,778	389,404,778	389,404,778	389,404,778
Tower	120,119,565	120,119,565	120,119,565	120,119,565	42.0%	42.0%	42.0%	42.0%	201,000,193	201,000,193	201,000,193	201,000,193
Pool	119,855,719	119,855,719	119,855,719	119,855,719	0.0%	0.0%	0.0%	0.0%	119,855,719	119,855,719	119,855,719	119,855,719
Central Plant	16,639,191	16,639,191	16,639,191	16,639,191	100.0%	100.0%	100.0%	100.0%	0	0	0	0
Central Plant	16,639,191	16,639,191	16,639,191	16,639,191	100.0%	100.0%	100.0%	100.0%	0	0	0	0
Grid Cost	2,000,000	2,000,000	2,000,000	2,000,000	100.0%	100.0%	100.0%	100.0%	0	0	0	0
Construction Hard Costs Subtotal	1,183,690,600	1,183,690,600	1,183,690,600	1,183,690,600	55.1%	55.1%	55.1%	55.1%	627,268,664	627,268,664	627,268,664	627,268,664
LEED Qualification Costs	22,000,000	22,000,000	22,000,000	22,000,000	42.1%	42.1%	42.1%	42.1%	7,262,466	7,262,466	7,262,466	7,262,466
LEED Qualification Costs Subtotal	22,000,000	22,000,000	22,000,000	22,000,000	42.1%	42.1%	42.1%	42.1%	7,262,466	7,262,466	7,262,466	7,262,466
LEED Sales Tax Benefit	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	0.0%	0.0%	0.0%	0.0%	0	0	0	0
LEED Sales Tax Benefit Subtotal	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	0.0%	0.0%	0.0%	0.0%	0	0	0	0
General Conditions/Requirements/Retaining	1,730,804,974	1,730,804,974	1,730,804,974	1,730,804,974	58.4%	58.4%	58.4%	58.4%	848,884,715	848,884,715	848,884,715	848,884,715
Sub Total General Conditions/Requirements/Retaining	1,730,804,974	1,730,804,974	1,730,804,974	1,730,804,974	58.4%	58.4%	58.4%	58.4%	848,884,715	848,884,715	848,884,715	848,884,715
Contingency	11,206,900	11,206,900	11,206,900	11,206,900	0.0%	0.0%	0.0%	0.0%	77,271,571	77,271,571	77,271,571	77,271,571
Unallocated Contingency	11,206,900	11,206,900	11,206,900	11,206,900	0.0%	0.0%	0.0%	0.0%	77,271,571	77,271,571	77,271,571	77,271,571
Additional Cost Contingency	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0
Contingency Subtotal	11,206,900	11,206,900	11,206,900	11,206,900	0.0%	0.0%	0.0%	0.0%	77,271,571	77,271,571	77,271,571	77,271,571
Insurance	40,000,000	40,000,000	40,000,000	40,000,000	93.1%	93.1%	93.1%	93.1%	10,761,063	10,761,063	10,761,063	10,761,063
Insurance package	40,000,000	40,000,000	40,000,000	40,000,000	93.1%	93.1%	93.1%	93.1%	10,761,063	10,761,063	10,761,063	10,761,063
Insurance Subtotal	40,000,000	40,000,000	40,000,000	40,000,000	93.1%	93.1%	93.1%	93.1%	10,761,063	10,761,063	10,761,063	10,761,063
Total Construction Costs	1,904,679,634	1,904,679,634	1,904,679,634	1,904,679,634	52.3%	52.3%	52.3%	52.3%	980,728,903	980,728,903	980,728,903	980,728,903

CONFIDENTIAL

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			
	CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)	PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH) (E)	CURRENT PERIOD COMPLETED ⁽¹⁾ (F)	TOTAL COMPLETED TO DATE (E+F=G) (G)	% COMPLETED (G/D) (H)	BALANCE TO COMPLETE (D- G) (I)	TOTAL RETAINAGE (J)	TOTAL COMPLETED TO DATE (G-J=K) (K)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH) (L)	CURRENT PERIOD COMPLETED TO DATE (K-L=M) (M)	BALANCE TO COMPLETE (D- K=N) (N)
Rooms FF&E														
Condo Suite	\$ 18,258,572	\$ 18,258,572	\$ -	\$ 18,258,572	\$ 5,918,319	\$ 1,499,702	\$ 4,515,797	24.80%	\$ 10,044,775	\$ -	\$ 4,515,797	\$ 3,018,549	\$ 1,499,702	\$ 10,044,775
Condo Unit One Bedroom	\$ 7,464,292	\$ 7,464,292	\$ -	\$ 7,464,292	\$ 1,955,202	\$ 1,651,756	\$ 2,993,968	39.88%	\$ 4,304,324	\$ -	\$ 2,993,968	\$ 1,838,532	\$ 1,651,756	\$ 4,304,324
Center Suite	\$ 734,293	\$ 734,293	\$ -	\$ 734,293	\$ 109,302	\$ 86,365	\$ 178,249	24.00%	\$ 558,044	\$ -	\$ 178,249	\$ 109,302	\$ 86,365	\$ 178,249
Junior Suite	\$ 1,589,312	\$ 1,589,312	\$ -	\$ 1,589,312	\$ 186,338	\$ 182,617	\$ 237,658	16.13%	\$ 1,291,657	\$ -	\$ 237,658	\$ 186,338	\$ 182,617	\$ 1,291,657
Three Bay Suite	\$ 1,647,402	\$ 1,647,402	\$ -	\$ 1,647,402	\$ 596,269	\$ 306,473	\$ 791,740	48.06%	\$ 855,662	\$ -	\$ 791,740	\$ 596,269	\$ 306,473	\$ 855,662
Four Bay Suite	\$ 141,952	\$ 141,952	\$ -	\$ 141,952	\$ 154,900	\$ -	\$ 14,000	10.11%	\$ 27,952	\$ -	\$ 14,000	\$ 154,900	\$ -	\$ 27,952
Six Bay Suite	\$ 468,873	\$ 468,873	\$ -	\$ 468,873	\$ -	\$ -	\$ -	0.00%	\$ 468,873	\$ -	\$ -	\$ -	\$ -	\$ 468,873
Typical King	\$ 14,456,374	\$ 14,456,374	\$ -	\$ 14,456,374	\$ 4,512,711	\$ 289,044	\$ 4,911,755	33.98%	\$ 9,544,619	\$ -	\$ 4,911,755	\$ 4,512,711	\$ 289,044	\$ 9,544,619
Typical Queen	\$ 31,921,197	\$ 31,921,197	\$ -	\$ 31,921,197	\$ 1,265,203	\$ 769,365	\$ 8,093,627	25.35%	\$ 23,830,570	\$ -	\$ 8,093,627	\$ 1,265,203	\$ 769,365	\$ 23,830,570
Rooms FF&E Subtotal	\$ 73,784,267	\$ 73,784,267	\$ -	\$ 73,784,267	\$ 17,749,649	\$ 4,117,141	\$ 21,937,781	29.62%	\$ 51,926,476	\$ -	\$ 21,937,781	\$ 17,749,649	\$ 4,117,141	\$ 51,926,476
Hotel and F&B Operating Equipment														
Bed 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	\$ 10,627,110	\$ 10,627,110	\$ -	\$ 10,627,110	\$ -	\$ -	\$ -	0.00%	\$ 10,627,110	\$ -	\$ -	\$ -	\$ -	\$ 10,627,110
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	\$ 199,184	\$ 199,184	\$ -	\$ 199,184	\$ -	\$ -	\$ -	0.00%	\$ 199,184	\$ -	\$ -	\$ -	\$ -	\$ 199,184
Hotel Sales	\$ 2,618,607	\$ 2,618,607	\$ -	\$ 2,618,607	\$ 6,794	\$ -	\$ 5,794	0.26%	\$ 2,611,813	\$ -	\$ 6,794	\$ 6,794	\$ -	\$ 2,611,813
Convention Center	\$ 10,261,357	\$ 10,261,357	\$ -	\$ 10,261,357	\$ 1,626	\$ -	\$ 1,626	0.02%	\$ 10,259,731	\$ -	\$ 1,626	\$ 1,626	\$ -	\$ 10,259,731
Business Center	\$ 546,116	\$ 546,116	\$ -	\$ 546,116	\$ -	\$ -	\$ -	0.00%	\$ 546,116	\$ -	\$ -	\$ -	\$ -	\$ 546,116
Telephone	\$ 492,235	\$ 492,235	\$ -	\$ 492,235	\$ -	\$ -	\$ -	0.00%	\$ 492,235	\$ -	\$ -	\$ -	\$ -	\$ 492,235
Spa	\$ 2,858,128	\$ 2,858,128	\$ -	\$ 2,858,128	\$ -	\$ -	\$ -	0.00%	\$ 2,858,128	\$ -	\$ -	\$ -	\$ -	\$ 2,858,128
Food & Beverage	\$ 9,833,037	\$ 9,833,037	\$ -	\$ 9,833,037	\$ 2,265	\$ -	\$ 2,265	0.02%	\$ 9,830,772	\$ -	\$ 2,265	\$ 2,265	\$ -	\$ 9,830,772
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	\$ 49,081,857	\$ 49,081,857	\$ -	\$ 49,081,857	\$ 10,684	\$ -	\$ 10,684	0.02%	\$ 49,071,173	\$ -	\$ 10,684	\$ 10,684	\$ -	\$ 49,071,173
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	\$ -	\$ 1,872,688	\$ 1,872,688	7.06%	\$ 24,660,032	\$ 187,269	\$ 1,885,419	\$ -	\$ 1,885,419	\$ 24,847,201
Exterior Signage Subtotal	\$ 26,532,720	\$ 26,532,720	\$ -	\$ 26,532,720	\$ -	\$ 1,872,688	\$ 1,872,688	7.06%	\$ 24,660,032	\$ 187,269	\$ 1,885,419	\$ -	\$ 1,885,419	\$ 24,847,201
Common Area														
FOH	\$ 23,281,213	\$ 23,281,213	\$ -	\$ 23,281,213	\$ 11,426,110	\$ 930,908	\$ 12,357,106	53.08%	\$ 10,924,107	\$ -	\$ 12,357,106	\$ 11,426,110	\$ 930,908	\$ 10,924,107
DOH	\$ 6,384,699	\$ 6,384,699	\$ -	\$ 6,384,699	\$ -	\$ -	\$ -	0.00%	\$ 6,384,699	\$ -	\$ -	\$ -	\$ -	\$ 6,384,699
Common Area Subtotal	\$ 29,665,912	\$ 29,665,912	\$ -	\$ 29,665,912	\$ 11,426,110	\$ 930,908	\$ 12,357,106	43.11%	\$ 16,298,796	\$ -	\$ 12,357,106	\$ 11,426,110	\$ 930,908	\$ 16,298,796
Costed FF&E	\$ 209,263,956	\$ 209,263,956	\$ -	\$ 209,263,956	\$ 29,177,451	\$ 6,978,818	\$ 36,098,269	18.42%	\$ 164,265,727	\$ 187,269	\$ 35,911,408	\$ 29,177,451	\$ 6,132,549	\$ 164,452,936
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
Sic Operations	\$ 29,322,129	\$ 29,322,129	\$ -	\$ 29,322,129	\$ -	\$ -	\$ -	0.00%	\$ 29,322,129	\$ -	\$ -	\$ -	\$ -	\$ 29,322,129
RAC	\$ 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	\$ 40,871,989	\$ 40,871,989	\$ -	\$ 40,871,989	\$ -	\$ -	\$ -	0.00%	\$ 40,871,989	\$ -	\$ -	\$ -	\$ -	\$ 40,871,989
Entertainment														
Theater	\$ 12,283,731	\$ 12,283,731	\$ -	\$ 12,283,731	\$ -	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731

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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			
	CLOSING RESORT BUDGET	PROR RESORT BUDGET (D FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED (F)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (D/I)	BALANCE TO COMPLETE (D-G)	TOTAL RETAINAGE	TOTAL COMPLETED TO DATE (G-J=K)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (K-L=M)	BALANCE TO COMPLETE (D-K=N)
	(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	\$ -	\$ -	\$ -	0.00%	\$ 12,283,731	\$ -	\$ -	\$ -	\$ -	\$ 12,283,731
A&G and Facilities and IT														
A&G and Facilities														
General, Administrative, HR, Finance	\$ 2,563,232	\$ 2,563,232	\$ -	\$ 2,563,232	\$ 420,943	\$ 22,424	\$ 483,424	18.82%	\$ 2,473,770	\$ -	\$ 483,424	\$ 483,424	\$ 59,404	\$ 2,473,770
Marketing & Casino Marketing	\$ 686,319	\$ 686,319	\$ -	\$ 686,319	\$ -	\$ -	\$ -	0.00%	\$ 686,319	\$ -	\$ -	\$ -	\$ -	\$ 686,319
Engineering	\$ 1,834,358	\$ 1,834,358	\$ -	\$ 1,834,358	\$ 210,361	\$ -	\$ 210,361	1.15%	\$ 11,384,295	\$ -	\$ 210,361	\$ 210,361	\$ -	\$ 11,384,295
Internal Maintenance	\$ 1,171,277	\$ 1,171,277	\$ -	\$ 1,171,277	\$ -	\$ -	\$ -	0.00%	\$ 1,171,277	\$ -	\$ -	\$ -	\$ -	\$ 1,171,277
Transportation	\$ 194,509	\$ 194,509	\$ -	\$ 194,509	\$ -	\$ -	\$ -	0.00%	\$ 194,509	\$ -	\$ -	\$ -	\$ -	\$ 194,509
Retail	\$ 194,973	\$ 194,973	\$ -	\$ 194,973	\$ -	\$ -	\$ -	0.00%	\$ 194,973	\$ -	\$ -	\$ -	\$ -	\$ 194,973
Wardrobe	\$ 742,813	\$ 742,813	\$ -	\$ 742,813	\$ 334,761	\$ (181,911)	\$ 152,850	20.63%	\$ 589,863	\$ -	\$ 152,850	\$ 334,761	\$ (181,911)	\$ 589,863
I.T.														
I.T.	\$ 47,709,040	\$ 47,709,040	\$ -	\$ 47,709,040	\$ 4,638,305	\$ 1,695,934	\$ 6,331,799	13.27%	\$ 41,377,241	\$ -	\$ 6,331,799	\$ 4,638,305	\$ 1,695,934	\$ 41,377,241
Surveillance (Gaming & Hotel)	\$ 6,663,589	\$ 6,663,589	\$ -	\$ 6,663,589	\$ -	\$ -	\$ -	0.00%	\$ 6,663,589	\$ -	\$ -	\$ -	\$ -	\$ 6,663,589
A&G and Facilities and IT Subtotal	\$ 71,928,588	\$ 71,928,588	\$ -	\$ 71,928,588	\$ 5,413,474	\$ 1,771,387	\$ 7,184,861	8.90%	\$ 64,735,735	\$ -	\$ 7,184,861	\$ 5,413,474	\$ 1,771,387	\$ 64,735,735
Other FF&E	\$ 125,075,426	\$ 125,075,426	\$ -	\$ 125,075,426	\$ 5,413,474	\$ 1,771,387	\$ 7,184,861	5.74%	\$ 117,890,565	\$ -	\$ 7,184,861	\$ 5,413,474	\$ 1,771,387	\$ 117,890,565
Pro-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	\$ 5,927,129	\$ 5,927,129	\$ -	\$ 5,927,129	\$ -	\$ -	\$ -	0.00%	\$ 5,927,129	\$ -	\$ -	\$ -	\$ -	\$ 5,927,129
Taxes	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	0.00%	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Pre-Opening														
Payroll Garden	\$ 47,400,454	\$ 45,400,454	\$ (1,250,000)	\$ 44,218,454	\$ 1,287,349	\$ 782,222	\$ 8,703,881	19.70%	\$ 35,508,573	\$ -	\$ 8,703,881	\$ 1,287,349	\$ 752,032	\$ 35,508,573
Marketing	\$ 26,209,904	\$ 26,209,904	\$ -	\$ 26,209,904	\$ 5,254,357	\$ 308,294	\$ 5,547,647	22.41%	\$ 19,202,353	\$ -	\$ 5,547,647	\$ 5,254,357	\$ 308,294	\$ 19,202,353
Office and Related	\$ 1,414,000	\$ 1,414,000	\$ -	\$ 1,414,000	\$ 828,354	\$ 168,274	\$ 1,124,155	79.50%	\$ 289,835	\$ -	\$ 1,124,155	\$ 828,354	\$ 168,274	\$ 289,835
Recruitment	\$ 1,641,000	\$ 1,641,000	\$ -	\$ 1,641,000	\$ 724,342	\$ -	\$ 724,342	43.80%	\$ 876,558	\$ -	\$ 724,342	\$ 724,342	\$ -	\$ 876,558
Other	\$ 2,247,300	\$ 2,247,300	\$ -	\$ 2,247,300	\$ 4,277,429	\$ 397,832	\$ 4,584,544	87.30%	\$ 662,356	\$ -	\$ 4,584,544	\$ 4,277,429	\$ 307,512	\$ 662,356
Pre-Opening and Working Capital Subtotal	\$ 83,847,578	\$ 81,847,578	\$ (2,500,000)	\$ 81,347,578	\$ 18,194,814	\$ 1,535,856	\$ 26,730,678	28.92%	\$ 70,616,800	\$ -	\$ 26,730,678	\$ 18,194,814	\$ 1,535,856	\$ 70,616,800
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	\$ 14,515,823	\$ 14,515,823	\$ -	\$ 14,515,823	\$ 12,992,283	\$ (34,100)	\$ 12,899,190	88.86%	\$ 1,616,633	\$ -	\$ 12,899,190	\$ 12,992,283	\$ (33,100)	\$ 1,616,633
Sewer Fees														
Hotel Rooms	\$ 7,778,400	\$ 7,778,400	\$ -	\$ 7,778,400	\$ 7,734,608	\$ -	\$ 7,734,608	99.42%	\$ 44,792	\$ -	\$ 7,734,608	\$ 7,734,608	\$ -	\$ 44,792
Remainder of Portum	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	100.00%	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
Water Assessment Fees														
Regional connection charges	\$ 11,181,700	\$ 11,181,700	\$ -	\$ 11,181,700	\$ 7,586,950	\$ -	\$ 7,586,950	67.83%	\$ 3,594,750	\$ -	\$ 7,586,950	\$ 7,586,950	\$ -	\$ 3,594,750
Health Department / Other Misc. Fees	\$ 13,800	\$ 236,620	\$ -	\$ 250,420	\$ 61,847	\$ 1,631	\$ 63,438	22.14%	\$ 223,062	\$ -	\$ 63,438	\$ 61,847	\$ 1,631	\$ 223,062
Overtime for Fire Testing	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	0.00%	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
Transportation Fee	\$ 4,812,951	\$ 4,812,951	\$ -	\$ 4,812,951	\$ 2,526,112	\$ -	\$ 2,526,112	76.44%	\$ 1,086,840	\$ -	\$ 2,526,112	\$ 2,526,112	\$ -	\$ 1,086,840
Design Fees / Costs														
Design costs	\$ 70,336,420	\$ 70,336,420	\$ 7,000,000	\$ 77,610,000	\$ 70,336,420	\$ 1,000,222	\$ 77,539,560	99.91%	\$ 70,350	\$ -	\$ 77,539,560	\$ 70,336,420	\$ 7,000,222	\$ 70,350
Consultant costs	\$ 10,048,550	\$ 10,048,550	\$ -	\$ 10,048,550	\$ 8,600,384	\$ 710,500	\$ 9,471,078	86.93%	\$ 1,307,474	\$ -	\$ 9,471,078	\$ 8,600,384	\$ 710,500	\$ 1,307,474
Taxes, Legal and Other														
Feasibility appraisals	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	0.00%	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Property taxes	\$ 2,276,959	\$ 2,276,959	\$ (9,500,000)	\$ 5,815,497	\$ 2,276,959	\$ -	\$ 2,276,959	38.49%	\$ 3,638,528	\$ -	\$ 2,276,959	\$ 2,276,959	\$ -	\$ 3,638,528
Legal fees/ other/ allowance	\$ 2,581,816	\$ 2,581,816	\$ -	\$ 2,581,816	\$ 4,210,561	\$ 152,423	\$ 4,473,095	88.37%	\$ 588,521	\$ -	\$ 4,473,095	\$ 4,210,561	\$ 152,423	\$ 588,521
Development Agreement	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ 3,875,984	\$ 397,500	\$ 3,883,498	86.30%	\$ 616,502	\$ -	\$ 3,883,498	\$ 3,875,984	\$ 397,500	\$ 616,502
Turnkey Race Ramp	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -	0.00%	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Mock Up Cost	\$ 725,000	\$ 725,000	\$ -	\$ 725,000	\$ -	\$ -	\$ -	0.00%	\$ 725,000	\$ -	\$ -	\$ -	\$ -	\$ 725,000
Fees / Permits / Taxes / Other Subtotal	\$ 141,814,977	\$ 142,837,877	\$ 2,500,000	\$ 145,337,877	\$ 122,786,227	\$ 8,152,226	\$ 130,948,553	90.90%	\$ 14,389,324	\$ -	\$ 130,948,553	\$ 122,786,227	\$ 8,152,226	\$ 14,389,324

CONFIDENTIAL

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 9/30/09

DESCRIPTION	RESORT COSTS AMOUNT				COSTS INCURRED						NET AMOUNTS			
	CLOSING RESORT BUDGET	PRIOR RESORT BUDGET (0 FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	RESORT BUDGET (B+C+D)	PREVIOUS COMPLETED TO DATE (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED (1)	TOTAL COMPLETED TO DATE (E+F+G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G)	TOTAL RETAINAGE	TOTAL COMPLETED TO DATE (K-J+I)	PREVIOUS COMPLETED TO DATE (K FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (K-L+M)	BALANCE TO COMPLETE (D-K+R)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
Debt Service Accrued Through Scheduled Opening														
Debt Service	\$ 332,756,833	\$ 332,379,833		\$ 332,379,833	\$ 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	\$ 332,756,833	\$ 332,379,833	\$ -	\$ 332,379,833	\$ 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	\$ 25,888,889		\$ 25,888,889	\$ 15,358,284	\$ 243,639	\$ 15,703,933	62.82%	\$ 9,298,667	\$ 148,523	\$ 15,555,418	\$ 14,844,832	\$ 710,807	\$ 9,444,590
Condominium-Hotel Selling Expenses Subtotal	\$ 49,776,523	\$ 25,888,889	\$ -	\$ 25,888,889	\$ 15,358,284	\$ 243,639	\$ 15,703,933	62.82%	\$ 9,298,667	\$ 148,523	\$ 15,555,418	\$ 14,844,832	\$ 710,807	\$ 9,444,590
Fees and Expenses														
Fees and Expenses	\$ 68,748,784	\$ 68,748,784		\$ 68,748,784	\$ 58,545,871	\$ -	\$ 58,545,871	88.03%	\$ 1,194,923	\$ -	\$ 58,545,871	\$ 58,545,871	\$ -	\$ 1,194,923
Fees and Expenses Subtotal	\$ 68,748,784	\$ 68,748,784	\$ -	\$ 68,748,784	\$ 58,545,871	\$ -	\$ 58,545,871	88.03%	\$ 1,194,923	\$ -	\$ 58,545,871	\$ 58,545,871	\$ -	\$ 1,194,923
Costs Accrued Through Opening Date	\$ 634,804,482	\$ 634,804,482	\$ -	\$ 634,804,482	\$ 380,826,812	\$ 18,031,921	\$ 398,857,844	59.69%	\$ 263,946,638	\$ 148,523	\$ 398,799,328	\$ 380,318,921	\$ 18,398,999	\$ 264,895,191
TOTAL COSTS	\$ 2,928,848,281	\$ 3,088,243,141	\$ -	\$ 3,088,243,141	\$ 1,442,686,826	\$ 111,314,472	\$ 1,554,001,308	58.45%	\$ 1,526,231,833	\$ 64,863,166	\$ 1,489,148,142	\$ 1,383,389,946	\$ 105,758,637	\$ 1,591,084,998

(1) To be filed without offsetting Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	54.9%
Contingency Adjustment	
Required Minimum Contingency	\$ 58,825,525
Less: Unallocated Contingency Balance (Actual)	\$ (77,271,871)
Contingency Adjustment Subtotal	\$ (27,246,854)
Other Adjustments	
Required Minimum Cash Support	\$ -
Required Minimum Liquidity Account	\$ 22,525,927
Required Minimum Excess Revolver Support Amount	\$ 6,935,357
Repayment of Existing Debt	\$ -
Adjustment for Additional Cash Support	\$ -
TOTAL	\$ 1,563,316,618

IN BALANCE TEST AVAILABLE CUSHION		
	STARTING CUSHION	CURRENT CUSHION
Required Minimum Cash Support	\$ 58,825,525	\$ -
Other Unallocated In Balance Cushion		
Contingency Adjustment Subtotal	\$ -	\$ 27,246,854
Required Minimum Liquidity Account	\$ -	\$ 27,474,073
Required Minimum Excess Revolver Support Amount	\$ -	\$ 8,459,029
Adjustment for Additional Cash Support	\$ -	\$ -
Total Other Unallocated In Balance Cushion	\$ -	\$ 63,179,156
TOTAL CUSHION	\$ 58,825,525	\$ 63,179,156

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FONTAINEBLEAU RESORT AND CASINO
 LAS VEGAS, NV
 REMAINING COST REPORT
 APPENDIX VII TO EXHIBIT C-1
 September 30, 2008

DESCRIPTION	LEGISLATIVE AMOUNT				COSTS INCURRED				REMAINING				
	CLOSING REPORT BUDGET	PIVOT REPORT BUDGET (FROM PRIOR MONTH)	CURRENT PERIOD BUDGET MODIFICATIONS	REQUEST SUBJECT (P-C-S)	PREVIOUS COMPLETED TO DATE (FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE	TOTAL COMPLETED TO DATE (P-C-S)	% COMPLETED (C)	RETAINAGE	BALANCE TO COMPLETE (P-C-S)	PREVIOUS COMPLETED TO DATE (FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED TO DATE (C)	TOTAL COMPLETED TO DATE (P-C-S)
Temple West Construction	\$ 17,523,621.874	\$ 1,934,861.671	\$ 11,639,272	\$ 1,454,919.213	\$ 1,454,919.213	\$ 1,454,919.213	83.05%	\$ 309,902.661	\$ 1,145,016.552	\$ 1,454,919.213	\$ 1,454,919.213	\$ 1,454,919.213	\$ 309,902.661
Unallocated Contingency	\$ 11,028,880	\$ 77,271.871	\$ -	\$ 77,271.871	\$ -	\$ 77,271.871	0.00%	\$ -	\$ 11,028,880	\$ -	\$ 77,271.871	\$ 77,271.871	\$ 10,951,608.129
Additional Contingency	\$ -	\$ 48,100,816	\$ (10,000,272)	\$ 37,111,644	\$ -	\$ 37,111,644	0.00%	\$ -	\$ 37,111,644	\$ -	\$ 37,111,644	\$ 37,111,644	\$ -
Invoices	\$ 40,000,000	\$ 43,000,000	\$ -	\$ 43,000,000	\$ 21,000,000	\$ 21,000,000	52.50%	\$ 22,000,000	\$ 22,000,000	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	\$ 1,000,000
Total Construction Costs	\$ 28,552,501.874	\$ 2,959,933.542	\$ 11,639,272	\$ 2,609,919.228	\$ 2,609,919.228	\$ 2,609,919.228	91.75%	\$ 299,983.372	\$ 23,942,580.656	\$ 2,609,919.228	\$ 2,609,919.228	\$ 2,609,919.228	\$ 26,552,461.424
Restm FFAE	\$ 72,761,287	\$ 72,761,287	\$ -	\$ 72,761,287	\$ 4,117,411	\$ 4,117,411	5.65%	\$ 68,643,876	\$ 68,643,876	\$ 4,117,411	\$ 4,117,411	\$ 4,117,411	\$ 64,526,465
Hotel and F&B Operating Equipment	\$ 6,961,287	\$ 6,961,287	\$ -	\$ 6,961,287	\$ -	\$ -	0.00%	\$ -	\$ 6,961,287	\$ -	\$ -	\$ -	\$ 6,961,287
Michael Elymore	\$ 21,281,240	\$ 21,281,240	\$ -	\$ 21,281,240	\$ -	\$ -	0.00%	\$ -	\$ 21,281,240	\$ -	\$ -	\$ -	\$ 21,281,240
Enforcer Storage	\$ 29,627,229	\$ 29,627,229	\$ -	\$ 29,627,229	\$ 1,872,484	\$ 1,872,484	6.32%	\$ 27,754,745	\$ 27,754,745	\$ 1,872,484	\$ 1,872,484	\$ 1,872,484	\$ 25,882,261
Common Area FFAE	\$ 28,866,812	\$ 28,866,812	\$ -	\$ 28,866,812	\$ 2,237,009	\$ 2,237,009	7.75%	\$ 26,629,803	\$ 26,629,803	\$ 2,237,009	\$ 2,237,009	\$ 2,237,009	\$ 26,629,803
Cashier FFAE	\$ 202,251,289	\$ 202,251,289	\$ -	\$ 202,251,289	\$ 26,239,253	\$ 26,239,253	13.02%	\$ 175,992,036	\$ 175,992,036	\$ 26,239,253	\$ 26,239,253	\$ 26,239,253	\$ 175,992,036
Opening FFAE	\$ 68,871,898	\$ 42,871,898	\$ -	\$ 42,871,898	\$ -	\$ -	0.00%	\$ -	\$ 68,871,898	\$ -	\$ -	\$ -	\$ 68,871,898
Construction	\$ 12,287,231	\$ 12,287,231	\$ -	\$ 12,287,231	\$ -	\$ -	0.00%	\$ -	\$ 12,287,231	\$ -	\$ -	\$ -	\$ 12,287,231
A&G and Facilities and IT	\$ 71,820,898	\$ 71,820,898	\$ -	\$ 71,820,898	\$ 7,184,881	\$ 7,184,881	9.99%	\$ 64,636,017	\$ 64,636,017	\$ 7,184,881	\$ 7,184,881	\$ 7,184,881	\$ 57,451,136
Other FFAE	\$ 128,678,028	\$ 128,678,028	\$ -	\$ 128,678,028	\$ 17,131,287	\$ 17,131,287	13.31%	\$ 111,546,741	\$ 111,546,741	\$ 17,131,287	\$ 17,131,287	\$ 17,131,287	\$ 104,415,454
Pre-Opening Working Capital	\$ 22,761,278	\$ 22,761,278	\$ 2,600,000	\$ 25,361,278	\$ 2,720,000	\$ 2,720,000	25.86%	\$ 22,641,278	\$ 22,641,278	\$ 2,720,000	\$ 2,720,000	\$ 2,720,000	\$ 22,641,278
Fees/Facilities Taxes (Other)	\$ 151,611,617	\$ 142,837,617	\$ 2,600,000	\$ 145,437,617	\$ 120,843,659	\$ 120,843,659	80.47%	\$ 24,593,958	\$ 24,593,958	\$ 120,843,659	\$ 120,843,659	\$ 120,843,659	\$ 24,593,958
Debit Service Account Through Scheduled Opening Date	\$ 3,827,565,423	\$ 322,279,423	\$ -	\$ 322,279,423	\$ 182,228,887	\$ 182,228,887	42.72%	\$ 1,405,336,536	\$ 1,405,336,536	\$ 182,228,887	\$ 182,228,887	\$ 182,228,887	\$ 1,223,107,649
Contingent/Non-Recall Billing Expenses	\$ 43,776,423	\$ 25,000,000	\$ -	\$ 25,000,000	\$ 15,783,838	\$ 15,783,838	62.82%	\$ 9,216,582	\$ 9,216,582	\$ 15,783,838	\$ 15,783,838	\$ 15,783,838	\$ 27,982,582
Fees and Expenses	\$ 62,245,764	\$ 62,245,764	\$ -	\$ 62,245,764	\$ 58,548,871	\$ 58,548,871	94.06%	\$ 3,696,893	\$ 3,696,893	\$ 58,548,871	\$ 58,548,871	\$ 58,548,871	\$ 3,696,893
Cash Account Through Opening Date	\$ 69,331,823	\$ 62,821,282	\$ -	\$ 62,821,282	\$ 38,837,841	\$ 38,837,841	59.35%	\$ 23,984,042	\$ 23,984,042	\$ 38,837,841	\$ 38,837,841	\$ 38,837,841	\$ 23,984,042
TOTAL COSTS	\$ 2,871,041,281	\$ 2,682,242,141	\$ -	\$ 2,682,242,141	\$ 1,112,146,472	\$ 1,112,146,472	38.73%	\$ 1,569,094,769	\$ 1,569,094,769	\$ 1,112,146,472	\$ 1,112,146,472	\$ 1,112,146,472	\$ 1,569,094,769

(1) To be filed with our closing checklist
 (2) To be filed with our closing checklist

CONFIDENTIAL

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	\$ 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

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FOUR SEASONS 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

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)	<u>\$ 3,730,628</u>

(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

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.

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
 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.

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

September 30, 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)	\$ 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>			
	Gross Amount	Retention	Draw Amount
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

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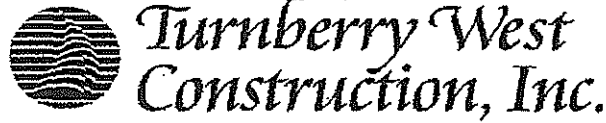
Fontainebleau Las Vegas, LLC								
List of Additional Contracts								
Subcontractor/Vendor	Scope of Work	Tower Amount	Exec'd	Podium/Site Amount	Exec'd	Garage Amount	Exec'd	Total Executed
None for September 2008								

BANA_FB00103829

**Appendix 17
to Advance Request**

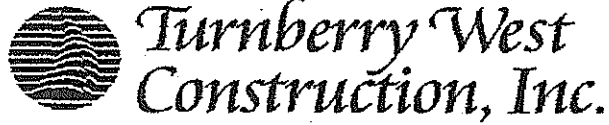
List of Scope Changes

None



PROJECT:		FONTAINEBLEAU LAS VEGAS			STORED MATERIALS STATEMENT NO. 18				
ADDRESS:		Consolidated			REQUISITION NO. 22				
		1755 Las Vegas Blvd., South, Las Vegas, NV			Period Ending: 09/30/08				
ITEM NO.	JOB	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/Pacific Coast Steel	\$ 2,592,872.99	\$ -	\$ -	\$ 2,592,872.99	\$ -
10200	Hotel Vanities/Condo Vanities		15791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	531,333.00				531,333.00
10200	Canilaver 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	1,046,400.00		65,400.00		1,111,800.00
10200	T1 Elevator Lobbies		16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	62,400.00		3,900.00		66,300.00
10200	Stone Shelves Support		16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	12,784.50				12,784.50
10200	FCU/Thermal Fuse		16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	173,060.25		15,732.75		188,793.00
10200	FCU Sub Top		16791 Burke Lane, Huntington Beach, CA 92647	Collings Interiors	148,711.15		21,244.45		169,955.60
10200	KD Frames		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Gallagher-Kaiser (AMI)	139,655.00		25,000.00		164,655.00
10200	Base & Case		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Gallagher-Kaiser (AMI)	52,139.00	300,000.00	577,498.00		939,637.00
10200	Welded Frames & Metal Doors		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Gallagher-Kaiser (AMI)	105,570.65		40,000.00		145,570.65
10200	Hardware		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Gallagher-Kaiser (AMI)	500,000.00		200,000.00	140,000.00	560,000.00
10200	Wood Doors		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Gallagher-Kaiser (AMI)	760,738.00	250,000.00	656,424.00	320,837.00	1,346,325.00
10200	Upgrade - Base & Case		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials	189,902.41				189,902.41
10200	Upgrade - Entry Hardware		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials	67,516.00	6,711.04	60,804.48		135,031.52
10200	Crown Molding		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials	100,997.00	141,540.00	343,505.84		586,042.84
10200	Drapery Pocket Fascia Board		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials	62,465.69	49,087.00	147,193.51	151,910.20	109,836.00
10200	Closest Shelf/Rod/Accessories		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials	271,360.81				271,360.81
10200	Custom Casing		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials	1,672.75			280.80	1,391.95
10200	Condo Trim		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials	8,992.00	45,359.40	138,078.20		190,429.60
10200	Glass Shower/Partition/Accessories		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials	379,553.70	94,880.50	284,665.20		769,107.40
10200	Suites - Shower Doors		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials	277,240.00				277,240.00
10200	Typical Guest Room Veneer Closet Doors		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials		109,976.09	282,895.91	28,692.00	364,010.00
10200	Vanity Mirrors		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials		25,072.50	73,211.60		98,284.10
10200	Upgrade Casing In Bay & Junior Suites		4030 Industrial Ct Dr, Suite 500, NLV, NV 89030	Architectural Materials		10,992.25	32,978.75		43,969.00
10200	Crystal White Polished Tile		2020 Mendenhall Rd., North Las Vegas, NV	Architectural Systems			108,403.88		108,403.88
10200	Catacatta, Galala, Carrara, etc.		3750 W. Quail Ave., LV, NV	Ital Stone, Inc.	139,857.07		40,782.00	49,782.00	139,857.07
10200	Catacatta, Galala, Carrara, etc.		2020 Mendenhall Rd., North Las Vegas, NV	Ital Stone, Inc.	1,905,210.77		40,702.00		1,945,992.77
10200	Tile Materials		2020 Mendenhall Rd., North Las Vegas, NV	Portobello America, Inc.	287,474.77			287,474.77	
10200	Tile Materials		1205 N. Miller Street, Anaheim, CA 92806	Portobello America, Inc.	1,895,077.78				1,895,077.78
10200	Cornelian Beige Marble		2020 Mendenhall Rd., North Las Vegas, NV	SMES					
10200	Bath Accessories		280 Orville Wright Ct., Las Vegas, NV	Henni Specialties	300,552.00				300,552.00
10200	Elevator Materials		4855 West Hampton, LV, NV 89119	Thyssenkrupp Elevator	5,726,117.14		526,150.00		6,252,267.14
10200	Copper Tubing-Plumbing (Kelly's Pipe & Supply)		Fontainebleau Mendenhall Warehouse	Desert Plumbing & Heating	1,155,184.94			121,467.08	1,033,717.28
10200	Temp Lighting		4375 S. Valley View, LV, NV	Bombard Electric	9,350.00			8,000.00	1,350.00
10200	MC Cable		3950 W. Diablo Dr., LV, NV	Bombard Electric (NEDCO)	158,555.00			126,000.00	32,555.00
10200	Deck Selves		4375 S. Valley View, LV, NV	Bombard Electric	28,403.00		14,135.00	26,500.00	16,038.00
10200	Switchgear		5570 S. Valley View, LV, NV	Bombard Electric (Crescent)			110,927.00		110,927.00
10200	Feeder MC Cable		4375 S. Valley View, LV, NV	Bombard Electric				102,030.00	(102,030.00)
10200	Misc. Commodity Electrical Materials		4375 S. Valley View, LV, NV	Bombard Electric	324,562.00		103,593.00	260,820.00	187,325.00
10200	Fire Alarm MC Cable		4375 S. Valley View, LV, NV	Bombard Electric	127,710.00			32,000.00	95,710.00
10200	Low Voltage Cabling		3950 Ponderosa #3	Bombard Electric			244,797.00		244,797.00
10200	Lighting Fixtures		13169 Stover Ave., Fontana, CA	Bombard Electric (Lightliner)	908,922.00			320,465.00	588,457.00
10200	Low Voltage Materials		3950 W. Diablo Dr., Whse #6, LV, NV	Bombard Electric (NEDCO)	843,912.00				843,912.00
10200	Low Voltage Materials		4375 S. Valley View, LV, NV	Bombard Electric			69,767.00		69,767.00

OFFSITE STORED MATERIALS



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ITEM NO.	JOB	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 (NEDCO)	772,283.00		593,518.00		1,365,801.00
10200		MC Cable	4375 S. Valley View, LV, NV	Bombard Electric	385,899.00				385,899.00
10200		Cable Tray	3455 W. Reno Avenue, Sun Valley	Bombard Electric (Sun Valley)	94,476.00				94,476.00
10200		Wiring Devices	6085 Polaris	Bombard Electric (WESCO)	354,103.00		223,610.00		577,793.00
				Subtotal:	23,144,093.78	1,033,626.78	5,042,785.57	4,540,101.84	24,650,404.29
10300		Structural Steel Raw Material	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	977.00			897.00	80.00
10300		Structural Steel-Fabricated	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	22,065.00			21,085.00	1,880.00
10300		Freight (All materials excluding Arcelor)	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	21.00			19.00	2.00
10300		Arcelor & 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		Rollid Steel	JR Metals Whse, 2333 McCall St., Dayton OH 45408	Modernfold (MISA Metals/JR Metals)	503,872.00				503,872.00
10300		Elevator Equipment	4855 West Harmon, LV, NV 89119	Thyssenkrupp Elevator	2,587,912.00				2,587,912.00
10300		Copper-Hydronics (Kelly's Pipe & Supply)	Turnberry West Construction Whse	Desert Plumbing & Heating	85,638.42			32,230.36	54,408.06
10300		Copper Tubing-Plumbing (Kelly's Pipe & Supply)	Turnberry West Construction Whse	Desert Plumbing & Heating	137,558.44				137,558.44
10300		Wire	3755 W. Hacienda Ave, LV, NV	Johnson Controls (Mojave)	29,060.00			12,145.00	15,915.00
10300		Gears/Switches/Transformers	3455 W. Reno Ave, Suite a, LV, NV 89119	Sun Valley Warehouse-Sun Valley/Conti	691,003.04		22,190.00	509,097.32	204,095.72
10300		Light Fixtures	3755 Sunzel #A, LV, NV 89102	Codale	289,683.44		57,538.00	65,219.44	281,002.00
10300		Copper & Aluminium wire	Mendenhall Warehouse	Conti Electric	231,257.50		28,980.00	151,903.50	109,334.00
10300		4 EMT Conduit 4-IN Qty 30,500 ft	NEDCO Whse., 4200 Spring Min Rd., LV, NV	Conti Electric (NEDCO)	105,702.00				105,702.00
				Subtotal:	4,684,737.84		108,705.00	792,684.62	4,000,761.22
10500		Structural Steel Raw Material	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	305,849.00		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 Arcelor)	1730 W. Reno, OK City, OK 73106	W&W Steel, LLC	140.00			126.00	14.00
10500		Arcelor & 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	131,309.00	14,054.00
10500		AFCC Steel	1423 E. 6th, Little Rock, AR 72202	W&W Steel, LLC (AFCC)	152,453.00			137,713.00	14,740.00
10500		HSS 7 x 5 x Various	6525 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 Spa's	710 Sunnyvale Dr., Wilmington, NC 28412	Water FX (Bradford)	477,073.00				477,073.00
10500		Elevator & Escalator Components	4855 West Harmon, LV, NV 89119	Thyssenkrupp Elevator	1,715,159.00		559,995.00		2,285,154.00
10500		Copper-Hydronics (Kelly's Pipe & Supply)	Turnberry West Construction Whse	Desert Plumbing & Heating	5,343.90			502.00	4,841.90
10500		Copper Tubing-Plumbing (Kelly's Pipe & Supply)	Turnberry West Construction Whse	Desert Plumbing & Heating	268,767.64			11,715.24	257,052.40
10500		Wire	3755 W. Hacienda Ave, LV, NV	Johnson Controls (Mojave Elec.)	58,170.00			10,565.00	45,605.00
10500		Electrical Gear-Various	3455 W. Reno Ave, Suite a, LV, NV 89119	Sun Valley Warehouse-Sun Valley/Conti	1,005,953.95		148,635.00	599,828.00	615,770.95
				Subtotal:	6,109,335.03		1,265,590.00	1,544,423.24	5,830,501.79
				Grand Totals:	\$ 33,938,166.65	\$ 1,033,626.78	\$ 6,417,083.57	\$ 6,877,209.70	\$ 34,511,567.30

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.

BANA_FB00103832

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, 7755 LAS VEGAS BLVD. SO., LAS VEGAS, NV 89109
PHONE 702.495.7360 FAX 702.495.7366 www.turnberrytd.com NV Lic. #1067505

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).

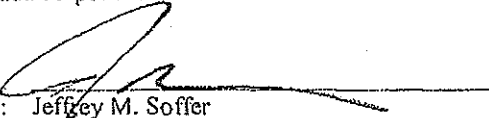
7. There is no material adverse change in the condition of the General Contractor which in the reasonable judgment of the General Contractor would be likely to materially adversely affect the General Contractor's ability to perform the "Work" (as defined in the Prime Construction Agreement) in accordance with the terms of the Prime Construction Agreement.

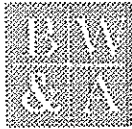
All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

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:

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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.

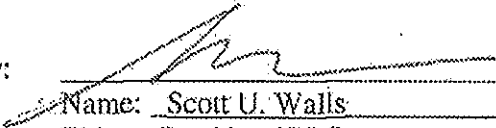
All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

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.

[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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