Dep. Ex. 270

From:	Kathy Hernandez.	Sent:11/17/2008 7:30 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; Twellman, Kevin; Bonvicino, Paul R.; Debra.L.McNamee@wellsfargo.com.	
Bcc:	.	
Subject:	Las Vegas Draw.	

Attached is the October draw for Las Vegas.

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 270
Date 3-23-11
Witness FREEMAN
C. Lewis #437 ______ Page

EXHIBIT C-1
to Master Disbursement Agreement

ADVANCE REQUEST

Certificate Date: **November 17, 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. **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.

Requested Advance Date: **November 25, 2008**
Resort Amount Requested: **$148,442,289.10**
Retail Amount Requested: **$0**
Period Covered: **October 1, 2008** through **October 31, 2008**

Ladies and Gentlemen:

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

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

I. *Certifications.*

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

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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

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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. <u>List of Additional Contracts</u>. 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

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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

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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]

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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]

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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: **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: ______________________________

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 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:

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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: ______________________________

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

October 31, 2008

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

Re: Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC, Amendment No. 2 to Resort Budget

Ladies and Gentlemen:

Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC, (jointly and severally, the "Project Entities"), request that the Resort Budget for the Project be amended as set forth herein. This certificate is delivered pursuant to that certain Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among the Project Entities, the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent. Capitalized terms used in this certificate that are otherwise not defined shall have the meaning assigned in the Disbursement Agreement.

In connection with the requested amendment(s), the Project Entities hereby represent, warrant and certify as follows:

A. Amendments.

CHOOSE ONE OR MORE OF THE FOLLOWING TWO OPTIONS:

_X__The proposed amendment to the Resort Budget is described on Appendix I hereto and is permitted under Section 6.4.1 of the Disbursement Agreement.

______ The proposed amendment to the Project Schedule extends the Scheduled Opening Date from __________ to __________ and is permitted under Section 6.4.2 of the Disbursement Agreement.

B. Related Certifications.

1. Funding to pay the costs represented by any increase to the aggregate amount budgeted for any

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):

(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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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 1 to Appendix I.

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
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) (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)
Construction Hard Costs														
Tower	$ 653,736,330	$ 663,423,262	$ 21,761,347	$ 685,184,609	$ 357,350,452	$ 61,652,323	$ 419,002,775	61.15%	$ 266,181,834	$ 30,598,598	$ 388,404,178	$ 329,938,692	$ 58,465,483	$ 296,780,432
Podium	$ 658,115,565	$ 723,409,978	$ 5,659,837	$ 729,069,815	$ 283,253,558	$ 25,133,873	$ 308,387,631	42.30%	$ 420,681,184	$ 17,351,438	$ 291,036,193	$ 267,165,122	$ 23,871,071	$ 438,032,622
Convention	$ -	$ -		$ -	$ -		$ -	0.00%	$ -		$ -	$ -	$ -	$ -
Garage/Convention/Central Plant	$ 375,850,118	$ 412,062,581	$ 10,589,233	$ 422,651,814	$ 262,476,702	$ 20,764,207	$ 283,240,909	66.98%	$ 133,640,905	$ 15,579,573	$ 267,661,336	$ 248,195,887	$ 19,465,449	$ 155,220,478
Central Plant	$ -	$ -		$ -	$ -		$ -	0.00%	$ -		$ -	$ -	$ -	$ -
Site	$ 34,203,600	$ 16,859,191		$ 16,859,191	$ 10,869,170	$ 406,188	$ 11,275,358	66.88%	$ 5,583,833	$ 703,578	$ 10,571,780	$ 10,169,759	$ 403,021	$ 6,287,411
Bond cost	$ 6,000,000	$ 3,081,352	$ (30,182)	$ 3,051,170	$ 2,378,062		$ 2,378,062	77.94%	$ 673,108		$ 2,378,062	$ 2,378,062	$ -	$ 673,108
Construction Hard Costs Subtotal	$ 1,703,000,000	$ 1,818,115,324	$ 38,930,275	$ 1,857,045,599	$ 916,355,044	$ 107,929,691	$ 1,024,284,735	55.16%	$ 832,760,864	$ 64,233,187	$ 960,051,548	$ 857,846,524	$ 102,205,024	$ 896,994,051
LEED Qualification Costs														
LEED Qualification Costs	$ 22,000,000	$ 17,614,479	$ (5,068,041)	$ 12,546,438	$ 4,940,972	$ 343,021	$ 5,283,993	42.12%	$ 7,262,446	$ 2,626	$ 5,281,367	$ 4,938,397	$ 342,970	$ 7,265,072
LEED Qualification Costs Subtotal	$ 22,000,000	$ 17,614,479	$ (5,068,041)	$ 12,546,438	$ 4,940,972	$ 343,021	$ 5,283,993	42.12%	$ 7,262,446	$ 2,626	$ 5,281,367	$ 4,938,397	$ 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/Hoisting														
CM Staffing	$ 24,202,242	$ 29,844,419	$ (3,919,832)	$ 25,924,587	$ 26,306,394	$ (1,276,277)	$ 25,030,117	96.55%	$ 894,470	$ -	$ 25,030,117	$ 26,306,394	$ (1,276,277)	$ 894,470
Field Engineering	$ 1,182,200	$ 3,182,295	$ 2,833,802	$ 6,016,087	$ 3,182,295	$ 2,524,779	$ 5,707,074	94.86%	$ 309,013	$ -	$ 5,707,074	$ 3,182,295	$ 2,524,703	$ 309,013
Hazmat Consulting	$ 100,000	$ 20,000	$ -	$ 20,000	$ 20,998	$ (6,108)	$ 14,892	74.46%	$ 5,108	$ -	$ 14,892	$ 20,998	$ (6,108)	$ 5,108
CQC (OT for inspectors misc certifications)	$ 200,000	$ 55,555	$ 131,445	$ 200,000	$ 69,555	$ (59,005)	$ 10,550	5.27%	$ 189,450	$ -	$ 10,550	$ 69,555	$ (59,005)	$ 189,450
Safety	$ 4,222,767	$ 6,830,558	$ (1,614,505)	$ 5,216,053	$ 6,630,908	$ (1,591,415)	$ 5,139,493	98.53%	$ 76,571	$ 27,552	$ 5,111,811	$ 6,703,226	$ (1,591,415)	$ 104,252
Field Offices and Equipment	$ 6,850,940	$ 3,541,598	$ 182,926	$ 3,730,434	$ 3,541,508	$ 21,751	$ 3,563,269	95.52%	$ 167,165	$ 93,646	$ 3,469,623	$ 3,447,862	$ 21,761	$ 260,810
Temporary Utilities	$ 2,456,000	$ 3,041,925	$ (85,305)	$ 2,956,600	$ 2,789,301	$ (66,364)	$ 2,722,937	92.10%	$ 233,663	$ 48,016	$ 2,674,921	$ 2,765,095	$ (90,174)	$ 281,579
Temporary Protection	$ 4,526,475	$ 4,597,275	$ 1,990,091	$ 6,587,366	$ 4,937,275	$ 1,394,029	$ 6,332,104	96.12%	$ 255,262	$ 7,470	$ 6,324,634	$ 4,926,983	$ 1,397,651	$ 262,732
Material and Labor Staging	$ 5,348,000	$ 10,470,881	$ 760,891	$ 11,231,772	$ 10,470,881	$ 679,004	$ 11,150,685	99.28%	$ 81,097	$ 110,237	$ 11,040,448	$ 10,360,844	$ 679,604	$ 191,324
Clean-up (Continual and Final)	$ 2,843,000	$ 3,325,018	$ (445,695)	$ 2,876,323	$ 3,322,018	$ (1,556,665)	$ 1,766,353	61.43%	$ 1,108,969	$ -	$ 1,766,353	$ 3,322,018	$ (1,555,665)	$ 1,108,969
General Equipment and Tools	$ 1,831,000	$ 3,646,853	$ (703,697)	$ 1,943,166	$ 2,646,863	$ (1,479,300)	$ 1,167,563	60.09%	$ 775,603	$ -	$ 1,167,563	$ 2,646,863	$ (1,479,300)	$ 775,603
Project Documentation	$ 1,825,000	$ 71,698	$ 157,446	$ 229,145	$ 16,747	$ (330)	$ 16,417	7.16%	$ 212,728	$ -	$ 16,417	$ 16,747	$ (330)	$ 212,728
Misc. Project Expenses	$ 922,500	$ 2,236,347	$ (3)	$ 2,236,345	$ 1,989,673	$ (33,767)	$ 1,955,906	87.46%	$ 280,439	$ -	$ 1,955,906	$ 1,989,673	$ (33,767)	$ 280,439
Testing and Inspection (ATC Associates)	$ 2,000,000	$ 0		$ 0	$ -	$ -	$ -	0.00%	$ 0	$ -	$ -	$ -	$ -	$ 0
Reimbursable blueprinting	$ 1,500,000	$ 2,162,551	$ (233,812)	$ 1,928,739	$ 1,852,551	$ (556,709)	$ 1,296,842	67.24%	$ 631,897	$ -	$ 1,296,842	$ 1,662,551	$ (365,709)	$ 631,897
Hoisting	$ 26,257,410	$ 26,809,930	$ (21,881,372)	$ 4,928,558	$ 17,100,683	$ (13,912,222)	$ 3,189,466	64.69%	$ 1,740,091	$ 4,511	$ 3,183,956	$ 17,095,207	$ (13,912,251)	$ 1,744,602
Sub Total General Conditions/Requirements/Hoisting	$ 87,634,074	$ 98,877,648	$ (22,352,963)	$ 76,924,685	$ 84,897,649	$ (15,834,979)	$ 69,062,670	89.84%	$ 6,961,415	$ 291,561	$ 68,771,109	$ 84,617,105	$ (15,845,996)	$ 7,252,976
Total Hard Costs and General Conditions/Requirements/Hoisting	$ 1,752,634,074	$ 1,934,606,951	$ 11,909,272	$ 1,945,616,123	$ 1,006,193,665	$ 92,437,733	$ 1,098,631,397	56.47%	$ 846,984,725	$ 64,527,374	$ 1,034,104,023	$ 947,482,025	$ 86,701,999	$ 911,512,099
Contingency														
Unallocated Contingency	$ 111,039,860	$ 77,271,571	$ -	$ 77,271,571	$ -	$ -	$ -	0.00%	$ 77,271,571	$ -	$ -	$ -	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ 48,120,816	(11,009,272)	$ 37,111,544	$ -	$ -	$ -	0.00%	$ 37,111,544	$ -	$ -	$ -	$ -	$ 37,111,544
Contingency Subtotal	$ 111,039,860	$ 125,392,387	$ (11,009,272)	$ 114,383,115	$ -	$ -	$ -	0.00%	$ 114,383,115	$ -	$ -	$ -	$ -	$ 114,383,115
Insurance														
Insurance package	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000	$ 21,086,234	$ 152,703	$ 21,238,937	53.10%	$ 18,761,063	$ -	$ 21,238,937	$ 21,086,234	$ 152,703	$ 18,761,063
Insurance Subtotal	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000	$ 21,086,234	$ 152,703	$ 21,238,937	53.10%	$ 18,761,063	$ -	$ 21,238,937	$ 21,086,234	$ 152,703	$ 18,761,063
Total Construction Costs	$ 1,904,673,934	$ 2,099,999,238	$ (0)	$ 2,099,999,238	$ 1,027,279,898	$ 92,590,436	$ 1,119,870,334	53.33%	$ 980,128,903	$ 64,527,374	$ 1,055,342,960	$ 968,488,258	$ 86,854,702	$ 1,044,656,277

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
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) (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	$ 15,360,572	$ 15,360,572	$ -	$ 15,360,572	$ 3,016,015	$ 1,499,782	$ 4,515,797	29.40%	$ 10,844,775	$ -	$ 4,515,797	$ 3,016,015	$ 1,499,782	$ 10,844,775
Condo Unit One Bedroom	$ 7,464,292	$ 7,464,292	$ -	$ 7,464,292	$ 1,308,233	$ 1,651,735	$ 2,959,968	39.66%	$ 4,504,324	$ -	$ 2,959,968	$ 1,308,233	$ 1,651,735	$ 4,504,324
Center Suite	$ 734,293	$ 734,293	$ -	$ 734,293	$ 109,904	$ 66,345	$ 176,249	24.00%	$ 558,044	$ -	$ 176,249	$ 109,904	$ 66,345	$ 558,044
Junior Suite	$ 1,589,312	$ 1,589,312	$ -	$ 1,589,312	$ 158,238	$ 139,417	$ 297,655	18.73%	$ 1,291,657	$ -	$ 297,655	$ 158,238	$ 139,417	$ 1,291,657
Three Bay Suite	$ 1,647,402	$ 1,647,402	$ -	$ 1,647,402	$ 505,267	$ 286,473	$ 791,740	48.06%	$ 855,662	$ -	$ 791,740	$ 505,267	$ 286,473	$ 855,662
Four Bay Suite	$ 141,952	$ 141,952	$ -	$ 141,952	$ 114,000		$ 114,000	80.31%	$ 27,952	$ -	$ 114,000	$ 114,000	$ -	$ 27,952
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	$ 4,613,711	$ 298,044	$ 4,911,755	33.98%	$ 9,544,819	$ -	$ 4,911,755	$ 4,613,711	$ 298,044	$ 9,544,819
Typical Queen	$ 31,921,197	$ 31,921,197	$ -	$ 31,921,197	$ 7,325,282	$ 765,345	$ 8,090,627	25.35%	$ 23,830,570	$ -	$ 8,090,627	$ 7,325,282	$ 765,345	$ 23,830,570
Rooms FF&E Subtotal	$ 73,784,267	$ 73,784,267	$ -	$ 73,784,267	$ 17,740,649	$ 4,117,141	$ 21,857,791	29.62%	$ 51,926,476	$ -	$ 21,857,791	$ 17,740,649	$ 4,117,141	$ 51,926,476
Hotel and F&B Operating Equipment														
Bell 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	$ -	$ 158,184	$ -		$ -	0.00%	$ 193,184	$ -	$ -	$ -	$ -	$ 199,184
Hotel Sales	$ 2,618,607	$ 2,618,607	$ -	$ 2,618,607	$ 6,794		$ 6,794	0.26%	$ 2,611,813	$ -	$ 6,794	$ 6,794	$ -	$ 2,611,813
Convention Center	$ 10,261,397	$ 10,261,397	$ -	$ 10,261,397	$ 1,626		$ 1,626	0.02%	$ 10,259,771	$ -	$ 1,626	$ 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	$ 9,853,037	$ 9,853,037	$ -	$ 9,853,037	$ 2,265		$ 2,265	0.02%	$ 9,850,772	$ -	$ 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	$ 49,081,957	$ 49,081,957	$ -	$ 49,081,957	$ 10,684	$ -	$ 10,684	0.02%	$ 49,071,273	$ -	$ 10,684	$ 10,684	$ -	$ 49,071,273
Kitchen Equipment														
Food Service Equipment	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ -	$ -	$ -	0.00%	$ 22,299,240	$ -	$ -	$ -	$ -	$ 22,299,240
Kitchen Equipment Subtotal	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ -	$ -	$ -	0.00%	$ 22,299,240	$ -	$ -	$ -	$ -	$ 22,299,240
Exterior Signage														
Quotation by YESCO	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ -	$ 1,872,688	$ 1,872,689	7.06%	$ 24,660,032	$ 187,269	$ 1,685,419	$ -	$ 1,685,419	$ 24,847,301
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	$ 1,685,419	$ -	$ 1,685,419	$ 24,847,301
Common Area														
FOH	$ 23,281,213	$ 23,281,213	$ -	$ 23,281,213	$ 11,426,118	930,988	$ 12,357,106	53.08%	$ 10,924,107	$ -	$ 12,357,106	$ 11,426,118	$ 930,988	$ 10,924,107
BOH	$ 6,384,599	$ 6,384,599	$ -	$ 6,384,599	$ -	$ -	$ -	0.00%	$ 6,384,599	$ -	$ -	$ -	$ -	$ 6,384,599
Common Area Subtotal	$ 29,665,812	$ 29,665,812	$ -	$ 29,665,812	$ 11,426,118	$ 930,988	$ 12,357,106	42.11%	$ 16,308,706	$ -	$ 12,357,106	$ 11,426,118	$ 930,988	$ 16,308,706
Costed FF&E	$ 200,363,996	$ 200,363,996	$ -	$ 200,363,996	$ 29,177,451	$ 6,920,818	$ 36,098,269	18.42%	$ 164,265,727	$ 187,269	$ 35,911,100	$ 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	$ 40,871,099	$ 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

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
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 (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED[1]	TOTAL COMPLETED TO DATE (E+F=G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G=I)	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	$ 2,963,222	$ 2,963,222	$ -	$ 2,963,222	$ 430,048	$ 59,404	$ 489,452	16.52%	$ 2,473,770	$ -	$ 489,452	$ 430,048	$ 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	$ 334,761	$ (181,511)	$ 153,250	20.63%	$ 589,563	$ -	$ 153,250	$ 334,761	$ (181,511)	$ 589,563
I.T.											$ -	$ -		
I.T.	$ 47,709,040	$ 47,709,040	$ -	$ 47,709,040	$ 4,438,305	$ 1,893,494	$ 6,331,799	13.27%	$ 41,377,241	$ -	$ 6,331,799	$ 4,438,305	$ 1,893,494	$ 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	$ 71,920,596	$ 71,920,596	$ -	$ 71,920,596	$ 5,413,474	$ 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	$ 5,413,474	$ 1,771,387	$ 7,184,861	5.74%	$ 117,890,565	$ -	$ 7,184,861	$ 5,413,474	$ 1,771,387	$ 117,890,565
Pre-Opening and Working Capital														
Working Capital														
Bankroll	$ 4,000,000	$ 4,000,000	$ -	$ 4,000,000	$ -	$ -	$ -	0.00%	$ 4,000,000	$ -	$ -	$ -	$ -	$ 4,000,000
Inventory	$ 3,150,000	$ 3,150,000	$ -	$ 3,150,000	$ -	$ -	$ -	0.00%	$ 3,150,000	$ -	$ -	$ -	$ -	$ 3,150,000
Uniforms	$ 5,927,125	$ 5,927,125	$ -	$ 5,927,125	$ -	$ -	$ -	0.00%	$ 5,927,125	$ -	$ -	$ -	$ -	$ 5,927,125
Taxes	$ 1,000,000	$ 1,000,000	$ -	$ 1,000,000	$ -	$ -	$ -	0.00%	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
Pre-Opening											$ -	$ -		
Payroll Burden	$ 47,468,454	$ 45,468,454	$ (1,250,000)	$ 44,218,454	$ 7,951,849	$ 752,032	$ 8,703,881	19.70%	$ 35,508,573	$ -	$ 8,709,881	$ 7,951,849	$ 752,032	$ 35,508,573
Marketing	$ 26,000,000	$ 26,000,000	$ (1,240,000)	$ 24,760,000	$ 6,239,596	$ 308,051	$ 6,547,647	22.41%	$ 19,202,353	$ -	$ 6,547,647	$ 6,239,596	$ 308,051	$ 19,202,353
Office and Related	$ 1,414,000	$ 1,414,000	$ -	$ 1,414,000	$ 955,894	$ 168,271	$ 1,124,165	79.50%	$ 289,835	$ -	$ 1,124,165	$ 955,894	$ 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	$ 5,247,000	$ 5,247,000		$ 5,247,000	$ 4,277,132	$ 307,512	$ 4,584,644	87.38%	$ 662,356	$ -	$ 4,584,644	$ 4,277,132	$ 307,512	$ 662,356
Pre-Opening and Working Capital Subtotal	$ 93,847,579	$ 93,847,579	$ (2,500,000)	$ 91,347,579	$ 19,194,814	$ 1,535,866	$ 20,730,679	22.69%	$ 70,616,900	$ -	$ 20,730,679	$ 19,194,814	$ 1,535,866	$ 70,616,900
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	$ 14,515,823	$ 14,515,823	$ -	$ 14,515,823	$ 12,932,290	$ (33,100)	$ 12,899,190	88.86%	$ 1,616,633	$ -	$ 12,899,190	$ 12,932,290	$ (33,100)	$ 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 Podium	$ 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	$ 7,584,950		$ 7,584,950	67.83%	$ 3,596,751	$ -	$ 7,584,950	$ 7,584,950	$ -	$ 3,596,751
Health Department / Other Misc. Fees	$ 13,500	$ 286,500	$ -	$ 286,500	$ 61,847	$ 1,591	$ 63,438	22.14%	$ 223,062	$ -	$ 63,438	$ 61,847	$ 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	$ 50,610,050	$ 70,610,050	$ 7,000,000	$ 77,610,050	$ 70,536,438	$ 7,003,222	$ 77,539,660	99.91%	$ 70,390	$ -	$ 77,539,660	$ 70,536,438	$ 7,003,222	$ 70,390
Consultant costs	$ 8,028,560	$ 10,048,560		$ 10,048,560	$ 8,030,396	$ 710,680	$ 8,741,076	86.99%	$ 1,307,474	$ -	$ 8,741,076	$ 8,030,396	$ 710,680	$ 1,307,474
											$ -	$ -		
Taxes, Legal and Other											$ -	$ -		
Feasibility appraisals	$ 75,000	$ 75,000	$ -	$ 75,000	$ -		$ -	0.00%	$ 75,000	$ -	$ -	$ -	$ -	$ 75,000
Property taxes	$ 10,915,487	$ 10,415,487	$ (4,500,000)	$ 5,915,487	$ 2,276,959		$ 2,276,959	38.49%	$ 3,638,528	$ -	$ 2,276,959	$ 2,276,959	$ -	$ 3,638,528
Legal fees/ other/ allowance	$ 2,561,616	$ 5,061,616	$ -	$ 5,061,616	$ 4,310,662	$ 162,433	$ 4,473,095	88.37%	$ 588,521	$ -	$ 4,473,095	$ 4,310,662	$ 162,433	$ 588,521
Development Agreement	$ 4,500,000	$ 4,500,000	$ -	$ 4,500,000	$ 3,575,998	$ 307,500	$ 3,883,498	86.30%	$ 616,502	$ -	$ 3,883,498	$ 3,575,998	$ 307,500	$ 616,502
Turnberry Place Ramp	$ 750,000	$ -	$ -	$ -	$ 0		$ 0		$ (0)	$ -	$ 0	$ 0	$ -	$ (0)
Mock Up Cost	$ 750,000	$ 750,000	$ -	$ 750,000	$ 725,969		$ 725,969	96.80%	$ 24,031	$ -	$ 725,969	$ 725,969	$ -	$ 24,031
Fees / Permits / Taxes / Other Subtotal	$ 131,814,077	$ 142,837,077	$ 2,500,000	$ 145,337,077	$ 122,786,227	$ 8,152,326	$ 130,948,553	90.10%	$ 14,388,524	$ -	$ 130,948,553	$ 122,786,227	$ 8,152,326	$ 14,388,524

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
As of 9/30/08

DESCRIPTION	RESORT COSTS AMOUNT			
	CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)
Debt Service Accrued Through Scheduled Opening				
Debt Service	$ 362,756,033	$ 332,379,033		$ 332,379,033
Debt Service Accrued Through Scheduled Opening Subtotal	$ 362,756,033	$ 332,379,033	$ -	$ 332,379,033
Condominium-Hotel Selling Expenses				
Condominium-Hotel Selling Expenses	$ 49,776,523	$ 25,000,000		$ 25,000,000
Condominium-Hotel Selling Expenses Subtotal	$ 49,776,523	$ 25,000,000	$ -	$ 25,000,000
Fees and Expenses				
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 Date	$ 698,935,805	$ 654,804,482	$ -	$ 654,804,482
TOTAL COSTS	$ 2,929,048,361	$ 3,080,243,141	$ (0)	$ 3,080,243,141

DESCRIPTION	COSTS INCURRED					
	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) (I)	TOTAL RETAINAGE (J)
Debt Service Accrued Through Scheduled Opening						
Debt Service	$ 163,928,807		$ 163,928,807	49.32%	$ 168,450,226	$ -
Debt Service Accrued Through Scheduled Opening Subtotal	$ 163,928,807	$ -	$ 163,928,807	49.32%	$ 168,450,226	$ -
Condominium-Hotel Selling Expenses						
Condominium-Hotel Selling Expenses	$ 15,360,294	$ 343,639	$ 15,703,933	62.82%	$ 9,296,067	$ 148,523
Condominium-Hotel Selling Expenses Subtotal	$ 15,360,294	$ 343,639	$ 15,703,933	62.82%	$ 9,296,067	$ 148,523
Fees and Expenses						
Fees and Expenses	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -
Fees and Expenses Subtotal	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -
Costs Accrued Through Opening Date	$ 380,876,013	$ 10,031,831	$ 390,857,844	59.69%	$ 263,946,638	$ 148,523
TOTAL COSTS	$ 1,442,695,836	$ 111,314,472	1,554,011,308	50.45%	$ 1,525,231,833	64,853,166

DESCRIPTION	NET AMOUNTS			
	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)
Debt Service Accrued Through Scheduled Opening				
Debt Service	$ 163,928,807	$ 163,928,807	$ -	$ 168,450,226
Debt Service Accrued Through Scheduled Opening Subtotal	$ 163,928,807	$ 163,928,847	$ -	$ 168,450,226
Condominium-Hotel Selling Expenses				
Condominium-Hotel Selling Expenses	$ 16,555,410	$ 14,844,602	$ 710,807	$ 9,444,590
Condominium-Hotel Selling Expenses Subtotal	$ 15,555,410	$ 14,844,602	$ 710,807	$ 9,444,590
Fees and Expenses				
Fees and Expenses	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Fees and Expenses Subtotal	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Costs Accrued Through Opening Date	$ 390,709,320	$ 380,310,321	$ 10,398,999	$ 264,095,161
TOTAL COSTS	1,489,148,142	$ 1,383,389,505	$ 105,758,637	$ 1,591,094,989

(1) To be filled out without offsetting Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	54.9%
Contingency Adjustment	
Required Minimum Contingency	$ 50,025,516
Less: Unallocated Contingency Balance (Actual)	$ (77,271,571)
Contingency Adjustment Subtotal	$ (27,246,054)
Other Adjustments	
Required Minimum Cash Support	$ -
Required Minimum Liquidity Account	$ 22,525,927
Required Minimum Excess Revolver Support Amount	$ 6,935,557
Repayment of Existing Debt	$ -
Adjustment for Additional Cash Support	$ -
TOTAL	$ 1,593,310,418

IN BALANCE TEST AVAILABLE CUSHION	STARTING CUSHION	CURRENT CUSHION
Required Minimum Cash Support	$ 50,000,000	$ -
Other Unallocated In Balance Cushion		
Contingency Adjustment Subtotal	$ -	$ 27,246,054
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	$ 50,000,000	$ 63,179,156

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
As of 10/31/08

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)
Construction Hard Costs				
Tower	$ 653,716,330	$ 686,124,609		$ 685,184,609
Podium	$ 659,415,565	$ 729,069,015	$ (4,893,330)	$ 724,170,425
Convention	$ -	$ -		$ -
Garage/Convention/Central Plant	$ 379,855,718	$ 422,861,814	$ 14,266,993	$ 437,128,806
Central Plant	$ -	$ -		$ -
Site	$ 54,283,865	$ 16,859,191		$ 16,859,191
Bond cost	$ 6,000,000	$ 3,051,170		$ 3,051,170
Construction Hard Costs Subtotal	$ 1,783,000,000	$ 1,857,045,599	$ 9,348,603	$ 1,866,394,202
LEED Qualification Costs				
LEED Qualification Costs	$ 22,000,000	$ 12,546,438		$ 12,546,438
LEED Qualification Costs Subtotal	$ 22,000,000	$ 12,546,438	$ -	$ 12,546,438
LEED Sales Tax Benefit				
LEED Sales Tax Benefit	$ (59,000,000)			$ -
LEED Sales Tax Benefit Subtotal	$ (59,000,000)	$ -	$ -	$ -
General Conditions/Requirements/Hoisting				
CM Staffing	$ 24,202,242	$ 25,924,597	$ 600,190	$ 26,624,767
Field Engineering	$ 1,160,200	$ 6,016,097	$ (11,556)	$ 6,004,521
Hazmat Consulting	$ 100,000	$ 20,000	$ -	$ 20,000
COC (OT for inspectors misc certifications)	$ 200,000	$ 200,000	$ -	$ 200,000
Safety	$ 4,036,707	$ 5,216,063	$ 200,130	$ 5,416,194
Field Offices and Equipment	$ 6,057,940	$ 3,730,434	$ 212,749	$ 3,943,183
Temporary Utilities	$ 2,456,300	$ 2,956,500	$ 142,716	$ 3,099,217
Temporary Protection	$ 4,526,475	$ 6,587,365	$ 132,920	$ 6,720,285
Material and Labor Staging	$ 6,348,000	$ 11,331,772	$ 306,040	$ 11,637,813
Clean-up (Continual and Final)	$ 2,943,760	$ 2,975,323	$ (627,382)	$ 2,347,941
General Equipment and Tools	$ 1,931,000	$ 1,843,166	$ (297,541)	$ 1,545,625
Project Documentation	$ 1,825,200	$ 229,145	$ -	$ 229,145
Misc. Project Expenses	$ 532,500	$ 2,236,345	$ (287,469)	$ 1,948,876
Testing and Inspection (ATC Associates)	$ 2,000,000	$ 0	$ -	$ 0
Reimbursable blueprinting	$ 1,500,000	$ 1,920,739	$ (370,779)	$ 1,557,961
Hoisting	$ 26,233,419	$ 4,926,559	$ -	$ 4,926,559
Sub Total General Conditions/Requirements/Hoisting	$ 87,634,874	$ 76,024,085	$ -	$ 76,024,085
Total Hard Costs and General Conditions/Requirements/Hoisting	$ 1,753,634,874	$ 1,945,616,122	$ 9,348,603	$ 1,954,964,726
Contingency				
Unallocated Contingency	$ 111,039,860	$ 77,271,571	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ 37,111,544	(9,348,603)	$ 27,762,941
Contingency Subtotal	$ 111,039,860	$ 114,383,115	$ (9,348,603)	$ 105,034,512
Insurance				
Insurance package	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000
Insurance Subtotal	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000
Total Construction Costs	$ 1,964,673,434	$ 2,099,999,238	$ 0	$ 2,099,919,238

DESCRIPTION	COSTS INCURRED: 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) (I)	TOTAL RETAINAGE (J)
Construction Hard Costs						
Tower	$ 419,002,775	$ 39,419,825	$ 458,422,600	66.90%	$ 226,762,010	$ 33,209,732
Podium	$ 300,357,331	$ 35,466,205	$ 336,823,836	46.51%	$ 387,346,590	$ 18,870,632
Convention	$ -		$ -	0.00%	$ -	
Garage/Convention/Central Plant	$ 283,248,909	$ 22,650,342	$ 305,899,251	69.98%	$ 131,229,556	$ 17,254,960
Central Plant	$ -		$ -	0.00%	$ -	
Site	$ 11,275,359	$ 464,334	$ 11,739,692	69.63%	$ 5,119,499	$ 718,426
Bond cost	$ 2,378,062		$ 2,378,062	77.94%	$ 673,109	
Construction Hard Costs Subtotal	$ 1,024,284,735	$ 90,978,706	$ 1,115,263,440	59.75%	$ 751,130,762	$ 70,061,650
LEED Qualification Costs						
LEED Qualification Costs	$ 5,283,993	$ 273,400	$ 5,557,393	44.29%	$ 6,989,046	$ 2,626
LEED Qualification Costs Subtotal	$ 5,283,993	$ 273,400	$ 5,557,393	44.29%	$ 6,989,046	$ 2,626
LEED Sales Tax Benefit						
LEED Sales Tax Benefit	$ -	$ -	$ -	0.00%	$ -	$ -
LEED Sales Tax Benefit Subtotal	$ -	$ -	$ -	0.00%	$ -	$ -
General Conditions/Requirements/Hoisting						
CM Staffing	$ 25,050,117	$ 1,465,354	$ 26,515,471	99.96%	$ 9,296	$ -
Field Engineering	$ 5,707,074	251,013	$ 5,958,000	99.23%	$ 46,433	$ -
Hazmat Consulting	$ 14,992	600	$ 15,692	78.46%	$ 4,308	$ -
COC (OT for inspectors misc certifications)	10,550	(120)	$ 10,430	5.21%	$ 189,570	$ -
Safety	$ 5,139,493	$ 254,187	$ 5,393,680	99.58%	$ 22,514	$ 27,682
Field Offices and Equipment	$ 3,563,269	$ 55,378	$ 3,618,647	91.77%	$ 324,536	$ 93,303
Temporary Utilities	$ 2,722,937	$ 200,228	$ 2,923,166	94.32%	$ 176,051	$ 49,905
Temporary Protection	$ 6,332,104	$ 179,297	$ 6,511,401	96.89%	$ 208,885	$ 7,470
Material and Labor Staging	$ 11,150,695	$ 476,284	$ 11,626,979	99.91%	$ 10,834	$ 110,347
Clean-up (Continual and Final)	$ 1,766,353	$ (442,524)	$ 1,323,830	56.38%	$ 1,024,112	$ -
General Equipment and Tools	$ 1,167,563	$ 31,541	$ 1,199,105	77.56%	$ 346,520	$ -
Project Documentation	$ 16,417	$ 1,255	$ 17,673	7.71%	$ 211,472	$ -
Misc. Project Expenses	$ 1,955,906	$ (339,916)	$ 1,615,990	82.92%	$ 332,885	$ -
Testing and Inspection (ATC Associates)	$ -	$ -	$ -	0.00%	$ 0	$ -
Reimbursable blueprinting	$ 1,296,842	$ 81,992	$ 1,378,834	88.50%	$ 179,127	$ -
Hoisting	$ 3,188,468	$ (2,435,673)	$ 752,795	15.27%	$ 4,175,763	$ 4,511
Sub Total General Conditions/Requirements/Hoisting	$ 69,062,670	$ (330,892)	$ 68,761,779	90.45%	$ 7,262,307	$ 293,218
Total Hard Costs and General Conditions/Requirements/Hoisting	$ 1,098,631,397	$ 90,951,214	$ 1,189,582,612	60.85%	$ 765,382,114	$ 70,357,405
Contingency						
Unallocated Contingency	$ -	$ -	$ -	0.00%	$ 77,271,571	$ -
Additional Cost Contingency	$ -	$ -	$ -	0.00%	$ 27,762,941	$ -
Contingency Subtotal	$ -	$ -	$ -	0.00%	$ 105,034,512	$ -
Insurance						
Insurance package	$ 21,238,937	$ 99,696	$ 21,338,633	53.35%	$ 18,661,367	$ -
Insurance Subtotal	$ 21,238,937	$ 99,696	$ 21,338,633	53.35%	$ 18,661,367	$ -
Total Construction Costs	$ 1,119,870,334	$ 91,050,911	$ 1,210,921,245	57.66%	$ 889,077,993	$ 70,357,495

DESCRIPTION	NET AMOUNTS: 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)
Construction Hard Costs				
Tower	$ 425,212,868	$ 388,404,178	$ 36,808,690	$ 259,971,742
Podium	$ 317,945,204	$ 291,036,193	$ 26,909,011	$ 406,225,222
Convention	$ -	$ -	$ -	$ -
Garage/Convention/Central Plant	$ 288,644,391	$ 267,661,336	$ 20,983,055	$ 148,484,415
Central Plant	$ -	$ -	$ -	$ -
Site	$ 11,021,266	$ 10,571,780	$ 449,486	$ 5,837,925
Bond cost	$ 2,378,062	$ 2,378,062	$ -	$ 673,108
Construction Hard Costs Subtotal	$ 1,045,201,791	$ 960,051,548	$ 85,150,243	$ 821,192,412
LEED Qualification Costs				
LEED Qualification Costs	$ 5,554,767	$ 5,281,367	$ 273,400	$ 6,991,672
LEED Qualification Costs Subtotal	$ 5,554,767	$ 5,281,367	$ 273,400	$ 6,991,672
LEED Sales Tax Benefit				
LEED Sales Tax Benefit	$ -	$ -	$ -	$ -
LEED Sales Tax Benefit Subtotal	$ -	$ -	$ -	$ -
General Conditions/Requirements/Hoisting				
CM Staffing	$ 26,515,471	$ 25,050,117	$ 1,465,354	$ 9,296
Field Engineering	$ 5,950,000	$ 5,707,074	$ 251,013	$ 46,433
Hazmat Consulting	$ 15,692	$ 14,992	$ 600	$ 4,308
COC (OT for inspectors misc certifications)	$ 10,430	$ 10,550	$ (120)	$ 189,570
Safety	$ 5,365,998	$ 5,111,811	$ 254,187	$ 50,196
Field Offices and Equipment	$ 3,525,344	$ 3,469,623	$ 55,720	$ 417,839
Temporary Utilities	$ 2,873,260	$ 2,674,921	$ 198,340	$ 225,956
Temporary Protection	$ 6,503,931	$ 6,324,634	$ 179,297	$ 216,355
Material and Labor Staging	$ 11,416,632	$ 11,040,448	$ 376,184	$ 121,181
Clean-up (Continual and Final)	$ 1,323,830	$ 1,766,353	$ (442,524)	$ 1,024,112
General Equipment and Tools	$ 1,199,105	$ 1,167,563	$ 31,541	$ 346,520
Project Documentation	$ 17,673	$ 16,417	$ 1,255	$ 211,472
Misc. Project Expenses	$ 1,615,990	$ 1,955,906	$ (339,916)	$ 332,895
Testing and Inspection (ATC Associates)	$ -	$ -	$ -	$ 0
Reimbursable blueprinting	$ 1,378,834	$ 1,296,842	$ 81,992	$ 179,127
Hoisting	$ 748,284	$ 3,183,956	$ (2,435,673)	$ 4,180,275
Sub Total General Conditions/Requirements/Hoisting	$ 68,468,560	$ 68,771,109	$ (302,549)	$ 7,555,525
Total Hard Costs and General Conditions/Requirements/Hoisting	$ 1,119,225,117	$ 1,034,104,023	$ 85,121,094	$ 835,739,609
Contingency				
Unallocated Contingency	$ -	$ -	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ -	$ -	$ 27,762,941
Contingency Subtotal	$ -	$ -	$ -	$ 105,034,512
Insurance				
Insurance package	$ 21,338,633	$ 21,238,937	$ 99,696	$ 18,661,367
Insurance Subtotal	$ 21,338,633	$ 21,238,937	$ 99,696	$ 18,661,357
Total Construction Costs	$ 1,140,563,750	$ 1,055,342,960	$ 85,220,790	$ 959,435,487

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
As of 10/31/08

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[1]	TOTAL COMPLETED TO DATE (E+F=G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G=I)	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	$ 15,360,572	$ 15,360,572	$ -	$ 15,360,572	$ 4,515,797	$ 749,734	$ 5,265,531	34.28%	$ 10,095,041	$ -	$ 5,265,531	$ 4,515,797	$ 749,734	$ 10,095,041
Condo Unit One Bedroom	$ 7,464,292	$ 7,464,292	$ -	$ 7,464,292	$ 2,959,968	$ 262,821	$ 3,222,789	43.18%	$ 4,241,503	$ -	$ 3,222,789	$ 2,959,968	$ 262,821	$ 4,241,503
Center Suite	$ 734,293	$ 734,293	$ -	$ 734,293	$ 176,249	$ 403,193	$ 579,442	78.91%	$ 154,851	$ -	$ 579,442	$ 176,249	$ 403,193	$ 154,851
Junior Suite	$ 1,589,312	$ 1,589,312	$ -	$ 1,589,312	$ 297,655	$ 85,914	$ 383,569	24.13%	$ 1,205,743	$ -	$ 383,569	$ 297,655	$ 85,914	$ 1,205,743
Three Bay Suite	$ 1,647,402	$ 1,647,402	$ -	$ 1,647,402	$ 791,740	$ 100,231	$ 891,970	54.14%	$ 755,432	$ -	$ 891,970	$ 791,740	$ 100,231	$ 755,432
Four Bay Suite	$ 141,952	$ 141,952	$ -	$ 141,952	$ 114,000	$ -	$ 114,000	80.31%	$ 27,952	$ -	$ 114,000	$ 114,000	$ -	$ 27,952
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	$ 4,911,755	$ 359,022	$ 5,270,776	36.46%	$ 9,185,798	$ -	$ 5,270,776	$ 4,911,755	$ 359,022	$ 9,185,798
Typical Queen	$ 31,921,197	$ 31,921,197	$ -	$ 31,921,197	$ [illegible]	$ (292,944)	$ 7,887,603	24.71%	$ 24,033,514	$ -	$ 7,887,603	$ [illegible]	$ (292,944)	$ 24,033,514
Rooms FF&E Subtotal	$ 73,784,267	$ 73,784,267	$ -	$ 73,784,267	$ 21,857,791	$ 1,757,971	$ 23,615,762	32.01%	$ 50,168,505	$ -	$ 23,615,762	$ 21,857,791	$ 1,757,971	$ 50,168,505
Hotel and F&B Operating Equipment														
Bell 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	$ 198,184	$ 198,184	$ -	$ 198,184	$ -		$ -	0.00%	$ 198,184	$ -	$ -	$ -	$ -	$ 198,184
Hotel Sales	$ 2,618,607	$ 2,618,607	$ -	$ 2,618,607	$ 6,794		$ 6,794	0.26%	$ 2,611,813	$ -	$ 6,794	$ 6,794	$ -	$ 2,611,813
Convention Center	$ 10,261,397	$ 10,261,397	$ -	$ 10,261,397	$ 1,626		$ 1,626	0.02%	$ 10,259,771	$ -	$ 1,626	$ 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	$ 9,853,037	$ 9,853,037	$ -	$ 9,853,037	$ 2,265		$ 2,265	0.02%	$ 9,850,772	$ -	$ 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	$ 49,081,857	$ 49,081,857	$ -	$ 49,081,857	$ 10,684	$ -	$ 10,684	0.02%	$ 49,071,273	$ -	$ 10,684	$ 10,684	$ -	$ 49,071,273
Kitchen Equipment														
Food Service Equipment	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ -	$ 58,675	$ 58,675	0.26%	$ 22,240,565	$ -	$ 58,675	$ -	$ 58,675	$ 22,240,565
Kitchen Equipment Subtotal	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ -	$ 58,675	$ 58,675	0.26%	$ 22,240,565	$ -	$ 58,675	$ -	$ 58,675	$ 22,240,565
Exterior Signage														
Quotation by YESCO	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 1,872,688	$ 1,371,173	$ 3,243,861	12.23%	$ 23,288,859	$ 324,386	$ 2,919,475	$ 1,685,419	$ 1,234,056	$ 23,613,245
Exterior Signage Subtotal	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 1,872,688	$ 1,371,173	$ 3,243,861	12.23%	$ 23,288,859	$ 324,386	$ 2,919,475	$ 1,685,419	$ 1,234,056	$ 23,613,245
Common Area														
FOH	$ 23,281,213	$ 23,281,213	$ -	$ 23,281,213	$ 12,357,106	(272,296)	$ 12,084,810	51.91%	$ 11,196,403	$ -	$ 12,084,810	$ 12,357,106	$ (272,296)	$ 11,196,403
BOH	$ 6,384,699	$ 6,384,699	$ -	$ 6,384,699	$ -	$ -	$ -	0.00%	$ 6,384,699	$ -	$ -	$ -	$ -	$ 6,384,699
Common Area Subtotal	$ 28,665,812	$ 28,665,812	$ -	$ 28,665,812	$ 12,357,106	$ (272,296)	$ 12,084,810	42.16%	$ 16,581,002	$ -	$ 12,084,810	$ 12,357,106	$ (272,296)	$ 16,581,002
Costed FF&E	$ 200,363,996	$ 200,363,996	$ -	$ 200,363,996	$ 36,098,269	$ 7,915,523	$ 39,013,792	19.47%	$ 161,350,204	$ 324,386	$ 38,689,406	$ 35,911,000	$ 2,778,406	$ 161,674,590
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&G	$ 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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As of 10/31/08

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[1] (F)	TOTAL COMPLETED TO DATE (E+F=G) (G)	% COMPLETED (G/D) (H)	BALANCE TO COMPLETE (D-G=I) (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)
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	$ 2,963,222	$ 2,963,222	$ -	$ 2,963,222	$ 490,432	$ 20,935	$ 516,369	17.49%	$ 2,444,834	$ -	$ 510,398	$ 489,452	$ 20,935	$ 2,444,834
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	$ 1,597	$ 211,957	1.83%	$ 11,382,699	$ -	$ 211,957	$ 210,361	$ 1,597	$ 11,382,699
Internal Maintenance	$ 1,171,277	$ 1,171,277	$ -	$ 1,171,277	$ -		$ -	0.00%	$ 1,171,277	$ -	$ -	$ -	$ -	$ 1,171,277
Transportation	$ 194,508	$ 194,508	$ -	$ 194,509	$ -		$ -	0.00%	$ 194,508	$ -	$ -	$ -	$ -	$ 194,508
Retail	$ 194,973	$ 194,973	$ -	$ 194,973	$ -		$ -	0.00%	$ 194,973	$ -	$ -	$ -	$ -	$ 194,973
Wardrobe	$ 742,812	$ 742,813	$ -	$ 742,813	$ 153,250		$ 153,250	20.63%	$ 589,563	$ -	$ 153,250	$ 153,250	$ -	$ 589,563
I.T.											$ -	$ -		
I.T.	$ 47,709,040	$ 47,709,040	$ -	$ 47,709,040	$ 6,331,799	$ 174,635	$ 6,505,434	13.64%	$ 41,202,606	$ -	$ 6,505,434	$ 6,331,799	$ 174,635	$ 41,202,606
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	$ 71,920,596	$ 71,920,596	$ -	$ 71,920,596	$ 7,184,861	$ 205,167	$ 7,390,028	10.28%	$ 64,530,568	$ -	$ 7,390,028	$ 7,184,861	$ 205,167	$ 64,530,568
Other FF&E	$ 125,075,426	$ 125,075,426	$ -	$ 125,075,426	$ 7,184,861	$ 205,167	$ 7,390,028	5.91%	$ 117,685,398	$ -	$ 7,390,028	$ 7,184,861	$ 205,167	$ 117,685,398
Pre-Opening and Working Capital														
Working Capital														
Bankroll	$ 4,000,000	$ 4,000,000	$ -	$ 4,000,000	$ -	$ -	$ -	0.00%	$ 4,000,000	$ -	$ -	$ -	$ -	$ 4,000,000
Inventory	$ 3,150,000	$ 3,150,000	$ -	$ 3,150,000	$ -	$ -	$ -	0.00%	$ 3,150,000	$ -	$ -	$ -	$ -	$ 3,150,000
Uniforms	$ 5,927,125	$ 5,927,125	$ -	$ 5,927,125	$ -	$ -	$ -	0.00%	$ 5,927,125	$ -	$ -	$ -	$ -	$ 5,927,125
Taxes	$ 1,000,000	$ 1,000,000	$ -	$ 1,000,000	$ -	$ -	$ -	0.00%	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
Pre-Opening											$ -	$ -		
Payroll Burden	$ 47,400,464	$ 44,218,464	$ (1,875,000)	$ 42,343,464	$ 8,709,881	$ 1,002,720	$ 9,712,600	22.94%	$ 32,630,854	$ -	$ 9,712,600	$ 8,709,881	$ 1,002,720	$ 32,630,854
Marketing	$ 26,050,000	$ 24,750,000	$ (1,875,000)	$ 22,876,000	$ 6,647,647	$ 2,954,046	$ 8,601,693	37.17%	$ 14,373,307	$ -	$ 8,601,693	$ 6,647,647	$ 2,954,046	$ 14,373,307
Office and Related	$ 1,414,000	$ 1,414,000	$ 200,000	$ 1,614,000	$ 1,124,165	$ 397,214	$ 1,521,379	94.26%	$ 92,621	$ -	$ 1,521,379	$ 1,124,165	$ 397,214	$ 92,621
Recruitment	$ 1,641,000	$ 1,641,000	$ -	$ 1,641,000	$ 764,342	$ 3,554	$ 767,907	46.80%	$ 873,093	$ -	$ 767,907	$ 764,342	$ 3,554	$ 873,093
Other	$ 2,247,000	$ 5,247,000		$ 5,247,000	$ 4,584,644	$ 92,904	$ 4,677,548	89.15%	$ 569,452	$ -	$ 4,677,548	$ 4,584,644	$ 92,904	$ 569,452
Pre-Opening and Working Capital Subtotal	$ 93,847,579	$ 91,347,579	$ (3,550,000)	$ 87,797,579	$ 20,730,679	$ 4,450,448	$ 25,181,127	28.68%	$ 62,616,452	$ -	$ 25,181,127	$ 20,730,679	$ 4,450,448	$ 62,616,452
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	$ 14,515,823	$ 14,515,823	$ -	$ 14,515,823	$ 12,899,190	$ 98,535	$ 12,997,724	89.54%	$ 1,518,099	$ -	$ 12,997,724	$ 12,899,190	$ 98,535	$ 1,518,099
Sewer Fees											$ -	$ -		
Hotel Rooms	$ 7,779,400	$ 7,779,400	$ -	$ 7,779,400	$ 7,734,608		$ 7,734,608	99.42%	$ 44,792	$ -	$ 7,734,609	$ 7,734,608	$ -	$ 44,792
Remainder of Podium	$ 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	$ 7,584,950		$ 7,584,950	67.83%	$ 3,596,751	$ -	$ 7,584,950	$ 7,584,950	$ -	$ 3,596,751
Health Department / Other Misc. Fees	$ 13,500	$ 286,500	$ -	$ 286,500	$ 63,438	$ 17,780	$ 81,218	28.35%	$ 205,292	$ -	$ 81,218	$ 63,438	$ 17,780	$ 205,282
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%	$ 1,085,840	$ -	$ 3,526,112	$ 3,526,112	$ -	$ 1,086,840
Design Fees / Costs											$ -	$ -		
Design costs	$ 50,610,050	$ 77,610,050	$ 3,550,000	$ 81,160,050	$ 77,539,660	$ 3,617,505	$ 81,157,165	100.00%	$ 2,885	$ -	$ 81,157,165	$ 77,539,660	$ 3,617,505	$ 2,885
Consultant costs	$ 8,048,550	$ 10,048,550		$ 10,048,550	$ 8,741,076	$ 603,654	$ 9,344,720	93.00%	$ 703,820	$ -	$ 9,344,730	$ 8,741,076	$ 603,654	$ 703,820
Taxes, Legal and Other											$ -	$ -		
Feasibility appraisals	$ 75,000	$ 75,000	$ -	$ 75,000	$ -		$ -	0.00%	$ 75,000	$ -	$ -	$ -	$ -	$ 75,000
Property taxes	$ 13,915,487	$ 5,915,487		$ 5,915,487	$ 2,276,959	$ 319,407	$ 2,596,366	43.89%	$ 3,319,121	$ -	$ 2,596,366	$ 2,276,959	$ 319,407	$ 3,319,121
Legal fees/ other/ allowance	$ 2,561,616	$ 5,051,616	$ -	$ 5,051,616	$ 4,473,095	$ 227,037	$ 4,700,131	92.86%	$ 351,485	$ -	$ 4,700,131	$ 4,473,095	$ 227,037	$ 361,485
Development Agreement	$ 4,500,000	$ 4,500,000	$ -	$ 4,500,000	$ 3,853,498	$ 307,500	$ 4,190,998	93.13%	$ 309,002	$ -	$ 4,190,998	$ 3,853,498	$ 307,500	$ 309,002
Turnberry Place Ramp	$ 750,000	$ -	$ -	$ -	$ 0		$ 0		$ (0)	$ -	$ 0	$ 0	$ -	$ (0)
Mock Up Cost	$ 750,000	$ 750,000	$ -	$ 750,000	$ 725,969	$ 339	$ 726,307	96.84%	$ 23,693	$ -	$ 726,307	$ 725,969	$ 339	$ 23,693
Fees / Permits / Taxes / Other Subtotal	$ 131,814,077	$ 145,337,077	$ 3,550,000	$ 148,887,077	$ 130,948,553	$ 5,191,756	$ 136,140,309	91.44%	$ 12,745,768	$ -	$ 136,140,309	$ 130,948,553	$ 5,191,756	$ 12,745,768

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
As of 10/31/08

DESCRIPTION	RESORT COSTS AMOUNT			
	CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)
Debt Service Accrued Through Scheduled Opening				
Debt Service	$ 362,756,833	$ 332,379,033		$ 332,379,033
Debt Service Accrued Through Scheduled Opening Subtotal	$ 362,756,833	$ 332,379,033	$ -	$ 332,379,033
Condominium-Hotel Selling Expenses				
Condominium-Hotel Selling Expenses	$ 49,776,523	$ 25,000,000		$ 25,000,000
Condominium-Hotel Selling Expenses Subtotal	$ 49,776,523	$ 25,000,000	$ -	$ 25,000,000
Fees and Expenses				
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 Date	$ 618,935,805	$ 654,864,482	$ -	$ 654,864,482
TOTAL COSTS	$ 2,929,048,361	$ 3,080,243,141	$ 0	$ 3,080,243,141

DESCRIPTION	COSTS INCURRED					
	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) (I)	TOTAL RETAINAGE (J)
Debt Service Accrued Through Scheduled Opening						
Debt Service	$ 163,928,807	$ 49,909,926	$ 213,838,733	64.34%	$ 118,540,299	$ -
Debt Service Accrued Through Scheduled Opening Subtotal	$ 163,928,807	$ 49,909,926	$ 213,838,733	64.34%	$ 118,540,299	$ -
Condominium-Hotel Selling Expenses						
Condominium-Hotel Selling Expenses	$ 15,703,933	$ 644,222	$ 16,348,155	65.39%	$ 8,651,845	$ 106,949
Condominium-Hotel Selling Expenses Subtotal	$ 15,703,933	$ 644,222	$ 16,348,155	65.39%	$ 8,651,845	$ 106,949
Fees and Expenses						
Fees and Expenses	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -
Fees and Expenses Subtotal	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -
Costs Accrued Through Opening Date	$ 390,857,844	$ 60,195,352	$ 451,054,196	68.88%	$ 203,750,286	$ 106,949
TOTAL COSTS	$ 1,554,011,308	$ 154,367,953	1,708,379,261	55.46%	$ 1,371,863,880	70,788,830

DESCRIPTION	NET AMOUNTS			
	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)
Debt Service Accrued Through Scheduled Opening				
Debt Service	$ 213,838,733	$ 163,928,807	$ 49,909,926	$ 118,540,299
Debt Service Accrued Through Scheduled Opening Subtotal	$ 213,838,733	$ 163,928,807	$ 49,909,926	$ 118,540,299
Condominium-Hotel Selling Expenses				
Condominium-Hotel Selling Expenses	$ 16,241,206	$ 15,555,410	$ 685,796	$ 8,758,794
Condominium-Hotel Selling Expenses Subtotal	$ 16,241,206	$ 15,555,410	$ 685,796	$ 8,758,794
Fees and Expenses				
Fees and Expenses	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Fees and Expenses Subtotal	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Costs Accrued Through Opening Date	$ 450,947,247	$ 390,709,320	$ 60,237,926	$ 203,857,235
TOTAL COSTS	1,637,590,431	$ 1,489,148,142	$ 148,442,289	$ 1,442,652,710

(1) To be filled out without offsetting Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	59.5%
Contingency Adjustment	
Required Minimum Contingency	$ 44,618,253
Less: Unallocated Contingency Balance (Actual)	$ (77,271,571)
Contingency Adjustment Subtotal	$ (32,653,318)
Other Adjustments	
Required Minimum Cash Support	$ -
Required Minimum Liquidity Account	$ 20,091,037
Required Minimum Excess Revolver Support Amount	$ 6,186,876
Repayment of Existing Debt	$ -
Adjustment for Additional Cash Support	$ -
TOTAL	$ 1,436,276,365

IN BALANCE TEST AVAILABLE CUSHION	STARTING CUSHION	CURRENT CUSHION
Required Minimum Cash Support	$ 50,000,000	$ -
Other Unallocated In Balance Cushion		
Contingency Adjustment Subtotal	$ -	$ 32,653,318
Required Minimum Liquidity Account	$ -	$ 29,908,903
Required Minimum Excess Revolver Support Amount	$ -	$ 9,208,691
Adjustment for Additional Cash Support	$ -	$ -
Total Other Unallocated In Balance Cushion	$ -	$ 71,770,912
TOTAL CUSHION	$ 50,000,000	$ 71,770,912

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
REMAINING COST REPORT
APPENDIX VI TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
October 31, 2008

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)
Turnberry West Construction	$ 1,783,634,674	$ 1,845,616,123	$ 9,348,603	$ 1,854,964,726
Unallocated Contingency	$ 151,039,660	$ 77,271,571	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ 37,111,644	$ (9,348,603)	$ 27,762,941
Insurance	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000
Total Construction Costs	$ 1,974,673,534	$ 2,000,999,238	$ 0	$ 2,000,999,238
Rooms FF&E	$ 73,764,297	$ 73,764,267	$ -	$ 73,764,267
Hotel and F&B Operating Equipment	$ 49,081,957	$ 49,081,957	$ -	$ 49,081,957
Kitchen Equipment	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240
Exterior Signage	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720
Common Area FF&E	$ 28,665,812	$ 28,665,812	$ -	$ 28,665,812
Core FF&E	$ 200,363,996	$ 200,363,996	$ -	$ 200,363,996
Gaming FF&E	$ 40,871,099	$ 40,871,099	$ -	$ 40,871,099
Entertainment	$ 12,283,731	$ 12,283,731	$ -	$ 12,283,731
A&G and Facilities and IT	$ 71,920,596	$ 71,920,596	$ -	$ 71,920,596
Other FF&E	$ 125,075,426	$ 125,075,426	$ -	$ 125,075,426
Pre-Opening / Working Capital	$ 93,847,579	$ 91,347,579	$ (3,550,000)	$ 87,797,579
Fees / Permits / Taxes / Other	$ 131,814,077	$ 145,337,077	$ 3,550,000	$ 148,887,077
Debt Service Accrued Through Scheduled Opening Date	$ 362,766,033	$ 332,378,033	$ -	$ 332,378,033
Condominium-Hotel Selling Expenses	$ 49,771,623	$ 25,000,000	$ -	$ 25,000,000
Fees and Expenses	$ 60,743,794	$ 60,740,794	$ -	$ 60,740,794
Costs Accrued Through Opening Date	$ 698,938,605	$ 654,804,482	$ -	$ 654,804,482
TOTAL COSTS	$ 2,929,046,361	$ 2,980,243,141	$ 0	$ 2,980,243,141

DESCRIPTION	COSTS INCURRED: 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) (I)	RETAINAGE (J)
Turnberry West Construction	$ 1,098,651,397	$ 90,831,214.23	$ 1,189,482,612	60.60%	$ 765,282,114	$ 70,327,495
Unallocated Contingency	$ -	$ -	$ -	0.00%	$ 77,271,571	$ -
Additional Cost Contingency	$ -	$ -	$ -	0.00%	$ 27,762,941	$ -
Insurance	$ 21,238,937	$ 99,696.33	$ 21,338,633	53.35%	$ 18,661,367	$ -
Total Construction Costs	$ 1,119,870,334	$ 91,050,910.56	$ 1,210,921,245	57.65%	$ 889,077,993	$ 70,357,455
Rooms FF&E	$ 21,867,791	$ 1,767,970.82	$ 23,615,762	32.01%	$ 50,158,505	$ -
Hotel and F&B Operating Equipment	$ 10,684	$ -	$ 10,684	0.02%	$ 49,071,273	$ -
Kitchen Equipment	$ -	$ 58,675.00	$ 58,675	0.25%	$ 22,240,565	$ -
Exterior Signage	$ 1,872,688	$ 1,371,173.39	$ 3,243,861	12.23%	$ 23,288,859	$ 324,386
Common Area FF&E	$ 12,357,106	$ (272,295.85)	$ 12,084,810	42.15%	$ 16,581,002	$ -
Core FF&E	$ 36,098,269	$ 2,916,523.17	$ 39,013,792	19.47%	$ 161,350,204	$ 324,386
Gaming FF&E	$ -	$ -	$ -	0.00%	$ 40,871,099	$ -
Entertainment	$ -	$ -	$ -	0.00%	$ 12,283,731	$ -
A&G and Facilities and IT	$ 7,184,861	$ 205,167.03	$ 7,390,028	10.28%	$ 64,530,568	$ -
Other FF&E	$ 7,184,861	$ 205,167.00	$ 7,390,028	5.91%	$ 117,685,398	$ -
Pre-Opening / Working Capital	$ 20,730,679	$ 4,450,447.68	$ 25,181,127	28.68%	$ 62,616,452	$ -
Fees / Permits / Taxes / Other	$ 130,948,553	$ 5,191,755.80	$ 136,140,309	91.44%	$ 12,746,768	$ -
Debt Service Accrued Through Scheduled Opening Date	$ 163,928,807	$ 49,909,925.31	$ 213,838,733	64.34%	$ 118,540,260	$ -
Condominium-Hotel Selling Expenses	$ 15,703,933	$ 644,222.26	$ 16,348,155	65.39%	$ 8,651,845	$ 106,949
Fees and Expenses	$ 69,645,871	$ -	$ 69,645,871	98.03%	$ 1,104,923	$ -
Costs Accrued Through Opening Date	$ 390,857,844	$ 60,196,352.03	$ 451,054,196	68.89%	$ 203,750,206	$ 106,949
TOTAL COSTS	$ 1,654,011,309	$ 154,367,952.76	$ 1,709,379,261	65.48%	$ 1,371,863,880	$ 70,788,830

DESCRIPTION	NET AMOUNTS: 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)
Turnberry West Construction	$ 1,119,225,117	$ 1,034,104,023	$ 85,121,094	$ 635,739,609
Unallocated Contingency	$ -	$ -	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ -	$ -	$ 27,762,941
Insurance	$ 21,338,633	$ 21,238,537	$ 99,696	$ 18,661,367
Total Construction Costs	$ 1,140,563,750	$ 1,055,342,960	$ 85,220,790	$ 959,435,487
Rooms FF&E	$ 23,615,762	$ 21,867,791	$ 1,747,971	$ 50,150,505
Hotel and F&B Operating Equipment	$ 10,684	$ 10,684	$ -	$ 49,071,273
Kitchen Equipment	$ 58,676	$ -	$ 58,676	$ 22,240,565
Exterior Signage	$ 2,919,476	$ 1,685,419	$ 1,234,056	$ 23,613,245
Common Area FF&E	$ 12,064,810	$ 12,357,106	$ (272,296)	$ 16,631,002
Core FF&E	$ 38,689,405	$ 35,911,000	$ 2,778,405	$ 161,674,589
Gaming FF&E	$ -	$ -	$ -	$ 40,871,099
Entertainment	$ -	$ -	$ -	$ 12,283,731
A&G and Facilities and IT	$ 7,390,028	$ 7,184,861	$ 205,167	$ 64,530,668
Other FF&E	$ 7,390,028	$ 7,184,861	$ 205,167	$ 117,685,398
Pre-Opening / Working Capital	$ 25,181,127	$ 20,730,679	$ 4,450,448	$ 62,616,452
Fees / Permits / Taxes / Other	$ 136,140,309	$ 130,948,553	$ 5,191,756	$ 12,746,768
Debt Service Accrued Through Scheduled Opening Date	$ 213,838,733	$ 163,928,807	$ 49,909,926	$ 118,540,260
Condominium-Hotel Selling Expenses	$ 16,241,206	$ 15,593,410	$ 646,796	$ 8,758,794
Fees and Expenses	$ 69,645,871	$ 69,545,871	$ -	$ 1,104,923
Costs Accrued Through Opening Date	$ 450,947,247	$ 390,709,320	$ 60,237,925	$ 203,857,235
TOTAL COSTS	$ 1,637,690,431	$ 1,489,148,142	$ 149,442,289	$ 1,442,552,710

IN BALANCE TEST ADJUSTMENTS		
Post-Closing Hard Costs Paid to Date %		55.35%
Contingency Adjustment		
Required Minimum Contingency	$	[illegible]
Less: Unallocated Contingency Balance (Actual)	$	(77,271,571)
Contingency Adjustment Subtotal	$	(22,653,318)
Required Minimum Liquidity Account	$	[illegible]
Required Minimum Excess Revolver Support Amount	$	[illegible]
Repayment of Existing Debt [2]	$	-
TOTAL	$	1,425,276,265

(1) To be filled out without affecting Retainage
(2) To be filled out as zero following the Closing Date

CONFIDENTIAL

BANA_FB00103910

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 10/31/08

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[1]	TOTAL COMPLETED TO DATE (E+F=G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G=I)	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)
Construction Hard Costs														
Tower	$ 653,716,330	$ 685,184,609		$ 685,184,609	$ 419,962,776	$ 38,459,824	$ 458,422,600	66.90%	$ 226,762,010	$ 33,263,732	$ 425,212,668	$ 389,203,978	$ 36,008,690	$ 259,971,742
Podium	$ 668,116,065	$ 728,116,015	$ (4,005,590)	$ 724,110,425	$ 311,387,631	$ 25,436,205	$ 336,823,836	46.51%	$ 387,346,590	$ 18,870,552	$ 317,945,204	$ 291,036,193	$ 26,909,011	$ 406,225,222
Convention	$ -	$ -		$ -	$ -		$ -	0.00%	$ -		$ -	$ -	$ -	$ -
Garage/Convention/Central Plant	$ 379,899,718	$ 402,881,916	$ 34,246,889	$ 437,128,805	$ 283,240,909	$ 22,658,342	$ 305,899,251	69.98%	$ 131,229,556	$ 17,294,980	$ 288,644,391	$ 267,661,336	$ 20,983,055	$ 148,484,415
Central Plant	$ -	$ -	.	$ -	$ -		$ -	0.00%	$ -		$ -	$ -	$ -	$ -
Site	$ 54,203,665	$ 16,859,191		$ 16,859,191	$ 11,275,358	$ 464,334	$ 11,739,692	69.63%	$ 5,119,499	$ 718,426	$ 11,021,266	$ 10,571,780	$ 449,486	$ 5,837,925
Bond cost	$ 6,000,000	$ 3,051,170		$ 3,051,170	$ 2,378,062		$ 2,378,062	77.94%	$ 673,108		$ 2,378,062	$ 2,378,062	$ -	$ 673,108
Construction Hard Costs Subtotal	$ 1,703,000,000	$ 1,857,045,599	$ 9,348,603	$ 1,866,394,202	$ 1,024,284,735	$ 90,978,706	$ 1,115,263,440	59.75%	$ 751,130,762	$ 70,051,650	$ 1,045,201,781	$ 960,051,548	$ 85,150,243	$ 821,192,412
LEED Qualification Costs														
LEED Qualification Costs	$ 22,000,000	$ 12,546,438		$ 12,546,438	$ 5,283,993	$ 273,400	$ 5,557,393	44.29%	$ 6,989,046	$ 2,626	$ 5,554,767	$ 5,281,367	$ 273,400	$ 6,991,672
LEED Qualification Costs Subtotal	$ 22,000,000	$ 12,546,438	$ -	$ 12,546,438	$ 5,283,993	$ 273,400	$ 5,557,393	44.29%	$ 6,989,046	$ 2,626	$ 5,554,767	$ 5,281,367	$ 273,400	$ 6,991,672
LEED Sales Tax Benefit														
LEED Sales Tax Benefit	$ (52,000,000)			$ -	$ -	$ -	$ -	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
LEED Sales Tax Benefit Subtotal	$ (59,000,000)	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
General Conditions/Requirements/Hoisting														
CM Staffing	$ 24,202,242	$ 25,924,597	$ 600,170	$ 26,524,767	$ 25,030,117	$ 1,485,354	$ 26,515,471	99.96%	$ 9,296	$ -	$ 26,515,471	$ 25,030,117	$ 1,485,354	$ 9,296
Field Engineering	$ 1,162,200	$ 6,016,097	$ (11,576)	$ 6,004,521	$ 5,707,987	251,013	$ 5,959,000	99.20%	$ 46,433	$ -	$ 5,950,000	$ 5,698,987	$ 251,013	$ 46,433
Hazmat Consulting	$ 100,000	$ 20,000	$ -	$ 20,000	$ 14,892	800	$ 15,692	78.46%	$ 4,308	$ -	$ 15,692	$ 14,892	$ 800	$ 4,308
CQC (OT for inspectors misc certifications)	$ 200,000	$ 200,000	$ -	$ 200,000	10,550	(120)	$ 10,430	5.21%	$ 189,570	$ -	$ 10,430	$ 10,550	$ (120)	$ 189,570
Safety	$ 4,836,707	$ 5,216,064	$ 200,130	$ 5,416,194	$ 5,139,493	$ 254,187	$ 5,393,680	99.58%	$ 22,514	$ 27,632	$ 5,365,998	$ 5,111,811	$ 254,187	$ 50,196
Field Offices and Equipment	$ 5,007,640	$ 3,730,434	$ 212,749	$ 3,943,183	$ 3,563,269	$ 55,378	$ 3,618,647	91.77%	$ 324,536	$ 92,303	$ 3,525,344	$ 3,469,625	$ 55,720	$ 417,839
Temporary Utilities	$ 2,456,000	$ 2,956,500	$ 142,717	$ 3,099,217	$ 2,722,837	$ 200,329	$ 2,923,166	94.32%	$ 176,051	$ 49,935	$ 2,873,260	$ 2,674,921	$ 193,340	$ 225,956
Temporary Protection	$ 4,526,475	$ 6,587,365	$ 132,920	$ 6,720,285	$ 6,332,104	$ 179,297	$ 6,511,401	96.89%	$ 208,885	$ 7,470	$ 6,503,931	$ 6,324,634	$ 179,297	$ 216,355
Material and Labor Staging	$ 6,348,000	$ 11,231,772	$ 406,041	$ 11,637,813	$ 11,150,695	$ 376,284	$ 11,526,979	99.91%	$ 10,834	$ 110,347	$ 11,416,632	$ 11,040,448	$ 376,184	$ 121,181
Clean-up (Continual and Final)	$ 2,943,700	$ 2,976,333	$ (628,392)	$ 2,347,941	$ 1,766,364	$ (442,534)	$ 1,323,830	56.38%	$ 1,024,112	$ -	$ 1,323,830	$ 1,765,352	$ (442,524)	$ 1,024,112
General Equipment and Tools	$ 1,831,000	$ 1,943,166	$ (397,541)	$ 1,545,625	$ 1,167,564	$ 31,541	$ 1,199,105	77.58%	$ 346,520	$ -	$ 1,199,105	$ 1,167,563	$ 31,541	$ 346,520
Project Documentation	$ 1,825,200	$ 229,145	$ -	$ 229,145	$ 16,417	$ 1,256	$ 17,673	7.71%	$ 211,472	$ -	$ 17,673	$ 16,417	$ 1,255	$ 211,472
Misc. Project Expenses	$ 832,500	$ 2,236,345	$ (287,469)	$ 1,948,876	$ 1,955,906	$ (339,916)	$ 1,615,990	82.92%	$ 332,885	$ -	$ 1,615,990	$ 1,955,906	$ (339,916)	$ 332,885
Testing and Inspection (ATC Associates)	$ 2,000,000	$ 0	$ -	$ 0	$ -	$ -	$ -	0.00%	$ 0	$ -	$ -	$ -	$ -	$ 0
Reimbursable blueprinting	$ 1,500,000	$ 1,928,739	$ (370,778)	$ 1,557,961	$ 1,286,842	$ 91,992	$ 1,378,834	88.50%	$ 179,127	$ -	$ 1,378,834	$ 1,255,342	$ 61,592	$ 179,127
Hoisting	$ 26,222,519	$ 4,928,558	$ -	$ 4,928,558	$ 3,188,468	$ (2,435,673)	$ 752,795	15.27%	$ 4,175,763	$ 4,511	$ 748,284	$ 3,183,956	$ (2,435,673)	$ 4,180,275
Sub Total General Conditions/Requirements/Hoisting	$ 87,634,074	$ 76,924,085	$ -	$ 76,924,085	$ 69,062,670	$ (300,892)	$ 68,761,779	90.45%	$ 7,262,307	$ 293,219	$ 68,468,560	$ 68,771,109	$ (302,549)	$ 7,555,525
Total Hard Costs and General Conditions/Requirements/Hoisting	$ 1,753,634,074	$ 1,945,616,122	$ 9,348,603	$ 1,954,964,726	$ 1,098,631,397	$ 90,951,214	$ 1,189,582,612	60.15%	$ 765,382,114	$ 70,357,495	$ 1,119,225,117	$ 1,034,104,023	$ 85,121,094	$ 835,739,609
Contingency														
Unallocated Contingency	$ 111,039,860	$ 77,271,571	$ -	$ 77,271,571	$ -	$ -	$ -	0.00%	$ 77,271,571	$ -	$ -	$ -	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ 37,111,544	(9,348,603)	$ 27,762,941	$ -	$ -	$ -	0.00%	$ 27,762,941	$ -	$ -	$ -	$ -	$ 27,762,941
Contingency Subtotal	$ 111,039,860	$ 114,383,115	$ (9,348,603)	$ 105,034,512	$ -	$ -	$ -	0.00%	$ 105,034,512	$ -	$ -	$ -	$ -	$ 105,034,512
Insurance														
Insurance package	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000	$ 21,238,937	$ 99,696	$ 21,338,633	53.35%	$ 18,661,367	$ -	$ 21,338,633	$ 21,238,937	$ 99,696	$ 18,661,367
Insurance Subtotal	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000	$ 21,238,937	$ 99,696	$ 21,338,633	53.35%	$ 18,661,367	$ -	$ 21,338,633	$ 21,238,937	$ 99,696	$ 18,661,367
Total Construction Costs	$ 1,904,673,934	$ 2,099,999,238	$ 0	$ 2,099,999,238	$ 1,119,870,334	$ 91,050,911	$ 1,210,921,245	57.66%	$ 889,077,993	$ 70,357,495	$ 1,140,563,750	$ 1,055,342,960	$ 85,220,790	$ 959,435,487

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 10/31/08

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[1]	TOTAL COMPLETED TO DATE (E+F=G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G=I)	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	$ 15,360,572	$ 15,360,572	$ -	$ 15,360,572	$ 4,515,797	$ 749,734	$ 5,265,531	34.28%	$ 10,095,041	$ -	$ 5,265,531	$ 4,515,797	$ 749,734	$ 10,095,041
Condo Unit One Bedroom	$ 7,464,292	$ 7,464,292	$ -	$ 7,464,292	$ 2,959,968	$ 262,821	$ 3,222,789	43.18%	$ 4,241,503	$ -	$ 3,222,789	$ 2,959,968	$ 262,821	$ 4,241,503
Center Suite	$ 734,293	$ 734,293	$ -	$ 734,293	$ 176,249	$ 403,193	$ 579,442	78.91%	$ 154,851	$ -	$ 579,442	$ 176,249	$ 403,193	$ 154,851
Junior Suite	$ 1,589,312	$ 1,589,312	$ -	$ 1,589,312	$ 297,655	$ 85,914	$ 383,569	24.13%	$ 1,205,743	$ -	$ 383,569	$ 297,655	$ 85,914	$ 1,205,743
Three Bay Suite	$ 1,647,402	$ 1,647,402	$ -	$ 1,647,402	$ 791,739	$ 100,231	$ 891,970	54.14%	$ 755,432	$ -	$ 891,970	$ 791,739	$ 100,231	$ 755,432
Four Bay Suite	$ 141,952	$ 141,952	$ -	$ 141,952	$ 114,000	$ -	$ 114,000	80.31%	$ 27,952	$ -	$ 114,000	$ 114,000	$ -	$ 27,952
Six Bay Suite	$ 468,673	$ 468,673	$ -	$ 468,673	$ -	$ -	$ -	0.00%	$ 468,673	$ -	$ -	$ -	$ -	$ 468,673
Typical King	$ 14,456,674	$ 14,456,674	$ -	$ 14,456,674	$ 4,911,755	$ 359,022	$ 5,270,776	36.46%	$ 9,185,798	$ -	$ 5,270,776	$ 4,911,755	$ 359,022	$ 9,185,798
Typical Queen	$ 31,921,197	$ 31,921,197	$ -	$ 31,921,197	$ 8,090,627	$ (202,944)	$ 7,887,683	24.71%	$ 24,033,514	$ -	$ 7,887,683	$ 8,090,627	$ (202,944)	$ 24,033,514
Rooms FF&E Subtotal	$ 73,784,267	$ 73,784,267	$ -	$ 73,784,267	$ 21,857,781	$ 1,757,971	$ 23,615,762	32.01%	$ 50,168,505	$ -	$ 23,615,762	$ 21,857,781	$ 1,757,971	$ 50,168,505
Hotel and F&B Operating Equipment														
Bell 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	$ 198,184	$ 198,184	$ -	$ 198,184	$ -		$ -	0.00%	$ 198,184	$ -	$ -	$ -	$ -	$ 198,184
Hotel Sales	$ 2,618,607	$ 2,618,607	$ -	$ 2,618,607	$ 6,794		$ 6,794	0.26%	$ 2,611,813	$ -	$ 6,794	$ 6,794	$ -	$ 2,611,813
Convention Center	$ 10,261,397	$ 10,261,397	$ -	$ 10,261,397	$ 1,626		$ 1,626	0.02%	$ 10,259,771	$ -	$ 1,626	$ 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	$ 9,853,037	$ 9,853,037	$ -	$ 9,853,037	$ 2,265		$ 2,265	0.02%	$ 9,850,772	$ -	$ 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	$ 49,081,957	$ 49,081,957	$ -	$ 49,081,957	$ 10,684	$ -	$ 10,684	0.02%	$ 49,071,273	$ -	$ 10,684	$ 10,684	$ -	$ 49,071,273
Kitchen Equipment														
Food Service Equipment	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ -	$ 58,675	$ 58,675	0.26%	$ 22,240,565	$ -	$ 58,675	$ -	$ 58,675	$ 22,240,565
Kitchen Equipment Subtotal	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ -	$ 58,675	$ 58,675	0.26%	$ 22,240,565	$ -	$ 58,675	$ -	$ 58,675	$ 22,240,565
Exterior Signage														
Quotation by YESCO	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 1,872,688	$ 1,371,173	$ 3,243,861	12.23%	$ 23,288,859	$ 324,386	$ 2,919,475	$ 1,685,419	$ 1,234,056	$ 23,613,245
Exterior Signage Subtotal	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 1,872,688	$ 1,371,173	$ 3,243,861	12.23%	$ 23,288,859	$ 324,386	$ 2,919,475	$ 1,685,419	$ 1,234,056	$ 23,613,245
Common Area														
FOH	$ 23,281,213	$ 23,281,213	$ -	$ 23,281,213	$ 12,357,106	(272,296)	$ 12,084,810	51.91%	$ 11,196,403	$ -	$ 12,084,810	$ 12,357,106	$ (272,296)	$ 11,196,403
BOH	$ 6,384,599	$ 6,384,599	$ -	$ 6,384,599	$ -	$ -	$ -	0.00%	$ 6,384,599	$ -	$ -	$ -	$ -	$ 6,384,599
Common Area Subtotal	$ 29,665,812	$ 29,665,812	$ -	$ 29,665,812	$ 12,357,106	$ (272,296)	$ 12,084,810	42.15%	$ 17,581,002	$ -	$ 12,084,810	$ 12,357,106	$ (272,296)	$ 17,581,002
Costed FF&E	$ 200,363,996	$ 200,363,996	$ -	$ 200,363,996	$ 36,098,269	$ 2,915,523	$ 39,013,792	19.47%	$ 161,350,204	$ 324,386	$ 38,689,406	$ 35,911,000	$ 2,778,406	$ 161,674,590
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&G	$ 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

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 10/31/08

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[1] (F)	TOTAL COMPLETED TO DATE (E+F=G) (G)	% COMPLETED (G/D) (H)	BALANCE TO COMPLETE (D-G=I) (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)
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	$ 2,953,222	$ 2,953,222	$ -	$ 2,953,222	$ 489,452	$ 20,935	$ 510,388	17.49%	$ 2,444,834	$ -	$ 510,388	$ 489,452	$ 20,935	$ 2,444,834
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	$ 210,360	$ 1,597	$ 211,957	1.83%	$ 11,382,699	$ -	$ 211,957	$ 210,360	$ 1,597	$ 11,382,699
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	$ 153,250		$ 153,250	20.63%	$ 589,563	$ -	$ 153,250	$ 153,250	$ -	$ 589,563
I.T.											$ -	$ -		
I.T.	$ 47,709,040	$ 47,709,040	$ -	$ 47,709,040	$ 6,331,799	$ 174,635	$ 6,506,434	13.64%	$ 41,202,606	$ -	$ 6,506,434	$ 6,331,799	$ 174,635	$ 41,202,606
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	$ 71,920,596	$ 71,920,596	$ -	$ 71,920,596	$ 7,184,861	$ 205,167	$ 7,390,028	10.28%	$ 64,530,568	$ -	$ 7,390,028	$ 7,184,861	$ 205,167	$ 64,530,568
Other FF&E	$ 125,075,426	$ 125,075,426	$ -	$ 125,075,426	$ 7,184,861	$ 205,167	$ 7,390,028	5.91%	$ 117,685,398	$ -	$ 7,390,028	$ 7,184,861	$ 205,167	$ 117,685,398
Pre-Opening and Working Capital														
Working Capital														
Bankroll	$ 4,000,000	$ 4,000,000	$ -	$ 4,000,000	$ -	$ -	$ -	0.00%	$ 4,000,000	$ -	$ -	$ -	$ -	$ 4,000,000
Inventory	$ 3,150,000	$ 3,150,000	$ -	$ 3,150,000	$ -	$ -	$ -	0.00%	$ 3,150,000	$ -	$ -	$ -	$ -	$ 3,150,000
Uniforms	$ 5,927,125	$ 5,927,125	$ -	$ 5,927,125	$ -	$ -	$ -	0.00%	$ 5,927,125	$ -	$ -	$ -	$ -	$ 5,927,125
Taxes	$ 1,000,000	$ 1,000,000	$ -	$ 1,000,000	$ -	$ -	$ -	0.00%	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
Pre-Opening											$ -	$ -		
Payroll Burden	$ 47,393,454	$ 44,218,454	$ (1,875,000)	$ 42,343,454	$ 8,709,880	$ 1,002,720	$ 9,712,600	22.94%	$ 32,630,854	$ -	$ 9,712,600	$ 8,709,880	$ 1,002,720	$ 32,630,854
Marketing	$ 26,050,000	$ 24,750,000	$ (1,875,000)	$ 22,875,000	$ 5,647,647	$ 2,954,046	$ 8,601,693	37.17%	$ 14,373,307	$ -	$ 8,601,693	$ 5,647,647	$ 2,954,046	$ 14,373,307
Office and Related	$ 1,414,000	$ 1,414,000	$ 200,000	$ 1,614,000	$ 1,124,165	$ 397,214	$ 1,521,379	94.26%	$ 92,621	$ -	$ 1,521,379	$ 1,124,165	$ 397,214	$ 92,621
Recruitment	$ 1,641,000	$ 1,641,000	$ -	$ 1,641,000	$ 764,342	$ 3,564	$ 767,907	46.80%	$ 873,093	$ -	$ 767,907	$ 764,342	$ 3,564	$ 873,093
Other	$ 3,247,000	$ 3,247,000		$ 5,247,000	$ 4,584,644	$ 92,904	$ 4,677,548	89.15%	$ 569,452	$ -	$ 4,677,548	$ 4,584,644	$ 92,904	$ 569,452
Pre-Opening and Working Capital Subtotal	$ 93,847,579	$ 91,347,579	$ (3,550,000)	$ 87,797,579	$ 20,730,679	$ 4,450,448	$ 25,181,127	28.68%	$ 62,616,452	$ -	$ 25,181,127	$ 20,730,679	$ 4,450,448	$ 62,616,452
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	$ 14,515,823	$ 14,515,823	$ -	$ 14,515,823	$ 12,899,189	$ 98,535	$ 12,997,724	89.54%	$ 1,518,099	$ -	$ 12,997,724	$ 12,899,189	$ 98,535	$ 1,518,099
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 Podium	$ 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	$ 7,584,950		$ 7,584,950	67.83%	$ 3,596,751	$ -	$ 7,584,950	$ 7,584,950	$ -	$ 3,596,751
Health Department / Other Misc. Fees	$ 286,500	$ 286,500	$ -	$ 286,500	$ 63,438	$ 17,780	$ 81,218	28.35%	$ 205,282	$ -	$ 81,218	$ 63,438	$ 17,780	$ 205,282
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	$ 80,610,050	$ 77,610,050	$ 3,550,000	$ 81,160,050	$ 77,539,560	$ 3,617,605	$ 81,157,165	100.00%	$ 2,885	$ -	$ 81,157,165	$ 77,539,560	$ 3,617,605	$ 2,885
Consultant costs	$ 8,048,550	$ 10,048,550		$ 10,048,550	$ 8,741,076	$ 603,654	$ 9,344,730	93.00%	$ 703,820	$ -	$ 9,344,730	$ 8,741,076	$ 603,654	$ 703,820
Taxes, Legal and Other											$ -	$ -		
Feasibility appraisals	$ 75,000	$ 75,000	$ -	$ 75,000	$ -		$ -	0.00%	$ 75,000	$ -	$ -	$ -	$ -	$ 75,000
Property taxes	$ 5,915,487	$ 5,915,487		$ 5,915,487	$ 2,276,959	$ 319,407	$ 2,596,366	43.89%	$ 3,319,121	$ -	$ 2,596,366	$ 2,276,959	$ 319,407	$ 3,319,121
Legal fees/ other/ allowance	$ 2,561,616	$ 5,061,616	$ -	$ 5,061,616	$ 4,473,094	$ 227,037	$ 4,700,131	92.86%	$ 361,485	$ -	$ 4,700,131	$ 4,473,094	$ 227,037	$ 361,485
Development Agreement	$ 4,500,000	$ 4,500,000	$ -	$ 4,500,000	$ 3,883,498	$ 307,500	$ 4,190,998	93.13%	$ 309,002	$ -	$ 4,190,998	$ 3,883,498	$ 307,500	$ 309,002
Turnberry Place Ramp	$ 750,000	$ -	$ -	$ -	$ 0		$ 0		$ (0)	$ -	$ 0	$ 0	$ -	$ (0)
Mock Up Cost	$ 750,000	$ 750,000	$ -	$ 750,000	$ 725,969	$ 339	$ 726,307	96.84%	$ 23,693	$ -	$ 726,307	$ 725,969	$ 339	$ 23,693
Fees / Permits / Taxes / Other Subtotal	$ 131,814,877	$ 145,337,077	$ 3,550,000	$ 148,887,077	$ 130,948,553	$ 5,191,756	$ 136,140,309	91.44%	$ 12,746,768	$ -	$ 136,140,309	$ 130,948,553	$ 5,191,756	$ 12,746,768

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 10/31/08

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)
Debt Service Accrued Through Scheduled Opening				
Debt Service	$ 362,756,033	$ 332,379,033		$ 332,379,033
Debt Service Accrued Through Scheduled Opening Subtotal	$ 362,756,033	$ 332,379,033	$ -	$ 332,379,033
Condominium-Hotel Selling Expenses				
Condominium-Hotel Selling Expenses	$ 49,776,523	$ 25,000,000		$ 25,000,000
Condominium-Hotel Selling Expenses Subtotal	$ 49,776,523	$ 25,000,000	$ -	$ 25,000,000
Fees and Expenses				
Fees and Expenses	$ 60,740,784	$ 60,740,784	$ -	$ 60,740,784
Fees and Expenses Subtotal	$ 60,740,784	$ 60,740,784	$ -	$ 60,740,784
Costs Accrued Through Opening Date	$ 698,935,805	$ 654,804,482	$ -	$ 654,804,482
TOTAL COSTS	$ 2,929,048,361	$ 3,088,243,141	$ 0	$ 3,088,243,141

DESCRIPTION	COSTS INCURRED: 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) (I)	TOTAL RETAINAGE (J)
Debt Service Accrued Through Scheduled Opening						
Debt Service	$ 163,928,807	$ 49,909,926	$ 213,838,733	64.34%	$ 118,540,299	$ -
Debt Service Accrued Through Scheduled Opening Subtotal	$ 163,928,807	$ 49,909,926	$ 213,838,733	64.34%	$ 118,540,299	$ -
Condominium-Hotel Selling Expenses						
Condominium-Hotel Selling Expenses	$ 15,703,933	$ 644,222	$ 16,348,155	65.39%	$ 8,651,845	$ 106,949
Condominium-Hotel Selling Expenses Subtotal	$ 15,703,933	$ 644,222	$ 16,348,155	65.39%	$ 8,651,845	$ 106,949
Fees and Expenses						
Fees and Expenses	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -
Fees and Expenses Subtotal	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -
Costs Accrued Through Opening Date	$ 390,857,844	$ 60,196,352	$ 451,054,196	68.88%	$ 203,750,286	$ 106,949
TOTAL COSTS	$ 1,554,011,388	$ 154,367,853	1,708,379,261	55.45%	$ 1,371,853,880	70,788,830

DESCRIPTION	NET AMOUNTS: 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)
Debt Service Accrued Through Scheduled Opening				
Debt Service	$ 213,838,733	$ 163,928,807	$ 49,909,926	$ 118,540,299
Debt Service Accrued Through Scheduled Opening Subtotal	$ 213,838,733	$ 163,928,807	$ 49,909,926	$ 118,540,299
Condominium-Hotel Selling Expenses				
Condominium-Hotel Selling Expenses	$ 16,241,206	$ 15,555,410	$ 685,796	$ 8,758,794
Condominium-Hotel Selling Expenses Subtotal	$ 16,241,206	$ 15,555,410	$ 685,796	$ 8,758,794
Fees and Expenses				
Fees and Expenses	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Fees and Expenses Subtotal	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Costs Accrued Through Opening Date	$ 450,947,247	$ 350,709,320	$ 60,237,926	$ 203,857,235
TOTAL COSTS	1,637,590,431	$ 1,489,148,142	$ 148,442,289	$ 1,442,652,710

(1) To be filled out without affecting Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	59.5%
Contingency Adjustment	
Required Minimum Contingency	$ 44,618,253
Less: Unallocated Contingency Balance (Actual)	$ (77,271,571)
Contingency Adjustment Subtotal	$ (32,653,318)
Other Adjustments	
Required Minimum Cash Support	$ -
Required Minimum Liquidity Account	$ 20,091,097
Required Minimum Excess Revolver Support Amount	$ 6,185,876
Repayment of Existing Debt	$ -
Adjustment for Additional Cash Support	$ -
TOTAL	$ 1,436,276,365

IN BALANCE TEST AVAILABLE CUSHION	STARTING CUSHION	CURRENT CUSHION
Required Minimum Cash Support	$ 50,000,000	$ -
Other Unallocated In Balance Cushion		
Contingency Adjustment Subtotal	$ -	$ 32,653,318
Required Minimum Liquidity Account	$ -	$ 29,908,903
Required Minimum Excess Revolver Support Amount	$ -	$ 9,203,691
Adjustment for Additional Cash Support	$ -	$ -
Total Other Unallocated In Balance Cushion	$ -	$ 71,770,912
TOTAL CUSHION	$ 50,000,000	$ 71,770,912

CONFIDENTIAL

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
REMAINING COST REPORT
APPENDIX VIII TO EXHIBIT C-1
October 31, 2008

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)	COSTS INCURRED: 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) (I)	RETAINAGE (J)	NET AMOUNTS: 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)
Turnberry West Construction	$ 1,763,634,674	$ 1,945,619,123	$ 9,345,603	$ 1,954,964,726	$ 1,098,631,387	$ 90,851,214.23	$ 1,189,582,612	60.65%	$ 765,382,114	$ 70,357,490	$ 1,119,228,117	$ 1,034,104,023	$ 85,124,094	$ 835,739,603
Unallocated Contingency	$ 111,039,650	$ 77,271,671	$ -	$ 77,271,671	$ -	$ -	$ -	0.00%	$ 77,271,671	$ -	$ -	$ -	$ -	$ 77,271,671
Additional Cost Contingency	$ -	$ 37,111,544	$ (9,348,603)	$ 27,762,941	$ -	$ -	$ -	0.00%	$ 27,762,941	$ -	$ -	$ -	$ -	$ 27,762,941
Insurance	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000	$ 21,238,937	$ 91,696.33	$ 21,330,633	53.33%	$ 18,661,367	$ -	$ 21,330,633	$ 21,238,937	$ 99,696	$ 18,661,367
Total Construction Costs	$ 1,904,673,934	$ 2,099,999,738	$ 0	$ 2,099,999,738	$ 1,119,870,324	$ 91,050,910.66	$ 1,210,921,245	57.66%	$ 859,077,953	$ 70,357,495	$ 1,140,563,750	$ 1,055,342,960	$ 85,220,790	$ 959,435,487
Rooms FF&E	$ 73,764,267	$ 73,764,267	$ -	$ 73,764,267	$ 21,867,781	$ 1,747,970.82	$ 23,615,752	32.01%	$ 50,168,505	$ -	$ 23,615,752	$ 21,867,781	$ 1,747,971	$ 50,168,505
Hotel and F&B Operating Equipment	$ 49,081,957	$ 49,081,957	$ -	$ 49,081,957	$ 10,684	$ -	$ 10,684	0.02%	$ 49,071,273	$ -	$ 10,684	$ 10,684	$ -	$ 49,071,273
Kitchen Equipment	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ -	$ 68,675.00	$ 68,675	0.29%	$ 22,243,665	$ -	$ 68,675	$ -	$ 68,675	$ 22,243,665
Exterior Signage	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 1,872,588	$ 1,371,173.30	$ 3,243,861	12.23%	$ 23,288,859	$ 324,386	$ 2,919,476	$ 1,685,419	$ 1,234,056	$ 23,613,245
Common Area FF&E	$ 28,665,812	$ 28,665,812	$ -	$ 28,665,812	$ 12,357,106	$ (272,293.90)	$ 12,084,810	42.13%	$ 16,581,002	$ -	$ 12,084,810	$ 12,357,106	$ (272,296)	$ 16,581,002
Costed FF&E	$ 200,363,996	$ 200,363,996	$ -	$ 200,363,996	$ 36,098,259	$ 2,915,523.17	$ 39,013,782	19.47%	$ 161,350,204	$ 324,336	$ 38,689,406	$ 35,911,000	$ 2,776,406	$ 161,674,590
Gaming FF&E	$ 40,871,099	$ 40,871,099	$ -	$ 40,871,099	$ -	$ -	$ -	0.00%	$ 40,871,099	$ -	$ -	$ -	$ -	$ 40,871,099
Entertainment	$ 12,263,731	$ 12,263,731	$ -	$ 12,263,731	$ -	$ -	$ -	0.00%	$ 12,263,731	$ -	$ -	$ -	$ -	$ 12,263,731
A&G and Facilities and IT	$ 71,920,696	$ 71,920,696	$ -	$ 71,920,696	$ 7,184,861	$ 205,157.60	$ 7,390,028	10.23%	$ 64,530,663	$ -	$ 7,390,028	$ 7,184,861	$ 205,167	$ 64,530,663
Other FF&E	$ 125,076,426	$ 125,076,426	$ -	$ 125,076,425	$ 7,184,861	$ 205,157.60	$ 7,390,028	5.81%	$ 117,665,393	$ -	$ 7,390,028	$ 7,184,861	$ 205,167	$ 117,685,398
Pre-Opening / Working Capital	$ 93,847,579	$ 91,347,579	$ (3,560,000)	$ 87,787,579	$ 20,720,679	$ 4,460,447.56	$ 25,181,127	29.58%	$ 62,616,452	$ -	$ 25,181,127	$ 20,720,679	$ 4,460,448	$ 62,616,452
Fees / Permits / Taxes / Other	$ 131,814,077	$ 145,337,077	$ 3,560,000	$ 148,887,077	$ 130,949,553	$ 6,191,755.80	$ 136,140,309	91.44%	$ 12,746,768	$ -	$ 136,140,309	$ 130,949,553	$ 6,191,756	$ 12,746,768
Debt Service Accrued Through Scheduled Opening Date	$ 362,754,033	$ 332,379,033	$ -	$ 332,379,033	$ 163,828,607	$ 49,909,826.31	$ 213,838,733	64.34%	$ 118,540,299	$ -	$ 213,838,733	$ 163,828,607	$ 49,909,826	$ 118,540,299
Condominium-Hotel Selling Expenses	$ 49,774,623	$ 25,000,000	$ -	$ 25,000,000	$ 15,703,533	$ 644,222.26	$ 16,348,155	65.39%	$ 8,651,845	$ 106,949	$ 16,241,206	$ 15,555,410	$ 645,796	$ 8,763,794
Fees and Expenses	$ 60,745,794	$ 60,740,784	$ -	$ 60,740,794	$ 59,645,871	$ -	$ 59,645,871	98.03%	$ 1,184,923	$ -	$ 59,645,871	$ 59,645,871	$ -	$ 1,184,923
Costs Accrued Through Opening Date	$ 698,936,005	$ 654,804,482	$ -	$ 654,804,482	$ 390,857,844	$ 60,106,352.03	$ 451,964,196	68.88%	$ 233,764,268	$ 106,949	$ 450,947,247	$ 390,709,320	$ 60,237,926	$ 203,857,235
TOTAL COSTS	$ 2,929,044,361	$ 3,080,243,141	$ 0	$ 3,080,243,141	$ 1,654,011,309	$ 154,267,952.76	$ 1,708,279,261	55.46%	$ 1,371,863,880	$ 70,789,830	$ 1,637,590,431	$ 1,489,148,142	$ 148,442,289	$ 1,442,652,710

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	55.0%
Contingency Adjustment	
Required Minimum Contingency	$ [illegible]
Less: Unallocated Contingency Balance (Actual)	$ (77,271,571)
Contingency Adjustment Subtotal	$ (32,653,318)
Required Minimum Liquidity Account	$ [illegible]
Required Minimum Excess Revolver Support Amount	$ [illegible]
Repayment of Existing Debt [2]	$ -
TOTAL	$ 1,426,276,355

(1) To be filled out without offsetting Retainage
(2) To be filled out as zero following the Closing Date

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FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
RETAIL REMAINING COST REPORT
APPENDIX IX TO EXHIBIT C-1
October 31, 2008

DESCRIPTION	CLOSING RETAIL BUDGET (A)	RETAIL BUDGET (B)	RETAIL BUDGET SPENT TO DATE (C)	RETAIL BUDGET REMAINING COSTS (D = B - C)
Retail Tenant Allowance	$ 56,000,000	$ 56,000,000	$ -	$ 56,000,000
Retail Lease Commissions	$ 6,000,000	$ 6,000,000	$ -	$ 6,000,000
TOTAL RETAIL REMAINING COSTS	$ 62,000,000	$ 62,000,000	$ -	$ 62,000,000

FONTAINEBLEAU 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
October 31, 2008

RETAIL BUDGET		
Cash Management Account Reimbursement for Other Retail Costs		$ -
Total Cash Management Account Reimbursement	(A)	$ -
Retail Tenant Allowance		$ -
Retail Lease Commissions		$ -
RETAIL REQUEST	(B)	$ -

RESORT BUDGET (INCLUDING ALL SHARED COSTS)		
Cash Management Account Reimbursement		
Cash Management Account Reimbursement for Resort Project Costs		$ -
Total Cash Management Account Reimbursement	(C)	$ 2,559,315
Debt Service		
Debt Service - Bank Credit Facilities		$ 13,919,301
Debt Service - Second Mortgage Notes		$ 35,990,625
Total Debt Service	(D)	$ 49,909,926
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		$ 85,121,094
Insurance		$ 99,696
Total Construction Costs		$ 85,220,790
Rooms FF&E		$ 1,757,834
Hotel and F&B Operating Equipment		$ -
Kitchen Equipment		$ 58,675
Exterior Signage		$ 1,234,056
Common Area FF&E		$ (299,214)
Total Costed FF&E		$ 2,751,351
Gaming FF&E		$ -
Entertainment		$ -
A&G and Facilities and IT		$ 108,915
Total Other FF&E		$ 108,915
Pre-Opening / Working Capital		$ 2,851,492
Fees / Permits / Taxes / Other		$ 4,361,081
Condominium-Hotel Selling Expenses		$ 679,418
Fees and Expenses		$ -
Subtotal		$ 7,891,991
RESORT REQUEST	(F)	$ 148,442,289

(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
October 31, 2008

		Total Shared Costs
Retail Lenders Shared Cost Commitment	(A)	$ 83,000,000
Retail Shared Cost Percentage [1]	(B)	20.4%
Cumulative Retail Lenders Funding Requirement	(C)	$ 16,965,001
Less: Retail Lender Funding to Date	(D)	$ 12,471,094
Retail Lender Funding Required	(E)	$ 4,493,907

(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
October 31, 2008

RETAIL SOURCES	CURRENT BALANCE	LESS: PAYMENTS[1]	BALANCE
Retail Loss Proceeds Account balance (to be Advanced only for Other Retail Costs)	$ -	N/A	$ -
Retail Payment Account balance (including interest income)	$ -	$ -	$ -
Retail Facility Availability	$ 168,456,107	N/A	$ 168,456,107
CURRENT AVAILABLE RETAIL SOURCES	$ 168,456,107	$ -	$ 168,456,107

RESORT SOURCES	CURRENT BALANCE	LESS: PAYMENTS[1]	BALANCE
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))	$ 4,493,907	N/A	$ 4,493,907
Resort Loss Proceeds Account balance	$ -	N/A	$ -
Resort Payment Account balance (including interest income)	$ 23,067,069	$ (23,064,312)	$ 2,757
Interest Account balance (including interest income)	$ -	$ -	$ -
Amount by which the Liquidity Account balance exceeds $50,000,000	$ 107,374	N/A	$ 107,374
Bonded Condo Proceeds Account balance	$ -	N/A	$ -
Equity Funding Account balance	$ -	N/A	$ -
Second Mortgage Proceeds Account balance	$ -	N/A	$ -
Bank Proceeds Account balance	$ 384,514,596	N/A	$ 384,514,596
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	$ 462,182,946	$ (23,064,312)	$ 439,118,635

(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
October 31, 2008

RETAIL SOURCES	REQUEST TO BE SATISFIED (A)	BALANCE (From Current Available Sources Report) (B)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied) (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		$ 168,456,107	$ -
TOTAL	$ -	$ 168,456,107	$ -

RESORT SOURCES	REQUEST TO BE SATISFIED (A)	BALANCE (From Current Available Sources Report) (B)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied) (C)
Resort Request (Requested Cost Report Row F)	$ 148,442,289		
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))		$ 4,493,907	$ 4,493,907
Resort Loss Proceeds Account balance		$ -	$ -
Resort Payment Account balance (as adjusted in the Current Available Sources Report)		$ 2,757	$ 2,757
Interest Account balance (as adjusted in the Current Available Sources Report)		$ -	$ -
Amount by which the Liquidity Account balance exceeds $50,000,000		$ 107,374	$ 107,374
Bonded Condo Proceeds Account balance		$ -	$ -
Equity Funding Account balance		$ -	$ -
Second Mortgage Proceeds Account balance		$ -	$ -
Bank Proceeds Account balance		$ 384,514,596	$ 143,838,250
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	$ 148,442,289	$ 439,118,635	$ 148,442,289

(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
October 31, 2008

RETAIL	AMOUNT
Cash Management Account (Requested Cost Report Row A)	$ -
Retail Payment Account (Requested Cost Report Row B less amounts listed above)	$ -
TOTAL	$ -

RESORT	AMOUNT
Cash Management Account (Requested Cost Report Row C)	$ 2,559,315
Interest Account (Requested Cost Report Row D)	$ 49,909,926
L/C Reimbursement to Bank Revolving Facility (Requested Cost Report Row E)	$ -
Resort Payment Account (Requested Cost Report Row F less amounts listed above)	$ 95,973,047
TOTAL	$ 148,442,289
Bank Proceeds Account (Total of Funding Order Report C less total of Funding Order Report Column A)	$ -

Fontainebleau LV Invoice Summary

11/25/2008

Invoices Approved and Sent to Accounting for Payments			
	Gross Amount	Retention	Draw Amount
HARD COSTS	$ 90,951,214.88	$ 5,830,120.71	$ 85,121,094.17
INSURANCE	99,696.33	-	$ 99,696.33
FF&E	3,120,690.17	137,117.30	$ 2,983,572.87
PRE-OPENING/WORKING CAPITAL	4,450,447.56	-	$ 4,450,447.56
FEES/PERMITS/TAXES/OTHER	5,191,755.90	-	$ 5,191,755.90
CONDO EXPENSES	644,222.26	(41,573.70)	$ 685,795.96
DEBT SERVICE	49,909,926.31		$ 49,909,926.31
Draw Sub-total	$ 154,367,953.41	$ 5,925,664.31	$ 148,442,289.10
Draw before pd interest	154,367,953.41	5,925,664.31	148,442,289.10
Funding from Interest pd on resort accounts	(2,757.09)		(2,757.09)
Total Draw to be funded	$ 154,365,196.32	$ 5,925,664.31	$ 148,439,532.01

Turnberry West Construction, Inc.

Executed Contracts and PO's
Fontainebleau Resorts, Las Vegas

Subcontractor/Vendor	Scope of Work	Tower Amount	Exec'd	Podium/Site Amount	Exec'd	Garage Amount	Exec'd	Total Executed
	N/A for October 2008							

Appendix 17

to Advance Request

List of Scope Changes

None

GENERAL CONTRACTOR ADVANCE CERTIFICATE

Date: October 31, 2008
Advance Date: October 31, 2008

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

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

Bank of America, N.A.,
as Bank Agent
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Attn: Donna F. Kimbrough

Wells Fargo Bank, National Association,
as Trustee
MAC N9311-110
625 Marquette Avenue
Minneapolis, MN 55479
Attention: Fontainebleau Account Manager

Re: Advance Request No. [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 #23") we have requested $85,121,093.77.

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

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 31st of October, 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 31, 2008
Advance Date: November 3, 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. 23 under the Master Disbursement Agreement dated as of October 2, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities") the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Bergman, Walls & Associates, Ltd., a Nevada professional corporation (the "Architect"), hereby represents to its knowledge, information and belief as follows:

W02-WEST:1HEH1\400231358.7

The Architect has reviewed the above referenced Advance Request (the "Advance Request") to the extent necessary to provide the certification contained herein.

The Agreement Between Fontainebleau Las Vegas, LLC and Bergman, Walls & Associates, Ltd. for Architectural Services, dated as of April 2, 2007 (the "Architect's Agreement") is in full force and effect except for amendments not prohibited by Section 6.1 of the Disbursement Agreement or the Financing Agreements. The Architect is not in default under any material term of the Architect's Agreement and, to the Architect's knowledge, the Project Entities are not in default under any material term of the Architect's Agreement, except as detailed below [List all defaults which are inconsistent with the foregoing statements]:

____

____

The construction performed on the Project as of the date hereof is in general accordance with the "Drawings and Specifications" (as described in the Prime Construction Agreement), and other plans and specifications for the Project, all as approved by the relevant governmental authorities (collectively, the "Plans and Specifications").

All Plans and Specifications which have been prepared and submitted thus far comply in all material respects with all applicable zoning regulations, set-back requirements, other building code requirements of Clark County, Nevada.

As used herein, the word "certify" shall mean an expansion of the Architect's professional opinion to the best of its information, knowledge and belief, and does not constitute a warranty or guarantee by the Architect.

Except for the permits and governmental authorizations detailed in Exhibit G to the above referenced Disbursement Agreement, to the best of our actual knowledge, there are no other material permits or governmental authorizations currently required in connection with the construction and operation of the Project.

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

The foregoing representations are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of making advances pursuant to the above referenced Disbursement Agreement; provided, that, to the extent any such Person is not entitled to rely on such representations and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations and certifications are deemed to not to have been made to such Person and such Person may not rely on thereon.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the undersigned has executed this Architect's Advance Certificate as of the 3[rd] day of November, 2008.

BERGMAN, WALLS & ASSOCIATES, LTD.,
a Nevada professional corporation

By: ______________________
Name: Scott U. Walls
Title: President/COO

ATTACHMENT A TO BUDGET AMENDMENT CERTIFICATE

Certificate of General Contractor

10/31/08

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 **October, 31, 2008,** of Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities").

Ladies and Gentlemen:

Reference is made to the Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among the Project Entities, the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent. All capitalized terms used herein without definition shall have the meaning given to them in the Disbursement Agreement.

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Turnberry West Construction, Inc. ("General Contractor") hereby certifies as follows:

1. The General Contractor has reviewed the above referenced **Budget Amendment Certificate.**

2. The General Contractor hereby certifies and confirms the accuracy of the certifications in paragraphs B.4. and B.5. of the above-referenced **Budget Amendment Certificate** to the extent that the same relate to the Prime Construction Agreement.

3. The undersigned has no reason to believe that the proposed amendment is not consistent with the "Drawings and Specifications" (as described in the Prime Construction Agreement), as approved by the relevant governmental authorities.

The foregoing representations, warranties and certifications are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon for the purposes of authorizing and making the amendment to **the Resort Budget**; provided, that, to the extent any such Person is not entitled to rely on such representations, warranties and certifications pursuant to Section 11.18 of the Disbursement Agreement then such representations, warranties and certifications are deemed to not to have been made to such Person and such Person may not rely on thereon.

Turnberry West Construction, Inc.

FONTAINEBLEU LAS VEGAS, 2755 LAS VEGAS BLVD. SO., LAS VEGAS, NV 89109
PHONE 702.495.7360 FAX 702.495.7366 www.turnberryltd.com NV Lic. #0067865

IN WITNESS WHEREOF, the General Contractor has executed this General Contractor's Certificate as of the 24th day of Oct, 2008

TURNBERRY WEST CONSTRUCTION, INC.,
a Nevada corporation

By: ______________________
Name: JEFFREY M. SOFFER
Title: CHAIRMAN

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
IN BALANCE REPORT
APPENDIX X TO EXHIBIT C-1
October 31, 2008

DESCRIPTION	IN BALANCE TEST	
AVAILABLE FUNDS		
Projected Interest Income [1]	$	4,834,559
Anticipated Bonded Condo Deposits	$	14,000,000
Equity Funding Account	$	-
Cash Management Account	$	6,000,000
Second Mortgage Proceeds Account	$	-
Bank Proceeds Account [2]	$	240,676,346
Delay Draw Term Loan Availability	$	350,000,000
Bank Revolving Availability, Minus $40,000,000	$	760,000,000
Debt Sevice Commitment Portion	$	-
Cash Support Amount	$	100,000,000
Retail Lenders Shared Cost Commitment (Less Advances Made for Shared Costs)	$	66,034,999
Cash Balance in the Resort Payment Account	$	-
Cash Balance in the Interest Account	$	-
Cash Balance in the Resort Loss Proceeds Account	$	-
TOTAL AVAILABLE FUNDS	$	1,541,545,904
LESS: TOTAL		
Remaining Costs (In Balance Test Adjustments Total from the Remaining Cost Report)	$	(1,436,276,365)
IN BALANCE POSITIVE / (NEGATIVE)	$	105,269,539

(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.

Dep. Ex. 271

From:	Jaclyn Miller.	Sent:12/15/2008 9:31 PM.
To:	Claudia.i.comejo@bankofamerica.com; jeanne.p.brown@bankofamerican.com; Brandon.Bolio@bankofamerica.com; ronaldo.naval@bankofamerica.com; Claudia.i.comejo@bankofamerica.com; jeanne.p.brown@bankofamerican.com; Brandon.Bolio@bankofamerica.com; ronaldo.naval@bankofamerica.com.	
Cc: [–]	Jim Freeman; mrafeedie@trimontrea.com; josh.freedman@lehman.com; Lynn.M.Steiner@wellsfargo.com; ktwellman@landam.com; Debra.L.McNamee@wellsfargo.com; Bonvicino, Paul R.; Jim Freeman; mrafeedie@trimontrea.com; josh.freedman@lehman.com; Lynn.M.Steiner@wellsfargo.com; ktwellman@landam.com; Debra.L.McNamee@wellsfargo.com; Bonvicino, Paul R..	
Bcc:	.	
Subject:	Las Vegas Draw.	

Attached is the November draw for Las Vegas. Please contact me with any questions as Kathy Hernandez is out of the office through the holidays.

Thanks,

Jaclyn Miller / Director of Development Accounting
Fontainebleau Resorts, LLC
jmiller@fontainebleau.com/fontainebleau.com
O: 702 696 1613 x 104 C: 702 468 6449 F: 702 352 1177
2827 Paradise Road / Las Vegas NV 89109

THE STAGE IS YOURS. LIVE YOUR PART.

Track _______ Exhibit 271
Date 3-23-11
Witness FREEMAN
C. Lewis #437 _______ Payne

EXHIBIT C-1

to Master Disbursement Agreement

ADVANCE REQUEST

Certificate Date: **December 12, 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. **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.

Requested Advance Date: **December 29, 2008**
Resort Amount Requested: **$109,673,682.12**
Retail Amount Requested: **$0**
Period Covered: **November 1, 2008** through **November 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, 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

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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

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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. <u>List of Additional Contracts</u>. 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

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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]

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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: **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

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: ______________________________

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

November 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

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):

(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: $1,954,964,726

(c) Amount of Increase: $ 3,386,412

(d) New Total For Line Item Category: $1,958,351,138

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: $3,386,412 The corresponding decrease in the "Unallocated Contingency Balance" is $24,376,529. After giving effect to such allocation, the Unallocated Contingency Balance will equal or exceed the Required Minimum Contingency for the Resort Budget.

(c) Additional Equity Contributions: The Companies received of additional equity capital contributions.

(d)___ Excess Funds/In Balance: $__________. Amount by which Available Funds exceed Remaining Costs.

III. **Decreases to Line Item Categories:**

(a) The following Line Item Category is decreased: __________

(b) Old Amount of Line Item Category: __________

(c) Amount of Decrease: __________

(d) New Total For Line Item Category: __________

Reason For Decrease of Line Item Category:

___ Realized Savings. Realized Savings Certificate in the form attached hereto as Schedule 1 to Appendix I.

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX 1 TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
As of 10/31/08

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)	COSTS INCURRED: 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) (I)	TOTAL RETAINAGE (J)	NET AMOUNTS: 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)
Construction Hard Costs														
Tower	$ 350,718,000	$ 685,184,009		$ 685,184,009	$ 419,603,776	$ 39,818,824	$ 459,422,600	66.90%	$ 225,762,010	$ 33,204,752	$ 425,212,836	$ 386,404,476	$ 38,808,080	$ 259,971,173
Podium	$ 808,118,085	$ 729,060,815	$ (4,890,390)	$ 724,170,425	$ 308,337,834	$ 28,486,002	$ 336,823,836	46.51%	$ 387,346,590	$ 18,878,632	$ 317,945,204	$ 291,036,393	$ 26,909,811	$ 406,225,221
Convention	$ -	$ -		$ -	$ -		$ -	0.00%	$ -		$ -	$ -	$ -	$ -
Garage/Convention/Central Plant	$ 378,889,715	$ 422,881,874	$ 14,246,932	$ 437,128,806	$ 283,240,899	$ 22,658,352	$ 305,899,251	69.98%	$ 131,229,555	$ 17,254,859	$ 288,644,391	$ 267,651,336	$ 20,993,055	$ 148,484,415
Central Plant	$ -	$ -		$ -	$ -		$ -	0.00%	$ -		$ -	$ -	$ -	$ -
Site	$ 54,209,000	$ 15,859,191		$ 15,859,191	$ 11,275,358	$ 458,334	$ 11,733,692	69.62%	$ 5,119,499	$ 716,426	$ 11,021,266	$ 10,571,780	$ 449,456	$ 5,837,925
Bonvrest	$ 2,000,000	$ 3,051,170		$ 3,051,170	$ 2,378,062		$ 2,378,062	77.94%	$ 673,108		$ 2,378,062	$ 2,378,062	$ -	$ 673,108
Construction Hard Costs Subtotal	$ 1,703,600,000	$ 1,857,045,599	$ 9,348,603	$ 1,866,394,202	$ 1,024,284,735	$ 93,976,705	$ 1,118,263,440	59.76%	$ 751,130,762	$ 70,061,660	$ 1,045,201,791	$ 960,951,648	$ 85,180,043	$ 821,192,412
LEED Qualification Costs														
LEED Qualification Costs	$ 22,000,000	$ 12,546,438		$ 12,546,438	$ 5,283,993	$ 273,400	$ 5,557,393	44.29%	$ 6,989,045	$ 2,628	$ 5,554,767	$ 5,281,367	$ 273,400	$ 6,991,672
LEED Qualification Costs Subtotal	$ 22,000,000	$ 12,546,438	$ -	$ 12,546,438	$ 5,283,993	$ 273,400	$ 5,557,393	44.29%	$ 6,989,045	$ 2,628	$ 5,554,767	$ 5,281,367	$ 273,400	$ 6,991,672
LEED Sales Tax Benefit														
LEED Sales Tax Benefit	$ (69,000,000)			$ -	$ -	$ -	$ -	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
LEED Sales Tax Benefit Subtotal	$ (69,000,000)	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
General Conditions/Requirements/Hoisting														
CM Staffing	$ 24,289,542	$ 25,834,597	$ 690,170	$ 26,524,767	$ 25,030,117	$ 1,485,354	$ 26,515,471	99.96%	$ 9,296	$ -	$ 26,515,471	$ 25,030,117	$ 1,485,354	$ 9,296
Field Engineering	$ 5,922,200	$ 6,016,507	$ (11,986)	$ 6,004,521	$ 5,707,074	$ 251,013	$ 5,958,088	99.23%	$ 46,433	$ -	$ 5,958,088	$ 5,707,074	$ 251,013	$ 46,433
Hazmat Consulting	$ 100,000	$ 20,000	$ -	$ 20,000	$ 14,892	$ 800	$ 15,692	78.46%	$ 4,308	$ -	$ 15,692	$ 14,892	$ 800	$ 4,308
CQC (OT for inspectors mate certifications)	$ 300,000	$ 200,000	$ -	$ 200,000	$ 10,550	$ (120)	$ 10,430	5.21%	$ 189,570	$ -	$ 10,430	$ 10,550	$ (120)	$ 189,570
Safety	$ 4,659,797	$ 5,216,033	$ 200,151	$ 5,416,184	$ 5,139,583	$ 254,107	$ 5,393,690	99.58%	$ 22,494	$ 27,652	$ 5,366,038	$ 5,111,931	$ 254,107	$ 50,146
Field Offices and Equipment	$ 5,667,346	$ 3,730,434	$ 212,749	$ 3,943,183	$ 3,553,269	$ 65,378	$ 3,618,647	91.77%	$ 324,536	$ 93,303	$ 3,525,344	$ 3,459,624	$ 65,720	$ 417,839
Temporary Utilities	$ 2,400,000	$ 2,958,500	$ 140,717	$ 3,099,217	$ 2,722,832	$ 198,326	$ 2,921,158	94.32%	$ 178,059	$ 47,858	$ 2,873,300	$ 2,736,960	$ 136,340	$ 225,917
Temporary Protection	$ 3,526,675	$ 6,852,302	$ (132,017)	$ 6,720,285	$ 6,332,104	$ 179,297	$ 6,511,401	96.89%	$ 208,884	$ 7,470	$ 6,503,931	$ 6,328,634	$ 175,297	$ 216,354
Material and Labor Staging	$ 8,310,000	$ 11,231,772	$ 306,041	$ 11,537,813	$ 11,150,655	$ 370,224	$ 11,520,879	99.91%	$ 16,934	$ 110,847	$ 11,410,032	$ 11,039,848	$ 370,184	$ 127,781
Cleanup (Continual and Final)	$ 2,042,700	$ 2,874,828	$ (527,267)	$ 2,347,561	$ 1,760,353	$ (437,523)	$ 1,322,830	56.38%	$ 1,024,731	$ -	$ 1,322,830	$ 1,764,854	$ (442,024)	$ 1,024,731
General Equipment and Tools	$ 1,801,000	$ 1,943,169	$ (397,541)	$ 1,545,628	$ 1,167,563	$ 31,542	$ 1,199,105	77.58%	$ 346,523	$ -	$ 1,199,105	$ 1,167,264	$ 31,841	$ 346,523
Project Documentation	$ 1,820,200	$ 229,145	$ -	$ 229,145	$ 16,417	$ 1,255	$ 17,672	7.71%	$ 211,473	$ -	$ 17,672	$ 16,417	$ 1,255	$ 211,473
Misc. Project Expenses	$ 522,500	$ 2,236,336	$ (287,460)	$ 1,948,876	$ 1,355,506	$ (339,916)	$ 1,015,590	52.11%	$ 933,286	$ -	$ 1,015,590	$ 1,355,506	$ (339,916)	$ 933,286
Testing and Inspection (ATC Associates)	$ 2,000,000	$ 0	$ -	$ 0	$ -	$ -	$ -	0.00%	$ 0	$ -	$ -	$ -	$ -	$ 0
Reimbursable Blueprinting	$ 1,500,000	$ 1,928,709	$ (270,778)	$ 1,657,931	$ 1,296,042	$ 81,992	$ 1,378,034	83.12%	$ 279,897	$ -	$ 1,378,034	$ 1,296,042	$ 81,992	$ 279,897
Hoisting	$ 28,232,413	$ 4,926,550	$ -	$ 4,926,550	$ 3,182,463	$ (2,430,078)	$ 752,385	15.27%	$ 4,174,165	$ 4,511	$ 747,874	$ 3,183,547	$ (2,435,673)	$ 4,178,676
Sub Total General Conditions/Requirements/Hoisting	$ 87,634,074	$ 76,024,085	$ -	$ 76,024,085	$ 69,062,670	$ (300,892)	$ 68,761,778	90.45%	$ 7,262,307	$ 293,219	$ 68,468,559	$ 68,771,109	$ (302,549)	$ 7,555,526
Total Hard Costs and General Conditions/Requirements/Hoisting	$ 1,752,034,074	$ 1,945,616,123	$ 9,348,603	$ 1,954,964,726	$ 1,098,631,397	$ 93,951,214	$ 1,192,582,612	61.00%	$ 765,382,114	$ 70,357,495	$ 1,119,225,117	$ 1,034,104,023	$ 85,121,094	$ 835,739,608
Contingency														
Unallocated Contingency	$ 111,838,060	$ 77,271,571	$ -	$ 77,271,571	$ -	$ -	$ -	0.00%	$ 77,271,571	$ -	$ -	$ -	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ 37,111,544	$ (9,348,603)	$ 27,762,941	$ -	$ -	$ -	0.00%	$ 27,762,941	$ -	$ -	$ -	$ -	$ 27,762,941
Contingency Subtotal	$ 111,838,060	$ 114,383,115	$ (9,348,603)	$ 105,034,512	$ -	$ -	$ -	0.00%	$ 105,034,512	$ -	$ -	$ -	$ -	$ 105,034,512
Insurance														
Insurance package	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000	$ 21,238,937	$ 99,696	$ 21,338,633	53.35%	$ 18,661,367	$ -	$ 21,338,633	$ 21,238,937	$ 99,696	$ 18,661,367
Insurance Subtotal	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000	$ 21,238,937	$ 99,696	$ 21,338,633	53.35%	$ 18,661,367	$ -	$ 21,338,633	$ 21,238,937	$ 99,696	$ 18,661,367
Total Construction Costs	$ 1,904,673,934	$ 2,099,999,238	$ 0	$ 2,099,999,238	$ 1,119,870,334	$ 94,050,911	$ 1,213,921,245	57.81%	$ 886,077,993	$ 70,357,495	$ 1,140,563,750	$ 1,055,342,960	$ 85,220,790	$ 959,435,487

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
As of 10/31/08

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[1] (F)	TOTAL COMPLETED TO DATE (E+F=G) (G)	% COMPLETED (G/D) (H)	BALANCE TO COMPLETE (D-G=I) (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	$ 15,560,872	$ 15,560,872	$ -	$ 15,560,872	$ 4,519,797	$ 745,734	$ 5,265,531	34.28%	$ 10,095,041	$ -	$ 5,265,531	$ 4,519,797	$ 745,734	$ 10,095,041
Condo Unit One Bedroom	$ 7,494,292	$ 7,494,292	$ -	$ 7,494,292	$ 2,969,968	$ 252,821	$ 3,222,789	43.18%	$ 4,241,503	$ -	$ 3,222,789	$ 2,969,968	$ 202,821	$ 4,241,503
Corner Suite	$ 734,293	$ 734,293	$ -	$ 734,293	$ 176,249	$ 403,193	$ 579,442	78.91%	$ 154,851	$ -	$ 579,442	$ 176,249	$ 403,193	$ 154,851
Junior Suite	$ 1,589,312	$ 1,589,312	$ -	$ 1,589,312	$ 297,656	$ 85,914	$ 383,569	24.15%	$ 1,205,743	$ -	$ 383,569	$ 297,656	$ 85,914	$ 1,205,743
Three Bay Suite	$ 1,647,402	$ 1,647,402	$ -	$ 1,647,402	$ 791,749	$ 100,231	$ 891,970	54.14%	$ 755,432	$ -	$ 891,970	$ 791,749	$ 100,231	$ 755,432
Four Bay Suite	$ 141,952	$ 141,952	$ -	$ 141,952	$ 114,000	$ -	$ 114,000	80.31%	$ 27,952	$ -	$ 114,000	$ 114,000	$ -	$ 27,952
Six Bay Suite	$ 469,073	$ 469,073	$ -	$ 469,073	$ -	$ -	$ -	0.00%	$ 469,073	$ -	$ -	$ -	$ -	$ 469,073
Typical King	$ 14,459,574	$ 14,459,574	$ -	$ 14,459,574	$ 4,911,756	$ 359,022	$ 5,270,778	36.46%	$ 9,188,796	$ -	$ 5,270,778	$ 4,911,756	$ 359,022	$ 9,188,796
Typical Queen	$ 31,921,197	$ 31,921,197	$ -	$ 31,921,197	$ 8,090,627	$ (202,944)	$ 7,887,683	24.71%	$ 24,033,514	$ -	$ 7,887,683	$ 8,090,627	$ (202,944)	$ 24,033,514
Rooms FF&E Subtotal	$ 73,784,257	$ 73,784,257	$ -	$ 73,784,257	$ 21,857,791	$ 1,757,971	$ 23,615,762	32.01%	$ 50,168,495	$ -	$ 23,615,762	$ 21,857,791	$ 1,757,971	$ 50,168,495
Hotel and F&B Operating Equipment														
Bell Desk	$ 500,494	$ 500,494	$ -	$ 500,494	$ -		$ -	0.00%	$ 500,494	$ -	$ -	$ -	$ -	$ 500,494
Front Desk	$ 737,295	$ 737,295	$ -	$ 737,295	$ -		$ -	0.00%	$ 737,295	$ -	$ -	$ -	$ -	$ 737,295
Housekeeping	$ 10,527,110	$ 10,527,110	$ -	$ 10,527,110	$ -		$ -	0.00%	$ 10,527,110	$ -	$ -	$ -	$ -	$ 10,527,110
Room Reservations	$ 619,000	$ 619,000	$ -	$ 619,000	$ -		$ -	0.00%	$ 619,000	$ -	$ -	$ -	$ -	$ 619,000
Pool Operations	$ 3,606,531	$ 3,606,531	$ -	$ 3,606,531	$ -		$ -	0.00%	$ 3,606,531	$ -	$ -	$ -	$ -	$ 3,606,531
Condo Operations	$ 193,184	$ 193,184	$ -	$ 193,184	$ -		$ -	0.00%	$ 193,184	$ -	$ -	$ -	$ -	$ 193,184
Hotel Sales	$ 2,618,607	$ 2,618,607	$ -	$ 2,618,607	$ 6,794		$ 6,794	0.26%	$ 2,611,813	$ -	$ 6,794	$ 6,794	$ -	$ 2,611,813
Convention Center	$ 10,261,397	$ 10,261,397	$ -	$ 10,261,397	$ 1,626		$ 1,626	0.02%	$ 10,259,771	$ -	$ 1,626	$ 1,626	$ -	$ 10,259,771
Business Center	$ 545,115	$ 545,115	$ -	$ 545,115	$ -		$ -	0.00%	$ 545,115	$ -	$ -	$ -	$ -	$ 545,115
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	$ 9,853,057	$ 9,853,057	$ -	$ 9,853,057	$ 2,285		$ 2,285	0.02%	$ 9,850,772	$ -	$ 2,285	$ 2,285	$ -	$ 9,850,772
Catering	$ 6,256,024	$ 6,256,024	$ -	$ 6,256,024	$ -		$ -	0.00%	$ 6,256,024	$ -	$ -	$ -	$ -	$ 6,256,024
Hotel and F&B Operating Equipment Subtotal	$ 49,081,957	$ 49,081,957	$ -	$ 49,081,957	$ 10,684	$ -	$ 10,684	0.02%	$ 49,071,273	$ -	$ 10,684	$ 10,684	$ -	$ 49,071,273
Kitchen Equipment														
Food Service Equipment	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ -	$ 58,675	$ 58,675	0.26%	$ 22,240,565	$ -	$ 58,675	$ -	$ 58,675	$ 22,240,565
Kitchen Equipment Subtotal	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ -	$ 58,675	$ 58,675	0.26%	$ 22,240,565	$ -	$ 58,675	$ -	$ 58,675	$ 22,240,565
Exterior Signage														
Quotation by YESCO	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 1,872,688	$ 1,371,373	$ 3,244,061	12.23%	$ 23,288,659	$ 324,386	$ 2,919,675	$ 1,685,419	$ 1,234,256	$ 23,613,045
Exterior Signage Subtotal	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 1,872,688	$ 1,371,373	$ 3,244,061	12.23%	$ 23,288,659	$ 324,386	$ 2,919,675	$ 1,685,419	$ 1,234,256	$ 23,613,045
Common Area														
FOH	$ 23,281,213	$ 23,281,213	$ -	$ 23,281,213	$ 12,357,106	$ (272,296)	$ 12,084,810	51.91%	$ 11,196,403	$ -	$ 12,084,810	$ 12,357,106	$ (272,296)	$ 11,196,403
BOH	$ 5,384,599	$ 5,384,599	$ -	$ 5,384,599	$ -	$ -	$ -	0.00%	$ 5,384,599	$ -	$ -	$ -	$ -	$ 5,384,599
Common Area Subtotal	$ 28,665,812	$ 28,665,812	$ -	$ 28,665,812	$ 12,357,106	$ (272,296)	$ 12,084,810	42.16%	$ 16,581,002	$ -	$ 12,084,810	$ 12,357,106	$ (272,296)	$ 16,581,002
Costed FF&E	$ 200,363,986	$ 200,363,986	$ -	$ 200,363,986	$ 36,098,269	$ 2,915,525	$ 39,013,782	19.47%	$ 161,350,204	$ 324,386	$ 38,689,406	$ 35,911,000	$ 2,778,406	$ 161,674,590
Gaming FF&E														
Table Games	$ 3,137,240	$ 3,137,240	$ -	$ 3,137,240	$ -	$ -	$ -	0.00%	$ 3,137,240	$ -	$ -	$ -	$ -	$ 3,137,240
Poker	$ 174,162	$ 174,162	$ -	$ 174,162	$ -	$ -	$ -	0.00%	$ 174,162	$ -	$ -	$ -	$ -	$ 174,162
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	$ 40,871,079	$ 40,871,079	$ -	$ 40,871,079	$ -	$ -	$ -	0.00%	$ 40,871,079	$ -	$ -	$ -	$ -	$ 40,871,079
Entertainment														
Theater	$ 12,263,731	$ 12,263,731	$ -	$ 12,263,731	$ -	$ -	$ -	0.00%	$ 12,263,731	$ -	$ -	$ -	$ -	$ 12,263,731

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT B-4
As of 10/31/08

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET [B+C=D] (D)	COSTS INCURRED: 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) (I)	TOTAL RETAINAGE (J)	NET AMOUNTS: 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)
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	$ 2,963,222	$ 2,963,222	$ -	$ 2,963,222	$ 489,452	$ 26,832	$ 516,308	17.45%	$ 2,444,834	$ -	$ 518,380	$ 489,452	$ 28,935	$ 2,444,834
Marketing & Casino Marketing	$ 690,516	$ 690,516	$ -	$ 690,516	$ -		$ -	0.00%	$ 690,516	$ -	$ -	$ -	$ -	$ 690,516
Engineering	$ 11,594,056	$ 11,594,056	$ -	$ 11,594,056	$ 210,361	$ 1,597	$ 211,957	1.83%	$ 11,382,899	$ -	$ 211,957	$ 210,361	$ 1,597	$ 11,382,899
Internal Maintenance	$ 1,171,277	$ 1,171,277	$ -	$ 1,171,277	$ -		$ -	0.00%	$ 1,171,277	$ -	$ -	$ -	$ -	$ 1,171,277
Transportation	$ 104,508	$ 104,508	$ -	$ 104,508	$ -		$ -	0.00%	$ 104,508	$ -	$ -	$ -	$ -	$ 104,508
Retail	$ 104,073	$ 104,073	$ -	$ 104,073	$ -		$ -	0.00%	$ 104,073	$ -	$ -	$ -	$ -	$ 104,073
Wardrobe	$ 742,813	$ 742,813	$ -	$ 742,813	$ 153,250		$ 153,250	20.63%	$ 589,563	$ -	$ 153,250	$ 153,250	$ -	$ 589,563
I.T.														
I.T.	$ 47,709,040	$ 47,709,040	$ -	$ 47,709,040	$ 6,331,765	$ 174,035	$ 6,500,434	13.64%	$ 41,202,600	$ -	$ 6,500,434	$ 6,331,765	$ 174,035	$ 41,202,600
Surveillance (Gaming & Hotel)	$ 6,603,589	$ 6,603,589	$ -	$ 6,603,589	$ -		$ -	0.00%	$ 6,603,589	$ -	$ -	$ -	$ -	$ 6,603,589
A&G and Facilities and IT Subtotal	$ 71,920,596	$ 71,920,596	$ -	$ 71,920,596	$ 7,184,861	$ 205,167	$ 7,390,028	10.28%	$ 64,530,568	$ -	$ 7,390,028	$ 7,184,861	$ 205,167	$ 64,530,568
Other FF&E	$ 125,075,420	$ 125,075,420	$ -	$ 125,075,420	$ 7,184,861	$ 205,167	$ 7,390,028	5.91%	$ 117,685,392	$ -	$ 7,390,028	$ 7,184,861	$ 205,167	$ 117,685,392
Pre-Opening and Working Capital														
Working Capital														
Bankroll	$ 4,000,000	$ 4,000,000	$ -	$ 4,000,000	$ -	$ -	$ -	0.00%	$ 4,000,000	$ -	$ -	$ -	$ -	$ 4,000,000
Inventory	$ 3,150,000	$ 3,150,000	$ -	$ 3,150,000	$ -	$ -	$ -	0.00%	$ 3,150,000	$ -	$ -	$ -	$ -	$ 3,150,000
Uniforms	$ 5,927,125	$ 5,927,125	$ -	$ 5,927,125	$ -	$ -	$ -	0.00%	$ 5,927,125	$ -	$ -	$ -	$ -	$ 5,927,125
Taxes	$ 1,000,000	$ 1,000,000	$ -	$ 1,000,000	$ -	$ -	$ -	0.00%	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
Pre-Opening														
Payroll Burden	$ 47,393,454	$ 44,218,454	$ (1,875,000)	$ 42,343,454	$ 8,709,881	$ 1,002,720	$ 9,712,600	22.94%	$ 32,630,854	$ -	$ 9,712,600	$ 8,709,881	$ 1,002,720	$ 32,630,854
Marketing	$ 25,330,000	$ 24,750,000	$ (1,875,000)	$ 22,875,000	$ 5,547,047	$ 2,954,045	$ 8,501,093	37.17%	$ 14,373,907	$ -	$ 8,501,093	$ 5,547,047	$ 2,954,045	$ 14,373,907
Office and Related	$ 1,414,000	$ 1,414,000	$ 200,000	$ 1,614,000	$ 1,124,155	$ 397,214	$ 1,521,370	94.25%	$ 92,621	$ -	$ 1,521,370	$ 1,124,155	$ 397,214	$ 92,621
Recruitment	$ 1,641,000	$ 1,641,000	$ -	$ 1,641,000	$ 764,342	$ 3,554	$ 767,897	46.80%	$ 873,093	$ -	$ 767,897	$ 764,342	$ 3,554	$ 873,093
Other	$ 5,247,000	$ 5,247,000		$ 5,247,000	$ 4,584,554	$ 93,004	$ 4,677,540	89.15%	$ 569,452	$ -	$ 4,677,540	$ 4,584,554	$ 93,004	$ 569,452
Pre-Opening and Working Capital Subtotal	$ 85,647,675	$ 91,347,679	$ (3,550,000)	$ 87,797,679	$ 20,730,679	$ 4,450,448	$ 25,181,127	28.68%	$ 62,616,452	$ -	$ 25,181,127	$ 20,730,679	$ 4,450,448	$ 62,616,452
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	$ 14,515,823	$ 14,515,823	$ -	$ 14,515,823	$ 12,808,190	$ 89,535	$ 12,897,724	88.54%	$ 1,618,099	$ -	$ 12,897,724	$ 12,808,190	$ 89,535	$ 1,618,099
Sewer Fees														
Hotel Rooms	$ 7,779,400	$ 7,779,400	$ -	$ 7,779,400	$ 7,734,008		$ 7,734,008	99.42%	$ 44,792	$ -	$ 7,734,008	$ 7,734,008	$ -	$ 44,792
Remainder of Podium	$ 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	$ 7,584,550		$ 7,584,550	67.83%	$ 3,596,751	$ -	$ 7,584,550	$ 7,584,550	$ -	$ 3,596,751
Health Department / Other Misc. Fees	$ 285,500	$ 285,500	$ -	$ 285,500	$ 63,458	$ 17,760	$ 81,218	28.35%	$ 205,282	$ -	$ 81,218	$ 63,458	$ 17,760	$ 205,282
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	$ 55,610,050	$ 77,610,050	$ 3,550,000	$ 81,160,050	$ 77,539,600	$ 3,617,565	$ 81,157,165	100.00%	$ 2,885	$ -	$ 81,157,165	$ 77,539,600	$ 3,617,565	$ 2,885
Consultant costs	$ 10,048,550	$ 10,048,550		$ 10,048,550	$ 8,741,076	$ 603,654	$ 9,344,730	93.00%	$ 703,820	$ -	$ 9,344,730	$ 8,741,076	$ 603,654	$ 703,820
Taxes, Legal and Other														
Feasibility appraisals	$ 75,000	$ 75,000	$ -	$ 75,000	$ -		$ -	0.00%	$ 75,000	$ -	$ -	$ -	$ -	$ 75,000
Property taxes	$ 12,515,487	$ 5,815,487	$ -	$ 5,815,487	$ 2,278,899	$ 319,407	$ 2,598,366	43.68%	$ 3,216,121	$ -	$ 2,598,366	$ 2,278,899	$ 319,407	$ 3,319,121
Legal (excl other) allowance	$ 2,861,616	$ 5,061,616	$ -	$ 5,061,616	$ 4,473,095	$ 227,037	$ 4,700,131	92.88%	$ 361,485	$ -	$ 4,700,131	$ 4,473,095	$ 227,037	$ 361,485
Development Agreement	$ 4,000,000	$ 4,500,000	$ -	$ 4,500,000	$ 3,853,496	$ 307,500	$ 4,160,996	93.13%	$ 309,002	$ -	$ 4,160,996	$ 3,853,496	$ 307,500	$ 309,002
Temporary Plaza Permit	$ 750,000	$ -	$ -	$ -	$ 0		$ 0		$ (0)	$ -	$ 0	$ 0	$ -	$ (0)
Mock Up Cost	$ 750,000	$ 750,000	$ -	$ 750,000	$ 725,968	$ 339	$ 726,307	96.84%	$ 23,693	$ -	$ 726,307	$ 725,968	$ 339	$ 23,693
Fees / Permits / Taxes / Other Subtotal	$ 131,814,077	$ 145,337,077	$ 3,550,000	$ 148,887,077	$ 130,948,553	$ 5,191,756	$ 136,140,309	91.44%	$ 12,746,768	$ -	$ 136,140,309	$ 130,948,553	$ 5,191,756	$ 12,746,768

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT B-4
As of 10/31/08

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 [1] (F)	TOTAL COMPLETED TO DATE (E+F=G) (G)	% COMPLETED (G/D) (H)	BALANCE TO COMPLETE (D-G=I) (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)
Debt Service Accrued Through Scheduled Opening														
Debt Service	$ 332,756,033	$ 332,379,033		$ 332,379,033	$ 163,928,807	$ 49,909,926	$ 213,838,733	64.34%	$ 118,540,299	$ -	$ 213,838,733	$ 163,928,807	$ 49,909,926	$ 118,540,299
Debt Service Accrued Through Scheduled Opening Subtotal	$ 302,756,033	$ 332,379,033	$ -	$ 332,379,033	$ 163,928,807	$ 49,909,926	$ 213,838,733	64.34%	$ 118,540,299	$ -	$ 213,838,733	$ 163,928,807	$ 49,909,926	$ 118,540,299
Condominium-Hotel Selling Expenses														
Condominium-Hotel Selling Expenses	$ 49,778,623	$ 25,000,000		$ 25,000,000	$ 15,703,933	$ 644,222	$ 16,348,155	65.39%	$ 8,651,845	$ 106,949	$ 16,241,206	$ 15,555,410	$ 685,796	$ 8,758,794
Condominium-Hotel Selling Expenses Subtotal	$ 49,778,623	$ 25,000,000	$ -	$ 25,000,000	$ 15,703,933	$ 644,222	$ 16,348,155	65.39%	$ 8,651,845	$ 106,949	$ 16,241,206	$ 15,555,410	$ 685,796	$ 8,758,794
Fees and Expenses														
Fees and Expenses	$ 60,740,794	$ 60,740,794	$ -	$ 60,740,794	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Fees and Expenses Subtotal	$ 60,740,794	$ 60,740,794	$ -	$ 60,740,794	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Costs Accrued Through Opening Date	$ 695,935,005	$ 654,804,452	$ -	$ 654,804,402	$ 390,857,864	$ 60,196,352	$ 451,054,190	68.88%	$ 203,750,283	$ 106,945	$ 450,947,247	$ 390,709,320	$ 60,237,925	$ 203,857,225
TOTAL COSTS	$ 2,928,048,361	$ 3,080,243,141	$ 0	$ 3,080,243,141	$ 1,554,011,308	$ 154,367,953	1,708,379,261	55.46%	$ 1,371,863,880	70,788,830	1,637,590,431	$ 1,487,148,142	$ 148,442,289	$ 1,442,652,710

[1] To be fixed out without affecting Retainage.

IN BALANCE TEST ADJUSTMENTS		
Post-Closing Hard Costs Paid to Date %		89.8%
Contingency Adjustment		
Required Minimum Contingency	$	44,618,253
Less: Unallocated Contingency Balance (Actual)	$	(77,271,571)
Contingency Adjustment Subtotal	$	(32,653,318)
Other Adjustments		
Required Minimum Cash Support	$	-
Required Minimum Liquidity Account	$	20,031,097
Required Minimum Excess Revolver Support Amount	$	9,135,970
Repayment of Existing Debt	$	-
Adjustment for Additional Cash Support	$	-
TOTAL	$	1,436,278,365

IN BALANCE TEST AVAILABLE CUSHION	STARTING CUSHION	CURRENT CUSHION
Required Minimum Cash Support	$ 50,000,000	$ -
Other Unallocated In Balance Cushion		
Contingency Adjustment Subtotal	$ -	$ 32,653,318
Required Minimum Liquidity Account	$ -	$ 29,565,503
Required Minimum Excess Revolver Support Amount	$ -	$ 9,205,691
Adjustment for Additional Cash Support	$ -	$ -
Total Other Unallocated In Balance Cushion	$ -	$ 71,770,812
TOTAL CUSHION	$ 50,000,000	$ 71,770,812

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
As of 11/30/08

RESORT COSTS AMOUNT

DESCRIPTION	CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)
Construction Hard Costs				
Tower	$ 553,718,390	$ 665,184,009	$ [illegible]	$ 702,657,293
Podium	$ [illegible]	$ 724,170,425	$ (17,397,398)	$ 706,773,027
Conversion	$ -	$ -		$ -
Garage/Convention/Central Plant	$ 329,895,718	$ 437,128,806	$ 3,311,126	$ 440,439,932
Central Plant	$ -	$ -		$ -
Site	$ [illegible]	$ 16,859,191		$ 16,859,191
Cond cost	$ 6,000,000	$ 3,051,170		$ 3,051,170
Construction Hard Costs Subtotal	$ 1,703,000,000	$ 1,886,394,202	$ 3,388,412	$ 1,889,780,614
LEED Qualification Costs				
LEED Qualification Costs	$ 22,000,000	$ 12,546,438		$ 12,546,438
LEED Qualification Costs Subtotal	$ 22,000,000	$ 12,546,438	$ -	$ 12,546,438
LEED Sales Tax Benefit				
LEED Sales Tax Benefit	$ (58,000,000)			$ -
LEED Sales Tax Benefit Subtotal	$ (58,000,000)	$ -	$ -	$ -
General Conditions/Requirements/Hoisting				
CM Staffing	$ [illegible]	$ 26,824,767	$ 620,000	$ 27,444,767
Field Engineering	$ [illegible]	$ 6,004,[illegible]	$ 168,375	$ 6,172,785
Hazmat Consulting	$ 100,000	$ 20,000	$ (4,309)	$ 15,691
CQC (OT for inspectors and certifications)	$ 200,000	$ 200,000	$ (178,970)	$ 21,031
Safety	$ 4,030,707	$ 5,416,194	$ 208,009	$ 5,624,203
Field Offices and Equipment	$ 3,057,640	$ 3,933,185	$ (229,609)	$ 3,704,576
Temporary Utilities	$ 2,400,000	$ 3,009,217	$ 55,593	$ 3,164,808
Temporary Protection	$ 4,523,179	$ 6,720,265	$ 283,953	$ 7,004,218
Material and Labor Staging	$ 5,548,000	$ 11,537,613	$ 459,312	$ 11,997,025
Clean-up (Construct and Final)	$ 2,543,700	$ 2,547,941	$ (938,118)	$ 1,609,823
General Equipment and Tools	$ 1,531,000	$ 1,545,625	$ (313,398)	$ 1,232,227
Project Documentation	$ 1,825,000	$ 229,142	$ (207,440)	$ 21,702
Misc. Project Expenses	$ 632,500	$ 1,948,676	$ (219,503)	$ 1,729,102
Testing and Inspection (ATC Associates)	$ 2,000,000	$ 0	$ -	$ 0
Reimbursable Blueprinting	$ 1,500,000	$ 1,557,591	$ (93,915)	$ 1,463,675
Hoisting	$ 26,222,418	$ 4,928,558	$ -	$ 4,928,558
Sub Total General Conditions/Requirements/Hoisting	$ 67,634,074	$ 76,024,085	$ (0)	$ 76,024,085
Total Hard Costs and General Conditions/Requirements/Hoisting	$ 1,750,634,074	$ 1,954,964,726	$ 3,388,412	$ 1,958,351,138
Contingency				
Unallocated Contingency	$ 111,039,890	$ 77,271,571	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ 27,762,941	(3,386,412)	$ 24,376,529
Contingency Subtotal	$ 111,039,890	$ 105,034,512	$ (3,386,412)	$ 101,648,100
Insurance				
Insurance package	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000
Insurance Subtotal	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000
Total Construction Costs	$ 1,904,673,934	$ 2,059,999,238	$ -	$ 2,059,999,238

COSTS INCURRED

DESCRIPTION	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) (I)	TOTAL RETAINAGE (J)
Construction Hard Costs						
Tower	$ 458,432,[illegible]	$ 42,683,453	$ 501,115,753	71.32%	$ 201,541,541	$ 36,307,075
Podium	$ [illegible]	$ 27,384,081	$ 364,658,107	51.60%	$ 342,114,840	$ 20,742,078
Conversion	$ -		$ -	0.00%	$ -	
Garage/Convention/Central Plant	$ [illegible]	$ 35,891,870	$ 331,791,221	75.33%	$ 108,648,712	$ 18,309,494
Central Plant	$ -		$ -	0.00%	$ -	
Site	$ 11,720,[illegible]	$ 135,[illegible]	$ 11,895,044	70.56%	$ 4,954,147	$ 545,[illegible]
Cond cost	$ 2,276,602	$ 35,678	$ 2,398,840	78.29%	$ 662,530	
Construction Hard Costs Subtotal	$ 1,115,263,440	$ 95,685,404	$ 1,211,846,646	64.81%	$ 657,931,770	$ 76,883,301
LEED Qualification Costs						
LEED Qualification Costs	$ 5,657,393	$ 256,744	$ 5,914,137	46.34%	$ 6,732,301	$ 2,626
LEED Qualification Costs Subtotal	$ 5,657,393	$ 256,744	$ 5,914,137	46.34%	$ 6,732,301	$ 2,626
LEED Sales Tax Benefit						
LEED Sales Tax Benefit	$ -	$ -	$ -	0.00%	$ -	$ -
LEED Sales Tax Benefit Subtotal	$ -	$ -	$ -	0.00%	$ -	$ -
General Conditions/Requirements/Hoisting						
CM Staffing	$ 26,814,471	$ 629,600	$ 27,444,070	100.00%	$ 696	$ -
Field Engineering	$ 5,956,692	214,703	$ 6,172,795	100.00%	$ (0)	$ -
Hazmat Consulting	$ 15,652	-	$ 15,652	100.01%	$ (1)	$ -
CQC (OT for inspectors and certifications)	10,430	10,600	$ 21,030	100.00%	$ 0	$ -
Safety	$ 5,893,860	$ 230,[illegible]	$ 6,024,203	100.00%	$ 0	$ -
Field Offices and Equipment	$ 3,616,847	$ 89,[illegible]	$ 3,704,579	100.00%	$ (1)	$ 40
Temporary Utilities	$ 2,923,195	$ 231,645	$ 3,154,803	100.00%	$ 1	$ 199,020
Temporary Protection	$ 6,511,401	$ 492,818	$ 7,004,219	100.00%	$ (1)	$ 13,000
Material and Labor Staging	$ 11,526,876	$ 470,048	$ 11,997,024	100.00%	$ 0	$ 78,852
Clean-up (Construct and Final)	$ 1,323,432	$ 169,695	$ 1,493,127	98.93%	$ 16,195	$ -
General Equipment and Tools	$ 1,199,105	$ 33,067	$ 1,232,172	100.00%	$ 55	$ -
Project Documentation	$ 17,673	$ 837	$ 18,510	85.29%	$ 3,193	$ -
Misc. Project Expenses	$ 1,615,990	$ 113,152	$ 1,729,192	100.00%	$ 0	$ -
Testing and Inspection (ATC Associates)	$ -	$ -	$ -	0.00%	$ 0	$ -
Reimbursable Blueprinting	$ 1,378,[illegible]	$ 85,[illegible]	$ 1,463,875	100.00%	$ 0	$ -
Hoisting	$ 752,[illegible]	$ 5,[illegible]	$ 757,924	15.38%	$ 4,170,634	$
Sub Total General Conditions/Requirements/Hoisting	$ 68,761,779	$ 3,071,534	$ 71,833,312	94.49%	$ 4,190,773	$ 280,951
Total Hard Costs and General Conditions/Requirements/Hoisting	$ 1,189,682,012	$ 99,013,682	$ 1,289,458,204	65.85%	$ 668,854,944	$ 77,176,878
Contingency						
Unallocated Contingency	$ -	$ -	$ -	0.00%	$ 77,271,571	$ -
Additional Cost Contingency	$ -	$ -	$ -	0.00%	$ 24,376,529	$ -
Contingency Subtotal	$ -	$ -	$ -	0.00%	$ 101,648,100	$ -
Insurance						
Insurance package	$ 21,338,633	$ 553,781	$ 21,892,414	54.73%	$ 18,107,586	$ -
Insurance Subtotal	$ 21,338,633	$ 553,781	$ 21,892,414	54.73%	$ 18,107,586	$ -
Total Construction Costs	$ 1,210,921,245	$ 100,487,463	$ 1,311,398,706	62.45%	$ 786,850,533	$ 77,176,875

NET AMOUNTS

DESCRIPTION	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)
Construction Hard Costs				
Tower	$ 464,928,078	$ 425,312,836	$ 39,616,210	$ 237,828,215
Podium	$ 343,916,109	$ 317,846,204	$ 26,070,005	$ 362,855,918
Conversion	$ -	$ -	$ -	$ -
Garage/Convention/Central Plant	$ 312,483,027	$ 288,644,391	$ 23,839,636	$ 127,956,905
Central Plant	$ -	$ -	$ -	$ -
Site	$ 11,349,009	$ 11,021,20[illegible]	$ 328,423	$ 5,509,[illegible]
Cond cost	$ 2,398,840	$ 2,373,[illegible]	$ 10,578	$ 662,530
Construction Hard Costs Subtotal	$ 1,134,965,544	$ 1,046,201,791	$ 88,763,753	$ 734,816,071
LEED Qualification Costs				
LEED Qualification Costs	$ 5,611,511	$ 5,354,767	$ 256,744	$ 6,734,927
LEED Qualification Costs Subtotal	$ 5,611,511	$ 5,354,767	$ 256,744	$ 6,734,927
LEED Sales Tax Benefit				
LEED Sales Tax Benefit	$ -	$ -	$ -	$ -
LEED Sales Tax Benefit Subtotal	$ -	$ -	$ -	$ -
General Conditions/Requirements/Hoisting				
CM Staffing	$ 27,444,070	$ 26,815,471	$ 628,600	$ 696
Field Engineering	$ 6,172,795	$ 5,958,089	$ 214,706	$ (0)
Hazmat Consulting	$ 15,652	$ 15,652	$ -	$ (1)
CQC (OT for inspectors and certifications)	$ 21,030	$ 10,430	$ 10,600	$ 0
Safety	$ 6,024,203	$ 5,959,998	$ 265,205	$ 0
Field Offices and Equipment	$ 3,704,539	$ 3,528,344	$ 176,185	$ 39
Temporary Utilities	$ 2,955,780	$ 2,873,250	$ 82,519	$ 199,020
Temporary Protection	$ 6,991,219	$ 6,503,931	$ 487,288	$ 12,999
Material and Labor Staging	$ 11,918,142	$ 11,416,632	$ 501,511	$ 78,852
Clean-up (Construct and Final)	$ 1,493,127	$ 1,223,832	$ 169,295	$ 16,195
General Equipment and Tools	$ 1,232,172	$ 1,199,105	$ 33,027	$ 55
Project Documentation	$ 18,510	$ 17,673	$ 837	$ 3,193
Misc. Project Expenses	$ 1,729,192	$ 1,615,990	$ 113,192	$ 0
Testing and Inspection (ATC Associates)	$ -	$ -	$ -	$ 0
Reimbursable Blueprinting	$ 1,463,876	$ 1,378,831	$ 85,144	$ 0
Hoisting	$ 757,924	$ 749,[illegible]	$ 8,641	$ 4,170,634
Sub Total General Conditions/Requirements/Hoisting	$ 71,542,361	$ 68,468,660	$ 3,073,892	$ 4,481,724
Total Hard Costs and General Conditions/Requirements/Hoisting	$ 1,212,319,416	$ 1,119,225,117	$ 93,094,299	$ 746,031,722
Contingency				
Unallocated Contingency	$ -	$ -	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ -	$ -	$ 24,376,529
Contingency Subtotal	$ -	$ -	$ -	$ 101,648,100
Insurance				
Insurance package	$ 21,892,414	$ 21,338,633	$ 553,781	$ 18,107,586
Insurance Subtotal	$ 21,892,414	$ 21,338,633	$ 553,781	$ 18,107,586
Total Construction Costs	$ 1,234,211,830	$ 1,140,563,720	$ 93,648,080	$ 865,787,408

CONFIDENTIAL

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
As of 11/30/08

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) (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	$ 15,360,572	$ 15,360,572	$ -	$ 15,360,572	$ 5,265,531	$ 171,223	$ 5,436,754	35.39%	$ 9,923,818	$ -	$ 5,436,754	$ 5,265,531	$ 171,223	$ 9,923,818
Condo Unit One Bedroom	$ 7,464,292	$ 7,464,292	$ -	$ 7,464,292	$ 3,232,790	$ 157,658	$ 3,390,448	45.42%	$ 4,073,844	$ -	$ 3,390,448	$ 3,232,790	$ 157,658	$ 4,073,844
Center Suite	$ 734,293	$ 734,293	$ -	$ 734,293	$ 579,442	$ 21,607	$ 601,049	81.85%	$ 133,244	$ -	$ 601,049	$ 579,442	$ 21,607	$ 133,244
Junior Suite	$ 1,589,312	$ 1,589,312	$ -	$ 1,589,313	$ 383,569	$ 131,707	$ 515,276	32.42%	$ 1,074,036	$ -	$ 515,276	$ 383,569	$ 131,707	$ 1,074,036
Three Bay Suite	$ 1,647,402	$ 1,647,402	$ -	$ 1,647,402	$ 891,970	$ 533,844	$ 1,425,814	86.55%	$ 221,588	$ -	$ 1,425,814	$ 891,970	$ 533,844	$ 221,588
Four Bay Suite	$ 141,952	$ 141,952	$ -	$ 141,952	$ 114,000	$ -	$ 114,000	80.31%	$ 27,952	$ -	$ 114,000	$ 114,000	$ -	$ 27,952
Six Bay Suite	$ 466,673	$ 466,673	$ -	$ 466,673	$ -	$ -	$ -	0.00%	$ 466,673	$ -	$ -	$ -	$ -	$ 466,673
Typical King	$ 14,456,574	$ 14,456,574	$ -	$ 14,456,574	$ 5,270,776	$ 634,247	$ 5,905,024	40.85%	$ 8,551,550	$ -	$ 5,905,024	$ 5,270,776	$ 634,247	$ 8,551,550
Typical Queen	$ 31,921,197	$ 31,921,197	$ -	$ 31,921,197	$ 7,887,693	$ 674,650	$ 8,562,343	26.82%	$ 23,358,854	$ -	$ 8,562,343	$ 7,887,693	$ 674,650	$ 23,358,854
Rooms FF&E Subtotal	$ 73,784,267	$ 73,784,267	$ -	$ 73,784,267	$ 23,615,762	$ 2,334,947	$ 25,950,709	35.17%	$ 47,833,558	$ -	$ 25,950,709	$ 23,615,762	$ 2,334,947	$ 47,833,558
Hotel and F&B Operating Equipment														
Bell Desk	$ 500,494	$ 500,494	$ -	$ 500,494	$ -		$ -	0.00%	$ 500,494	$ -	$ -	$ -	$ -	$ 500,494
Front Desk	$ 737,285	$ 737,285	$ -	$ 737,285	$ -		$ -	0.00%	$ 737,285	$ -	$ -	$ -	$ -	$ 737,285
Housekeeping	$ 10,627,110	$ 10,627,110	$ -	$ 10,627,110	$ -		$ -	0.00%	$ 10,627,110	$ -	$ -	$ -	$ -	$ 10,627,110
Room Reservations	$ 610,000	$ 610,000	$ -	$ 610,000	$ -		$ -	0.00%	$ 610,000	$ -	$ -	$ -	$ -	$ 610,000
Pool Operations	$ 3,600,531	$ 3,600,531	$ -	$ 3,600,531	$ -		$ -	0.00%	$ 3,600,531	$ -	$ -	$ -	$ -	$ 3,600,531
Condo Operations	$ 198,104	$ 198,104	$ -	$ 198,104	$ -		$ -	0.00%	$ 198,104	$ -	$ -	$ -	$ -	$ 198,104
Hotel Sales	$ 2,618,607	$ 2,618,607	$ -	$ 2,618,607	$ 6,794		$ 6,794	0.26%	$ 2,611,813	$ -	$ 6,794	$ 6,794	$ -	$ 2,611,813
Convention Center	$ 10,261,397	$ 10,261,397	$ -	$ 10,261,397	$ 1,628	$ 220	$ 1,848	0.02%	$ 10,259,551	$ -	$ 1,848	$ 1,628	$ 220	$ 10,259,551
Business Center	$ 548,115	$ 548,115	$ -	$ 548,115	$ -		$ -	0.00%	$ 548,115	$ -	$ -	$ -	$ -	$ 548,115
Telephone	$ 489,235	$ 489,235	$ -	$ 489,235	$ -		$ -	0.00%	$ 489,235	$ -	$ -	$ -	$ -	$ 489,235
Spa	$ 2,658,128	$ 2,658,128	$ -	$ 2,658,128	$ -		$ -	0.00%	$ 2,658,128	$ -	$ -	$ -	$ -	$ 2,658,128
Food & Beverage	$ 9,853,037	$ 9,853,037	$ -	$ 9,853,037	$ 2,265		$ 2,265	0.02%	$ 9,850,772	$ -	$ 2,265	$ 2,265	$ -	$ 9,850,772
Catering	$ 6,256,624	$ 6,256,624	$ -	$ 6,256,624	$ -		$ -	0.00%	$ 6,256,624	$ -	$ -	$ -	$ -	$ 6,256,624
Hotel and F&B Operating Equipment Subtotal	$ 49,081,957	$ 49,081,957	$ -	$ 49,081,957	$ 10,684	$ 220	$ 10,904	0.02%	$ 49,071,053	$ -	$ 10,904	$ 10,684	$ 220	$ 49,071,053
Kitchen Equipment														
Food Service Equipment	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ 58,675	$ 201,120	$ 259,795	1.17%	$ 22,039,445	$ -	$ 259,795	$ 58,675	$ 201,120	$ 22,039,445
Kitchen Equipment Subtotal	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ 58,675	$ 201,120	$ 259,795	1.17%	$ 22,039,445	$ -	$ 259,795	$ 58,675	$ 201,120	$ 22,039,445
Exterior Signage														
Quotation by YESCO	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 3,243,861	$ 1,635,889	$ 4,879,750	18.39%	$ 21,652,970	$ 487,975	$ 4,391,775	$ 2,919,475	$ 1,472,300	$ 22,140,945
Exterior Signage Subtotal	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 3,243,861	$ 1,635,889	$ 4,870,750	18.39%	$ 21,652,970	$ 487,975	$ 4,391,775	$ 2,919,475	$ 1,472,300	$ 22,140,945
Common Area														
FOH	$ 23,281,215	$ 23,281,215	$ -	$ 23,281,215	$ 12,084,810	$ 156,644	$ 12,241,454	52.58%	$ 11,039,758	$ -	$ 12,241,454	$ 12,084,810	$ 156,644	$ 11,039,758
BOH	$ 5,384,599	$ 5,384,599	$ -	$ 5,384,599	$ -	$ -	$ -	0.00%	$ 5,384,599	$ -	$ -	$ -	$ -	$ 5,384,599
Common Area Subtotal	$ 28,665,812	$ 28,665,812	$ -	$ 28,665,812	$ 12,084,810	$ 156,644	$ 12,241,454	42.70%	$ 16,424,358	$ -	$ 12,241,454	$ 12,084,810	$ 156,644	$ 16,424,358
Costed FF&E	$ 200,363,996	$ 200,363,996	$ -	$ 200,363,996	$ 38,013,792	$ 4,328,820	$ 43,342,612	21.63%	$ 157,021,384	$ 487,975	$ 42,854,637	$ 38,688,406	$ 4,165,231	$ 157,509,359
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	$ 1,843,959	$ 1,843,959	$ -	$ 1,843,959	$ -	$ -	$ -	0.00%	$ 1,843,959	$ -	$ -	$ -	$ -	$ 1,843,959
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

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX III TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT H-4
As of 11/30/08

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 (G FROM PRIOR MONTH)	CURRENT PERIOD COMPLETED[1]	TOTAL COMPLETED TO DATE (E+F=G)	% COMPLETED (G/D)	BALANCE TO COMPLETE (D-G=I)	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	$ 2,963,222	$ 2,963,222	$ -	$ 2,963,222	$ 518,388	$ 24,255	$ 542,643	18.31%	$ 2,420,579	$ -	$ 542,643	$ 518,388	$ 24,255	$ 2,420,579
Marketing & Casino Marketing	$ 685,518	$ 685,518	$ -	$ 685,518	$ -		$ -	0.00%	$ 685,518	$ -	$ -	$ -	$ -	$ 685,518
Engineering	$ 11,594,650	$ 11,594,650	$ -	$ 11,594,650	$ 211,957		$ 211,957	1.83%	$ 11,382,693	$ -	$ 211,957	$ 211,957	$ -	$ 11,382,693
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	$ 104,073	$ 104,073	$ -	$ 104,073	$ -		$ -	0.00%	$ 104,073	$ -	$ -	$ -	$ -	$ 104,073
Wardrobe	$ 742,813	$ 742,813	$ -	$ 742,813	$ 153,250		$ 153,250	20.63%	$ 589,563	$ -	$ 153,250	$ 153,250	$ -	$ 589,563
I.T.														
I.T	$ 47,709,040	$ 47,709,040	$ -	$ 47,709,040	$ 6,508,434	$ (68,045)	$ 6,440,389	13.50%	$ 41,268,651	$ -	$ 6,440,389	$ 6,508,434	$ (68,045)	$ 41,268,651
Surveillance (Gaming & Hotel)	$ 6,653,559	$ 6,653,559	$ -	$ 6,653,559	$ -		$ -	0.00%	$ 6,653,559	$ -	$ -	$ -	$ -	$ 6,653,559
A&G and Facilities and IT Subtotal	$ 71,920,565	$ 71,920,565	$ -	$ 71,920,565	$ 7,390,028	$ (41,790)	$ 7,348,239	10.22%	$ 64,572,327	$ -	$ 7,348,239	$ 7,390,028	$ (41,790)	$ 64,572,327
Other FF&E	$ 125,075,426	$ 125,075,426	$ -	$ 125,075,426	$ 7,390,028	$ (41,790)	$ 7,348,239	5.88%	$ 117,727,187	$ -	$ 7,348,239	$ 7,390,028	$ (41,790)	$ 117,727,187
Pre-Opening and Working Capital														
Working Capital														
Bankroll	$ 4,000,000	$ 4,000,000	$ -	$ 4,000,000	$ -	$ -	$ -	0.00%	$ 4,000,000	$ -	$ -	$ -	$ -	$ 4,000,000
Inventory	$ 3,150,000	$ 3,150,000	$ -	$ 3,150,000	$ -	$ -	$ -	0.00%	$ 3,150,000	$ -	$ -	$ -	$ -	$ 3,150,000
Uniforms	$ 5,927,125	$ 5,927,125	$ -	$ 5,927,125	$ -	$ 93,228	$ 93,228	1.57%	$ 5,833,897	$ -	$ 93,228	$ -	$ 93,228	$ 5,833,897
Taxes	$ 1,000,000	$ 1,000,000	$ -	$ 1,000,000	$ -	$ -	$ -	0.00%	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
Pre-Opening														
Payroll Burden	$ 42,402,854	$ 42,342,854	$ (2,257,000)	$ 40,085,854	$ 9,712,300	$ 840,302	$ 10,552,602	26.33%	$ 29,533,252	$ -	$ 10,552,602	$ 9,712,300	$ 840,302	$ 29,533,252
Marketing	$ 20,000,000	$ 22,679,000	$ (2,667,000)	$ 20,017,800	$ 8,501,493	$ 1,237,117	$ 9,738,609	47.24%	$ 10,878,691	$ -	$ 9,738,609	$ 8,501,493	$ 1,237,117	$ 10,878,691
Office and Related	$ 1,414,000	$ 1,914,000	$ 500,000	$ 2,414,000	$ 1,821,379	$ 590,018	$ 2,411,397	99.89%	$ 2,603	$ -	$ 2,411,397	$ 1,821,379	$ 590,018	$ 2,603
Recruitment	$ 1,641,000	$ 1,641,000	$ -	$ 1,641,000	$ 767,907	$ 6,908	$ 774,815	47.22%	$ 866,185	$ -	$ 774,815	$ 767,907	$ 6,908	$ 866,185
Other	$ 5,247,000	$ 5,247,000		$ 5,247,000	$ 4,677,545	$ 455,696	$ 5,133,241	97.83%	$ 113,759	$ -	$ 5,133,241	$ 4,677,545	$ 455,696	$ 113,759
Pre-Opening and Working Capital Subtotal	$ 93,847,679	$ 87,797,679	$ (3,715,000)	$ 84,082,579	$ 25,181,127	$ 3,523,170	$ 28,704,297	34.14%	$ 55,378,282	$ -	$ 28,704,297	$ 25,181,127	$ 3,523,170	$ 55,378,282
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	$ 14,515,823	$ 14,515,823	$ -	$ 14,515,823	$ 12,907,724	$ (30,637)	$ 12,876,088	88.40%	$ 1,639,735	$ -	$ 12,876,088	$ 12,907,724	$ (30,637)	$ 1,639,735
Sewer Fees														
Hotel Rooms	$ 7,779,430	$ 7,779,430	$ -	$ 7,779,430	$ 7,734,668		$ 7,734,668	99.42%	$ 44,762	$ -	$ 7,734,668	$ 7,734,668	$ -	$ 44,762
Remainder of Podium	$ 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	$ 7,584,950		$ 7,584,950	67.83%	$ 3,596,751	$ -	$ 7,584,950	$ 7,584,950	$ -	$ 3,596,751
Health Department / Other Misc. Fees	$ 13,500	$ 286,500	$ -	$ 286,500	$ 81,218		$ 81,218	28.35%	$ 205,282	$ -	$ 81,218	$ 81,218	$ -	$ 205,282
Overtime for Fire Testing	$ 1,600,000	$ 1,600,000	$ -	$ 1,600,000	$ -		$ -	0.00%	$ 1,600,000	$ -	$ -	$ -	$ -	$ 1,600,000
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	$ 90,810,650	$ 81,160,650	$ 3,716,000	$ 84,876,050	$ 81,157,165	$ 3,717,670	$ 84,874,835	100.00%	$ 215	$ -	$ 84,874,835	$ 81,157,165	$ 3,717,670	$ 215
Consultant costs	$ 6,046,550	$ 10,048,550		$ 10,048,550	$ 9,344,730	$ 145,764	$ 9,490,493	94.45%	$ 558,057	$ -	$ 9,490,493	$ 9,344,730	$ 145,764	$ 558,057
Taxes, Legal and Other														
Feasibility appraisals	$ 75,000	$ 75,000	$ -	$ 75,000	$ -		$ -	0.00%	$ 75,000	$ -	$ -	$ -	$ -	$ 75,000
Property taxes	$ 5,915,487	$ 5,915,487		$ 5,915,487	$ 2,596,609	$ 646,655	$ 3,243,264	54.83%	$ 2,672,223	$ -	$ 3,243,264	$ 2,596,609	$ 646,655	$ 2,672,223
Legal fees/ other allowance	$ 5,061,616	$ 5,061,616	$ -	$ 5,061,616	$ 4,700,131	$ (20,577)	$ 4,679,555	92.45%	$ 382,061	$ -	$ 4,679,555	$ 4,700,131	$ (20,577)	$ 382,061
Development Agreement	$ 4,600,000	$ 4,600,000	$ -	$ 4,600,000	$ 4,290,998	$ 2,050	$ 4,293,048	93.13%	$ 306,952	$ -	$ 4,293,048	$ 4,290,998	$ 2,050	$ 306,952
Temporary Pace Ramp	$ 750,000	$ -	$ -	$ -	$ 0		$ 0		$ (0)	$ -	$ 0	$ 0	$ -	$ (0)
Mock Up Cost	$ 750,000	$ 750,000	$ -	$ 750,000	$ 726,307		$ 726,307	96.84%	$ 23,693	$ -	$ 726,307	$ 726,307	$ -	$ 23,693
Fees / Permits / Taxes / Other Subtotal	$ 131,814,077	$ 148,887,077	$ 3,716,000	$ 152,602,077	$ 136,140,309	$ 4,470,968	$ 140,611,277	92.14%	$ 11,990,800	$ -	$ 140,611,277	$ 136,140,309	$ 4,470,968	$ 11,990,800

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
APPENDIX II TO THE BUDGET/SCHEDULE AMENDMENT CERTIFICATE
EXHIBIT M-4
As of 11/30/08

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)
Debt Service Accrued Through Scheduled Opening				
Debt Service	$ 362,756,033	$ 332,379,033		$ 332,379,033
Debt Service Accrued Through Scheduled Opening Subtotal	$ 362,756,033	$ 332,379,033	$ -	$ 332,379,033
Condominium-Hotel Selling Expenses				
Condominium-Hotel Selling Expenses	$ 49,776,523	$ 25,000,000		$ 25,000,000
Condominium-Hotel Selling Expenses Subtotal	$ 49,776,522	$ 25,000,000	$ -	$ 25,000,000
Fees and Expenses				
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 Date	$ 493,935,008	$ 684,804,482	$ -	$ 654,004,482
TOTAL COSTS	$ 2,129,048,361	$ 3,009,243,141	$ -	$ 3,009,243,141

DESCRIPTION	COSTS INCURRED: 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) (I)	TOTAL RETAINAGE (J)
Debt Service Accrued Through Scheduled Opening						
Debt Service	$ 213,839,733	$ 3,296,030	$ 217,136,763	65.33%	$ 115,242,270	$ -
Debt Service Accrued Through Scheduled Opening Subtotal	$ 213,839,733	$ 3,296,028	$ 217,136,763	65.33%	$ 115,242,270	$ -
Condominium-Hotel Selling Expenses						
Condominium-Hotel Selling Expenses	$ 16,348,155	$ 503,049	$ 16,851,199	67.40%	$ 8,148,800	$ -
Condominium-Hotel Selling Expenses Subtotal	$ 16,348,155	$ 503,045	$ 16,851,199	67.40%	$ 8,148,800	$ -
Fees and Expenses						
Fees and Expenses	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -
Fees and Expenses Subtotal	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -
Costs Accrued Through Opening Date	$ 451,054,166	$ 11,795,213	$ 462,849,400	70.65%	$ 191,555,074	$ -
TOTAL COSTS	$ 1,708,379,261	$ 116,549,705	1,824,928,067	59.26%	$ 1,255,314,474	77,654,853

DESCRIPTION	NET AMOUNTS: 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)
Debt Service Accrued Through Scheduled Opening				
Debt Service	$ 217,136,763	$ 213,838,733	$ 3,298,029	$ 115,242,270
Debt Service Accrued Through Scheduled Opening Subtotal	$ 217,136,763	$ 213,838,733	$ 3,298,029	$ 115,242,270
Condominium-Hotel Selling Expenses				
Condominium-Hotel Selling Expenses	$ 16,851,100	$ 16,241,206	$ 609,894	$ 8,148,800
Condominium-Hotel Selling Expenses Subtotal	$ 16,851,100	$ 16,241,206	$ 609,894	$ 8,148,800
Fees and Expenses				
Fees and Expenses	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Fees and Expenses Subtotal	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Costs Accrued Through Opening Date	$ 492,849,406	$ 450,947,247	$ 11,902,162	$ 191,555,074
TOTAL COSTS	1,747,204,154	$ 1,637,692,431	$ 109,873,683	$ 1,332,879,028

(1) To be filled out without effecting Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	65.2%
Contingency Adjustment	
Required Minimum Contingency	$ 38,676,000
Less: Unallocated Contingency Balance (Actual)	$ (77,271,571)
Contingency Adjustment Subtotal	$ (38,595,562)
Other Adjustments	
Required Minimum Cash Support	$ -
Required Minimum Liquidity Account	$ 17,415,371
Required Minimum Excess Revolver Support Amount	$ 6,360,832
Repayment of Existing Debt	$ -
Adjustment for Additional Cash Support	$ -
TOTAL	$ 1,317,160,678

IN BALANCE TEST AVAILABLE CUSHION	STARTING CUSHION	CURRENT CUSHION
Required Minimum Cash Support	$ 50,000,000	$ -
Other Unallocated In Balance Cushion		
Contingency Adjustment Subtotal	$ -	$ 38,595,562
Required Minimum Liquidity Account	$ -	$ 32,584,629
Required Minimum Excess Revolver Support Amount	$ -	$ 10,032,524
Adjustment for Additional Cash Support	$ -	$ -
Total Other Unallocated In Balance Cushion	$ -	$ 81,212,715
TOTAL CUSHION	$ 50,000,000	$ 81,212,715

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

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)	COSTS INCURRED: 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) (I)	RETAINAGE (J)	NET AMOUNTS: 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)
Turnberry West Construction	$ 1,763,634,074	$ 1,954,964,726	$ 3,386,412	$ 1,958,351,138	$ 1,189,682,612	$ 19,813,682.22	$ 1,288,495,284	65.85%	$ 668,654,644	$ 77,176,624	$ 1,212,318,416	$ 1,119,228,117	$ 93,094,299	$ 745,031,722
Unallocated Contingency	$ 111,939,480	$ 77,271,871	$ -	$ 77,271,871	$ -	$ -	$ -	0.00%	$ 77,271,571	$ -	$ -	$ -	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ 27,762,941	$ (3,386,412)	$ 24,376,529	$ -	$ -	$ -	0.00%	$ 24,376,529	$ -	$ -	$ -	$ -	$ 24,376,529
Insurance	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000	$ 21,338,833	$ 653,790.26	$ 21,992,414	54.73%	$ 18,107,586	$ -	$ 21,892,414	$ 21,338,833	$ 653,781	$ 18,107,585
Total Construction Costs	$ 1,904,673,934	$ 2,099,999,738	$ -	$ 2,099,999,238	$ 1,210,921,245	$ 19,467,493.63	$ 1,311,389,708	62.45%	$ 728,610,530	$ 77,176,626	$ 1,224,211,820	$ 1,140,563,759	$ 93,643,080	$ 865,787,418
Rooms FF&E	$ 73,784,287	$ 73,784,267	$ -	$ 73,784,267	$ 23,515,762	$ 2,334,947.01	$ 25,850,709	35.17%	$ 47,833,538	$ -	$ 25,850,709	$ 23,515,762	$ 2,334,947	$ 47,833,558
Hotel and F&B Operating Equipment	$ 49,081,957	$ 49,081,957	$ -	$ 49,081,957	$ 10,684	$ 220.00	$ 10,904	0.02%	$ 49,071,053	$ -	$ 10,904	$ 10,684	$ 220	$ 49,071,053
Kitchen Equipment	$ 22,299,243	$ 22,299,240	$ -	$ 22,299,240	$ 58,675	$ 201,120.00	$ 259,795	1.17%	$ 22,039,445	$ -	$ 259,795	$ 68,675	$ 231,129	$ 22,039,416
Exterior Signage	$ 26,532,729	$ 26,532,720	$ -	$ 26,532,720	$ 3,243,551	$ 1,635,808.89	$ 4,879,359	18.38%	$ 21,652,970	$ 487,876	$ 4,391,276	$ 2,919,476	$ 1,472,308	$ 22,140,845
Common Area FF&E	$ 28,581,812	$ 28,865,812	$ -	$ 28,865,812	$ 12,084,810	$ 159,644.06	$ 12,243,454	42.70%	$ 16,424,358	$ -	$ 12,241,454	$ 12,084,810	$ 150,644	$ 16,424,358
Costed FF&E	$ 202,363,986	$ 200,563,996	$ -	$ 200,363,996	$ 39,913,782	$ 4,329,818.96	$ 43,342,612	21.63%	$ 157,021,384	$ 487,875	$ 42,854,837	$ 38,689,436	$ 4,165,231	$ 157,509,339
Gaming FF&E	$ 49,871,099	$ 49,871,099	$ -	$ 49,871,099	$ -	$ -	$ -	0.00%	$ 49,871,099	$ -	$ -	$ -	$ -	$ 49,871,099
Entertainment	$ 12,283,731	$ 12,283,731	$ -	$ 12,283,731	$ -	$ -	$ -	0.00%	$ 12,283,731	$ -	$ -	$ -	$ -	$ 12,283,731
ASG and Facilities and IT	$ 71,920,596	$ 71,920,596	$ -	$ 71,920,596	$ 7,390,028	$ (41,789.80)	$ 7,348,239	10.22%	$ 64,572,357	$ -	$ 7,348,239	$ 7,390,028	$ (41,789)	$ 64,572,357
Other FF&E	$ 125,075,426	$ 125,075,426	$ -	$ 125,075,426	$ 7,390,028	$ (41,789.80)	$ 7,348,239	5.88%	$ 117,727,187	$ -	$ 7,348,239	$ 7,390,028	$ (41,789)	$ 117,727,187
Pre-Opening / Working Capital	$ 93,647,578	$ 87,787,578	$ (3,715,000)	$ 84,072,578	$ 25,181,127	$ 3,523,170.36	$ 28,704,297	34.14%	$ 55,378,282	$ -	$ 28,704,297	$ 25,181,127	$ 3,523,170	$ 55,378,282
Fees / Permits / Taxes / Other	$ 131,814,677	$ 148,847,977	$ 3,715,000	$ 152,562,977	$ 136,140,309	$ 4,470,968.15	$ 140,611,277	92.14%	$ 11,950,600	$ -	$ 140,611,277	$ 136,140,309	$ 4,470,968	$ 11,950,600
Debt Service Accrued Through Scheduled Opening Date	$ 352,766,033	$ 332,378,033	$ -	$ 332,378,033	$ 213,839,733	$ 3,296,029.48	$ 217,135,763	65.33%	$ 115,242,270	$ -	$ 217,135,763	$ 213,839,733	$ 3,296,029	$ 115,242,270
Condominium-Hotel Selling Expenses	$ 40,774,523	$ 25,000,000	$ -	$ 25,000,000	$ 16,248,165	$ 509,984.56	$ 16,451,189	67.40%	$ 8,148,800	$ -	$ 15,851,189	$ 15,241,225	$ 609,984	$ 8,148,800
Fees and Expenses	$ 60,740,784	$ 60,740,784	$ -	$ 60,740,784	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,823	$ -	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,823
Costs Accrued Through Opening Date	$ 489,935,605	$ 454,804,483	$ -	$ 454,804,483	$ 451,654,196	$ 11,799,212.54	$ 462,849,406	70.68%	$ 191,955,074	$ -	$ 462,849,409	$ 451,847,247	$ 11,822,162	$ 191,955,074
TOTAL COSTS	$ 2,822,046,261	$ 3,089,243,161	$ -	$ 3,080,243,145	$ 1,708,379,251	$ 146,649,706.88	$ 1,874,878,587	59.25%	$ 1,235,314,174	$ 77,664,653	$ 1,347,264,414	$ 1,637,590,431	$ 107,673,483	$ 1,332,978,078

IN BALANCE TEST ADJUSTMENTS		
Post-Closing Hard Costs Percent Date %		65.2%
Contingency Adjustment		
Required Minimum Contingency	$	53,676,018
Less: Unallocated Contingency Balance (Actual)	$	(77,271,571)
Contingency Adjustment Subtotal	$	(23,595,553)
Required Minimum Liquidity Account	$	17,415,371
Required Minimum Excess Revolver Support Amount	$	6,302,012
Repayment of Existing Debt[2]	$	-
TOTAL	$	1,317,159,878

(1) To be filled out without affecting Retainage
(2) To be filled out at zero following the Closing Date.

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
IN BALANCE REPORT
APPENDIX X TO EXHIBIT C-1
November 30, 2008

DESCRIPTION		IN BALANCE TEST
AVAILABLE FUNDS		
Projected Interest Income [1]	$	4,060,923
Anticipated Bonded Condo Deposits	$	14,000,000
Equity Funding Account	$	-
Cash Management Account	$	6,000,000
Second Mortgage Proceeds Account	$	-
Bank Proceeds Account [2]	$	138,549,423
Delay Draw Term Loan Availability	$	350,000,000
Bank Revolving Availability, Minus $40,000,000	$	760,000,000
Debt Sevice Commitment Portion	$	-
Cash Support Amount	$	100,000,000
Retail Lenders Shared Cost Commitment (Less Advances Made for Shared Costs)	$	61,065,864
Cash Balance in the Resort Payment Account	$	-
Cash Balance in the Interest Account	$	835
Cash Balance in the Resort Loss Proceeds Account	$	-
TOTAL AVAILABLE FUNDS	$	1,433,677,045
LESS: TOTAL		
Remaining Costs (In Balance Test Adjustments Total from the Remaining Cost Report)	$	(1,317,160,878)
IN BALANCE POSITIVE / (NEGATIVE)	$	116,516,167

(1) Anticipated interest income on all Resort accounts.
(2) Bank proceeds account availability not reduced by letters of credit because the cost is already included in the remaining cost report.

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 11/30/08

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C=D) (D)	COSTS INCURRED: 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) (I)	TOTAL RETAINAGE (J)	NET AMOUNTS: 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)
Construction Hard Costs														
Tower	652,718,020	685,184,609	17,472,884	702,657,293	458,432,600	42,950,183	501,116,783	71.32%	201,541,341	36,787,973	664,026,670	423,217,555	38,015,210	237,820,215
Podium	669,115,000	724,170,429	(17,397,390)	706,775,027	356,033,659	27,654,251	364,653,167	51.59%	342,114,840	20,742,076	343,916,103	317,845,384	26,070,605	362,858,916
Convention	-	-		-	-		-	0.00%	-		-	-	-	-
Garage/Convention/Central Plant	375,685,716	437,126,806	3,311,120	440,439,532	325,839,251	16,891,020	331,791,271	75.33%	108,648,712	10,303,180	312,453,027	289,641,391	23,839,605	127,959,505
Central Plant	-	-		-	-		-	0.00%	-		-	-	-	-
Site	64,239,086	16,850,161		16,050,161	11,730,892	165,352	11,896,044	70.60%	4,554,147	345,559	11,349,650	15,021,236	329,425	5,508,562
Bond cost	0,000,000	3,051,170		3,051,170	2,376,060	12,576	7,368,640	78.28%	682,530		2,338,640	2,378,052	10,678	682,530
Construction Hard Costs Subtotal	1,763,000,000	1,866,384,202	3,386,412	1,869,760,614	1,115,262,445	56,585,404	1,211,848,845	64.81%	657,931,770	78,863,301	1,134,865,564	1,045,201,781	89,763,753	734,815,071
LEED Qualification Costs														
LEED Qualification Costs	22,000,000	12 548,430		12,540,436	5,557,393	256,744	5,014,137	46.34%	6,732,301	2,626	5,811,511	5,554,767	256,744	6,734,927
LEED Qualification Costs Subtotal	22,000,000	12,640,438	-	12,546,438	5,557,393	256,744	5,814,137	46.34%	6,732,301	2,626	5,811,511	5,554,767	256,744	6,734,927
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/Hoisting														
CM Staffing	24,257,242	26,574,767	870,000	27,444,767	26,616,471	828,600	27,444,070	100.00%	685	-	27,444,070	26,516,471	928,600	685
Field Engineering	1,103,200	6,004,521	168,275	6,172,705	5,958,098	214,709	6,172,799	100.00%	(0)	-	6,172,799	5,958,098	214,709	(0)
Hazmat Consulting	100,000	20,000	(4,000)	15,821	15,832	-	15,692	100.01%	(1)	-	15,692	15,692	-	(1)
CQC (OT for inspectors nine certifications)	300,000	200,000	(178,970)	21,031	10,430	10,600	21,030	100.00%	0	-	21,030	10,430	10,600	0
Safety	4,036,707	5,443,154	200,000	5,024,203	5,393,030	200,500	5,024,263	100.00%	0	-	5,624,203	5,355,593	259,205	0
Field Offices and Equipment	5,857,640	3,933,183	(230,605)	3,704,578	3,619,547	85,031	3,704,679	100.00%	(1)	40	3,704,639	3,525,444	179,195	39
Temporary Utilities	2,400,000	3,059,217	55,570	2,164,609	2,023,450	231,043	2,154,609	100.00%	1	163,000	2,655,780	2,973,180	82,519	163,039
Temporary Protection	8,226,475	6,759,365	252,633	7,004,218	9,511,491	492,013	7,004,219	100.00%	(1)	13,000	6,931,218	6,503,031	407,260	12,999
Material and Labor Staging	8,346,000	11,037,813	458,212	11,597,025	11,028,878	470,053	11,597,024	100.00%	0	78,582	11,918,142	11,410,552	501,651	76,852
Clean-up (Continual and Final)	2,845,700	2,047,641	(638,215)	1,509,225	1,325,850	169,258	1,493,127	99.93%	10,165	-	1,452,127	1,303,030	159,298	16,195
General Equipment and Tools	1,931,000	1,346,625	(113,000)	1,232,227	1,193,105	38,027	1,232,172	100.00%	55	-	1,232,172	1,199,165	33,007	55
Project Documentation	1,825,580	224,145	(207,442)	21,702	17,673	857	18,510	85.29%	3,193	-	18,510	17,673	857	3,163
Misc. Project Expenses	622,500	1,940,076	(210,890)	1,729,182	1,616,905	113,592	1,728,182	100.00%	0	-	1,728,182	1,615,690	113,192	0
Testing and Inspection (ATC Associates)	2,000,000	0	-	0	-	-	-	0.00%	0	-	-	-	-	0
Reimbursable Blueprinting	1,500,000	1,557,531	(93,858)	1,463,675	1,378,834	85,141	1,463,975	100.00%	0	-	1,463,975	1,378,834	85,141	0
Hoisting	20,257,410	4,928,555	-	4,928,555	752,796	5,128	757,924	15.28%	4,170,034	-	757,024	748,064	8,841	4,170,634
Sub Total General Conditions/Requirements/Hoisting	67,634,074	76,024,005	(0)	76,024,005	68,761,779	3,071,534	71,833,312	94.40%	4,190,773	290,851	71,142,361	68,468,660	3,073,692	4,481,724
Total Hard Costs and General Conditions/Requirements/Hoisting	1,753,634,074	1,954,964,725	3,386,412	1,958,351,138	1,189,582,612	99,913,682	1,289,496,294	65.65%	668,854,844	77,176,876	1,212,319,416	1,119,225,117	93,094,299	746,631,722
Contingency														
Unallocated Contingency	111,039,860	77,271,571	-	77,271,571	-	-	-	0.00%	77,271,571	-	-	-	-	77,271,571
Additional Cost Contingency	-	27,762,941	(3,359,412)	24,376,529	-	-	-	0.00%	24,376,528	-	-	-	-	24,376,529
Contingency Subtotal	111,039,860	105,034,512	(3,386,412)	101,648,100	-	-	-	0.00%	101,644,100	-	-	-	-	101,643,100
Insurance														
Insurance package	40,000,000	40,000,000	-	40,000,000	21,336,633	553,781	21,892,414	54.73%	18,107,586	-	21,892,414	21,336,653	555,781	18,107,586
Insurance Subtotal	40,000,000	40,000,000	-	40,000,000	21,336,633	553,781	21,892,414	54.73%	18,107,586	-	21,892,414	21,335,633	553,781	18,107,586
Total Construction Costs	1,934,673,934	2,099,999,238	-	2,098,999,238	1,210,921,245	100,407,463	1,311,358,708	62.45%	708,610,530	77,176,078	1,231,211,830	1,146,563,780	83,648,050	856,787,408

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 11/30/08

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) (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	$ 15,360,572	$ 15,360,572	$ -	$ 15,360,572	$ 5,265,531	$ 171,223	$ 5,436,754	35.39%	$ 9,923,818	$ -	$ 5,436,754	$ 5,265,531	$ 171,223	$ 9,923,818
Condo Unit One Bedroom	$ 7,454,292	$ 7,454,292	$ -	$ 7,454,292	$ 3,222,789	$ 167,659	$ 3,390,448	45.42%	$ 4,073,844	$ -	$ 3,390,448	$ 3,222,789	$ 167,659	$ 4,073,844
Center Suite	$ 734,293	$ 734,293	$ -	$ 734,293	$ 579,442	$ 21,607	$ 601,049	81.85%	$ 133,244	$ -	$ 601,049	$ 579,442	$ 21,607	$ 133,244
Junior Suite	$ 1,589,312	$ 1,589,312	$ -	$ 1,589,312	$ 383,569	$ 131,707	$ 515,276	32.42%	$ 1,074,036	$ -	$ 515,276	$ 383,569	$ 131,707	$ 1,074,036
Three Bay Suite	$ 1,647,402	$ 1,647,402	$ -	$ 1,647,402	$ 891,970	$ 533,844	$ 1,425,814	86.55%	$ 221,588	$ -	$ 1,425,814	$ 891,970	$ 533,844	$ 221,588
Four Bay Suite	$ 141,952	$ 141,952	$ -	$ 141,952	$ 114,000	$ -	$ 114,000	80.31%	$ 27,952	$ -	$ 114,000	$ 114,000	$ -	$ 27,952
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	$ 5,270,776	$ 634,247	$ 5,905,024	40.85%	$ 8,551,550	$ -	$ 5,905,024	$ 5,270,776	$ 634,247	$ 8,551,550
Typical Queen	$ 31,921,197	$ 31,921,197	$ -	$ 31,921,197	$ 7,887,683	$ 674,660	$ 8,562,343	26.82%	$ 23,358,854	$ -	$ 8,562,343	$ 7,887,683	$ 674,660	$ 23,358,854
Rooms FF&E Subtotal	$ 73,784,267	$ 73,784,267	$ -	$ 73,784,267	$ 23,615,762	$ 2,334,947	$ 25,950,709	35.17%	$ 47,833,558	$ -	$ 25,950,709	$ 23,615,762	$ 2,334,947	$ 47,833,558
Hotel and F&B Operating Equipment														
Bell Desk	$ 500,494	$ 500,494	$ -	$ 500,494	$ -		$ -	0.00%	$ 500,494	$ -	$ -	$ -	$ -	$ 500,494
Front Desk	$ 737,295	$ 737,295	$ -	$ 737,295	$ -		$ -	0.00%	$ 737,295	$ -	$ -	$ -	$ -	$ 737,295
Housekeeping	$ 10,527,110	$ 10,527,110	$ -	$ 10,527,110	$ -		$ -	0.00%	$ 10,527,110	$ -	$ -	$ -	$ -	$ 10,527,110
Room Reservations	$ 619,000	$ 619,000	$ -	$ 619,000	$ -		$ -	0.00%	$ 619,000	$ -	$ -	$ -	$ -	$ 619,000
Pool Operations	$ 3,606,531	$ 3,606,531	$ -	$ 3,606,531	$ -		$ -	0.00%	$ 3,606,531	$ -	$ -	$ -	$ -	$ 3,606,531
Condo Operations	$ 198,184	$ 198,184	$ -	$ 198,184	$ -		$ -	0.00%	$ 198,184	$ -	$ -	$ -	$ -	$ 198,184
Hotel Sales	$ 2,618,607	$ 2,618,607	$ -	$ 2,618,607	$ 6,794		$ 6,794	0.26%	$ 2,611,813	$ -	$ 6,794	$ 6,794	$ -	$ 2,611,813
Convention Center	$ 10,261,397	$ 10,261,397	$ -	$ 10,261,397	$ 1,626	$ 220	$ 1,846	0.02%	$ 10,259,551	$ -	$ 1,846	$ 1,626	$ 220	$ 10,259,551
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	$ 9,853,037	$ 9,853,037	$ -	$ 9,853,037	$ 2,265		$ 2,265	0.02%	$ 9,850,772	$ -	$ 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	$ 49,081,957	$ 49,081,957	$ -	$ 49,081,957	$ 10,684	$ 220	$ 10,904	0.02%	$ 49,071,053	$ -	$ 10,904	$ 10,684	$ 220	$ 49,071,053
Kitchen Equipment														
Food Service Equipment	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ 58,675	$ 201,120	$ 259,795	1.17%	$ 22,039,445	$ -	$ 259,795	$ 58,675	$ 201,120	$ 22,039,445
Kitchen Equipment Subtotal	$ 22,299,240	$ 22,299,240	$ -	$ 22,299,240	$ 58,675	$ 201,120	$ 259,795	1.17%	$ 22,039,445	$ -	$ 259,795	$ 58,675	$ 201,120	$ 22,039,445
Exterior Signage														
Quotation by YESCO	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 3,243,861	$ 1,635,889	$ 4,879,750	18.39%	$ 21,652,970	$ 487,975	$ 4,391,776	$ 2,919,475	$ 1,472,300	$ 22,140,945
Exterior Signage Subtotal	$ 26,532,720	$ 26,532,720	$ -	$ 26,532,720	$ 3,243,861	$ 1,635,889	$ 4,879,750	18.39%	$ 21,652,970	$ 487,975	$ 4,391,776	$ 2,919,475	$ 1,472,300	$ 22,140,945
Common Area														
FOH	$ 23,281,213	$ 23,281,213	$ -	$ 23,281,213	$ 12,084,810	156,644	$ 12,241,454	52.58%	$ 11,039,759	$ -	$ 12,241,454	$ 12,084,810	$ 156,644	$ 11,039,759
BOH	$ 5,384,599	$ 5,384,599	$ -	$ 5,384,599	$ -	$ -	$ -	0.00%	$ 5,384,599	$ -	$ -	$ -	$ -	$ 5,384,599
Common Area Subtotal	$ 28,665,812	$ 28,665,812	$ -	$ 28,665,812	$ 12,084,810	$ 156,644	$ 12,241,454	42.70%	$ 16,424,358	$ -	$ 12,241,454	$ 12,084,810	$ 156,644	$ 16,424,358
Costed FF&E	$ 200,363,996	$ 200,363,996	$ -	$ 200,363,996	$ 39,013,792	$ 4,328,820	$ 43,342,612	21.63%	$ 157,021,384	$ 487,975	$ 42,854,637	$ 38,689,406	$ 4,165,231	$ 157,509,359
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

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VII TO EXHIBIT C-1
As of 11/30/08

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 (F)	TOTAL COMPLETED TO DATE (E+F=G) (G)	% COMPLETED (G/D) (H)	BALANCE TO COMPLETE (D-G=I) (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)
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	2,883,222	2,883,222	-	2,903,227	458,388	24,255	482,643	16.61%	2,420,579	-	482,643	458,388	24,255	2,420,576
Marketing & Casino Marketing	688,516	688,516	-	688,516	-		-	0.00%	688,516	-	-	-	-	688,516
Engineering	11,594,656	11,594,656	-	11,594,656	211,957		211,957	1.83%	11,382,699	-	211,957	211,957	-	11,382,699
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	742,815	742,815	-	742,815	153,250		153,250	20.63%	589,565	-	153,250	153,250	-	589,565
I.T.											-	-		
I.T.	47,709,040	47,709,040	-	47,709,040	6,500,434	(60,045)	6,440,389	13.50%	41,268,651	-	6,440,389	6,500,434	(60,045)	41,268,651
Surveillance (Gaming & Hotel)	8,683,593	8,683,593	-	8,683,593	-		-	0.00%	8,683,593	-	-	-	-	8,683,593
A&G and Facilities and IT Subtotal	71,920,594	71,920,594	-	71,920,595	7,390,028	(41,790)	7,348,238	10.22%	64,572,357	-	7,348,238	7,390,028	(41,790)	64,572,357
Other FF&E	125,076,426	125,076,426	-	125,076,426	7,390,028	(41,790)	7,348,238	5.88%	117,727,187	-	7,348,238	7,390,028	(41,790)	117,727,187
Pre-Opening and Working Capital														
Working Capital														
Bankroll	4,000,000	4,000,000	-	4,000,000	-	-	-	0.00%	4,000,000	-	-	-	-	4,000,000
Inventory	3,150,000	3,150,000	-	3,150,000	-	-	-	0.00%	3,150,000	-	-	-	-	3,150,000
Uniforms	5,927,125	5,927,125	-	5,927,125	-	93,228	93,228	1.57%	5,833,897	-	93,228	-	93,228	5,833,897
Taxes	1,000,000	1,000,000	-	1,000,000	-	-	-	0.00%	1,000,000	-	-	-	-	1,000,000
Pre-Openings											-	-		
Payroll Burden	42,343,454	42,343,454	(2,257,800)	40,085,654	9,712,600	840,262	10,552,862	26.33%	29,533,152	-	10,552,862	9,712,600	840,262	29,533,152
Marketing	26,000,000	23,075,000	(2,257,500)	20,817,500	8,501,693	1,227,117	9,728,809	47.24%	10,878,691	-	9,728,800	8,501,693	1,227,117	10,878,691
Office and Related	1,414,000	1,414,000	1,000,000	2,414,000	1,521,379	890,016	2,411,396	99.89%	2,603	-	2,411,395	1,521,379	890,016	2,605
Recruitment	1,641,000	1,641,000	-	1,641,000	767,807	6,509	774,816	47.22%	866,185	-	774,815	767,807	6,008	866,185
Other	5,247,000	5,247,000		5,247,000	4,677,545	455,600	5,133,245	97.83%	113,755	-	5,133,245	4,677,545	455,699	113,755
Pre-Opening and Working Capital Subtotal	93,647,579	87,787,579	(3,715,000)	84,062,579	25,181,127	3,523,170	28,704,297	34.14%	55,378,282	-	28,704,297	25,181,127	3,523,170	55,378,282
Fees / Permits / Taxes / Other														
Building Permits														
Permits, Fees, etc	14,515,823	14,515,823	-	14,515,823	12,997,724	(20,637)	12,976,088	89.40%	1,539,935	-	12,976,088	12,997,724	(20,637)	1,539,935
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 Podium	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	7,584,950		7,584,950	67.83%	3,596,751	-	7,584,950	7,584,950	-	3,596,751
Health Department / Other Misc Fees	12,500	226,500	-	265,500	61,218		61,218	23.05%	205,282	-	61,212	61,218	-	205,282
Overtime for Fire Testing	1,500,000	1,500,000	-	1,500,000	-		-	0.00%	1,500,000	-	-	-	-	1,500,000
Transportation Fee	4,612,851	4,612,851		4,612,851	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	80,910,000	81,160,000	3,715,000	84,875,000	81,157,165	3,717,670	84,874,835	100.00%	215	-	84,874,835	81,157,165	3,717,670	215
Consultant costs	9,048,680	10,048,580		10,048,580	9,244,759	145,704	9,390,483	94.45%	658,097	-	9,390,483	9,244,759	145,704	658,097
Taxes, Legal and Other											-	-		
Feasibility appraisals	75,000	75,000	-	75,000	-		-	0.00%	75,000	-	-	-	-	75,000
Property taxes	12,915,487	5,915,487		5,815,457	2,596,365	646,899	3,243,264	54.83%	2,572,223	-	3,243,264	2,596,365	646,899	2,572,223
Legal fees/other allowance	5,061,616	5,061,616	-	5,061,616	4,700,131	(20,577)	4,679,555	92.45%	382,061	-	4,679,555	4,700,131	(20,577)	382,061
Development Application	4,020,000	4,500,000	-	4,500,000	4,190,998	2,050	4,193,048	93.18%	306,952	-	4,193,048	4,190,998	2,050	306,952
Turnberry Place Ramp	750,000	-	-	-	0		0		(0)	-	0	0	-	(0)
Mock Up Cost	750,000	750,000	-	750,000	726,307		726,307	96.84%	23,693	-	726,307	726,307	-	23,693
Fees / Permits / Taxes / Other Subtotal	131,814,077	148,887,077	3,715,000	152,602,077	136,140,309	4,470,968	140,611,277	92.14%	11,990,800	-	140,611,277	136,140,309	4,470,968	11,990,800

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
DETAILED REMAINING COST REPORT
APPENDIX VI TO EXHIBIT C-1
As of 11/30/08

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) (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)
Debt Service Accrued Through Scheduled Opening														
Debt Service	$ 362,756,033	$ 332,379,033		$ 332,379,033	$ 213,839,733	$ 3,298,029	$ 217,136,763	65.33%	$ 116,242,270	$ -	$ 217,136,763	$ 213,839,733	$ 3,298,029	$ 115,242,270
Debt Service Accrued Through Scheduled Opening Subtotal	$ 362,756,033	$ 332,379,033	$ -	$ 332,379,033	$ 213,839,733	$ 3,298,029	$ 217,136,763	65.33%	$ 116,242,270	$ -	$ 217,136,763	$ 213,838,733	$ 3,298,029	$ 115,242,270
Condominium-Hotel Selling Expenses														
Condominium-Hotel Selling Expenses	$ 49,776,523	$ 25,000,000		$ 25,000,000	$ 16,348,155	$ 503,045	$ 16,851,199	67.40%	$ 8,148,800	$ -	$ 16,851,189	$ 16,241,206	$ 609,994	$ 8,148,800
Condominium-Hotel Selling Expenses Subtotal	$ 49,776,523	$ 25,000,000	$ -	$ 25,000,000	$ 16,348,155	$ 503,045	$ 16,851,199	67.40%	$ 8,148,800	$ -	$ 16,851,189	$ 16,241,206	$ 609,994	$ 8,148,800
Fees and Expenses														
Fees and Expenses	$ 60,740,794	$ 60,740,794	$ -	$ 60,740,794	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Fees and Expenses Subtotal	$ 60,740,794	$ 60,740,794	$ -	$ 60,740,794	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,923	$ -	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,923
Costs Accrued Through Opening Date	$ 658,935,005	$ 654,804,482	$ -	$ 654,804,482	$ 451,054,185	$ 11,795,213	$ 462,849,403	70.69%	$ 191,955,074	$ -	$ 462,849,408	$ 450,947,247	$ 11,902,162	$ 191,955,074
TOTAL COSTS	$ 2,929,048,361	$ 3,080,243,141	$ -	$ 3,080,243,141	$ 1,708,378,261	$ 116,549,706	1,824,928,967	59.25%	$ 1,255,314,174	77,664,853	1,747,264,114	$ 1,637,590,431	$ 109,673,683	$ 1,332,979,028

(1) To be filled out without offsetting Retainage.

IN BALANCE TEST ADJUSTMENTS	
Post-Closing Hard Costs Paid to Date %	65.2%
Contingency Adjustment	
Required Minimum Contingency	$ 38,676,009
Less: Unallocated Contingency Balance (Actual)	$ (77,271,571)
Contingency Adjustment Subtotal	$ (38,595,562)
Other Adjustments	
Required Minimum Cash Support	$ -
Required Minimum Liquidity Account	$ 17,415,371
Required Minimum Excess Revolver Support Amount	$ 5,362,042
Repayment of Existing Debt	$ -
Adjustment for Additional Cash Support	$ -
TOTAL	$ 1,317,159,878

IN BALANCE TEST AVAILABLE CUSHION	STARTING CUSHION	CURRENT CUSHION
Required Minimum Cash Support	$ 60,000,000	$ -
Other Unallocated In Balance Cushion		
Contingency Adjustment Subtotal	$ -	$ 38,595,562
Required Minimum Liquidity Account	$ -	$ 32,584,629
Required Minimum Excess Revolver Support Amount	$ -	$ 10,032,524
Adjustment for Additional Cash Support	$ -	$ -
Total Other Unallocated In Balance Cushion	$ -	$ 81,212,715
TOTAL CUSHION	$ 60,000,000	$ 81,312,715

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

DESCRIPTION	RESORT COSTS AMOUNT: CLOSING RESORT BUDGET (A)	PRIOR RESORT BUDGET (D FROM PRIOR MONTH) (B)	CURRENT PERIOD BUDGET MODIFICATIONS (C)	RESORT BUDGET (B+C+D) (D)
Turnberry West Construction	$ 1,753,634,974	$ 1,854,904,720	$ 3,340,412	$ 1,858,244,136
Unallocated Contingency	$ 151,031,850	$ 77,271,571	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ 27,743,941	$ (3,364,413)	$ 24,378,529
Insurance	$ 40,000,000	$ 40,000,000	$ -	$ 40,000,000
Total Construction Costs	$ 1,944,673,934	$ 2,099,919,230	$ -	$ 2,099,919,236
Rooms FF&E	$ 73,784,257	$ 73,784,257	$ -	$ 73,784,257
Hotel and F&B Operating Equipment	$ 49,081,957	$ 49,081,957	$ -	$ 49,081,957
Kitchen Equipment	$ 22,289,240	$ 22,289,240	$ -	$ 22,289,240
Exterior Signage	$ 26,532,729	$ 26,532,720	$ -	$ 26,532,720
Common Area FF&E	$ 28,665,812	$ 28,665,812	$ -	$ 28,665,812
Costed FF&E	$ 200,353,995	$ 200,353,986	$ -	$ 200,353,986
Gaming FF&E	$ 40,871,099	$ 40,871,099	$ -	$ 40,871,099
Entertainment	$ 12,283,731	$ 12,283,731	$ -	$ 12,283,731
A&G and Facilities and IT	$ 71,920,596	$ 71,920,596	$ -	$ 71,920,596
Other FF&E	$ 125,075,426	$ 125,075,425	$ -	$ 125,075,426
Pre-Opening / Working Capital	$ 93,842,679	$ 87,787,878	$ (3,716,000)	$ 84,082,679
Fees / Permits / Taxes / Other	$ 131,814,077	$ 148,887,077	$ 3,716,000	$ 152,602,077
Debt Service Accrued Through Scheduled Opening Date	$ 382,754,822	$ 332,370,833	$ -	$ 332,370,033
Condominium-Hotel Selling Expenses	$ 40,774,523	$ 25,000,000	$ -	$ 25,000,000
Fees and Expenses	$ 60,743,704	$ 60,740,704	$ -	$ 60,740,704
Costs Accrued Through Opening Date	$ 663,935,933	$ 654,804,487	$ -	$ 654,804,487
TOTAL COSTS	$ 2,929,043,365	$ 3,080,245,141	$ -	$ 3,080,243,141

DESCRIPTION	COSTS INCURRED: 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) (I)	RETAINAGE (J)
Turnberry West Construction	$ 1,391,682,612	$ 48,613,682.22	$ 1,448,496,214	66.85%	$ 648,854,844	$ 77,176,874
Unallocated Contingency	$ -	$ -	$ -	0.00%	$ 77,271,571	$ -
Additional Cost Contingency	$ -	$ -	$ -	0.00%	$ 24,378,528	$ -
Insurance	$ 21,338,633	$ 553,780.76	$ 21,892,414	54.73%	$ 18,107,586	$ -
Total Construction Costs	$ 1,210,921,245	$ 100,467,455.86	$ 1,311,388,700	62.45%	$ 788,530,539	$ 77,176,874
Rooms FF&E	$ 23,615,762	$ 2,334,847.81	$ 25,950,749	35.17%	$ 47,833,668	$ -
Hotel and F&B Operating Equipment	$ 10,684	$ 220.00	$ 10,904	0.02%	$ 49,071,053	$ -
Kitchen Equipment	$ 58,676	$ 201,120.00	$ 259,795	1.17%	$ 22,029,445	$ -
Exterior Signage	$ 3,243,851	$ 1,035,888.59	$ 4,279,740	18.39%	$ 21,652,070	$ 457,076
Common Area FF&E	$ 12,081,810	$ 159,644.06	$ 12,241,454	42.70%	$ 16,424,358	$ -
Costed FF&E	$ 39,013,792	$ 4,328,859.86	$ 43,342,652	21.63%	$ 157,021,334	$ 457,076
Gaming FF&E	$ -	$ -	$ -	0.00%	$ 40,871,099	$ -
Entertainment	$ -	$ -	$ -	0.00%	$ 12,283,731	$ -
A&G and Facilities and IT	$ 7,390,025	$ (41,789.80)	$ 7,348,239	10.22%	$ 64,572,357	$ -
Other FF&E	$ 7,390,025	$ (41,789.80)	$ 7,348,239	5.88%	$ 117,727,187	$ -
Pre-Opening / Working Capital	$ 25,181,137	$ 3,523,170.35	$ 28,704,297	34.14%	$ 55,378,382	$ -
Fees / Permits / Taxes / Other	$ 136,140,308	$ 4,470,968.15	$ 140,611,277	92.14%	$ 11,990,800	$ -
Debt Service Accrued Through Scheduled Opening Date	$ 213,838,733	$ 3,298,029.49	$ 217,136,763	65.33%	$ 115,242,270	$ -
Condominium-Hotel Selling Expenses	$ 16,348,155	$ 503,044.56	$ 16,851,199	67.40%	$ 8,148,800	$ -
Fees and Expenses	$ 59,545,871	$ -	$ 59,545,871	98.03%	$ 1,194,833	$ -
Costs Accrued Through Opening Date	$ 451,054,196	$ 11,795,212.56	$ 462,849,408	70.69%	$ 191,955,074	$ -
TOTAL COSTS	$ 1,701,339,231	$ 116,549,706.44	$ 1,824,918,547	81.45%	$ 1,253,314,174	$ 77,604,853

DESCRIPTION	NET AMOUNTS: TOTAL COMPLETED TO DATE (G-J+N) (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)
Turnberry West Construction	$ 1,212,319,416	$ 1,112,225,117	$ 93,094,299	$ 746,031,722
Unallocated Contingency	$ -	$ -	$ -	$ 77,271,571
Additional Cost Contingency	$ -	$ -	$ -	$ 24,378,529
Insurance	$ 21,892,414	$ 21,338,633	$ 553,781	$ 18,107,586
Total Construction Costs	$ 1,234,211,830	$ 1,140,563,750	$ 93,648,080	$ 865,707,428
Rooms FF&E	$ 25,950,749	$ 23,615,762	$ 2,334,987	$ 47,833,508
Hotel and F&B Operating Equipment	$ 10,904	$ 10,684	$ 220	$ 49,071,053
Kitchen Equipment	$ 259,795	$ 58,675	$ 201,120	$ 22,029,445
Exterior Signage	$ 4,331,776	$ 2,919,475	$ 1,412,300	$ 22,140,845
Common Area FF&E	$ 12,241,454	$ 12,084,810	$ 156,644	$ 16,424,358
Costed FF&E	$ 42,854,037	$ 38,659,406	$ 4,165,231	$ 157,549,359
Gaming FF&E	$ -	$ -	$ -	$ 40,871,099
Entertainment	$ -	$ -	$ -	$ 12,283,731
A&G and Facilities and IT	$ 7,348,239	$ 7,390,076	$ (41,760)	$ 64,572,357
Other FF&E	$ 7,348,239	$ 7,390,026	$ (41,790)	$ 117,727,187
Pre-Opening / Working Capital	$ 28,704,297	$ 25,181,137	$ 3,523,170	$ 55,378,282
Fees / Permits / Taxes / Other	$ 140,611,277	$ 136,140,309	$ 4,470,968	$ 11,990,800
Debt Service Accrued Through Scheduled Opening Date	$ 217,136,763	$ 213,838,733	$ 3,298,029	$ 115,242,270
Condominium-Hotel Selling Expenses	$ 16,851,189	$ 16,241,200	$ 609,994	$ 8,148,800
Fees and Expenses	$ 59,545,871	$ 59,545,871	$ -	$ 1,194,933
Costs Accrued Through Opening Date	$ 452,849,403	$ 450,947,247	$ 11,902,162	$ 191,955,074
TOTAL COSTS	$ 1,747,254,114	$ 1,637,590,435	$ 102,672,682	$ 1,332,979,028

IN BALANCE TEST ADJUSTMENTS		
Post-Closing Hard Costs Paid to Date %		85.2%
Contingency Adjustment		
Required Minimum Contingency	$	38,676,009
Less: Unallocated Contingency Balance (Actual)	$	(77,271,571)
Contingency Adjustment Subtotal	$	(38,595,562)
Required Minimum Liquidity Account	$	17,415,375
Required Minimum Excess Revolver Support Amount	$	5,032,042
Repayment of Existing Debt (2)	$	-
TOTAL	$	1,317,150,978

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
RETAIL REMAINING COST REPORT
APPENDIX IX TO EXHIBIT C-1
November 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

FONTAINEBLEAU RESORT AND CASINO
LAS VEGAS, NV
REQUESTED COST REPORT
APPENDIX I TO EXHIBIT C-1
VERSION C - DURING THE BANK FUNDING PERIOD AND PRIOR TO THE COMPLETION RESERVE CALCULATION DATE
November 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	$ 2,651,454
Total Cash Management Account Reimbursement (C)	**$ 2,651,454**
Debt Service	
Debt Service - Bank Credit Facilities	$ 3,298,029
Debt Service - Second Mortgage Notes	$ -
Total Debt Service (D)	**$ 3,298,029**
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	$ 93,094,298
Insurance	$ 201,177
Total Construction Costs	**$ 93,295,475**
Rooms FF&E	$ 2,334,947
Hotel and F&B Operating Equipment	$ -
Kitchen Equipment	$ -
Exterior Signage	$ 1,472,300
Common Area FF&E	$ 156,644
Total Costed FF&E	**$ 3,963,891**
Gaming FF&E	$ -
Entertainment	$ -
A&G and Facilities and IT	$ (44,417)
Total Other FF&E	**$ (44,417)**
Pre-Opening / Working Capital	$ 1,559,147
Fees / Permits / Taxes / Other	$ 4,344,604
Condominium-Hotel Selling Expenses	$ 605,499
Fees and Expenses	$ -
Subtotal	**$ 6,509,249**
RESORT REQUEST (F)	**$ 109,673,682**

(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
November 30, 2008

		Total Shared Costs
Retail Lenders Shared Cost Commitment	(A)	$ 83,000,000
Retail Shared Cost Percentage [(1)]	(B)	26.4%
Cumulative Retail Lenders Funding Requirement	(C)	$ 21,934,136
Less: Retail Lender Funding to Date	(D)	$ 16,965,001
Retail Lender Funding Required	(E)	$ 4,969,135

(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
November 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	$ 163,170,563	N/A	$ 163,170,563
CURRENT AVAILABLE RETAIL SOURCES	$ 163,170,563	$ -	$ 163,170,563

RESORT SOURCES	CURRENT BALANCE	LESS: PAYMENTS[1]	BALANCE
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))	$ 4,969,135	N/A	$ 4,969,135
Resort Loss Proceeds Account balance	$ -	N/A	$ -
Resort Payment Account balance (including interest income)	$ 19,234,565	$ (19,231,645)	$ 2,920
Interest Account balance (including interest income)	$ 835	N/A	$ 835
Amount by which the Liquidity Account balance exceeds $50,000,000	$ 97,308	N/A	$ 97,308
Bonded Condo Proceeds Account balance	$ -	N/A	$ -
Equity Funding Account balance	$ -	N/A	$ -
Second Mortgage Proceeds Account balance	$ -	N/A	$ -
Bank Proceeds Account balance	$ 241,349,548	N/A	$ 241,349,548
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	$ 315,651,392	$ (19,231,645)	$ 296,419,747

(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
November 30, 2008

RETAIL SOURCES	REQUEST TO BE SATISFIED (A)	BALANCE (From Current Available Sources Report) (B)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied) (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		$ 163,170,563	$ -
TOTAL	$ -	$ 163,170,563	$ -

RESORT SOURCES	REQUEST TO BE SATISFIED (A)	BALANCE (From Current Available Sources Report) (B)	BALANCE FUNDED (Amounts from Column B until requests in Column A are satisfied) (C)
Resort Request (Requested Cost Report Row F)	$ 109,673,682		
Retail Lender Funding Required (Shared Cost Allocation Report Row (E))		$ 4,969,135	$ 4,969,135
Resort Loss Proceeds Account balance		$ -	$ -
Resort Payment Account balance (as adjusted in the Current Available Sources Report)		$ 2,920	$ 2,920
Interest Account balance (as adjusted in the Current Available Sources Report)		$ 835	$ 835
Amount by which the Liquidity Account balance exceeds $50,000,000		$ 97,308	$ 97,308
Bonded Condo Proceeds Account balance		$ -	$ -
Equity Funding Account balance		$ -	$ -
Second Mortgage Proceeds Account balance		$ -	$ -
Bank Proceeds Account balance		$ 241,349,548	$ 104,603,484
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	$ 109,673,682	$ 296,419,747	$ 109,673,682

(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
November 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)	$ 2,651,454
Interest Account (Requested Cost Report Row D)	$ 3,298,029
L/C Reimbursement to Bank Revolving Facility (Requested Cost Report Row E)	$ -
Resort Payment Account (Requested Cost Report Row F less amounts listed above)	$ 103,724,198
TOTAL	$ 109,673,682
Bank Proceeds Account (Total of Funding Order Report C less total of Funding Order Report Column A)	$ -

Fontainebleau LV Invoice Summary

12/29/2008

Invoices Approved and Sent to Accounting for Payments			
	Gross Amount	***Retention***	***Draw Amount***
HARD COSTS	$ 99,913,682.07	$ 6,819,384.21	$ 93,094,297.86
INSURANCE	553,780.76	-	$ 553,780.76
FF&E	4,287,030.46	163,588.89	$ 4,123,441.57
PRE-OPENING/WORKING CAPITAL	3,523,170.35	-	$ 3,523,170.35
FEES/PERMITS/TAXES/OTHER	4,470,968.12	-	$ 4,470,968.12
CONDO EXPENSES	503,044.56	(106,949.42)	$ 609,993.98
DEBT SERVICE	3,298,029.48		$ 3,298,029.48
Draw Sub-total	$ 116,549,705.80	$ 6,876,023.68	$ 109,673,682.12
Draw before pd interest	116,549,705.80	6,876,023.68	109,673,682.12
Funding from Interest pd on resort accounts	(2,290.15)		(2,290.15)
Total Draw to be funded	$ 116,547,415.65	$ 6,876,023.68	$ 109,671,391.97

Turnberry West Construction, Inc.

Executed Contracts and PO's
Fontainebleau Resorts, Las Vegas

Subcontractor/Vendor	Scope of Work	Tower Amount	Exec'd	Podium/Site Amount	Exec'd	Garage Amount	Exec'd	Total Executed
	N/A for November 2008							

Appendix 17
to Advance Request

List of Scope Changes

None

GENERAL CONTRACTOR ADVANCE CERTIFICATE

Date: November 30, 2008
Advance Date: November 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 #24") we have requested $93,094,297.86.

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

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 of November, 2008.

TURNBERRY WEST CONSTRUCTION, INC.,
a Nevada corporation

By: ______________________
Name: Roger McElfresh
Title: President and COO

Bergman, Walls & Associates, Ltd.
ARCHITECTS • PLANNERS

EXHIBIT A

ARCHITECT'S ADVANCE CERTIFICATE

Date: November 30, 2008
Advance Date: December 5, 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. 24 under the Master Disbursement Agreement dated as of October 2, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities") the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

In connection with the development, construction and operation of the Fontainebleau Resort and Casino project (the "Project"), Bergman, Walls & Associates, Ltd., a Nevada professional corporation (the "Architect"), hereby represents to its knowledge, information and belief as follows:

W02-WEST:1BBH\400231388.2

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 5th day of December, 2008.

BERGMAN, WALLS & ASSOCIATES, LTD.,
a Nevada professional corporation

By: ______________________
Name: Scott U. Walls
Title: President/COO

ATTACHMENT A TO BUDGET AMENDMENT CERTIFICATE

Certificate of General Contractor

11/30/08

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 **November 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.
FONTAINEBLEU LAS VEGAS, 2755 LAS VEGAS BLVD. SO., LAS VEGAS, NV 89109
PHONE 702.495.7360 FAX 702.495.7366 www.turnberryltd.com NV Lic. #0067865

IN WITNESS WHEREOF, the General Contractor has executed this General Contractor's Certificate as of the _____ day of _______________, ______.

TURNBERRY WEST CONSTRUCTION, INC.,
a Nevada corporation

By: ______________________________
Name: ____________________________
Title: _____________________________

Roger McElfresh
President and COO

Dep. Ex. 274

From: Howard C. Karawan
To: Albert Kotite; Jeff Soffer
CC: Jim Freeman; Glenn Schaeffer
Sent: 9/19/2008 10:21:07 AM
Subject: Fwd: Fontainebleau Construction Update

in case you havent seen

From: Maxwell, John T. (RSCH) [mailto:john_maxwell@ml.com]
Sent: Friday, September 19, 2008 7:47 AM
Subject: Fontainebleau Construction Update

John Maxwell +1 212 449 5936
Research Analyst
MLPF&S
john_maxwell@ml.com

18 September 2008
Fontainebleau Las Vegas/ FBLEAU
Construction Update

·Speculation has been rampant this week on the status of the Fontainebleau project in Las Vegas, with some speculating that construction would cease. We spoke with company management and were told that construction is currently on-going. In addition, we were told that the budget to the project has not changed from the updated amount the company released with its 3/31/08 quarterly report.

·The issue that the company is facing is the exposure to Lehman Brothers regarding its retail credit facilities. The $400 million facility consists of a $315 million construction loan and an $85 million mezzanine facility. The $85 million facility is fully funded and 50% of the construction facility is funded. We understand that Lehman Brothers owns roughly two-thirds of the construction facility.

·Part of the current construction work that is being done is the retail podium. The retail credit facilities are expected to finance $83 million of the costs of this project, with $78 million remaining. Currently, the company has a funding request into Lehman Brothers for about $4 million which would be the cost of the retail construction for the current month. The company is having discussions with several sources to remedy the situation. The podium financing is required to be funded prior to the company accessing its $800 million revolver and $350 million delayed draw term loan.

·If the company is unable to find a replacement lender for the Lehman Brothers exposure, then the company would likely be forced to halt construction as access to its available capital would be prohibited.

·Regarding the condo sales, management remains hopeful that it will open its sales office within the next month. However, given the current real estate environment, we don't expect any significant sales to take place in the near term.

·Lastly, management continues to work with its accountants regarding the presentation of its financials. The company's auditors are requiring that the costs of the condo development be separated from the cost of the resort. Once this is complete, the company expects to file its registration statement with the SEC and its 2Q'08 financials. This is expected by the end of September.

We are OW-30% on the FBLEAU 10 ¼% 2nd Mortgage Notes.
Analyst Certification

Track ______ Exhibit 274
Date 3-23-11
Witness FREEMAN
G. Lewis #437 ______ Payuro

I, John Maxwell, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

John Maxwell
Managing Director
Merrill Lynch
Fixed Income Research
212-449-5936

Dep. Ex. 275

From: Jim Freeman
To: Whitney Thier; Bill Bewley
Sent: 10/10/2008 12:35:13 PM
Subject: FW: FBLEAU Update

Let's discuss.

From: Maxwell, John T. (RSCH) [mailto:john_maxwell@ml.com]
Sent: Friday, October 10, 2008 9:29 AM
To: Jim Freeman
Cc: Carole Parker; Howard Karawan (MAC.COM)
Subject: FBLEAU Update

Guys:

I know these are certainly trying times and there is a lot you have going on, but just to make sure you are aware, the FBLEAU bank debt is trading in the 40's and the 10 1/4% 2nd Mortgage Notes are at 14. If there is anyway that you could provide an update, even if you don't have all of the issues resolved, I think that would provide some form of comfort to lenders. If they haven't already done so, I would think lenders are going to issue a notice of default for failure to file financials based on the conversation I have had with some of them.

If you have any questions for me, please give me a call.
Hope everything works out
Regards
John

John Maxwell
Managing Director
Merrill Lynch
Fixed Income Research
212-449-5936

Track ______ Exhibit 275
Date 3-23-11
Witness FREEMAN
G. Lewis #437

Dep. Ex. 278

From: Albert Kotite
To: Glenn Schaeffer; Jim Freeman
BCC: Carole Parker
Sent: 9/18/2008 4:44:34 PM
Subject: FW: Fontainebleau / Brigade Capital

Albert E. Kotite / EVP Corporate Development & Acquisitions
Fontainebleau Resorts LLC
akotite@fontainebleau.com / fontainebleau.com
O 305 682 4200 / C 917 499 2626 / 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

From: Doug Pardon [mailto:DP@brigadecapital.com]
Sent: Thu 9/18/2008 3:17 PM
To: Albert Kotite
Subject: Fontainebleau / Brigade Capital

Sonny,

We met a few months back in our offices here in NY and discussed both Fontaineableau and ACDL. Don Morgan and I thought our meeting with you went well and we continue to have a significant investment in Fontainebleau. We've added to the position post our meeting. As you likely are aware given what's going on in the capital markets the bonds and bank debt of Fontainebleau are trading at highly distressed levels with the bonds quoted in the 30's and bank debt hovering 70. In addition, there are plenty of rumor mongerers out there hovering the situation with doom and gloom rumors/scenarios for the Las Vegas project. Its our understanding that these rumors are false and we continue to have confidence despite the state of the capital markets. Through our contacts at Bank of America its Brigade's understanding that Glenn had agreed to have a meeting with Don Morgan and myself and we were going to fly out to Vegas at a mutually agreeable time. I have yet to hear back from Jim Freeman who I was told to contact to set the meeting up. I realize only too well how disruptive the markets are right now and Jim is surely inundated but if there is anyway I could speak to you or Jim today or tomorrow it would be extremely helpful. I wouldn't be taking more than 5 or 10 minutes of your time. I have just a few questions regarding the retail financing given the Lehman exposure there as well as some questions about the revolver and your current cash balances, etc. Also, would love to get a date set up with Glenn.

Appreciate any assistance you can be and once again we are significant investor and a supporter of the company.

Best,

Doug Pardon
Brigade Capital Management
717 5th Avenue, Suite 1301
New York, NY 10022
212-745-9784 (P)
212-745-9701 (F)
dp@brigadecapital.com

Track ______ Exhibit 278
Date 3-23-11
Witness FREEMAN
C. Lewis #437 ______ Fagus

should not be construed as the solicitation of an offer to purchase or an offer to sell an interest in any private investment fund managed by Brigade Capital, LLC. Any such offer or solicitation will be made only to qualified investors by means of a Confidential Private Offering Memorandum and only in those jurisdictions where permitted by law. Finally, please note that (to the extent that performance information is contained in this email) - past performance is not necessarily indicative of future returns and all figures are estimated and un-audited unless otherwise noted.

Dep. Ex. 279

From: Jim Freeman
To: Howard, David
CC: Yunker, Bret D
Sent: 9/22/2008 9:46:34 AM
Subject: RE: Fontainebleau

Thanks - they are on my to call list. It has been 2 weeks since I've spoken to them...

From: Howard, David [mailto:david.howard@bankofamerica.com]
Sent: Mon 9/22/2008 6:08 AM
To: Jim Freeman
Cc: Yunker, Bret D
Subject: FW: Fontainebleau

FYI - thought you should know...

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: Hull, Martin W
Sent: Friday, September 19, 2008 10:08 AM
To: Susman, Jeff; Howard, David
Cc: Roof, Robyn E; Siman, Joe R
Subject: RE: Fontainebleau

Symphony is very upset that the company will not return their repeated phone calls. They told me they wanted us to tell the company that if their calls were not returned, they would speak to their lawyers and try to figure out a way to not fund any future DDTL draw requests. They seem to be VERY upset.

From: Hull, Martin W
Sent: Friday, September 19, 2008 9:13 AM
To: Bacchi, Alfred J; Susman, Jeff
Cc: Howard, David; DG pvt bank
Subject: RE: Fontainebleau

Gunther Stein from Symphony would like to speak to someone at company as well.

From: Bacchi, Alfred J
Sent: Friday, September 19, 2008 9:10 AM
To: Susman, Jeff
Cc: Howard, David; DG pvt bank
Subject: Fontainebleau

Track ______ Exhibit 279
Date 3-23-11
Witness FREEMAN
C. Lewis #437 ______ Fagu...

Jeff - Thanks for your return message. Todd Nocella who is the Gaming analyst at Halcyon wanted to chat with the company in view of the downgrade - as you suggested I am passing on his contact info (212-303-9402, tnocella@halcyonllc.com), and ask my colleagues to pass along to you any other accounts/contacts that requested a conversation w/ the company so that you can coordinate with them.

Thanks, Al

Al Bacchi
Principal
Syndicated Finance - Sales
Banc of America Securities LLC
214 N. Tryon Street (NC1-027-14-01)
Charlotte, NC 28255
Tel: 704 386 8904
Fax: 704-264-2546
Cell: 704-231-6487
Email: alfred.j.bacchi@bankofamerica.com
Bloomberg:albacchi@bloomberg.net

Dep. Ex. 280

From: Jim Freeman
To: Freeland, James
Sent: 10/9/2008 5:51:34 PM
Subject: RE: Meeting tomorrow

What works for your schedule?

From: Freeland, James [mailto:James.Freeland@guggenheimpartners.com]
Sent: Thursday, October 09, 2008 11:24 AM
To: Jim Freeman
Subject: FW: Meeting tomorrow

Any time tommorow to sit down?

From: Freeland, James
Sent: Wednesday, October 01, 2008 8:24 AM
To: 'Jim Freeman'
Subject: RE: Meeting tomorrow

Any chance you can meet on oct 10?

From: Jim Freeman [mailto:jfreeman@fontainebleau.com]
Sent: Wednesday, June 04, 2008 5:18 PM
To: Freeland, James
Subject: RE: Meeting tomorrow

That works for me -- see you then.

From: Freeland, James [mailto:James.Freeland@guggenheimpartners.com]
Sent: Wednesday, June 04, 2008 2:19 PM
To: Jim Freeman
Subject: RE: Meeting tomorrow

How about 3 or so?

From: Jim Freeman [mailto:jfreeman@fontainebleau.com]
Sent: Wednesday, June 04, 2008 4:59 PM
To: Freeland, James
Subject: RE: Meeting tomorrow

Sorry for the late response -- I have some time tomorrow if you're in town. Let me know what windows you have available.

From: Freeland, James [mailto:James.Freeland@guggenheimpartners.com]
Sent: Tuesday, June 03, 2008 9:07 AM
To: Jim Freeman
Subject: RE: Meeting tomorrow

Any chance you have 30 minutes on Thurs of this week to meet? In town and thought I could swing by to catch up on where you guys stand.

Track ______ Exhibit 280
Date 3-23-11
Witness FREEMAN
C. Lewis #437

Exhibit

FBR01274590

From: Jim Freeman [mailto:jfreeman@fbresorts.com]
Sent: Thursday, February 28, 2008 4:22 PM
To: Freeland, James
Subject: Re: Meeting tomorrow

We're in the stirling club at turnberry place. 4th floor. Address is 2827 paradise.

----- Original Message -----
From: Freeland, James <James.Freeland@guggenheimpartners.com>
To: Jim Freeman
Sent: Thu Feb 28 12:59:33 2008
Subject: Re: Meeting tomorrow

Where shoud I meet you?

-----Original Message-----
From: Jim Freeman <jfreeman@fbresorts.com>
To: Kain, Tucker
CC: Freeland, James
Sent: Wed Feb 27 15:02:55 2008
Subject: RE: Meeting tomorrow

That's fine – who will be attending?

From: Kain, Tucker [mailto:Tucker.Kain@guggenheimpartners.com]
Sent: Wednesday, February 27, 2008 12:05 PM
To: Jim Freeman
Cc: Freeland, James
Subject: Meeting tomorrow

Jim,

Sorry again for not being able to make it today. Does 3pm tomorrow work for you? Thanks for the help.

Tucker Kain

Tucker Kain

Guggenheim Partners

135 East 57th Street

7th Floor

New York, NY 10022

Tel: 212.901.9420

Fax: 212.644.8107

Mobile: 917.213.8275

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Dep. Ex. 281

From: Jim Freeman
To: Ryan Falconer
Sent: 10/6/2008 8:04:42 PM
Subject: RE: FBLU Vegas

We're in the Stirling Club at Turnberry Place, 2827 Paradise, 4th Floor. 12:00 is fine.

From: Ryan Falconer [mailto:rfalconer@zcap.net]
Sent: Monday, October 06, 2008 3:47 PM
To: Jim Freeman
Subject: Re: FBLU Vegas

Let's do 11am. Will adjust my flight. Could you confirm the address?

Ryan Falconer
Director

Z Capital Partners, L.L.C.
Two Conway Park
150 Field Drive, Suite 300
Lake Forest, IL-60045

(847) 235-8100 (W)
(847) 235-8111 (F)

http://www.zcap.net.

(Sent from my Wireless BlackBerry)

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----- Original Message -----
From: Jim Freeman <jfreeman@fontainebleau.com>
To: Ryan Falconer
Sent: Mon Oct 06 17:41:14 2008
Subject: RE: FBLU Vegas

Ryan – I'm available tomorrow if you're still in town. I have no voice today but hope to be able to speak tomorrow. Best time for me would be after 11:00. I don't have a construction tour set up but can give you an overview tomorrow. Let me know if you're still available.

From: Ryan Falconer [mailto:rfalconer@zcap.net]
Sent: Tuesday, September 30, 2008 6:05 AM
To: Jim Freeman
Subject: FBLU Vegas

Track ______ Exhibit 281
Date 3-23-11
Witness FREEMAN
C. Lewis #437 ______

Jim,

Z Capital is a lender to FBLU Vegas. Jeff Susman should have mentioned that I and a colleague will be in Vegas on Monday, October 6th. I was wanting to schedule a site visit as well as meeting with yourself to discuss the FBLU project and Vegas market in general. Please let me know your availability.

Rgds,

Ryan Falconer
Director

Z Capital Partners, L.L.C.
Two Conway Park
150 Field Dr. Suite 300
Lake Forest, Il 60045
847-235-8 100 Office
847-235-8 111 Fax

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

Dep. Ex. 282

From: Jim Freeman
To: Vivian Smith
Sent: 11/7/2008 2:39:34 PM
Subject: RE: Message & Possible Meeting

As far as I know I'm available. Can you set it up.

From: Vivian Smith
Sent: Friday, November 07, 2008 10:30 AM
To: Jim Freeman
Subject: Message & Possible Meeting

Phil Mule from Caspian Capital called earlier this week regarding a possible visit to Las Vegas on 12/15/2008 if you are available. Would like to start making arrangements. 914-798-4207

Vivian Smith / Human Resources Assistant
Fontainebleau Resorts LLC
vsmith@fontainebleau.com / fontainebleau.com
0 702 495 8304 / F 702 495 8303
2827 Paradise Road / Las Vegas NV 89109

THE STAGE IS YOURS. LIVE YOUR PART.

Please take note of my new email address

Track _____ Exhibit 282
Date 3-23-11
Witness FREEMAN
C. Lewis #4__

Dep. Ex. 283

From: Jim Freeman
To: Holloway, Margaret
Sent: 10/6/2008 6:22:08 PM
Subject: RE:

That's fine for me – I'll call you then. Retail funded its small portion last month. Sitting down with D&T partners tomorrow – hope to have some clarity on timetable.

From: Holloway, Margaret [mailto:Margaret.Holloway@moodys.com]
Sent: Monday, October 06, 2008 10:11 AM
To: Jim Freeman
Subject: RE:

You've got what I had last week;

How about 1 pm EST/ 10am PST? In the meantime, can you give me ETA for financials and if retail financing is funding?

Thanks

Peggy Holloway
VP & Sr Credit Officer
Moody's Investors Service
7 World Trade Center
250 Greenwich St.
New York, New York 10007
Telephone: 212-553-4542
email: margaret.holloway@moodys.com

-----Original Message-----
From: Jim Freeman [mailto:jfreeman@fontainebleau.com]
Sent: Monday, October 06, 2008 12:40 PM
To: Holloway, Margaret
Subject:

Peggy – can I call you tomorrow – let me know what time works for you. I'm in the office today but battling a cold and some laryngitis.

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

Track ______ Exhibit 283
Date 3-23-11
Witness FREEMAN
C. Lewis #4

Dep. Ex. 285

From:	Jim Freeman.	Sent:10/22/2008 1:24 PM.
To:	jeff.susman@bankofamerica.com; jeff.susman@bankofamerica.com.	
Cc:	bscott@sheppardmullin.com; jon.m.varnell@bofasecurities.com; david.howard@bankofamerica.com; bscott@sheppardmullin.com; jon.m.varnell@bofasecurities.com; david.howard@bankofamerica.com.	
Bcc:	.	
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

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please take note of my new email address

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Track ______ Exhibit 285
Date 3-23-11
Witness FREEMAN
C. Lewis #4..

DATE: October 22, 2008

TO: Las Vegas Bank Group

FROM: Jim Freeman

SUBJECT: Retail Loan Agreement

We are writing to to provide an update to the company's October 7, 2008 memo regarding the retail facility. We submitted our draw package for the October 27th draw last Thursday and it was approved by the disbursement agent yesterday. The draw included a $3.7 million funding request from the retail facility to fund the shared costs of the podium. As outlined previously, we expect these monthly shared cost fundings to remain modest for the foreseeable future.

There has been no substantive change to the retail facility since our prior memo. Lehman Brothers' commitment to the facility has not been rejected in bankruptcy and the facility remains in full force and effect. We have been in daily discussions with Lehman Brothers' representatives as well as the co-lenders to the retail facility. Lehman Brothers has indicated to us that it has sought the necessary approvals to fund its commitment this month. If Lehman Brothers is not in a position to perform, we have received assurances from the co-lenders to the retail facility that they would fund Lehman's portion of the draw.

We expect to continue working through the bankruptcy process with Lehman and the co-lenders to craft a permanent solution if one becomes necessary. As you can imagine, the bankruptcy overlay makes the timing and form of an ultimate resolution difficult to predict. Construction continues to move forward rapidly on the project, hopefully you have been out to see the site recently to see the building taking form. We expect to top out the tower within the next month. The preview center is slated to open to the public in the next couple of weeks and we remain on schedule to open in the 4th quarter of next year.

FONTAINEBLEAU

Dep. Ex. 286

From: Jim Freeman
To: Davis, Cory
Sent: 12/5/2008 12:00:54 PM
Subject: FW: Participation for Fontainebleau Resorts Conference Call -- December 4, 2008
Attachments: Fontainebleau Las Vegas Holdings Unaudited Financial Statements 9-30-08.pdf; Fontainebleau Las Vegas Holdings, LLC MDA three and nine months ended 9-30-08.pdf; Fontainebleau Resorts Unaudited Financial Statements 9-30-08.pdf

---

From: Vivian Smith
Sent: Wednesday, December 03, 2008 4:48 PM
To: Jim Freeman; Bill Bewley
Subject: Participation for Fontainebleau Resorts Conference Call -- December 4, 2008

SENT ON BEHALF OF JIM FREEMAN, CHIEF FINANCIAL OFFICER:

To participate for Fontainebleau Resorts conference call:

Date of Call: Thursday, December 4, 2008
Time of Call: 1:00pm (PST)
Call Number: (877) 388-3657
Participant Code: 76211930

Attached are the third quarter 2008 financial statements for Fontainebleau Resorts, LLC and Fontainebleau Las Vegas Holdings, LLC. Also attached is the third quarter 2008 MD&A for Fontainebleau Las Vegas Holdings, LLC.

Vivian Smith / Human Resources Assistant
Fontainebleau Resorts LLC
vsmith@fontainebleau.com / fontainebleau.com
0 702 495 8304 / F 702 495 8303
2827 Paradise Road / Las Vegas NV 89109

THE STAGE IS YOURS. LIVE YOUR PART.

Exhibit 286
Track
Date 3-23-11
Witness FREEMAN
C. Lewis #497

LAS VEGAS

Fontainebleau Las Vegas Holdings, LLC and Subsidiaries

(Wholly-Owned Subsidiaries of Fontainebleau Resorts, LLC)

(A Development Stage Enterprise)

Unaudited Condensed Consolidated Financial Statements as of September 30, 2008 and December 31 2007 (Restated), for the Three and Nine Months ended September 30, 2008 and 2007 (Restated), and for the Period from March 8, 2005 (Date of Contribution) through September 30, 2008

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC AND SUBSIDIARIES

(Wholly-Owned Subsidiaries of Fontainebleau Resorts, LLC)
(A development stage enterprise)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2008 AND DECEMBER 31, 2007 (RESTATED)

(Amounts in thousands)
(Unaudited)

	September 30, 2008	December 31, 2007 (As Restated: See Note 2)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 11,171	$ 10,191
Accounts receivable	1,339	3,109
Other current assets	208	101
Total current assets	12,718	13,401
CONDOMINIUM UNITS IN DEVELOPMENT	156,359	56,435
PROPERTY AND EQUIPMENT, NET	1,361,769	622,022
OTHER ASSETS:		
Restricted cash	538,861	1,107,212
Debt issuance costs, net	55,795	59,154
Other long-term assets	44,645	21,126
Total other assets	639,301	1,187,492
TOTAL ASSETS	$ 2,170,147	$ 1,879,350
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 795	$ 524
Accrued interest	24,152	6,966
Accrued expenses and other current liabilities	1,846	7,959
Total current liabilities	26,793	15,449
LONG-TERM LIABILITIES:		
Related party construction liabilities	195,852	87,695
Construction liabilities	31,058	8,284
Other long-term liabilities	1,760	1,151
Fair value of derivative instruments	19,344	16,190
Long-term debt, net of current portion	1,375,000	1,375,000
Total long-term liabilities	1,623,014	1,488,320
TOTAL LIABILITIES	1,649,807	1,503,769
COMMITMENTS AND CONTINGENCIES (Note 11)		
MEMBER'S EQUITY:		
Contributed capital	715,264	509,137
Accumulated deficit	(176,826)	(117,891)
Accumulated other comprehensive loss	(18,098)	(15,665)
Total member's equity	520,340	375,581
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 2,170,147	$ 1,879,350

The accompanying notes are an integral part of these condensed consolidated financial statements.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC AND SUBSIDIARIES

(Wholly-Owned Subsidiaries of Fontainebleau Resorts, LLC)
(A development stage enterprise)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (RESTATED)
AND THE PERIOD FROM MARCH 8, 2005 (DATE OF CONTRIBUTION) THROUGH SEPTEMBER 30, 2008

(Amounts in thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		Inception through
	2008	2007	2008	2007	September 30, 2008
		(As Restated: See Note 2)		(As Restated: See Note 2)	
REVENUES:					
Other	$ 1	$ -	$ 1	$ 21	$ 102
Total revenues	1	-	1	21	102
OPERATING EXPENSES:					
General and administrative	194	276	853	448	2,128
Settlement of litigation	-	6,000	-	6,000	6,000
Loss on disposal of assets	-	250	-	250	250
Pre-opening	5,729	2,044	13,277	5,178	23,909
Depreciation and amortization	112	3	345	6	369
Total operating expenses	6,035	8,573	14,475	11,882	32,656
LOSS FROM OPERATIONS	(6,034)	(8,573)	(14,474)	(11,861)	(32,554)
NON-OPERATING (INCOME) EXPENSES:					
Interest income	(4,550)	(16,516)	(18,443)	(21,431)	(53,932)
Interest expense - net of capitalized interest	15,801	32,428	62,053	51,238	179,760
Loss on early extinguishment of debt	-	-	-	2,494	2,494
Change in fair value of derivatives instruments, net	1,834	-	851	(122)	(1,450)
Total non-operating expenses	13,085	15,912	44,461	32,179	126,872
NET LOSS	$ (19,119)	$ (24,485)	$ (58,935)	$ (44,040)	$ (159,426)

The accompanying notes are an integral part of these condensed consolidated financial statements.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC AND SUBSIDIARIES

(Wholly-Owned Subsidiaries of Fontainebleau Resorts, LLC)
(A development stage enterprise)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (RESTATED)
AND THE PERIOD FROM MARCH 8, 2005 (DATE OF CONTRIBUTION) THROUGH SEPTEMBER 30, 2008

(Amounts in thousands)
(Unaudited)

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007 (As Restated: See Note 2)	Inception through September 30, 2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (58,935)	$ (44,040)	$ (159,426)
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation and amortization	345	6	369
Amortization of debt issuance costs	3,359	2,368	12,548
Loss on early extinguishment of debt	-	2,494	2,494
Loss on disposal of assets	-	250	250
Equity-based compensation	636	1,088	2,117
Change in fair value of derivative instruments	721	499	(288)
Changes in operating assets and liabilities:			
Accounts receivable	72	(5,131)	(1,339)
Other current assets	(107)	(72)	(208)
Condominium unit development expenditures	(99,924)	(29,968)	(150,630)
Other long-term assets, net	(23,542)	(13,439)	(44,668)
Accounts payable	271	932	795
Accrued interest	17,186	25,077	34,152
Interest paid in kind	-	1,897	5,813
Accrued expenses and other current liabilities	(6,113)	8,010	1,846
Other long-term liabilities	609	976	1,760
Net cash used in operating activities	(165,422)	(49,053)	(304,415)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property and equipment	(1,239)	(235)	(2,029)
Payments for construction-in-progress	(607,899)	(241,124)	(995,351)
Proceeds from insurance claim	1,698		
Payments for business acquired	-	-	(46,639)
Reductions (additions) of restricted cash	568,351	(1,294,000)	(538,861)
Net cash used in investing activities	(39,089)	(1,535,359)	(1,582,880)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings under the Prior Senior Credit Facility	-	-	150,000
Borrowings under the Las Vegas Credit Facility	-	700,000	700,000
Proceeds from issuance of the Second Mortgage Notes	-	675,000	675,000
Proceeds from termination of derivative instrument	-	1,534	1,534
Contributions (Note 9)	206,382	460,885	739,608
Distributions	(891)	(2,324)	(26,461)
Repayments of the Prior Senior Credit Facility	-	(150,000)	(150,000)
Repayment of BankAtlantic Loan	-	-	(25,295)
Repayment of Fortress Credit Loan	-	-	(49,270)
Repayment of note payable to affiliated entity	-	(45,813)	(45,813)
Payments of debt issuance costs	-	(60,877)	(70,837)
Net cash provided by financing activities	205,491	1,578,405	1,898,466
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	980	(6,007)	11,171
CASH AND CASH EQUIVALENTS - Beginning of period	10,191	9,678	-
CASH AND CASH EQUIVALENTS - End of period	$ 11,171	$ 3,671	$ 11,171

The accompanying notes are an integral part of these condensed consolidated financial statements.

FONTAINEBLEAU LAS VEGAS HOLDINGS, LLC and Subsidiaries

(Wholly-Owned Indirect Subsidiaries of Fontainebleau Resorts, LLC)
(A development stage enterprise)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (RESTATED) AND PERIOD FROM MARCH 8, 2005 (DATE OF CONTRIBUTION) THROUGH SEPTEMBER 30, 2008

1. ORGANIZATION AND BUSINESS

Organization — Fontainebleau Las Vegas Holdings, LLC ("FBLV Holdings" or the "Company"), formerly known as Turnberry/Las Vegas Boulevard, L.P., was formed May 10, 2000, as a Nevada limited partnership. On March 8, 2005, the owner of the majority of the Company's equity interests contributed these interests to a subsidiary of Fontainebleau Resorts, LLC ("Fontainebleau") in exchange for equity interest in Fontainebleau.

Fontainebleau acts largely as a holding company and, through wholly-owned subsidiaries and joint ventures, develops, owns and operates resorts and casinos. On April 30, 2007, Fontainebleau reorganized its structure, renaming certain of its current entities, merging certain entities, and creating new entities to serve various legal and financing purposes. From that date through December 31, 2007, approximately 74% of the outstanding voting interests and 59% of the outstanding equity interests in Fontainebleau were owned or controlled directly or indirectly by Jeffrey Soffer, a significant owner and officer of the group of related individuals and entities collectively referred to herein as the Turnberry group ("Turnberry"). Previously, Mr. Soffer and two senior officers owned or controlled approximately 84% of the equity and voting interests in Fontainebleau.

As a result, Mr. Soffer has the ability to appoint a majority of Fontainebleau's Board of Managers and determine the outcome of other matters submitted to Fontainebleau's unit holders, such as the approval of significant transactions. Therefore, Mr. Soffer has the ability to control the Company. The Company has engaged in a number of transactions with Mr. Soffer and Turnberry entities. Any transactions with Mr. Soffer or entities under his control initiated in the nine months ended September 30, 2008, that differ in nature and magnitude from those described in Note 11 of the Company's financial statements for the year ended December 31, 2007 are described in Note 9 to the accompanying condensed consolidated financial statements details.

Business — The Company is developing approximately 24 acres on the Las Vegas Strip into the Fontainebleau Las Vegas, a signature casino hotel resort with gaming, lodging, convention and entertainment amenities (collectively, the "Las Vegas Project"). The Las Vegas Project includes a 63-story tower with approximately 3,800 guest rooms, suites and condominium-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 Las Vegas Project will include a 286,500 square-foot retail component with restaurants, nightclub and related amenities. The retail component of the Las Vegas Project is owned and financed by Fontainebleau Las Vegas Retail, LLC, ("FB Retail"), a Fontainebleau subsidiary. For further details, see Note 1 to the consolidated financial statements as of and for the year ended December 31, 2007.

2. FINANCIAL STATEMENT RECLASSIFICATIONS AND RESTATEMENTS

Reclassifications – The presentation of the financial statements reflects reclassification of certain balances as detailed below.

I. **Condominium and construction assets and liabilities** – With the exception of amounts relating to the condominium units, development costs of the Las Vegas Project are comprised of depreciable assets upon completion and thereby are long-term in classification, as are, by correlation, the associated funding, debt and liabilities. Management determined that similar amounts relating to development of the condominium units, though developed for sale to third parties, are also more representative of long-term assets and liabilities in nature until the Company receives a certificate of occupancy for the related units. As such, certain development-related balances in previously issued consolidated financial statements reflect this reclassification. At December 31, 2007, approximately $12.4 million of receivables from a related party and $57.0 million of construction liabilities were transferred from current to long-term classification.

II. **Other revenues** – Certain revenues, primarily billboard advertising fees, were presented as non-operating income in previously issued financial statements. Management believes that these revenues are operating in nature and has reclassified all such amounts in the accompanying financial statements.

III. **General and administrative expenses** – An accrued settlement liability of $6.0 million was included within general and administrative expenses in previously issued financial statements. Management has reclassified this charge to 'settlement of litigation' for clarity. Additionally, certain charges directly related to opening of the Fontainebleau Las Vegas, and net interest settlements totaling $0.7 million on interest rate swaps not qualifying or designated as hedges were included in general and administrative expense in previous presentations. These amounts have been reclassified to pre-opening expenses and change in fair value of derivative instruments, respectively.

Restatement of previously issued financial statements – *Subsequent to the initial issuance of the Company's 2007 consolidated financial statements, management determined the following restatements were required.*

A. **Classification of condominium units** – The costs of condominium units in development (assets developed for resale to third parties) were included within property and equipment on the balance sheets. Additionally, expenditures for condominium units in development were included within cash flows used in investing activities in the statements of cash flows as opposed to including these expenditures for condominium units in development within cash flows used in operating activities.

B. **Amortization of debt issuance costs** — Amortization of debt issuance costs associated with the June 2007 financings contained errors in application of GAAP and calculation.

Other miscellaneous adjustments – *As part of our restatement procedures, certain errors and adjustments were identified and corrected. Management also corrected certain other items that previously had been considered immaterial. The following briefly describes the nature and amount of the adjustments.*

C. **Construction liabilities** – A significant portion of balances presented as payable to related parties were due to non-related parties.

D. **Capitalized interest** —Interest on funds borrowed by other Fontainebleau subsidiaries and utilized by the Company were not recorded as contributions to the Company and thereby not included in previous calculations of capitalized interest.

E. **Accrual adjustments** – Management determined that proper cutoff of liabilities was not achieved at the reporting period end and has adjusted the amounts accordingly.

F. **Termination of derivative instrument** – Proceeds from termination of a derivative instrument were presented as a cash inflow from operating activities instead of as a cash inflow from financing activities.

G. **Insurance and property taxes** – Insurance and property taxes associated with the Las Vegas Project were initially recorded in other current assets.

H. **Allocated costs** – Certain costs relating to the Company were paid by and recorded on the books and records of Fontainebleau.

I. **Loss on insurance claim** – The recorded receivable for an insurance claim was not reduced by the $250,000 deductible under the Company's insurance policy.

J. **Equity-based compensation** – Due to a calculation error, charges for equity-based compensation were understated in previous presentations.

K. **Cash flow disclosures** – Certain supplemental disclosures of non-cash financing and investing activities were omitted from the previously published condensed consolidated statement of cash flows.

Summary – *The effect of these reclassifications and restatements on the accompanying condensed consolidated financial statements is presented below. Items that contain or are solely reclassifications are marked in* **boldface** *type.*

ITEM		As Previously Reported		Adjustments		As Restated
	Consolidated Balance Sheet Data					
	As of December 31, 2007:					
I	Accounts receivable	$	3,275	$	(166)	$	3,109
II	**Receivable from related party**	$	12,476	$	(12,476)	$	-
G, H	Other current assets	$	678	$	(577)	$	101
	Total current assets	$	26,620	$	(13,219)	$	13,401
A, D, G, H	Condominium units in development	$	-	$	56,435	$	56,435
A, D, G, H	Property and equipment, net	$	679,504	$	(57,482)	$	622,022
B	Debt issuance costs, net	$	53,546	$	5,608	$	59,154
II	**Other long-term assets, net**	$	938	$	20,188	$	21,126
	Total other assets	$	1,161,696	$	25,796	$	1,187,492
	Total assets	$	1,867,820	$	11,530	$	1,879,350
E	Accounts payable	$	351	$	173	$	524
I	**Construction payables to related parties**	$	55,715	$	(55,715)	$	-
I	**Construction retention to related parties**	$	1,309	$	(1,309)	$	-
E	Accrued expenses and other current liabilities	$	6,534	$	1,425	$	7,959
	Total current liabilities	$	70,875	$	(55,426)	$	15,449
I, C, E	**Related party construction liabilities**	$	34,278	$	53,417	$	87,695
I, C, E	**Construction and rentention payable**	$	-	$	8,284	$	8,284
E	Other long-term liabilities	$	1,144	$	7	$	1,151
	Total long-term liabilities	$	1,426,612	$	61,708	$	1,488,320
	Total liabilities	$	1,497,487	$	6,282	$	1,503,769
D, H, J	Contributed capital	$	492,702	$	16,435	$	509,137
B, D, E, H, I, J	Accumulated deficit	$	(106,704)	$	(11,187)	$	(117,891)
	Total member's equity	$	370,333	$	5,248	$	375,581
	Total liabilities and member's equity	$	1,867,820	$	11,530	$	1,879,350

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ITEM		As Previously Reported	Adjustments	As Restated
	Consolidated Statement of Operations Data			
	For the Three Months Ended September 30, 2007:			
III	General and administrative	$ 6,278	$ (6,002)	$ 276
III	Settlement of litigation	$ -	$ 6,000	$ 6,000
I	Loss on disposal of assets	$ -	$ 250	$ 250
III	Pre-opening	$ 3,732	$ (1,688)	$ 2,044
	Total operating expenses	$ 10,013	$ (1,440)	$ 8,573
	Loss from operations	$ (10,013)	$ 1,440	$ (8,573)
B, D	Interest expense - net	$ 27,313	$ 5,115	$ 32,428
	Total non-operating expenses	$ 10,796	$ 5,116	$ 15,912
	Net loss	$ (20,810)	$ (3,675)	$ (24,485)
	Consolidated Statement of Operations Data			
	For the Nine Months Ended September 30, 2007:			
II	Other revenues	$ -	$ 21	$ 21
	Total revenues	$ -	$ 21	$ 21
III	General and administrative	$ 7,128	$ (6,680)	$ 448
III	Settlement of litigation	$ -	$ 6,000	$ 6,000
I	Loss on disposal of assets	$ -	$ 250	$ 250
III	Pre-opening	$ 5,895	$ (717)	$ 5,178
	Total operating expenses	$ 13,029	$ (1,147)	$ 11,882
	Loss from operations	$ (13,029)	$ 1,168	$ (11,861)
B, D	Interest expense - net	$ 39,856	$ 11,382	$ 51,238
	Increase in value of derivative instruments, net	$ 579	$ (701)	$ (122)
III	Other non-operating (income) expense	$ (21)	$ 21	$ -
	Total non-operating expenses	$ 21,476	$ 10,703	$ 32,179
	Net loss	$ (34,505)	$ (9,535)	$ (44,040)
	Consolidated Statement of Cash Flows Data			
	For the Nine Months Ended September 30, 2007:			
	Net loss	$ (34,505)	$ (9,535)	$ (44,040)
B	Amortization of debt issuance costs	$ 4,309	$ (1,941)	$ 2,368
J	Equity-based compensation	$ 560	$ 528	$ 1,088
I	Loss on disposal of assets	$ -	$ 250	$ 250
III	Change in fair value of derivative instruments	$ 579	$ (80)	$ 499
I	Accounts receivable	$ (5,537)	$ 406	$ (5,131)
G, H	Other current assets	$ (413)	$ 341	$ (72)
A, G	Condominium unit development expenditures	$ -	$ (29,968)	$ (29,968)
II	Other long-term assets, net	$ 913	$ (14,352)	$ (13,439)
E	Accounts payable	$ 974	$ (42)	$ 932
E	Accrued expenses and other current liabilities	$ 6,587	$ 1,423	$ 8,010
E	Other long-term liabilities	$ 799	$ 177	$ 976
	Net cash used in operating activies	$ 3,741	$ (52,794)	$ (49,053)
A, G	Payments for construction in progress	$ (290,576)	$ 49,452	$ (241,124)
	Net cash used in investing activities	$ (1,584,811)	$ 49,452	$ (1,535,359)
D	Proceeds from termination of derivative instruments	$ -	$ 1,534	$ 1,534
J	Contributions	$ 464,673	$ (3,788)	$ 460,885
J	Distributions	$ (9,787)	$ 7,463	$ (2,324)
E	Payments for debt issuance costs	$ (59,011)	$ (1,866)	$ (60,877)
	Net cash provided by financing activities	$ 1,575,063	$ 3,342	$ 1,578,405
B, D	Interest paid during the period, net of amounts capitalized	$ 32,340	$ (8,076)	$ 24,264
C, E	Amount of construction liabilities related to CIP	$ 62,772	$ 11,360	$ 74,132
K	Construction-in-progress allocated to Las Vegas Retail	$ -	$ 12,609	$ 12,609
K	Interest paid in kind	$ -	$ 1,897	$ 1,897

3. SIGNIFICANT ACCOUNTING POLICIES

Interim data – The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements as of and for the year ended December 31, 2007 and notes thereto. The year-end balance sheet data was derived from audited consolidated financial statements; however, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted.

The accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly the Company's financial position as of September 30, 2008, and the results of its operations and cash flows for the three and nine-month periods ended September 30, 2008 and 2007. The results of operations for such periods are not necessarily indicative of the results expected for the full year.

Basis of presentation — The accompanying unaudited consolidated financial statements include the accounts of Fontainebleau Las Vegas Holdings, LLC and its consolidated subsidiaries, and have been prepared in accordance with GAAP, including allocations of certain amounts from Fontainebleau. All intercompany accounts and transactions have been eliminated in consolidation. However, the financial information included herein may not necessarily be indicative of the conditions that would have existed or the results of operations had the Company been a separate, stand-alone entity during the periods presented.

Pervasiveness of estimates – GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses and cash flows during the reporting periods. Significant estimates utilized by the Company include construction-related allocations and accruals, capitalized interest, and valuations related to equity-based compensation, derivative instruments and impairment of assets. Actual results could differ from those estimates.

Development stage risk factors — As a development stage enterprise, the Company has spent significant amounts in its development activities primarily in the acquisition of land and in designing, planning, hiring personnel for and the construction of the Las Vegas Project. As is customary for a development stage enterprise, the Company has not commenced principal operations, and therefore, there are minimal revenues. Consequently, the Company has incurred losses from the date of contribution to September 30, 2008. Management expects these losses to continue at least until planned principal operations have commenced. However, as a development stage enterprise, the Company has risks that may impact its ability to become an sustainable operating enterprise.

The Company is and will be subject to many rules and regulations in both the construction and development phases and in operating gaming facilities, including, but not limited to, receiving the appropriate permits for particular construction activities, securing a Nevada state gaming license for the ownership and operation of the Las Vegas Project and maintaining ongoing suitability requirements in Nevada. The completion of the Las Vegas Project is dependent upon compliance with these rules and regulations.

Upon completion of the Las Vegas Project, profitable operation of the Company will be subject to normal business risks including achieving adequate revenues to support the Company's cost structure.

Accounting Policies and Pronouncements Adopted During 2008

Condominium units in development — Condominium units in development represents the capitalized costs of wholly-owned real estate projects developed to be sold. The Company's current condominium project is a component of a larger real estate project, the Fontainebleau Las Vegas. Pursuant to Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 67, *Accounting* *for Costs and Initial Rental Operations of Real Estate Projects*, the amount capitalized includes direct construction and development costs, property taxes and insurance during the development period, as well as allocations of land, capitalized interest and indirect project costs. The total capitalized cost of condominium projects are then assigned to individual units based upon the relative sales value of each unit.

The assigned costs are considered long-term assets until the Company receives a certificate of occupancy, at which time the respective costs are transferred to a current asset classification, reflecting the unit's availability for sale. At September 30, 2008, no units were completed and available for sale.

Expenditures for development of condominium units are considered cash outflows from operating activities in the accompanying consolidated statements of cash flows.

Condominium revenue and profit recognition — Sales of condominium units at the Las Vegas Project have not yet commenced, and to date, no condominium sales revenue or profit has been recognized. Upon commencement of sales, management will evaluate several factors to determine whether the percentage-of-completion or deposit method is the appropriate method of profit recognition for condominium sales in accordance with SFAS No. 66, *Accounting for Sales of Real Estate*.

Revenue recognition – other revenue — Other revenues includes billboard fees, which are recognized ratably over the life of the contract.

SFAS 159 — In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Liabilities Including an Amendment of FASB Statement No. 115*. Under SFAS 159, the Company may elect to measure many financial instruments and certain other items at fair value, which are not otherwise currently required to be measured at fair value. The decision to measure items at fair value is made at specific election dates on an irrevocable instrument-by-instrument basis and requires recognition of the changes in fair value in earnings and expensing upfront costs and fees associated with the item for which the fair value option is elected. Fair value instruments for which the fair value option has been elected and similar instruments measured using another measurement attribute are to be distinguished on the face of the statement of financial position. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company adopted the provisions of this standard on January 1, 2008, and such application did not have a material effect on its financial condition, results of operations or cash flows.

EITF 06-8 — As of January 1, 2008, the Company was subject to the provisions of EITF Issue No. 06-8, *Applicability of the Assessment of a Buyer's Continuing Investment under FASB Statement No. 66,* Accounting for Sales of Real Estate, *for Sales of Condominiums* ("EITF 06-8"). EITF 06-8 requires condominium sales to meet the continuing investment criteria in SFAS 66 in order for profit recognition under the percentage-of-completion method. For sales that do not meet the continuing investment criteria in SFAS 66, EITF 06-8 requires that such transactions be accounted for using the deposit method with profits deferred until the sales qualify for percentage-of-completion, or full accrual accounting in later periods. As the Company has yet to commence sales efforts relating to the condominium units at the Fontainebleau Las Vegas, the adoption of EITF 06-8 did not have a material impact on the Company's consolidated financial statements. However, dependent upon the facts and circumstances existing when the Company commences sales of the units, this pronouncement could have a material impact.

SFAS 157 — In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurement, and does not require any new fair value measurements. The provisions of SFAS 157 are effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. In January 2008, the FASB deferred the effective date for one year for certain non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company adopted the provisions of this standard, as amended, on January 1, 2008, and such application did not have a material effect on its financial condition, results of operations or cash flows. See "Note 10 — Fair Value Measurements" for disclosures required by this standard.

Recently Issued Accounting Pronouncements — In May 2008, the FASB issued SFAS No. 162, *"The Hierarchy of Generally Accepted Accounting Principles."* SFAS 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with generally accepted accounting principles. SFAS 162 will become effective 60 days following the Securities and Exchange Commission's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *"The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles."* The Company does not anticipate the adoption of SFAS 162 will have a material impact on its results of operations, cash flows or financial condition.

In April 2008, the FASB issued FASB Staff Position FAS 142-3, *"Determination of the Useful Life of Intangible Assets"* ("FSP FAS 142-3"). FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, *"Goodwill and Other Intangible Assets"*. FSP FAS 142-3 also requires expanded disclosure related to the determination of intangible asset useful lives. FSP FAS 142-3 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The Company does not anticipate the adoption of FSP FAS 142-3 will have a material impact on its consolidated results of operation, cash flows or financial condition.

In March 2008, the FASB issued SFAS No.161, *"Disclosures About Derivative Instruments and Hedging Activities, an amendment of SFAS No.133"*. SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. This statement is effective for fiscal years beginning after November 15, 2008, or for the Company, January 1, 2009. SFAS 161 is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No.160, *"Noncontrolling Interest in Consolidated Financial Statements, an amendment of ARB No.51."* This statement establishes accounting and reporting standards for ownership interest in subsidiaries held by parties other than the parent and for the deconsolidation of a subsidiary. It also clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 changes the way the consolidated statement of operations is presented by requiring consolidated net income to be reported at amounts that include the amount attributable to both the parent and the noncontrolling interests. The statement also establishes reporting requirements that provide sufficient disclosure that clearly identify and distinguish between the interest of the parent and those of the noncontrolling owners. This statement is effective for fiscal years beginning on or after December 15, 2008, or for the Company, January 1, 2009. The adoption of SFAS 160 is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

4. CONDOMINIUM UNITS IN DEVELOPMENT

Condominium units in development relates entirely to units within the Fontainebleau Las Vegas. The individual components were (in thousands):

	September 30, 2008	December 31, 2007
Land	$ 5,729	$ 5,729
Construction in progress:		
Direct contruction and development costs	143,281	48,862
Capitalized interest	7,349	1,844
Condominium units in development	$ 156,359	$ 56,435

5. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following (in thousands):

	September 30, 2008	December 31, 2007
Land	$ 138,075	$ 138,075
Leasehold improvements	155	155
Furniture, fixtures and equipment	1,874	635
Construction in progress:		
Development costs	1,162,389	465,607
Capitalized interest	59,622	17,574
	1,362,115	622,046
Accumulated depreciation	(346)	(24)
Property and equipment - net	$ 1,361,769	$ 622,022

The balances noted above as land and as construction in progress relate to the Las Vegas Project. Approximately $7.6 million of the land will be conveyed to FB Retail in fee simple title upon completion of the retail component and recording of a parcel map of the air rights to the retail space.

6. RESTRICTED CASH

Restricted cash consists primarily of certain proceeds of the Company's financing activities restricted by agreements governing the payment of certain construction and development costs relating to the Las Vegas Project. The follow table details the components (in thousands):

	September 30, 2008	December 31, 2007
Second Mortgage Notes	$ -	$ 375,666
Initial Term Loan	488,861	681,546
Liquidity reserve	50,000	50,000
Total restricted cash	$ 538,861	$ 1,107,212

7. OTHER LONG-TERM ASSETS

The individual components were (in thousands):

	September 30,2008	December 31, 2007
Due from FB Retail	42,637	19,898
Due from affiliated party	337	237
Deposits	767	190
Other	904	801
Other long-term assets, net	$ 44,645	$ 21,126

The amount due from FB Retail represents FB Retail's share of the construction-in-progress related to the retail component of the Fontainebleau Las Vegas. FB Retail began funding their portion in the three months ended September 30, 2008.

8. DERIVATIVE INSTRUMENTS

The Las Vegas Credit Facility required that subsidiaries of the Company enter into hedging transactions to limit the exposure to interest rate fluctuations. Although the Company's derivative instruments are highly effective in fixing the interest rate exposure, not all of the Company's derivative financial instruments qualify for hedge accounting under SFAS 133, *Accounting for Derivative Financial Instruments and Hedging Activities*, as amended.

At September 30, 2008 and December 31, 2007, the Company's subsidiaries were party to one interest rate swap with a total notional value of $466.0 million, and two interest rate collars with a total notional value accreting from $334.0 million to $884.0 million. As of December 31, 2006, the Company had entered into an interest rate swap agreement with a notional amount of $37.5 million and was party with certain other Fontainebleau subsidiaries to an additional $262.5 million notional amount. Of the $262.5 million notional amount, $112.5 million was allocated to the Company for a total of $150.0 million notional amount of swaps that were intended to match the $150.0 million borrowed under the Prior Senior Credit Facility. These swap agreements were terminated in conjunction with the June 2007 Financings. The Company received $1.5 million in conjunction with the termination of the interest rate swap, which was recorded as an adjustment to unrealized gain or loss on derivative instruments in the consolidated statement of operations.

For the derivative instruments that qualify, adjustments to record the fair market value of the agreements are reflected in other comprehensive income in members' equity. For the derivative instruments that do not qualify or are not designated as eligible, adjustments to record the fair market value of the agreements are reflected in change in fair value of derivative instruments in the unaudited condensed consolidated statement of operations.

The Company records settlements on derivative instruments as an adjustment to interest expense in the unaudited condensed consolidated statement of operations if the instrument qualifies for hedge accounting under SFAS 133. These adjustments equated to a $3.3 million and $6.7 million increase to interest expense in the three and nine-months, respectively, ended September 30, 2008, and a $0.3 million and $0.3 million decrease to interest expense in the three and nine-months, respectively, ended September 30, 2007. Net settlements on derivative instruments that do not qualify under SFAS 133 are recorded as an adjustment to unrealized loss on derivative instruments in the unaudited condensed consolidated statement of operations. The net settlements on hedging instruments are recorded as a receivable or a payable. At September 30, 2008 and December 31, 2007, there was a payable of $0.7 million and a receivable of $0.1 million, respectively.

At September 30, 2008, fair values of derivative instruments and the related liabilities included current liabilities of $0.7 million and non-current liabilities of $19.3 million, equating to total liabilities of $20.0 million. The fair value at December 31, 2007, of the Company's derivative instruments carried at fair value was current and total assets of $0.1 million and non-current and total liabilities of $16.2 million.

9. RELATED PARTY TRANSACTIONS AND AGREEMENTS

Soffer Transactions – The Company engages in a variety of transactions with entities owned or controlled by Mr. Soffer. During the nine months ended September 30, 2008, the Company has not engaged in any transactions that differ in nature or magnitude from those described in Note 11 to the Company's consolidated financial statements for the year ended December 31, 2007.

Fontainebleau Resorts contributions – In the nine months ended September 30, 2008, Fontainebleau contributed $6.0 million to the Company for the Krystle Towers litigation settlement (see Note 11), and contributed $200.4 million to the Company for the Las Vegas Project.

10. FAIR VALUE MEASUREMENT

Effective January 1, 2008, the Company adopted the provisions of SFAS 157, which defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 also clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

As of September 30, 2008 and December 31, 2007, the Company's derivative instruments were the only financial instruments carried at fair value, and were measured using readily observable market parameters classified as Level 2 inputs in the SFAS 157 valuation hierarchy. See Note 8 for further details on the derivative instruments.

The current carrying amounts reflected in the accompanying unaudited condensed consolidated balance sheets for variable rate long-term debt approximate their respective fair values based upon the regular resetting of interest rates. The Company's Second Mortgage Notes are recorded at a book value of $675.0 million. The fair value of this fixed-rate long-term debt at September 30, 2008 and December 31, 2007 was $108.0 million and $587.3 million, respectively. These fair values were measured using trading values in active markets at the end of the reporting period.

11. COMMITMENTS AND CONTINGENCIES

Lehman Brothers Holdings, Inc. Funding — In connection with the financing and development of the approximately 286,500 square-foot retail component of Fontainebleau Las Vegas, FB Retail obtained an $85.0 million mezzanine loan (the "Retail Mezzanine Loan") and a $315.0 million senior retail construction loan (the "Retail Construction Loan", and collectively with the Retail Mezzanine Loan, the "Retail Credit Facility"), of which $85.0 million and $125.4 million, respectively, were funded in June 2007 at origination. Both facilities were underwritten by Lehman Brothers Holdings, Inc. ("Lehman Brothers"), and the construction facility was partially syndicated to third party lenders. Of the total $400.0 million Retail Credit facility, approximately $83.0 million has been dedicated towards shared construction costs in the Las Vegas podium ("Shared Costs"). The Company began drawing for the Shared Costs in August 2008.

On September 16, 2008, Lehman Brothers filed for bankruptcy protection. The Company has been working diligently with Lehman Brothers and the co-lenders to ensure that there is no interruption in funding for the retail component. There can be no assurances that Lehman Brothers will continue to fund all or any portion of its remaining obligation under the Retail Construction Loan, or that the co-lenders will fund any Lehman Brothers shortfall in funding.

Legal matters

Krystle Towers — The Company and one of its subsidiaries were defendants, among others, in litigation filed March 28, 2005, in District Court, Clark County, Nevada (the "Court"), comprised of 35 consolidated cases in which the plaintiffs alleged that the Company parties and certain other defendants wrongfully terminated the plaintiffs' purchase agreements for condominium units in a condominium development to be located on the Algiers property. On October 30, 2007, all parties executed a settlement agreement that obligates the parties to fully release each other and dismiss all cases with prejudice upon the payment of $6.0 million by the Company and additional consideration by non-Company defendants. The Company recorded the expense and related liability for this settlement as of September 30, 2007 and made the payment in January 2008. On January 30, 2008, all cases were dismissed with prejudice in accordance with the settlement agreement.

On July 17, 2007, a separate action that was initially filed in 2005 and later dismissed was refiled against the Company parties by another potential purchaser of a condominium unit in the defunct condominium development. The plaintiff in this action, which was not consolidated with the other cases, made the same claims of an equitable interest in the property and monetary damages. On February 13, 2008, the case was dismissed with prejudice upon the payment of $0.02 million by the Company and additional consideration by non-Company defendants and the execution of full releases by the parties.

Turnberry Place — On July 27, 2007, certain residents (the "Petitioners") of Turnberry Place condominium complex filed suit in the Court against the Clark County Board of Commissioners (the "County Board"). The Petitioners were asking the court to set aside a special use permit granted by the County Board allowing an increase in the height of the parking garage/convention center complex (the "Garage Complex") at the Fontainebleau Las Vegas on the basis that the Garage Complex violated residential zoning standards.

On August 9, 2007, the Company's subsidiary intervened in the action to oppose the residents' petition. The residents have requested that the Court order a halt of construction on the Garage Complex, the special use permit be set aside and the County Board set the matter for rehearing so that the residents can have adequate time to present their case to the County Board. On October 19, 2007, the Court affirmed the decision of the County Board and denied the petition in its entirety. On or about November 8, 2007, the Petitioners filed a Notice of Appeal with the Supreme Court of Nevada. The Petitioners and the Fontainebleau Las Vegas attended a Court-mandated settlement conference on February 7, 2008, but did not reach a settlement. The parties have filed briefs with the Supreme Court of Nevada.

Other — The Company is also a party to other claims related to its business. While it is not possible to predict with certainty the outcome of any such claims, management believes that the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial condition, results of operations, or cash flows.

12. CASH FLOW DISCLOSURES AND SUPPLEMENTAL INFORMATION

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	Inception through September 30, 2008
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid during the period, net of amounts capitalized	$ 44,867	$ 24,264	$ 144,518
SUPPLEMENTAL DISCLOSURES OF NON-CASH AND INVESTING/FINANCING ACTIVITIES:			
Amount of related party construction liabilities	$ 195,852	$ 56,839	$ 195,852
Construction liabilities	$ 31,058	$ 17,293	$ 31,058
Construction-in-progress allocated to Las Vegas Retail	$ 31,480	$ 12,609	$ 51,378
Interest paid in kind	$ -	$ 1,897	$ 5,813
Exchange of note payable to Soffer for note payable to Fontainebleau	$ -	$ -	$ 40,000
FAIR VALUE OF ASSETS ACQUIRED AND LIABILITIES ASSUMED IN BUSINESS COMBINATIONS AND CONTRIBUTIONS:			
Kystle Towers, LLC (Algiers property) transaction:			
Land	$ -	$ -	$ 95,909
Less: liabilities assumed and closing costs	-	-	(49,270)
Cash paid for business acquired	$ -	$ -	$ 46,639
El Rancho property transaction:			
Las Vegas Project land contributed by entity under common control	$ -	$ -	$ 42,166
Land allocated to condominiums contributed by entity under common control	-	-	5,729
Less: BankAtlantic loan and accrued interest	-	-	(25,295)
Less: note payable to related party	-	-	(40,000)
Net liabilities assumed (accumulated deficit)	$ -	$ -	$ (17,400)

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Fontainebleau Las Vegas Holdings, LLC

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Quarter Ended September 30, 2008 and September 30, 2007

The following discussion should be read in conjunction with our unaudited consolidated financial statements and related notes for the quarter and nine months ended September 30, 2008 provided separately. This discussion contains forward-looking statements. Forward-looking statements include, among other things, discussions of our business strategy and expectations concerning investments, construction plans and future operations. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "estimate," "intend," "plan," "continue" or the negative of these terms or other comparable terminology. Forward-looking statements involve risks and uncertainties , including, but not limited to, our ability to complete our construction projects on budget and on schedule, our access to capital including under our debt instruments, competition in the resorts and casino/hotel industries, dependence on our existing management, levels of travel, leisure and casino spending in the markets in which we will operate, our ability to add resources and processes to improve our internal controls, general domestic or international economic conditions, and our ability to comply with gaming regulations.

If one or more of the assumptions underlying our forward-looking statements proves incorrect, then actual results could differ significantly from those expressed in, or implied by, the forward-looking statements.

Fontainebleau Las Vegas Holdings, LLC ("the Company" or "Fontainebleau Las Vegas Holdings") owns 100% of the outstanding equity interests in Fontainebleau Las Vegas, LLC ("FBLV"), and Fontainebleau Las Vegas II, LLC, (FBLV II") its operating subsidiaries, and Fontainebleau Las Vegas Capital Corp. ("Capital Corp."). Capital Corp. was formed solely to serve as a corporate co-issuer of the Company's Second Mortgage Notes ("notes") and will not have any operations, revenues or material assets. Fontainebleau Las Vegas Holdings is a direct wholly-owned subsidiary of Fontainebleau Resort Properties I, LLC which in turn is an indirect wholly-owned subsidiary of Fontainebleau Resorts, LLC ("Fontainebleau Resorts").

Overview

We are a development stage enterprise whose principal asset is a 24.4-acre parcel of land located on the Las Vegas Strip, the former site of the El Rancho Hotel and Algiers Hotel. We are developing the property into a casino resort, consisting of hotel rooms and suites, condominium/hotel units, and meeting and convention facilities, complemented by a spa, restaurants and entertainment offerings, referred to as Fontainebleau Las Vegas.

We are in the process of constructing Fontainebleau Las Vegas and therefore have no revenues. Consequently, as is typical for a development stage enterprise, we have incurred losses to date and expect these losses to continue to increase until after we commence operations with the planned opening of Fontainebleau Las Vegas in the fourth quarter of 2009. As Fontainebleau Las Vegas nears completion, our losses will continue to increase primarily from interest and pre-opening expenses.

In April 2007, in conjunction with the offering of the notes and related financing transactions, Fontainebleau Las Vegas Holdings was reorganized from a Nevada limited partnership (formerly known as Turnberry/Las Vegas Boulevard, L.P.) into a Nevada limited liability company. At the same time, FBLV changed its name (formerly known as Turnberry/Las Vegas Boulevard, LLC) and FBLV II changed its name (formerly known as Krystle Towers, LLC).

On June 6, 2007, Fontainebleau Resorts and its subsidiaries, including Fontainebleau Las Vegas Holdings, completed a series of financing transactions for Fontainebleau Las Vegas and a construction project in Miami Beach, Florida, referred to in this section as the Miami Project, as well as funding for Fontainebleau Resorts' overhead. The financing had several components as various Fontainebleau Resorts' affiliates borrowed funds and raised equity contributions through private placements.

Fontainebleau Resorts and its affiliate ("Fontainebleau Equity") together raised $565.0 million in gross proceeds from the issuance of common and pay-in-kind preferred equity in private placement transactions. Fontainebleau Equity holds all of the economic interest in Fontainebleau Resorts. Subsidiaries of Fontainebleau Resorts obtained commitments for $3.6 billion in bank, mezzanine and bond debt, of which $1.9 billion was drawn at closing, including with respect to the Miami Project. At the same time, Fontainebleau Resorts and its subsidiaries paid transaction fees and retired substantially all debt in place prior to such financings. From the $565.0 million in gross proceeds from the equity issuances, Fontainebleau Resorts contributed $370.0 million to Fontainebleau Las Vegas Holdings.

At the close of the financing transactions, Fontainebleau Las Vegas Holdings utilized the $370.0 million in equity received from Fontainebleau Resorts to repay $150.7 million of the prior senior credit facility, repay a $45.8 million note payable to an affiliated entity, fund a $50.0 million liquidity reserve, fund $43.7 million of construction payables and fund $42.7 million in financing fees. At the close, Fontainebleau Las Vegas Holdings received proceeds from the offering of the notes of $658.1 million, net *of fees, and $700.0 million from the senior credit facility described below.*

In Process Restatement of Previously Issued Financial Statements

Subsequent to the issuance of our audited consolidated financial statements as of and for the year ended December 31, 2007, management determined that the reporting of condominium units was incorrect. The error resulted from inclusion of the cost of condominium units developed for resale within the property and equipment category on our balance sheet. Upon review, management determined that accounting principles generally accepted in the United States (GAAP) require us to disclose the costs related to developing condominium units separately from property and equipment on the balance sheet, and that expenditures for condominium development be classified under cash flows used in operations rather than cash flows used in investing activities on the statement of cash flows.

The reporting of condominium units and related buyer deposits are primarily classification in nature and have no effect on total assets, total liabilities, total members equity and changes in cash and cash equivalents on the statement of cash flows. However, in performing restatement procedures, management identified additional errors and recorded certain items that were previously considered immaterial, and made certain reclassifications of prior balances. The most significant restatements other than those related to condominium units involved capitalized interest and amortization of loan fees. The restatement increased capitalized interest and decreased loan fee amortization. The net restatement resulted in an increase in net interest expense of $5.1 million and $11.4 million for the three and nine months ended September 30, 2007. The restatement is more fully set forth in footnote 2 of the accompanying consolidated financial statements

Results of Operations

Quarter ended September 30, 2008 compared to the quarter ended September 30, 2007

For the quarter ended September 30, 2008, we had a net loss of $19.1 million, a decrease of $5.4 million from a net loss of $24.5 million in the quarter ended September 30, 2007. Pre-opening costs for the three-months ended September 30, 2008 were $5.7 million, an increase of $3.7 million from the $2.0 million incurred in the three-months ended September 30, 2007. Pre-opening expense is primarily composed of salaries and wages and professional fees. The largest increase in pre opening expense was in professional services comprising legal, accounting, marketing, recruitment and consulting, which increased to $2.6 million, from $0.5 million in 2007. Salaries and wages increased to $2.3 million, from $1.2 million in 2007.

General and administrative expenses consisting entirely of legal fees incurred related to the Krystal Towers litigation were $0.2 million and $0.3 million for the three-months ended September 30, 2008 and 2007, respectively.

Interest expense for the three-months ended September 30, 2008 was $15.8 million, a decrease of $16.6 million from the $32.4 million incurred for the three-months ended September 30, 2007. The decrease in interest expense was caused primarily by an increase in capitalized interest on construction in progress. Capitalized interest was $20.9 million and $5.9 million for the quarters ended September 30, 2008 and 2007, respectively. The increase in capitalized interest for the three-months ended September 30, 2008 was caused by the increase in construction activity in the third quarter of 2008 compared to the same period in 2007. As of September 30, 2008, the combined construction in progress and condominium units in development balance was $1.4 billion compared to $373.6 million as of September 30, 2007.

Interest income for the three-months ended September 30, 2008 was $4.6 million, a decrease of $11.9 million from the $16.5 million earned for the three-months ended September 30, 2007. Interest is earned primarily on the restricted cash balances established at the closing of the financing transactions in September 2007. Restricted cash totaled $538.9 million as of September 30, 2008. The restricted cash balance was established at $1.4 billion upon completion of the June 6, 2007 financing transactions.

We utilize derivative financial instruments to manage interest rate risk on variable interest borrowings. Although the derivative instruments are highly effective in fixing the interest rate exposure, not all of the derivative financial instruments qualify for hedge accounting under the Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Financial Instruments and Hedging Activities" ("SFAS 133"), or have been designated as effective hedging instruments under SFAS 133. For the derivative instruments that qualify, adjustments to record the fair market value of the agreements are reflected in other comprehensive income in members' equity. For the derivative instruments that do not qualify or are not designated as eligible, adjustments to record the fair market value of the agreements are reflected in unrealized gain or loss on derivative instruments in the consolidated statement of operations. At September 30, 2008, the fair value of the derivative financial instruments was a long-term liability of $19.3 million. The net settlements on hedging instruments are recorded as a receivable or a payable. At September 30, 2008, there was a payable of $0.7 million. Settlements on derivative instruments are recorded as an adjustment to interest expense if the hedge instrument qualifies under SFAS 133. Net settlements on derivative instruments that do not qualify under SFAS 133 are recorded as an adjustment to unrealized gain or loss on derivative instruments.

Changes in market value of derivative instruments that do not qualify for hedge accounting are recorded as increases or decreases in value of derivative instruments in the consolidated statements of operations. The decrease in value of derivative instruments net of settlements was $1.8 million for the quarter ending September 30, 2008. For the quarter ending September 30, 2007 all derivative instruments qualified for hedge accounting and no adjustment was recorded in the statement of operations.

Loan fee amortization expense, which is included in interest expense, was $1.1 million for the three-months ended September 30, 2008 and 2007. During 2007, we incurred $60.8 million in financing fees primarily related to the financing transactions entered into in September 2007 and wrote off $2.5 million of unamortized financing fees on previously existing debt that was retired.

Nine months ended September 30, 2008 compared to the nine months ended September 30, 2007.

For the nine months ended September 30, 2008, we had a net loss of $58.9 million, an increase of $14.9 million from the net loss of $44.0 million in the nine months ended September 30, 2007.

Pre-opening costs for the nine months ended September 30, 2008 were $13.3 million, an increase of $8.1 million from the $5.2 million incurred in the same period of 2007. Pre-opening expense is primarily composed of salaries and wages and professional fees. Salaries and wages were $6.3 million, an increase of $2.6 million from $3.7 million in 2007. Professional fees comprising legal, accounting, marketing, recruitment and consulting were $5.2 million an increase of $4.6 million from $0.6 million in 2007. Salary and wages increased because of additional hiring of employees.

General and administrative expenses consisting entirely of legal fees incurred related to the Krystal Towers litigation for the nine months ended September 30, 2008 were $0.9 million, an increase from the $0.4 million incurred in the prior nine month period. The increase in general and administrative expenses was from higher legal fees.

Interest expense for the nine months ended September 30, 2008 was $62.1 million, an increase of $10.9 million from the $51.2 million incurred for the nine months ended September 30, 2007. The increase in interest expense was primarily from an increase in debt. Long-term debt was $150.0 million until the June 6, 2007 refinancing when it increased to $1.4 billion. Interest expense is reduced by capitalized interest on construction in progress. Capitalized interest was $47.6 million and $9.7 million for the nine months ended September 30, 2008 and 2007, respectively. The increase in capitalized interest for the nine months ended September 30, 2008 was caused by the increase in construction expenditures during the nine months. During 2008, the combined construction in progress and condominium units in development balance increased from $533.9 million to $1.4 billion. During the nine months ended September 30, 2007, the combined construction in progress balance increased from $62.5 million to $373.6 million.

Interest income for the nine months ended September 30, 2008 was $18.4 million, a decrease of $3.0 million from the $21.4 million earned in 2007. The decrease is primarily from earnings on the restricted cash balances established at the closing of the financing transactions in June 2007. Restricted cash totaled $538.9 million as of September 30, 2008. The restricted cash balance was established at $1.4 billion upon completion of the June 6, 2007 financing transactions and was $1.3 billion at September 30, 2007.

We utilize derivative financial instruments to manage our interest rate risk on variable interest borrowings. Although the derivative instruments are highly effective in fixing the interest rate exposure, not all of the derivative financial instruments qualify for hedge accounting under SFAS 133 or have been designated as effective hedging instruments under SFAS 133. For the derivative instruments that qualify, adjustments to record the fair market value of the agreements are reflected in other comprehensive income in members' equity. For the derivative instruments that do not qualify or are not designated as eligible, adjustments to record the fair market value of the agreements are reflected in unrealized gain or loss on derivative instruments in the consolidated statement of operations. At September 30, 2008, the fair value of the derivative financial instruments was a long-term liability of $19.3 million. The net settlements on hedging instruments are recorded as a receivable or a payable. At September 30, 2008 there was a payable of $0.7 million. Settlements on derivative instruments are recorded as an adjustment to interest expense if the hedge instrument qualifies under SFAS 133. Net settlements on derivative instruments that do not qualify under SFAS 133 are recorded as an adjustment to unrealized gain or loss on derivative instruments.

Changes in market value of derivative instruments that do not qualify for hedge accounting are recorded as increases or decreases in value of derivative instruments in the consolidated statements of operations. The change in value of derivative instruments net of settlements was a decrease of $0.9 million and an increase of $0.1 million for the nine months ended September 30, 2008 and 2007, respectively.

Loan fee amortization expense, which is included in interest expense, for the nine months ended September 30, 2008 was $3.4 million, an increase of $1.0 million from the $2.4 million incurred in the prior nine months. The higher loan amortization fees were primarily because of the financing transactions entered into in June 2007. During 2007, we incurred $60.8 million in financing fees primarily related to the financing transactions entered into in September 2007 and wrote off $2.5 million of unamortized financing fees on previously existing debt that was retired.

Liquidity and Capital Resources

Cash Flows— Operating Activities

Cash used in operating activities was $165.4 million for the nine-months ended September 30, 2008, compared to $49.1 million provided by operating activities for the comparable prior-nine month period. The increase in cash used primarily relates to a $58.9 million net loss and $99.9 million in condominium development expenditures offset by a source of cash increases of $5.1 million in reconciling adjustments and $11.6 million use of cash in changes in operating assets and liabilities. The increased losses in the 2008 period relate to $62.1 million of interest expense as a result of new and additional debt issuances, and $13.3 million in pre-opening expenses offset by an $18.4 million in interest income (earned on invested cash from the bond proceeds and the senior secured term loan funded on June 6, 2007). The reconciling adjustments increase was driven by amortization of deferred financing costs of $3.4 million. The most substantial change in operating assets and liabilities pertained to the increase in receivable from FB Retail of $23.5 million and $17.2 million in higher levels of accrued interest, related to the new financing.

As of September 30, 2008 and 2007, we had balances of cash and cash equivalents of $11.2 million and $3.7 million, respectively. Working capital was a deficit of $14.1 million at September 30, 2008 and a deficit of $27.1 million at September 30, 2007. As a development stage enterprise relying on financing to support operations, the working capital balance may be negative from time to time as our source of funds will be from long-term debt.

The largest component of current liabilities is accrued interest which was $24.2 million and $26.5 million as of September 30, 2008 and 2007, respectively.

Cash Flows—Investing Activities

Cash used in investing activities was $39.1 million for the nine months ended September 30, 2008, compared to $1.5 billion in the prior nine month period. For the nine months ended September 30, 2008, cash used in investing activities was net of $607.9 million used in payments for construction in progress and $568.4 million provided from restricted cash. For the nine months ended September 30, 2007, cash used in investing activities was $241.1 million of payments for construction in progress and $1.3 billion of restricted cash.

Cash Flows—Financing Activities

For the nine months ended September 30, 2008 and 2007, cash provided by financing activities was $205.5 million and $1.6 billion, respectively. For the nine months ended September 30, 2008, cash for financing activities was provided predominately from affiliated entities. For the nine months ended September 30, 2007, Fontainebleau Las Vegas Holdings, Fontainebleau Resorts and their respective subsidiaries completed a series of financing transactions for the projects in Las Vegas and Miami, as well as for funding for Fontainebleau Resorts' operations.

We are in the process of constructing Fontainebleau Las Vegas and do not generate sufficient cash flow to fund our activities. We have been dependent on Fontainebleau Resorts and affiliated entities and financing activities to fund our operations.

As a development stage enterprise, our capital requirements are increasing to fund pre-opening expenses and support development activities. Since March 8, 2005, the date of contribution, through September 30, 2008, we had received net contributions of $715.3 million from Fontainebleau Resorts and affiliates. We recorded these funds as contributed capital.

Overview of Expected Capital Resources and Capital Contributions

We believe that the funds available to us from the Las Vegas Credit Facility (as defined below), together with the proceeds from the issuance of the notes, which we have expended, and capital contributions made to us to date from our affiliates, will be sufficient to design, develop, construct, equip, finance and open Fontainebleau Las Vegas and to pay interest on borrowings under the Las Vegas Credit Facility and the notes until the scheduled opening of Fontainebleau Las Vegas in the fourth quarter of 2009, assuming no significant delay costs, construction cost overruns or budget increases and the continued availability of funds under credit facilities, as described below. Based on feedback from our general contractor during the second quarter of 2008, we increased the construction budget for Fontainebleau Las Vegas by approximately $200.0 million due to change orders, scope modifications, completion of design documents and other prospective capital expenditures. In June 2008, Fontainebleau Resorts and its subsidiaries contributed $200.0 million of cash to us as a capital contribution. The capital contribution permitted the Company to remain in compliance with its financing agreements

In connection with the financing and development of the approximately 286,500 square-foot Fontainebleau retail component which is integrated into Fontainebleau Las Vegas, Fontainebleau Las Vegas Retail, LLC ("Las Vegas Retail")and its parent, both subsidiaries of Fontainebleau Resorts, obtained an $85.0 million mezzanine loan and a $315.0 million senior retail construction loan in June 2007. The entire mezzanine facility was funded at close and approximately $125.4 million was funded under the construction facility at the consummation of the June 2007 financing transactions. Both facilities were underwritten by Lehman Brothers Holdings, Inc. and the construction facility was partially syndicated to third party lenders. Of the total $400.0 million retail credit facilities, in June 2007 approximately $205 million was upstreamed to an indirect parent of Las Vegas Retail and $83.0 million has been dedicated towards shared construction costs in the Las Vegas podium. In accordance with the Disbursement Agreement, the Company began drawing for the shared costs in August 2008. On September 16, 2008, Lehman Brothers filed for bankruptcy. At this time, it remains uncertain whether Lehman Brothers will continue funding its remaining obligation under the retail construction facility. Fontainebleau Resorts and the Company have been working diligently with Lehman Brothers and the co-lenders to the facility to ensure that there is no interruption in funding for the retail component. Fontainebleau Resorts and the Company have received indications from the co-lenders to the retail construction facility that they intend to fund any potential Lehman Brothers shortfall on an interim basis. The Company will continue working on a permanent solution if one becomes necessary. There can be no assurances that Lehman Brothers will fund all or any portion of its remaining obligation under the retail construction facility, or that the co-lenders will fund any Lehman Brothers shortfall in funding and a failure to fund the retail loan could ultimately result in a default under our other financing arrangements, including the Las Vegas Credit Facility. At this time all funding for the Las Vegas Project is current and approximately $66.0 million of shared costs remain to be funded.

Following completion of Fontainebleau Las Vegas, we expect to fund our operations, capital requirements and interest on outstanding borrowings from operating cash flow and borrowings under the revolving portion of the Las Vegas Credit Facility. If completion of the project is delayed, then our debt service obligations accruing prior to the actual opening of Fontainebleau Las Vegas will increase correspondingly. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings available to us under the Las Vegas Credit Facility will be sufficient to enable us to service and repay our indebtedness and to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness, including the Las Vegas Credit Facility or the notes on acceptable terms or at all. We are highly leveraged and any future cash flow may not be sufficient to meet our obligations, including our obligations under the notes.

The current general economic conditions have adversely affected Nevada and the Las Vegas casino industry in particular and may continue through the planned opening of Fontainebleau Las Vegas in the fourth quarter of 2009, which could adversely affect our ability to generate sufficient cash flow to sustain our operations and service our indebtedness.

A description of each of the Las Vegas Credit Facility, notes and disbursement agreement is summarized below.

Las Vegas Credit Facility

On June 6, 2007, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC, which are collectively referred to below as the Borrowers, entered into a $1.85 billion senior secured credit facility, comprised of an $800.0 million revolving credit facility, a $700.0 million senior secured term loan facility funded at the closing and a $350.0 million senior secured delay draw term loan facility (collectively, the "Las Vegas Credit Facility"). The Las Vegas Credit Facility provides for interest on each component of the facility to be at LIBOR plus a margin of 3.25%. This margin will remain in effect until after the second full quarter after the opening date of Fontainebleau Las Vegas, subject to adjustment for the pace of condominium sales. Commencing with the three-month period beginning May 1, 2009, the interest rate described above may be increased by up to 0.75% if the Borrowers are unable to meet certain performance targets related to the sales of condominium-hotel units. Based on current condominium sales projections, we expect the Las Vegas Credit Facility to bear interest at LIBOR plus a margin of 4.00% beginning May 1, 2009. The $800.0 million revolving credit facility will mature in June 2012.

Borrowings under the delay draw term loan facility will be available for twenty-four months after the closing of the Las Vegas Credit Facility subject to applicable terms and conditions. The funded senior secured term loan and the senior secured delay draw term loan facilities will require quarterly principal repayments commencing on the last day of the fiscal quarter in which the one-year anniversary of the opening of Fontainebleau Las Vegas occurs, until the seventh anniversary of the closing of the Las Vegas Credit Facility when the balance of each loan will be due.

The Las Vegas Credit Facility requires mandatory repayments under certain conditions, including from the net proceeds of asset sales, loss proceeds, subordinated debt issuances, the proceeds from the sale of condominium units and excess cash flow after the opening of Fontainebleau Las Vegas, as determined by the total leverage ratio.

The Las Vegas Credit Facility required the Borrowers to enter into hedge agreements to be at least three years in tenure and equal to 75% (or, on and after December 31, 2009, 50%) of the anticipated maximum amount borrowed as reasonably determined as of the date of initial effectiveness of the required hedge agreement. As of December 31, 2007, the Borrowers had entered into hedging transactions in accordance with the Las Vegas Credit Facility.

Loans under the Las Vegas Credit Facility are secured by, subject to specified permitted liens, first priority liens on substantially all our, the Borrowers and the other restricted entities' existing and future assets, except for the remaining net proceeds of the old notes offering, the Fontainebleau retail component (other than the air rights comprising our leasehold interest in the retail and restaurant space that we will lease in the Fontainebleau retail component of the Las Vegas Project, as defined below, and gaming licenses and other assets in which the grant of a security interest is prohibited by law. Fontainebleau Resorts and Fontainebleau Resorts Properties I have guaranteed the obligations under the Las Vegas Credit Facility. The guarantees of Fontainebleau Resorts and Fontainebleau Resort Properties I are unsecured.

The Las Vegas Credit Facility contains certain financial ratios and other financial covenants with which we will have to comply, including, among other things, a maximum first lien leverage ratio, a maximum total leverage ratio and a minimum fixed charge coverage ratio. The first time that a ratio is required to be measured is as of the second quarter of 2010. After the opening of Fontainebleau Las Vegas, we are required to make mandatory prepayments equal to a certain percentage of our excess cash flow, as determined by the total leverage ratio, and payable semi-annually. We and the Borrowers are also subject to covenants, including delivery of financial statements and limitations on use of proceeds and condominium proceeds. We and the Borrowers were in compliance with these covenants as of September 30, 2008 and December 31, 2007.

Subject to specified exceptions, the Borrowers have the option to prepay all or any portion of the indebtedness under the Las Vegas Credit Facility at any time without premium or penalty.

At September 30, 2008, the full amount of the $800.0 million revolving credit facility and the $350.0 million senior secured delay draw term loan were available to borrow, subject to compliance with applicable terms and conditions. Interest and bank fees related to the Las Vegas Credit Facility are paid from the $700.0 million senior secured term loan. At September 30, 2008, the remaining proceeds of the senior secured term loan were $488.9 million.

Our ability to borrow under the Las Vegas Credit Facility is subject to various conditions precedent. In addition to other customary conditions to funding for these types of facilities, our ability to obtain disbursements of proceeds of the credit facilities for payment of construction costs will be subject to the following conditions. We, along with Turnberry West, our general contractor, the lenders' independent construction consultant and certain other third parties, must certify:

- as to various matters regarding the progress of construction;
- as to the conformity of the portions of the project then completed with the plans and specifications;
- that Fontainebleau Las Vegas will be opened by the scheduled opening date, which may be extended in accordance with the disbursement agreement, but not beyond March 31, 2010, except for certain limited permitted extensions due to force majeure events;
- the construction of Fontainebleau Las Vegas must be "in balance," meaning that the undisbursed portions of the equity funding account, note proceeds account, and the Las Vegas Credit Facility and Fontainebleau Retail's retail financing transaction (to the extent allocated to the podium), together with the balances in various construction accounts, letters of credit and cash amounts supporting the obligations of the completion guarantor, and certain other funds available to us, must equal or exceed the remaining costs to complete the construction of Fontainebleau Las Vegas, including the hard costs associated with the podium, plus a required minimum unallocated contingency, required minimum cash liquidity reserve and required minimum excess revolver availability; and
- our general contractor must have entered into subcontracts by certain dates in respect of specified percentages of the total hard costs of Fontainebleau Las Vegas.

We cannot assure you that we will be able to satisfy the conditions to funding at the time disbursements or drawdowns are required to make payments of our construction costs. Satisfaction of various conditions is subject to the discretion of our lenders under the Las Vegas Credit Facility and their consultants and therefore may be beyond our control.

The Las Vegas Credit Facility contains customary events of default, subject in some cases to applicable notice provisions, grace periods and certain exceptions, including the failure to make payments when due, defaults of certain instruments of indebtedness, loss of, or defaults under, other material agreements, loss of material licenses or permits (including gaming licenses), failure to open Fontainebleau Las Vegas by March 31, 2010 (subject to extension as a result of events of loss or force majeure), failure to complete Fontainebleau Las Vegas within a specified time following the opening of Fontainebleau Las Vegas (subject to available extensions), noncompliance with covenants, material inaccuracies of representations and warranties, bankruptcy, judgments in excess of specified amounts, ERISA matters, impairment of security interests in collateral and change of control. Events of default will apply to the Company and its subsidiaries and, in some cases, to Fontainebleau Resorts, Fontainebleau Resort Properties I and Turnberry Residential Limited Partner L.P.

Second Mortgage Notes

Fontainebleau Las Vegas Holdings and Fontainebleau Capital Corp. issued $675.0 million aggregate principal amount of 10.25% Second Mortgage Notes due June 15, 2015 pursuant to a private placement transaction consummated in June 2007. The net proceeds of $658.1 million from the issuance of the notes were deposited into a note proceeds account for the construction of Fontainebleau Las Vegas. Interest is payable semi-annually in arrears on June 15 and December 15, commencing on December 15, 2007.

At any time before June 15, 2010, Fontainebleau Las Vegas Holdings and Fontainebleau Capital Corp. may redeem up to 35% of the outstanding notes at a price of 110.25% plus accrued interest from the net proceeds of one or more qualified equity offerings. Subsequent to June 15, 2011, Fontainebleau Las Vegas Holdings and Fontainebleau Capital Corp. may redeem all or some of the outstanding notes at a premium of 5.125% on or after June 15, 2011, 2.563% on or after June 15, 2012 and zero on or after

June 15, 2013, plus accrued interest.

The notes are secured by a first priority lien on the remaining net proceeds of the old notes offering until the remaining net proceeds are released from the note proceeds account in accordance with the disbursement agreement. The notes are also secured by a second priority lien on substantially all the other existing and future assets of Fontainebleau Las Vegas Holdings and its subsidiaries, excluding the equity interests in such subsidiaries and subject to certain other exceptions. The notes are effectively subordinated to Fontainebleau Las Vegas Holdings' and Fontainebleau Capital Corp.'s obligations under the Las Vegas Credit Facility.

The notes are guaranteed by Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC, and these guarantees are secured by a second priority lien on the assets of these subsidiaries. Fontainebleau Resorts and Fontainebleau Resort Properties I guarantee the notes on an unsecured basis.

As of September 30, 2008, all of the funds in the note proceeds account have been disbursed as part of the normal monthly funding process.

Disbursement Agreement

Fontainebleau Las Vegas Holdings and its subsidiaries, along with Fontainebleau Las Vegas Retail, LLC entered into a disbursement agreement with Bank of America, as the bank agent, Wells Fargo Bank, National Association, as the notes trustee, Lehman Brothers Holdings, Inc., as the retail agent, and Bank of America, N.A. as the disbursement agent. The disbursement agreement sets forth the material obligations to develop, construct and complete Fontainebleau Las Vegas, and Fontainebleau Las Vegas Retail, LLC's obligation to develop, construct and complete the Fontainebleau retail component of Fontainebleau Las Vegas. The disbursement agreement establishes the conditions to, and the relative sequencing of, the making of disbursements from the proceeds of the equity contributions, the Las Vegas Credit Facility, loans obtained by Fontainebleau Las Vegas Retail, LLC, referred to throughout this section as the retail loans, and the notes. It also establishes the obligations of the bank agent, the retail agent and the disbursement agent to make disbursements of loan proceeds from the bank proceeds account and the retail funding account and the obligation of the notes trustee to release funds from the note proceeds account upon satisfaction of such conditions. The disbursement agreement also sets forth the mechanics for approving change orders and amendments to the project budget and the schedule for the construction period. Finally, the disbursement agreement includes certain construction-related representations, warranties, covenants and events of default common to the Las Vegas Credit Facility, the retail loans and the notes indenture. Under the disbursement agreement, the proceeds of the Las Vegas Credit Facility, the retail loans and the old notes offering will only be permitted to be used to pay or reimburse prior payments for project costs related to Fontainebleau Las Vegas and the Fontainebleau retail component and, to the extent contained in the budget and subject to certain limitations, corporate overhead and related costs.

The disbursement agreement contains various affirmative covenants with which Fontainebleau Las Vegas Holdings and its subsidiaries are obligated to comply, such as: use of the proceeds, delivery of certain financial statements and reports, and maintenance and compliance with required insurance policies. The disbursement agreement also requires compliance with negative covenants. These covenants limit Fontainebleau Las Vegas Holdings' ability to: enter into new material project documents that increase the construction budget without complying with the procedures for amending the project budget, provided that increase is funded by savings in other line items of the budget or by additional equity contributions; require that the Fontainebleau Las Vegas budget remains "in balance," which means that Fontainebleau Las Vegas Holdings may not permit on two consecutive scheduled advance dates all amounts available pursuant to our funding sources that are permitted under the disbursement agreement to be in an amount that is less than the amount sufficient to pay all remaining costs to complete

Fontainebleau Las Vegas. Fontainebleau Las Vegas Holdings was in compliance with these covenants as of September 30, 2008.

Restrictions on Activities of Fontainebleau Las Vegas Capital Corp.

Fontainebleau Capital Corp. will not hold any material assets, hold any equity securities, incur any material indebtedness, become liable for any material obligations, engage in any material business activities or have any subsidiaries. However, Fontainebleau Capital Corp. may be a co-obligor with respect to indebtedness if Fontainebleau Las Vegas Holdings is a primary obligor of such indebtedness and the net proceeds of such indebtedness are received by Fontainebleau Las Vegas Holdings or one or more of its wholly owned restricted subsidiaries other than Fontainebleau Capital Corp.

Retail Development

The Fontainebleau retail component is a separate air rights parcel with respect to approximately 286,500 square feet of rentable area in Fontainebleau Las Vegas and will be initially leased and eventually owned by Fontainebleau Las Vegas Retail, LLC, a subsidiary of Fontainebleau Resorts. We will sublease approximately one-third of the Fontainebleau retail component from Fontainebleau Las Vegas Retail, LLC for the operation of restaurants, a marquee nightclub and related amenities. Fontainebleau Las Vegas Holdings and its subsidiaries and Fontainebleau Las Vegas Retail, LLC have entered into a master lease agreement along with mutually acceptable reciprocal easement agreements governing the use of the Fontainebleau retail component and the other portions of Fontainebleau Las Vegas. Fontainebleau Las Vegas Retail, LLC will finance certain costs of the podium of Fontainebleau Las Vegas and the Fontainebleau retail component from $400.0 million of proceeds from a combination of debt offerings. Up to $195.0 million of the proceeds is to be used for costs of construction of the podium, tenant allowances, tenant improvements and lease commissions and interest expenses, fees and other expenses related to the Fontainebleau retail component, and the remaining $205.0 million was upstreamed to Fontainebleau Holdings, a wholly-owned subsidiary of Fontainebleau Resorts. See "Overview of Expected Capital Resources and Capital Contributions" above with respect to the remaining funding of the Las Vegas Credit Facilities.

Condominium-Hotel Unit Deposits

Initially we projected aggregate net sales proceeds of approximately $700.0 million from the sale of our approximately 1,000 condominium-hotel units, of which we expected $75.0 million would be available to be bonded and used towards budgeted costs during the construction period prior to the opening of Fontainebleau Las Vegas. Since that time, the market for condominium-hotel units in Las Vegas has weakened generally and this has had an adverse effect on the timing and pricing of sales in this market. In addition, recent adverse events in the financial markets and the U.S. economy since September 2008 may have significant adverse effects on the real estate market. We cannot predict the extent or duration of the weakening of the Las Vegas market for sales of condominium-hotel units or the severity of the effect of this weakening on our future sales. However, the degree of weakening of demand and the period of time that such conditions exist could have a material adverse effect upon the amounts or timing of aggregate net sales proceeds we receive from the sale of our units, as well as the amounts of deposits that we are able to bond and use for budgeted costs prior to the opening of Fontainebleau Las Vegas. Our current estimates with respect to the expected deposits from the sale of these units which are significantly lower than initially estimated may ultimately be incorrect, and the actual deposits could differ materially from such estimates. In addition, we may be unable to bond any deposits received from the sale of our condominium-hotel units in accordance with local law, which may result in our not being able to use any deposits from such sales towards the construction costs for Fontainebleau Las Vegas.

Off-Balance Sheet Arrangements

We have not entered into any derivatives except for interest rate swaps and collars. For a description of our derivatives see footnotes to the consolidated financial statements of Las Vegas Holdings for the nine months and the quarter ended September 30, 2008, respectively. We do not have any retained or contingent interest in assets transferred to an unconsolidated entity.

Related Parties

The consolidated financial statements of Fontainebleau Las Vegas Holdings reflect various transactions with related parties. Transactions with related parties, by their nature, may involve terms or aspects that differ from those that would have resulted from negotiations with independent third parties. For a description of related parties see the footnotes to the consolidated financial statements of Las Vegas Holdings for the nine months and the quarter ended September 30, 2008.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with the Las Vegas Credit Facility, which will bear interest based at floating rates. We will attempt to manage our interest rate risk by managing the mix of our long-term fixed rate borrowings and variable borrowings. We obtained interest rate protection through interest rate swaps and collars with respect to 75% of anticipated borrowings under the Las Vegas Credit Facility through June 30, 2009, to be reduced to 50% of such borrowings thereafter. The hedging agreements entered into during 2007 have reduced our exposure to interest rate increases. However, we cannot assure you that these risk management strategies will have the desired effect, and interest rate fluctuations could have a negative impact on our results of operations. Based on September 30, 2008 debt levels and the risk management strategies in place, an assumed 100 basis point change in LIBOR would not significantly impact our annual interest cost.

We do not use derivative financial instruments, other financial instruments or derivative commodity instruments for trading or speculative purposes.

Inflation

We believe that our results of operations do not depend upon moderate changes in the inflation rate.

Critical Accounting Policies and Estimates for Fontainebleau Las Vegas Holdings, LLC

The consolidated financial statements of Fontainebleau Las Vegas Holdings and its subsidiaries were prepared in conformity with accounting principles generally accepted in the United States. Those principles require our management to make estimates and assumptions that affect reported amounts and related disclosures. Management identifies critical accounting estimates as:

- those that require the use of assumptions about matters that are inherently and highly uncertain at the time the estimates are made;
- those estimates where, had we chosen different estimates or assumptions, the resulting differences would have had a material impact on our financial condition, changes in financial

condition or results of operations; and

- those estimates that, if they were to change from period to period, likely would result in a material impact on our financial condition, changes in financial condition or results of operations.

These estimates require that management apply significant judgment in defining the appropriate assumptions based upon historical experience, terms of existing contracts, industry trends and information available from outside sources. Management evaluates those estimates on an ongoing basis by reviewing expected trends and from industry experience and adjusts the assumptions utilized as necessary.

Based upon management's discussion of the development and selection of these critical accounting estimates, we believe the following accounting estimates involve a higher degree of judgment and complexity.

Development, Construction and Property and Equipment Estimates

As of September 30, 2008, the Company had property and equipment, net of accumulated depreciation of $1.4 billion and $156.4 million in condominium units in development, the combined total represents 70.0% of total assets. Of the total, $1.4 billion represents construction in progress on the Las Vegas Project, $143.8 million of land and $2.0 million of other property and equipment.

The Company and its subsidiaries are capitalizing interest costs associated with the construction of Fontainebleau Las Vegas as part of the cost of the constructed assets. Capitalization of interest will cease when each project is substantially complete or construction activities are no longer underway. Capitalized interest is amortized over the estimated useful life of the related assets.

During the period of the construction of Fontainebleau Las Vegas direct costs such as those expected to be incurred for the design and construction of the hotel and casino will be capitalized. Accordingly, we expect the recorded amounts of property and equipment to increase significantly. Depreciation expense related to the capitalized construction costs will not be recognized until the related assets are put in service. Accordingly, upon completion of construction and commencement of operation of Fontainebleau Las Vegas, with respect to Fontainebleau Las Vegas Holdings and its subsidiaries, depreciation expense recognized based on the estimated useful life of the corresponding asset will have a significant effect on the results of our operations. The remaining estimated useful lives of assets are periodically reviewed.

Management evaluates property and equipment and other long-lived assets for impairment in accordance with SFAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. For assets to be disposed of the Company recognize the asset at the lower of carrying value or fair value less costs of disposal, as estimated based upon comparable asset sales, solicited offers or a discounted cash flow model. For assets to be held and used, management reviews for impairment whenever indicators of impairment exist. Then the estimated future cash flows of the asset, on an undiscounted basis, is compared to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment is recorded based on the fair value of the asset, typically measured using a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs. All recognized impairment losses, whether for assets to be disposed of or assets to be held and used are recorded as operating expenses.

Pre-Opening Costs

During the construction and development of a resort, pre-opening or start-up costs are expensed when incurred. Pre-opening expense is primarily composed of salaries and wages, legal and consulting fees, sales and marketing and travel costs. With respect to the Las Vegas Project and Fontainebleau Las Vegas, it is expected that the Company will incur significant pre-opening expenses until opened.

Insurance Accounting

The Company has insurance coverage related to damage from the collapse of a portion of the Fontainebleau Las Vegas garage in the third quarter of 2007. Estimated losses were recognized as a receivable from the insurance carrier. Losses are expected to be recovered as part of the insurance coverage during the time of the garage collapse.

Derivative Instruments

The Company is party to derivative instruments—interest rate swaps, collars, and caps— related to its long-term debt, through subsidiaries and accounts for derivative instruments in accordance with FASB Statement No. 133. The estimated fair values of derivative instruments represent the estimated amounts that the party would receive or pay to terminate the contracts. The fair value of these derivative instruments is estimated using "Level 2" inputs under SFAS No. 157, *Fair Value Measurements.*

Fair Value Hierarchy—SFAS No. 157 requires disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy for which these assets and liabilities must be grouped, based on significant levels of observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. This hierarchy requires the use of observable market data when available.
These two types of inputs have created the following fair-value hierarchy:

- Level 1—Quoted prices for identical instruments in active markets.
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Determination of Fair Value — The Company generally uses quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access to determine fair value, and classifies such items in Level 1. Fair values determined by Level 2 inputs utilize inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, and inputs other than quoted market prices that are observable for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

If quoted market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based or independently sourced market parameters, such as interest rates, currency rates, etc. Assets or liabilities valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable.

Exchange traded derivatives valued using quoted prices are classified within level 1 of the valuation hierarchy. However, few classes of derivative contracts are listed on an exchange; thus, the majority of our derivative positions are valued using internally developed models that use as their basis readily observable market parameters and are classified within level 2 of the valuation hierarchy. Such derivatives include basic interest rate caps, interest rate swaps, and interest rate collars. In some cases derivatives may be valued based upon models with significant unobservable market parameters. These would be classified within level 3 of the valuation hierarchy. As of September 30, 2008, we did not have any level 3 classifications.

Derivative instruments are recognized as assets or liabilities, with changes in fair value affecting net income (loss) or comprehensive income (loss) as applicable.

Equity-Based Compensation

SFAS 123R, *Share-Based Payment*, establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods and services or incurs a liability in exchange for goods and services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. It requires an entity to measure the costs of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and recognize that cost over the service period. Fontainebleau Resorts adopted this statement under the modified prospective method and uses the Black-Scholes valuation model to value the equity instruments issued. Management uses assumptions of expected volatility, risk-free interest rates, the expected term of options granted, and expected rates of dividends and determines these assumptions by reviewing current market rates, making industry comparisons and reviewing conditions relevant to us. Fontainebleau Resorts accounted for the portion of equity grants awarded and vested prior to the adoption of SFAS 123R according to Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees*.

Internal Controls and Procedures for Fontainebleau Resorts, LLC and Fontainebleau Las Vegas Holdings, LLC

Subsequent to the issuance of our audited consolidated financial statements as of and for the year ended December 31, 2007, management determined that the reporting of condominium units in development was incorrect. The error resulted from inclusion of the cost of condominium units developed for resale within property and equipment. Upon review, management determined that accounting principles generally accepted in the United States (GAAP) require us to disclose the costs related to developing condominium units separately from property and equipment on the balance sheet, and that expenditures for condominium development be classified under cash flows used in operations rather than cash flows used in investing activities on the statement of cash flows. However, in performing restatement procedures, management identified additional errors. Footnote 2 of the accompanying consolidated financial statements describes the restatements.

In conjunction with the preparation of financial statements for the audits of our and Fontainebleau Resorts' consolidated financial statements for the year ended December 31, 2007, we, Fontainebleau Resorts and our independent registered public accounting firm identified deficiencies in our and Fontainebleau Resorts' internal controls, which were deemed to be material weaknesses. A material weakness, as defined under standards established by the Public Company Accounting Oversight Board, is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by an entity's internal control over financial reporting.

As of December 31, 2007, we and Fontainebleau Resorts did not have sufficient accounting and financial reporting personnel to mitigate the risk of reporting and accounting for inaccurate financial and non-financial data. As a result, entries for construction in progress, capitalized financing fees and the related amortization, capitalized interest, and deferred rent were adjusted during the audit process. We and Fontainebleau Resorts also did not have sufficient general computer controls over the process of installing and testing computer systems, and the security controls concerning system access and appropriateness of access was not adequate.

The deficiency in accounting and financial reporting personnel continued through the third quarter of 2008. The financial statements issued for the three month and year to date periods ending March 31, 2008 and June 30, 2008 contained errors that are corrected as of September 30, 2008 and discussed in footnote 2 to the accompanying financial statements.

We are in the process of remedying the financial reporting and general computer control deficiencies noted. This process of adopting and implementing procedures to improve our and Fontainebleau Resorts' internal controls is continuing. Additional accounting, financial and information technology personnel have been hired through September 30, 2008. If the remedial procedures we and Fontainebleau Resorts expect to adopt and implement prove to be insufficient to address our significant deficiencies and material weaknesses, we and Fontainebleau Resorts may fail to meet our future reporting obligations, our financial statements may contain material misstatements and our operating results may be impacted. A failure to meet our future reporting obligations could result in an event of default under the credit facilities and the indenture governing the notes.

We cannot assure you that significant deficiencies or material weaknesses in our or Fontainebleau Resorts' internal controls over financial reporting will not be identified in the future. Any failure to maintain or implement required new or improved controls, or difficulties we encounter in their implementation, could result in additional significant deficiencies or material weaknesses, cause us to fail to meet our future reporting obligations or cause our financial statements to contain material misstatements. A failure to meet our future reporting obligations could result in an event of default under the credit facilities and the indenture governing the notes.

Fontainebleau Resorts, LLC and Subsidiaries

Unaudited Condensed Consolidated Financial Statements as of September 30, 2008 and December 31, 2007 (Restated), and for the Three and Nine Months Ended September 30, 2008 and 2007 (Restated)

FONTAINEBLEAU RESORTS, LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2008 AND DECEMBER 31, 2007 (RESTATED)

(In thousands except unit data)
(Unaudited)

	September 30, 2008	December 31, 2007 As Restated - See Note 2
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 56,726	$ 36,066
Restricted cash	6,660	-
Accounts receivable, net	9,703	7,199
Other current assets	4,979	1,270
Condominium units held for sale	33,897	-
Total current assets	111,965	44,535
CONDOMINIUM UNITS IN DEVELOPMENT	156,359	187,150
PROPERTY AND EQUIPMENT, NET	2,111,833	1,052,685
OTHER LONG-TERM ASSETS:		
Restricted cash	578,333	1,162,855
Debt issuance costs, net	78,225	82,805
Other long-term assets, net	17,224	17,866
Other intangible assets, net	46,555	46,807
Goodwill	62,020	62,020
Total other non-current assets	782,357	1,372,353
TOTAL ASSETS	$ 3,162,514	$ 2,656,723
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 13,248	$ 11,655
Accrued interest	26,291	9,792
Accrued expenses and other current liabilities	23,706	19,184
Condominium refurbishment guarantee	2,449	3,314
Buyer deposits	6,272	-
Current portion of long-term debt	-	71,779
Total current liabilities	71,966	115,724
LONG-TERM LIABILITIES:		
Buyer deposits	-	60,704
Related party construction liabilities	273,068	124,371
Construction liabilities	35,089	15,989
Other long-term liabilities	8,142	8,350
Deferred gain (Note 4)	265,687	-
Fair value of derivative instruments	34,774	29,597
Long-term debt, net of current portion	2,236,247	2,049,739
Total long-term liabilities	2,853,007	2,288,750
TOTAL LIABILITIES	2,924,973	2,404,474
COMMITMENTS AND CONTINGENCIES (Note 15)		
MINORITY INTEREST (Note 4)	52,079	-
MEMBERS' EQUITY		
Contributed capital	505,301	443,698
Preferred units	216,982	197,129
Accumulated deficit	(508,204)	(363,597)
Accumulated other comprehensive loss	(28,617)	(24,981)
Total members' equity	185,462	252,249
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 3,162,514	$ 2,656,723

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

FONTAINEBLEAU RESORTS, LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (RESTATED)

(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
		As Restated - See Note 2		As Restated - See Note 2
REVENUES:				
Sales of condominium units	$ 14,971	$ -	$ 138,119	$ -
Hotel	4,871	3,883	17,459	16,597
Food and beverage	746	602	2,236	2,277
Other	3,146	776	8,579	2,228
Total revenues	23,734	5,261	166,393	21,102
OPERATING EXPENSES:				
Cost of sales of condominium units	11,037	-	101,846	-
Condominium advertising, sales and marketing	1,346	26	14,105	69
Hotel	5,919	4,234	17,113	15,413
Food and beverage	2,538	899	5,324	3,301
Other	2,121	495	3,568	1,296
General and administrative	8,909	10,252	24,206	20,116
Corporate	9,732	7,009	29,541	35,855
Loss (gain) on sale of operating assets	-	353	(200)	241
Preopening	6,012	2,044	14,188	5,178
Depreciation and amortization	744	507	2,100	1,565
Total operating expense	48,428	25,819	211,791	83,034
LOSS FROM OPERATIONS	(24,694)	(20,558)	(45,398)	(61,932)
NON-OPERATING (INCOME) EXPENSES:				
Interest income	(5,125)	(17,806)	(21,519)	(23,616)
Interest expense - net of capitalized interest	26,649	47,250	98,479	86,623
Early extinguishment of debt	-	472	-	4,332
Decrease in value of derivative instruments	3,790	1,249	2,765	1,041
Other (income) expense	-	(19)	(1)	(43)
Total non-operating expenses	25,314	31,146	79,724	68,337
NET LOSS BEFORE MINORITY INTEREST	(50,008)	(51,704)	(125,122)	(130,269)
MINORITY INTEREST	297	-	368	-
NET LOSS	$ (49,711)	$ (51,704)	$ (124,754)	$ (130,269)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

FONTAINEBLEAU RESORTS, LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (RESTATED)

(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
		As Restated - See Note 2
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (124,754)	$ (130,269)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,848	1,313
Amortization of debt issuance costs	6,778	6,207
Loss on early extinguishment of debt	-	4,332
Amortization of condominium refurbishment incentive	960	961
Amortization of intangible assets	252	252
(Gain) loss on sale or disposal of assets	(200)	241
Provision for doubtful accounts	(5)	13
Equity-based compensation	4,737	14,612
Change in fair value of derivative instruments	1,451	2,859
Cost of sales of condominium units	101,846	-
Application of buyer deposits	16,676	-
Deferred gain on sale of interests in Florida Holdings	262,500	-
Minority interest in loss	(368)	-
Interest paid-in-kind	16,794	18,993
Changes in operating assets and liabilities:		
Restricted cash (buyer deposits in escrow)	-	(2,602)
Accounts receivable, net	(4,196)	(6,690)
Other current assets	(3,709)	(436)
Condominium unit development expenditures	(104,952)	(75,594)
Other long-term assets, net	(251)	(2,204)
Accounts payable	1,593	3,483
Accrued interest	16,499	24,600
Accrued expenses and other current liabilities	3,842	5,952
Buyer deposit liability	(54,432)	2,602
Condominium refurbishment guarantee	(865)	(35)
Other long-term liabilities	(208)	(3,363)
Net cash used in operating activities	141,836	(134,773)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property and equipment	(5,228)	(764)
Payments for construction-in-progress	(888,038)	(341,804)
Proceeds from sale or disposal of property	970	9
Proceeds from insurance claim	1,697	-
Use of buyer deposits for construction	-	10,554
Reductions (additions) to restricted cash	561,186	(1,327,573)
Net cash used in investing activities	(329,413)	(1,659,578)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under the Las Vegas Credit Facility	-	700,000
Borrowings under the Retail Credit Facility	6,214	210,400
Proceeds from the Second Mortgage Notes	-	675,000
Borrowings under the Miami Credit Facility	163,500	369,429
Borrowings under the Prior Senior Credit Facility	-	85,368
Borrowings under the Prior Mezzanine Loan	-	32,500
Borrowings under the Sorrento Construction Loan	7,005	32,874
Proceeds from Soffer Bridge Loan	-	43,872
Proceeds from private placement of preferred units, net of issue costs	-	183,407
Proceeds from buyer deposits available for construction	-	2,602
Proceeds from termination of derivative instruments	-	3,580
Contributions	112,500	360,796
Distributions	-	-
Payments on the Prior Senior Credit Facility	-	(489,035)
Payments on the Prior Mezzanine Loan	-	(207,398)
Payments on the Sorrento Construction Loan	(78,784)	-
Payments on Soffer Bridge Loan	-	(44,333)
Payments on the preferred unit	-	(45,813)
Payments for interest rate caps	-	(2,102)
Payments for debt issuance costs	(2,198)	(86,039)
Net cash provided by financing activities	208,237	1,825,108
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,660	30,757
CASH AND CASH EQUIVALENTS -- Beginning of period	36,066	2,669
CASH AND CASH EQUIVALENTS -- End of period	$ 56,726	$ 33,426

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

FONTAINEBLEAU RESORTS, LLC AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (RESTATED)

1. ORGANIZATION AND BUSINESS

Organization — Fontainebleau Resorts, LLC ("Fontainebleau Resorts" or the "Company"), a Delaware limited liability company, was formed February 16, 2005. In April 2007, Fontainebleau reorganized its structure, renaming certain of its current entities, merging certain entities, and creating new entities to serve various legal and financing purposes. Upon completion of the reorganization, the voting interests (the Series B Voting Units) and the economic interests (the Series A Nonvoting Units) in the Company are held by Fontainebleau Equity Holdings Voteco, LLC ("Voteco") and Fontainebleau Equity Holdings, LLC ("Equity"). As of September 30, 2008, approximately 74% and 59% of the outstanding interests in Voteco and Equity, respectively, were owned or controlled directly or indirectly by Jeffrey Soffer, a significant owner and officer of the group of related individuals and entities collectively referred to herein as the Turnberry Group ("Turnberry"), a multi-service real estate development and property management business. Previously, Mr. Soffer and two senior officers owned or controlled approximately 84% of the equity and voting interests in Fontainebleau.

As a result, Mr. Soffer has the ability to appoint a majority of Fontainebleau's Board of Managers and determine the outcome of other matters submitted to Fontainebleau's unit holders, such as the approval of significant transactions. The Company has engaged in a number of transactions with Turnberry, Mr. Soffer and other entities owned or controlled by Mr. Soffer. Any transactions with Mr. Soffer or entities under his control initiated subsequent to December 31, 2007, that differ in their nature or magnitude from those described in Note 13 to the Company's consolidated financial statements for the year ended December 31, 2007, are described in Note 13 to the accompanying condensed consolidated financial statements.

Business — Fontainebleau Resorts acts largely as a holding company and, through wholly-owned subsidiaries and joint ventures, develops, owns and operates resorts and casinos. The Company, in conjunction with a U.S. affiliate of Nakheel PJSC (see Note 4), owns and operates the Fontainebleau Miami Beach in Miami Beach, Florida and independently is developing the Fontainebleau Las Vegas in Las Vegas, Nevada.

Miami — The Fontainebleau Miami Beach consists of two hotel towers and two condominium-hotel towers located on Miami Beach. The two hotel towers — the 539-room Chateau and the 307-room Versailles — comprise the historic Fontainebleau Hotel. The Trésor Tower, completed in 2005, is a 37-story condominium-hotel tower with 462 suites. Construction of the Sorrento Tower, an 18-story condominium-hotel tower with 286 suites, commenced in 2005 and completed by the first quarter of 2008. The Company also earns profit, included in 'hotel revenues' and 'hotel expenses', by managing a rental program for unit owners in the Trésor and Sorrento Towers.

In March 2006, the Company suspended operations of the Chateau and Versailles towers to renovate substantially all of the property (the "Florida Project"). The Florida Project consists of refurbishing the Fontainebleau Hotel, adding a larger spa, additional restaurants, and entertainment offerings. The Florida Project and the development of the Sorrento Tower are collectively referred to as the "Miami Resort Projects."

Las Vegas — The Company is developing approximately 24 acres on the Las Vegas Strip into the Fontainebleau Las Vegas, a signature casino hotel resort with gaming, lodging, convention and entertainment amenities (collectively, the "Las Vegas Project"). The Las Vegas Project includes a 63-story tower with approximately 3,800 guest rooms, suites and condominium-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 Las Vegas Project will include a 286,500 square-foot retail component with restaurants, nightclub and related amenities.

2. FINANCIAL STATEMENT RECLASSIFICATIONS AND RESTATEMENTS

***Reclassifications** – The presentation of the financial statements was revised in 2008 to more accurately reflect certain balances, as detailed below.*

I. **Condominium and construction assets and liabilities** – With the exception of amounts relating to condominium units, development costs of the Las Vegas Project and the Florida Project are comprised of depreciable assets and thereby are long-term in classification, and as are the associated debt and proceeds thereof, and construction liabilities. Condominium units, though developed for sale to third parties, are similar in nature until the Company receives a certificate of occupancy. As such, certain development–related balances as well as buyer deposits on purchases of units in the Sorrento Tower now reflect long-term classification.

II. **Hotel, retail and other revenues and expenses** – To be comparable to the classifications used by similar companies and to adopt a preferred chart of accounts for the hospitality industry, balances representing other condominium revenue, valet parking, PBX, spa, and pool revenue were reclassified from hotel revenues to other revenues. For the three and nine months ended September 30, 2007, these revenues totaled $0.5 million and $1.6 million, respectively.

Similarly, expenses relating to those revenues totaling $0.6 million and $1.7 million, respectively, were reclassified from hotel expenses to other expenses. Balances relating to retail operations at the Fontainebleau Miami were condensed into amounts presented as "other revenues" ($0.03 million and $0.1 million for the three and nine months ended September 30, 2007) and "other expenses" ($0.03 million and $0.1 million for the three and nine months ended September 30, 2007) in the accompanying in the consolidated statements of operations.

Certain revenues at the Las Vegas Project, primarily billboard advertising fees, were presented as non-operating income in previously issued financial statements. Management believes that these revenues are operating in nature and has reclassified all such amounts in the accompanying financial statements.

III. **General and administrative expenses** – Certain charges directly related to opening of the Fontainebleau Las Vegas included in general and administrative expense in previous presentations have been reclassified to pre-opening expenses.

***Restatement of previously issued financial statements** — Subsequent to the issuance of the Company's consolidated financial statements for the year ended December 31, 2007, management determined the restatements described in this note were required.*

A. **Classification of condominium units** – The costs of condominium units in development (assets developed for resale to third parties) were included within property and equipment on the balance sheets. Additionally, expenditures for condominium units in development were included within cash flows used in investing activities in the statements of cash flows as opposed to including these payments and expenditures for condominium units in development within cash flows used in operating activities. Also, amounts representing the initial, minimum buyer deposits were presented as cash inflows from financing activities instead of operating activities.

B. **Amortization of debt issuance costs** – An incorrect methodology was utilized in the calculation amortizing debt issuance costs associated with the June 2007 financings.

C. **Advertising, selling and marketing costs** – Commissions paid for sales of condominium units were included in construction-in-progress rather than as deferred selling costs within other long-term assets. Additionally, the sales and marketing developer fee was not accrued.

Other miscellaneous adjustments – *As part of our restatement procedures, certain errors and adjustments were identified and corrected. Management also recorded certain other items that previously had been considered immaterial. The following briefly describes the nature and amount of the adjustments.*

D. **Construction liabilities** – A portion of the balances presented as payable to related parties was due to non-related parties.

E. **Capitalized interest** –Interest on funds borrowed by other Fontainebleau subsidiaries and utilized by the Company were not recorded as contributions to the Company nor included in previous calculations of capitalized interest.

F. **Accrual adjustments** – Management determined that proper cutoff of liabilities was not achieved at reporting period.

G. **Goodwill adjustment** – Due to an error in application of GAAP, additional costs incurred in the first quarter of 2007 related to the Company's purchase of the Miami Property were recorded as an increase to goodwill instead of construction-in-progress.

H. **Termination of derivative instrument** – Proceeds from termination of a derivative instrument were recorded as a cash inflow from operating activities instead of as a cash inflow from financing activities. Additionally, net interest settlements on certain unqualified cash flow hedges were included in general and administrative expenses instead of change in fair value of derivative instruments.

I. **Other Sorrento** – Certain asset and liability balances associated with construction of the Sorrento Tower were netted in construction liabilities. Additionally, certain expense items related to periods prior to January 1, 2006 were incorrectly calculated.

J. **Refurbishment incentive** – An inappropriate amortization period was used to amortize a refurbishment incentive extended to certain unit owners in the Trésor Tower.

K. **Sales tax receivable** – A receivable from the Trésor homeowners' association recorded in 2006 was improperly calculated.

L. **Loss on insurance claim** – The recorded receivable for an insurance claim was not reduced by the $250,000 deductible under the Company's insurance policy.

M. **Equity-based compensation** – Due to a calculation error, charges for equity-based compensation were understated in previous presentations.

N. **Contributions** – Funding raised by Equity in private placements and contributed to Fontainebleau were presented as issued by the Company.

O. **Cash flow items** – Changes in certain items were calculated incorrectly. Additionally, certain supplemental disclosures of non-cash financing and investing activities were omitted from the previously published consolidated statement of cash flows for the nine months ended September 30, 2007.

Summary – The effect of these reclassifications and restatements on the accompanying condensed consolidated financial statements is presented below. Items that contain or are solely reclassifications are marked in **boldface** *type.*

ITEM		As Previously Reported		Adjustments		As Restated	
	Consolidated Balance Sheet Data						
	As of December 31, 2007:						
I	Cash and cash equivalents	$	34,898	$	1,168	$	36,066
I, K	Accounts receivable, net	$	6,533	$	666	$	7,199
I	**Restricted cash**	$	23,336	$	(23,336)	$	-
I	Other current assets	$	1,614	$	(344)	$	1,270
	Total current assets	*$*	*66,381*	*$*	*(21,846)*	*$*	*44,535*
A, C, E	Condominium units in development	$	-	$	187,150	$	187,150
A, E, F, G	Property and equipment, net	$	1,247,055	$	(194,370)	$	1,052,685
I	**Restricted cash**	$	1,139,519	$	23,336	$	1,162,855
B	Debt issuance costs, net	$	75,287	$	7,518	$	82,805
C, J	Other long-term assets, net	$	5,249	$	12,617	$	17,866
	Total other assets	*$*	*1,328,882*	*$*	*43,471*	*$*	*1,372,353*
	Total assets	*$*	*2,642,318*	*$*	*14,405*	*$*	*2,656,723*
D, F	Accounts payable	$	11,274	$	381	$	11,655
I, I	**Construction payables to related parties**	$	80,082	$	(80,082)	$	-
I, I	**Construction and retention payable**	$	15,838	$	(15,838)	$	-
I	**Buyer deposits**	$	60,704	$	(60,704)	$	-
I	Accrued interest	$	9,241	$	551	$	9,792
C, F, K	Accrued expenses and other current liabilities	$	17,572	$	1,612	$	19,184
	Total current liabilities	*$*	*269,804*	*$*	*(154,080)*	*$*	*115,724*
I	**Buyer deposits**	$	-	$	60,704	$	60,704
I, D, F, I	**Related party construction liabilities**	$	-	$	124,371	$	124,371
I, D, F, I	**Construction and retention payable**	$	39,033	$	(23,044)	$	15,989
F	Other long-term liabilities	$	4,540	$	3,810	$	8,350
	Total long-term liabilities	*$*	*2,122,909*	*$*	*165,841*	*$*	*2,288,750*
	Total liabilities	*$*	*2,392,713*	*$*	*11,761*	*$*	*2,404,474*
B, I	Contributed capital	$	443,729	$	(31)	$	443,698
B, C, E, F, I, J, L, M	Accumulated deficit	$	(366,272)	$	2,675	$	(363,597)
	Total members' equity	*$*	*249,605*	*$*	*2,644*	*$*	*252,249*
	Total liabilities and members' equity	*$*	*2,642,318*	*$*	*14,405*	*$*	*2,656,723*

ITEM		As Previously Reported	Adjustments	As Restated
	Consolidated Statement of Operations Data			
	For the Three Months Ended September 30, 2007:			
H	Hotel revenues	$ 4,436	$ (553)	$ 3,883
H	Retail revenues	$ 33	$ (33)	$ -
H	Other revenues	$ 86	$ 690	$ 776
	Total revenues	*$ 5,157*	*$ 104*	*$ 5,261*
C	Condominium advertising, sales and marketing expenses	$ -	$ 26	$ 26
H, J	Hotel expenses	$ 4,857	$ (623)	$ 4,234
H	Retail expenses	$ 33	$ (33)	$ -
H	Other expenses	$ -	$ 495	$ 495
III, F, H	General and administrative	$ 11,113	$ (861)	$ 10,252
M	Corporate	$ 8,526	$ (1,517)	$ 7,009
III, M	Pre-opening	$ 3,732	$ (1,688)	$ 2,044
L	Loss on disposal of assets	$ -	$ 353	$ 353
	Total operating expenses	*$ 29,667*	*$ (3,848)*	*$ 25,819*
	Loss from operations	*$ (24,510)*	*$ 3,952*	*$ (20,558)*
I	Interest income	$ (17,782)	$ (24)	$ (17,806)
B, E	Interest expense - net	$ 41,961	$ 5,289	$ 47,250
H	Change in value of derivative instruments, net	$ 857	$ 392	$ 1,249
B	Loss on early extinguishment of debt	$ 690	$ (218)	$ 472
	Total non-operating expenses	*$ 25,707*	*$ 5,439*	*$ 31,146*
	Net loss	*$ (50,216)*	*$ (1,488)*	*$ (51,704)*
	Consolidated Statement of Operations Data			
	For the Nine Months Ended September 30, 2007:			
H, J	Hotel revenues	$ 18,196	$ (1,599)	$ 16,597
H	Retail revenues	$ 117	$ (117)	$ -
H	Other revenues	$ 490	$ 1,738	$ 2,228
	Total revenues	*$ 21,080*	*$ 22*	*$ 21,102*
C	Condominium advertising, sales and marketing expenses	$ -	$ 69	$ 69
H, J	Hotel expenses	$ 17,092	$ (1,679)	$ 15,413
H	Retail expenses	$ 97	$ (97)	$ -
H	Other expenses	$ -	$ 1,296	$ 1,296
III, F, H	General and administrative	$ 21,272	$ (1,156)	$ 20,116
M	Corporate	$ 35,451	$ 404	$ 35,855
III, M	Pre-opening	$ 5,895	$ (717)	$ 5,178
L	Loss on disposal of assets	$ (9)	$ 250	$ 241
	Total operating expenses	*$ 84,664*	*$ (1,630)*	*$ 83,034*
	Loss from operations	*$ (63,584)*	*$ 1,652*	*$ (61,932)*
I	Interest income	$ (23,592)	$ (24)	$ (23,616)
B, E	Interest expense - net	$ 76,388	$ 10,235	$ 86,623
B	Loss on early extinguishment of debt	$ 5,505	$ (1,173)	$ 4,332
H	Change in value of derivative instruments, net	$ 2,647	$ (1,606)	$ 1,041
H	Other non-operating (income) expense	$ (65)	$ 22	$ (43)
	Total non-operating expenses	*$ 60,883*	*$ 7,454*	*$ 68,337*
	Net loss	*$ (124,467)*	*$ (5,802)*	*$ (130,269)*

ITEM		As Previously Reported	Adjustments	As Restated
	Consolidated Statement of Cash Flows Data			
	For the Nine Months Ended September 30, 2007:			
	Net loss	*$ (124,467)*	*$ (5,802)*	*$ (130,269)*
O	Depreciation and amortization	$ 2,099	$ (786)	$ 1,313
B	Amortization of debt issuance costs	$ 7,229	$ (1,022)	$ 6,207
M	Equity-based compensation	$ 13,521	$ 1,091	$ 14,612
B	Loss on early extinguishment of debt	$ 5,505	$ (1,173)	$ 4,332
J	Amortization of condominium refurbishment incentive	$ -	$ 961	$ 961
	Amortization of intangible assets	$ -	$ 252	$ 252
L	Loss on disposal of assets	$ (9)	$ 250	$ 241
H	Change in fair value of derivative instruments	$ 2,511	$ 348	$ 2,859
O	Interest paid-in-kind	$ 10,232	$ 8,761	$ 18,993
A	Restricted cash (buyer deposits in escrow)	$ -	$ (2,602)	$ (2,602)
I, K	Accounts receivable, net	$ (6,678)	$ (12)	$ (6,690)
I	Other current assets	$ (768)	$ 332	$ (436)
A, C, E	Condominium unit development expenditures	$ -	$ (75,594)	$ (75,594)
C, J	Other long-term assets, net	$ 3,700	$ (5,904)	$ (2,204)
D, F	Accounts payable	$ 3,796	$ (313)	$ 3,483
I	Accrued interest	$ 27,134	$ (2,534)	$ 24,600
C, F, K	Accrued expenses and other current liabilities	$ 4,746	$ 1,206	$ 5,952
A	Buyer deposits liability	$ -	$ 2,602	$ 2,602
F	Other long-term liabilities	$ (5,990)	$ 2,627	$ (3,363)
	Net cash used in operating activies	*$ (57,461)*	*$ (77,312)*	*$ (134,773)*
A, B, F, G	Payments for construction in progress	$ (423,756)	$ 81,952	$ (341,804)
A	Restricted cash	$ (1,316,995)	$ (10,578)	$ (1,327,573)
G	Additional payments for business acquired	$ (2,527)	$ 2,527	$ -
A	Use of buyer deposits for construction	$ -	$ 10,554	$ 10,554
	Net cash used in investing activities	*$ (1,744,033)*	*$ 84,455*	*$ (1,659,578)*
N	Proceeds from PIK preferred private placement	$ 182,956	$ 451	$ 183,407
N	Proceeds from common equity private placement	$ 361,325	$ (361,325)	$ -
O	Borrowings under Prior Mezzanine Loan	$ -	$ 32,500	$ 32,500
F	Borrowings under Las Vegas and Miami Credit Facility	$ 1,110,496	$ (41,067)	$ 1,069,429
H	Proceeds from termination of derivative instruments	$ -	$ 3,580	$ 3,580
E, M, N	Contributions	$ -	$ 360,796	$ 360,796
F	Repayments of the Prior Senior Credit Facility	$ (490,666)	$ 1,631	$ (489,035)
I	Payments on Prior Mezzanine Loan	$ (207,666)	$ 268	$ (207,398)
B, I	Payments for debt issuance costs	$ (81,186)	$ (4,853)	$ (86,039)
	Net cash provided by financing activities	*$ 1,833,127*	*$ (8,019)*	*$ 1,825,108*
	Net increase in cash and cash equivalents	*$ 31,632*	*$ (875)*	*$ 30,757*
I	Cash and cash equivalents - beginning of year	$ 748	$ 1,921	$ 2,669
	Cash and cash equivalents - end of year	*$ 32,381*	*$ 1,045*	*$ 33,426*
E	Interest paid during the period, net of amounts capitalized	$ 63,180	$ (1,157)	$ 62,023
O	Interest paid in kind and accrued as additional principal	$ -	$ 18,993	$ 18,993
D, F, I	Amount of construction liabilities related to CIP	$ 105,298	$ (25,575)	$ 79,723

3. SIGNIFICANT ACCOUNTING POLICIES

Interim data – The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's consolidated financial statements as of and for the year ended December 31, 2007. The year-end balance sheet data was derived from audited consolidated financial statements; however, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted.

The accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly the Company's financial position as of September 30, 2008 and the results of its operations and cash flows for the three and nine-month periods ended September 30, 2008 and 2007. The results of operations for such periods are not necessarily indicative of the results expected for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements as of December 31, 2007 and 2006 and for the years then ended.

Basis of presentation – The accompanying consolidated financial statements include the accounts of Fontainebleau Resorts, LLC and subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All intercompany accounts and transactions have been eliminated in consolidation.

Development stage risk factors – The Company's subsidiaries that directly hold its interests in and reflect the development of the Fontainebleau Las Vegas are considered development stage enterprises. As development stage enterprises, these subsidiaries have invested significant amounts in development activities, primarily in the acquisition of land and in designing, planning, hiring of personnel for and the construction of the Las Vegas Project. As is customary for development stage enterprises, the subsidiaries have incurred losses from inception to the present. Management expects these losses to continue at least until planned principal operations have commenced. Thereby, these subsidiaries have risks that may impact their abilities to become a sustainable operating enterprise.

The Company is subject to many risks, rules, and regulations in both the construction and renovation phases and in operating gaming facilities, including, but not limited to, obtaining the appropriate permits in Miami and Las Vegas for particular construction activities, securing a Nevada state gaming license for the ownership and operation of the Las Vegas Project and maintaining ongoing suitability requirements in Nevada. The completion of the Resort Projects and the Las Vegas Project is dependent upon compliance with these rules and regulations. Upon completion of the Resort Projects and the Las Vegas Project, profitable operation of the Company will be subject to normal business risks including achieving adequate revenues to support the Company's cost structure.

Pervasiveness of estimates – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Those principles require the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates utilized by the Company include: construction-related accruals, capitalized interest and valuations related to equity-based compensation, derivative instruments and impairment of assets. Actual results could differ from those estimates.

We have identified certain loss contingencies. We record liabilities related to loss contingencies when it is determined that a loss is probable and reasonably estimable in accordance with Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 5, *Accounting for Contingencies.* Management estimates these liabilities based on knowledge and experience as well as the advice of independent experts and or legal counsel regarding current and past events. Any such estimates are also subject to future events, court rulings, negotiations between the parties and other uncertainties. If an actual loss differs from our estimate, operating results could be impacted.

Accounting policies and pronouncements adopted during 2008:

Condominium development costs and cost of sales of condominium units – Condominium units in development represents the capitalized costs of wholly-owned real estate projects developed to be sold. The Company's current condominium projects in Las Vegas and Miami are both components of larger real estate projects. Pursuant to SFAS No. 67, *Accounting for Costs and Initial Rental Operations of Real Estate Projects*, the amount capitalized includes direct construction and development costs, property taxes and insurance during the development period, as well as allocations of land, capitalized interest and indirect project costs. The total capitalized cost of condominium projects are then assigned to individual units based upon the relative sales value of each unit.

The assigned costs are considered long-term assets until the Company receives a certificate of occupancy, at which time the respective costs are transferred to a current asset classification, reflecting the unit's availability for sale. The Company received certificates of occupancy for all units in the Sorrento Tower in the first quarter of 2008. At September 30, 2008, approximately 72 units remained available for sale, of which 26 were subject to an active purchase and sale agreement.

Expenditures for development of condominium units are considered cash outflows from operating activities in the accompanying consolidated statements of cash flows.

Construction of the Sorrento Tower was completed in the first quarter, at which time the allocated and direct costs of constructing the units was transferred from condominium units in development to condominium units held for sale.

Condominium profits – Closings of condominium units in the Sorrento Tower commenced in February 2008. As closings occur, buyer deposits in escrow are applied, the Company recognizes revenue and profit in accordance with the 'deposit method' of SFAS No. 66, *Accounting for Sales of Real Estate.*

EITF 07-6 – In December 2007, the Emerging Issues Task Force ("EITF") of the FASB ratified its consensus on EITF No. 07-6, *Accounting for the Sale of Real Estate Subject to the Requirements of FASB Statement No. 66*, Accounting for Sales of Real Estate, *When the Agreement Includes a Buy-Sell Clause* ("EITF 07-6"). The EITF reached consensus that a buy-sell clause, in and of itself, does not constitute a prohibited form of continuing involvement that would preclude partial sale-recognition under Statement 66. This EITF is effective for fiscal years beginning after December 15, 2007 or for the Company on January 1, 2008. The adoption of EITF 07-6 did not have a material impact on the Company's consolidated financial statements.

SFAS 159 – In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Liabilities Including an Amendment of FASB Statement No. 115.* Under SFAS 159, the Company may elect to measure many financial instruments and certain other items at fair value, which are not otherwise currently required to be measured at fair value. The decision to measure items at fair value is made at specific election dates on an irrevocable instrument-by-instrument basis and requires recognition of the changes in fair value in earnings and expensing upfront costs and fees associated with the item for which the fair value option is elected. Fair value instruments for which the fair value option has been elected and similar instruments measured using another measurement attribute are to be distinguished on the face of the statement of financial position. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company adopted the provisions of this standard on January 1, 2008, and such application did not have a material effect on its financial condition, results of operations or cash flows.

EITF 06-8 – As of January 1, 2008, the Company adopted the provisions of EITF Issue No. 06-8, *Applicability of the Assessment of a Buyer's Continuing Investment under FASB Statement No. 66*, Accounting for Sales of Real Estate, *for Sales of Condominiums* ("EITF 06-8"). EITF 06-8 requires condominium sales to meet the continuing investment criteria in SFAS 66 in order for profit recognition under the percentage-of-completion method. For sales that do not meet the continuing investment criteria in SFAS 66, EITF 06-8 requires that such transactions be accounted for using the deposit method with profits deferred until the sales qualify for percentage-of-completion, or full accrual accounting in later periods. The adoption of EITF 06-8 did not have a material impact on the Company's consolidated financial statements.

SFAS 157 – In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurement. SFAS 157 does not require any new fair value measurements. The provisions of SFAS 157 are effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. In January 2008, the FASB deferred the effective date for one year for certain non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company adopted the provisions of this standard, as amended, on January 1, 2008, and such application did not have a material effect on its financial condition, results of operations or cash flows. See "Note 7 — Fair Value Measurements" for disclosures required by this standard.

Recently issued accounting pronouncements

SFAS 162 – In May 2008, the FASB issued SFAS No. 162, "*The Hierarchy of Generally Accepted Accounting Principles*". SFAS No. 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with generally accepted accounting principles. SFAS No. 162 will become effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "*The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles.*" The Company does not anticipate the adoption of SFAS No. 162 will have a material impact on its results of operations, cash flows or financial condition.

FSP FAS 142-3 – In April 2008, the FASB issued FASB Staff Position FAS 142-3, "*Determination of the Useful Life of Intangible Assets*" ("FSP FAS 142-3"). FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, "*Goodwill and Other Intangible Assets*". FSP FAS 142-3 also requires expanded disclosure related to the determination of intangible asset useful lives. FSP FAS 142-3 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The Company is currently evaluating the impact that the adoption of FSP FAS 142-3 will have on its consolidated results of operation, cash flows or financial condition.

SFAS 161 – In March 2008, the FASB issued SFAS No.161, "*Disclosures About Derivative Instruments and Hedging Activities, an amendment of SFAS No.133*". SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. This statement is effective for fiscal years beginning after November 15, 2008. SFAS 161 is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

SFAS 160 – In December 2007, the FASB issued SFAS No.160, "*Noncontrolling Interest in Consolidated Financial Statements, an amendment of ARB No.51.*" This statement establishes accounting and reporting standards for ownership interest in subsidiaries held by parties other than the parent and for the deconsolidation of a subsidiary. It also clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 changes the way the consolidated statement of operations is presented by requiring consolidated net income to be reported at amounts that include the amount attributable to both the parent and the noncontrolling interests. The statement also establishes reporting requirements that provide sufficient disclosure that clearly identify and distinguish between the interest of the parent and those of the noncontrolling owners. This statement is effective for fiscal years beginning on or after December 15, 2008. The adoption of SFAS 160 is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

4. FONTAINEBLEAU FLORIDA HOLDINGS, LLC TRANSACTION

On April 9, 2008, an indirect subsidiary of the Company and Nakheel Hotels FB US Miami LLC, ("Nakheel") entered into a limited liability company agreement for Fontainebleau Nakheel Miami JV, LLC (the "Miami Joint Venture"), a 50/50 joint venture for the Miami Property. On April 9, 2008, the Company contributed 100% of its interests in Fontainebleau Florida Holdings, LLC ("Florida Holdings"), the owner of the Miami Property, to the Miami Joint Venture and Nakheel contributed $375.0 million in cash. Of the cash contributed by Nakheel, $112.5 million remained at the Miami Joint Venture and $262.5 million was distributed to the Company. Coincident with the transaction, a subsidiary of the Company will manage the Miami Property.

Other contingent adjustments to capital contributions include, but are not limited to, the following:

- If legislation permitting gaming at the Miami Property is passed by December 31, 2012, subject to certain conditions, the Company will receive additional contingent consideration of $75.0 million or $90.0 million depending whether slot gaming or slot and table gaming is permitted, respectively.

- The Company will receive additional capital contributions of $20.0 million from Nakheel if the net income of the Miami Joint Venture is at least $93.2 million for the year ending December 31, 2012.

- The Company will make a repayment to Nakheel of $50.0 million if legislation permitting gaming is not passed by December 31, 2012, subject to certain conditions.

- The Company will pay Nakheel up to $10.0 million as part of a rental participation guarantee that the condominium/hotel rental participation will not be less than 88% as of January 1, 2013.

- The Company will pay liquidated damages to Nakheel if the Miami Property is not completed by February 28, 2009.

The Company has not recorded the two contingencies requiring Nakheel to make additional payments as the likelihood of their occurrence is not readily determinable. The effects of the repayments to Nakheel of a portion of its capital contribution have been deferred as they are either not readily determinable or are remote.

The transaction did not affect existing mortgages, pledges, and other collateral securing the existing debt related to the Miami Property and Nakheel JV Member took its interest in the Miami Joint Venture subject to the conditions of existing debt, as amended.

Fontainebleau Resort Manager, LLC ("FBRM"), a wholly-owned and indirect subsidiary of the Company entered into a management agreement with the Miami Joint Venture for the Miami Property with a term of 30 years (the "Management Agreement"). The Management Agreement provides for management fees equal to 3.0% of gross revenues and 1.5% of third party revenue of the Miami Property's operations and an incentive fee of approximately 10% of operating income. A side letter executed simultaneous with the Management Agreement and other transaction documents waives the management and incentive fees through December 31, 2014. As the Company is obligated to perform these services without compensation, the waived fees are considered as included in the $375.0 million of cash contributed, thereby prepaid and excluded from the calculation of gain. Because of the uncertainty in calculating the net present value of estimated future fees, no recognition of the deferred management fee has been made separate from the deferred gain described below. Management fees will be recognized as income when earned by reducing the deferred gain. During the three and nine months ended September 30, 2008, fees of $0.3 million and $0.4 million were recognized and reduced the deferred revenue.

The transaction has been accounted for as a partial sale of real estate. As a partial sale, profit can be recognized when a seller retains an equity interest in the assets, but only to the extent of the outside equity interests, and only if the following criteria are met: 1) the buyer is independent of the seller; 2) collection of the sales price is reasonably assured; and 3) the seller will not be required to support the operations of the property to an extent greater than its proportionate retained interest.

The transaction immediately meets criteria 1 and 2, despite the Company's equity interest and ongoing management of the project, because the Company does not control the venture and the management and other agreements between the Company and the Miami Property have been assessed as being fair market value contracts. Criteria 3 was evaluated under EITF 07-6, *Accounting for the Sale of Real Estate Subject to the Requirements of FASB Statement No. 66*, Accounting for Sales of Real Estate, *When the Agreement Includes a Buy-Sell Clause*, the Company assessed whether it had a prohibited form of continuing involvement based on the presence of certain contingent repurchase options, including an option to purchase the Nakheel interest under certain call rights, rights of first refusal, and if Nakheel is denied required gaming approvals. The Company assessed the probability of these contingencies as remote and, therefore, determined that a prohibited form of continuing involvement does not exist.

As described above, the Company did not receive the entire amount of the sales price, as a portion remained in the Miami Joint Venture to fund near-term construction costs. The Company expects such funds to remain in the Miami Joint Venture and not be distributed; therefore, the Company believes that portion of the gain does not meet criteria 2 above and has been deferred. The calculation of the deferred gain amount on the balance sheet is as follows (in thousands):

Cash received from Nakheel	$	375,000
Amount to remain in the Miami Joint Venture		(112,500)
Net cash received		262,500
Less: 50% of negative basis in Fontainebleau Florida Holdings, LLC		3,803
Less: Management fees recognized April 9, 2008 to September 30, 2008		(616)
	$	265,687

In accordance with the provisions of Financial Interpretations No. 46R, *Variable Interest Entities*, the Company determined that the Miami Joint Venture is a variable interest entity and that Fontainebleau Resorts, through certain subsidiaries, is the primary beneficiary of the operating results of the Miami Joint Venture. Under the transaction agreements, from April 9, 2008 through the substantial completion date of the Florida Project, gains and losses of the Miami Joint Venture are allocated 98% to the Company and 2% to Nakheel. After the substantial completion date, gains and losses are allocated pro rata among the Company and Nakheel in accordance with their percentage ownership interests. In addition to the Company having substantial continuing involvement in the construction and operations of the Miami Property, the Company has made construction completion and debt guarantees to Nakheel. The results of operations, financial position and cash flows of the Miami Joint Venture are included within the unaudited condensed consolidated financial statements of Fontainebleau Resorts. The Company will reassess the requirements to consolidate the Miami Joint Venture upon completion of the Florida Project.

5. OTHER CURRENT ASSETS

Other current assets consisted of the following (in thousands):

	September 30, 2008		December 31, 2007	
Inventories	$	571	$	104
Prepaid expenses		4,408		1,166
Other current assets	$	4,979	$	1,270

6. CONDOMINIUM UNITS IN DEVELOPMENT, CONDOMINIUM UNITS HELD FOR SALE

At September 30, 2008, condominium units in development represents the capitalized costs of condominium-hotel units in the Las Vegas Project. At December 31, 2007, units in the Sorrento Tower and in the Las Vegas Project comprise the balance. The components of each were (in thousands):

	September 30, 2008	December 31, 2007
Land	$ 40,087	$ 40,087
Construction-in-progress:		
Direct contruction and development costs	239,562	140,115
Capitalized interest	12,453	6,948
Cumulative development cost of condominium units	292,102	187,150
Cost of units transferred to held for sale	(135,743)	-
Condominium units in development	$ 156,359	$ 187,150

	September 30, 2008	December 31, 2007
Cumulative cost of units transferred to held for sale	$ 135,743	$ -
Cumulative cost of sales of condominium units	(101,846)	-
Condominium units held for sale	$ 33,897	$ -

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following (in thousands):

	September 30, 2008	December 31, 2007
Land	$ 276,835	$ 276,835
Buildings	31,891	31,885
Leasehold improvements	1,186	1,186
Furniture, fixtures and equipment	9,905	4,683
Construction in progress:		
Development costs:		
Las Vegas Project	1,213,766	485,505
Florida Project	484,708	217,490
Sorrento	6,216	6,216
Development artwork	3,963	4,733
Capitalized interest	90,014	28,978
	2,118,484	1,057,511
Accumulated depreciation	(6,651)	(4,826)
Property and equipment - net	$ 2,111,833	$ 1,052,685

8. RESTRICTED CASH

Restricted cash consists primarily of certain proceeds of the Company's financing activities restricted by agreements governing the payment of certain construction and development costs relating to the Resort Projects and the Las Vegas Project.

The table below outlines the components of restricted cash (in thousands):

	September 30, 2008	December 31, 2007
Las Vegas Initial Term Loan proceeds	$ 488,860	$ 681,546
Second Mortgage Notes proceeds	-	375,667
Las Vegas Project liquidity reserve	50,000	50,000
Letter of credit deposit	30,000	-
Total restricted cash related to the Las Vegas Project	568,860	1,107,213
Construction reserve	-	25,000
Miami Mezzanine lender reserve	4,382	7,306
Sorrento sales proceeds	3,891	-
Letter of credit deposit	1,200	-
Buyers deposits in escrow	6,660	23,336
Total restricted cash related to the Miami Project	16,133	55,642
Total restricted cash	584,993	1,162,855
Restricted cash - current	6,660	-
Restricted cash - long-term	$ 578,333	$ 1,162,855

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The components of accrued expenses and other current liabilities included (in thousands):

	September 30, 2008	December 31, 2007
Accrued legal settlements	$ 1,500	$ 10,500
Advance room deposits	5,254	1,576
Accrued payroll and related	4,345	2,421
Accrued real property taxes	2,244	-
Accrued cancelation liability	1,925	276
Taxes collected	377	351
Sponsorship	500	500
Accrued professional fees	3,456	3,265
Sorrento development liabilities	680	-
Other	3,425	295
Accrued expenses and other current liablities	$ 23,706	$ 19,184

10. OTHER LONG-TERM LIABILITIES

Other long-term liabilities included the following (in thousands):

	September 30, 2008	December 31, 2007
Credit enhancement fee	$ 6,110	$ 2,687
Investment in Florida Holdings	3,803	-
Sorrento marketing fee	-	3,740
Accrued exit fee	1,250	1,250
Bonus accrual	419	70
Deferred lease	327	567
Other	36	36
Other long-term liabilities	$ 8,142	$ 8,350

11. LONG-TERM DEBT

The components of long-term debt and capital leases were:

	September 30, 2008	December 31, 2007
Las Vegas Credit Facility:		
Las Vegas Initial Term Loan	$ 700,000	$ 700,000
Delay Drawed Term Loan	-	-
Las Vegas Revolver	-	-
Second Mortgage Notes	675,000	675,000
Las Vegas Retail Facility:		
Retail Senior Loan	142,381	131,188
Retail Mezzanine Loan	105,837	94,022
Miami Credit Facility:		
Miami Construction Loan	353,029	189,529
Miami Term Loan:		
Tranche A Term Loan	90,000	90,000
Tranche B Term Loan	30,000	30,000
Tranche C Term Loan	100,000	100,000
Miami Mezzanine Loan	40,000	40,000
Sorrento Construction Loan	-	71,779
	2,236,247	2,121,518
Current portion of long-term debt	-	(71,779)
	$ 2,236,247	$ 2,049,739

12. DERIVATIVE INSTRUMENTS

The Company's credit agreements require that subsidiaries of the Company enter into hedging transactions to limit it's exposure to interest rate fluctuations and the Company utilizes derivative financial instruments to manage its interest rate risk on variable interest borrowings. Although the Company's derivative instruments are highly effective in fixing interest rate exposure, not all of the Company's derivative financial instruments qualify for hedge accounting under SFAS No. 133, *Accounting for Derivative Financial Instruments and Hedging Activities, as amended.*

At September 30, 2008, the Company's subsidiaries were party to three interest rate caps with a total notional value of $298.5 million (at September 30, 2008) accreting to $440.0 million, seven interest rate swaps with a total notional value of $666.0 million and nine interest rate collars with a total notional value accreting from $684.0 million (at September 30, 2008) to $1.2 billion.

For the derivative instruments that qualify, adjustments to record the change in fair market value of the agreements are reflected in accumulated other comprehensive income in members' equity. For the derivative instruments that do not qualify or are not designated as eligible, adjustments to record the change in fair market value of the agreements are reflected in unrealized loss on derivative instruments in the unaudited condensed consolidated statements of operations. The unpaid net settlements on hedging instruments are recorded as a receivable or a payable on the accompanying unaudited condensed consolidated balance sheets. The Company records settlements on derivative instruments as an adjustment to interest expense in the unaudited condensed consolidated statement of operations if the instrument qualifies for hedge accounting under SFAS 133. Net settlements on derivative instruments that do not qualify under SFAS 133 are recorded as an adjustment to unrealized loss on derivative instruments in the unaudited condensed consolidated statement of operations. See Note 14 for fair value information related to these instruments.

The net difference between the interest receivable and the interest payable under the interest rate agreements was a payable of $1.1 million at September 30, 2008 and a receivable of $0.2 million at December 31, 2007, which is included in 'other long-term liabilities' and 'deposits and other long-term assets', respectively, in the accompanying condensed consolidated balance sheets.

13. RELATED AND AFFILITED PARTY TRANSACTIONS AND AGREEMENTS

Soffer Transactions – The Company engages in a variety of transactions with entities owned or controlled by Mr. Soffer. During the nine months ended September 30, 2008, the Company has not engaged in any transactions a nature other than those described in Note 13 to the Company's consolidated financial statements for the year ended December 31, 2007, except for the items described in Note 17 ("Subsequent Events"). See Note 16 for discussion of transactions subsequent to September 30, 2008.

Homeowners' Association – Since 2005, the Company has provided certain services to and shared certain expenses with the homeowner's association (HOA) of the Trésor Tower. In 2008, the Company also commenced management of the Sorrento Tower and its HOA and provides services to the Sorrento HOA similar to those provided to the Trésor HOA.

Management Agreements

Fontainebleau Miami Beach – On April 9, 2008, subsidiary of Fontainebleau entered into an agreement with the Miami Joint Venture to provide management services to the Fontainebleau Miami Beach. In return for these services, the Fontainebleau subsidiary receives management fees equal to 3% of gross revenues and 1.5% of third-party revenues, as well as an incentive fee equal to 10% of operating income (all as defined in the management agreement). Additionally, certain shared services are provided to the Fontainebleau Miami Beach, reimbursement for which is provided to Fontainebleau and its subsidiaries.

In side letters to the management agreement, the management and incentive fees were waived through December 31, 2014, and the shared services reimbursement is limited to $750,000 annually. For accounting purposes, the management and incentive fees are deemed to be prepaid and included in the $375.0 million described in Note 4. The Company recognized $0.3 million and $0.6 million of management and shared services fees in the three and nine months ended September 30, 2008.

Miami Joint Venture - On April 9, 2008, the Miami Joint Venture named a subsidiary of Fontainebleau as the managing member of the Miami Joint Venture. In return for these services, the Fontainebleau subsidiary receives an annual fee management fee of $750,000.

14. FAIR VALUE MEASUREMENTS

Effective January 1, 2008, the Company adopted the provisions of SFAS No. 157, "*Fair Value Measurements*," which defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 also clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

As of September 30, 2008 and December 31, 2007, all of our derivative instruments carried at fair value were measured using Level 2 inputs in the SFAS 157 hierarchy. At September 30, 2008, this included $.7 million of non-current and total assets, a $1.1 million current liability and a $34.8 million non-current liability, or $35.9 million of total liabilities. At December 31, 2007, the Company's derivative instruments carried at fair value included a $0.2 million current asset and a $0.6 million non-current asset, or $0.8 million of total assets, and $29.6 million of non-current and total liabilities.

The carrying amounts of variable rate long-term debt currently approximate their respective fair values based on the regular resetting of interest rates. The Company has $675.0 million of Second Mortgage Notes with a coupon rate of 10.25% and a book value of $675.0 million. The fair value of this fixed rate long-term debt at September 30, 2008 and December 31, 2007 was $108.0 million and $587.3 million, respectively, measured using trading values in active markets at the end of the reporting period based upon trading information from external sources.

15. COMMITMENTS AND CONTINGENCIES

FB Retail funding – In connection with the financing and development of the approximately 286,500 square-foot retail component of the Las Vegas Project, Fontainebleau Las Vegas Retail, LLC ("FB Retail") obtained an $85.0 million mezzanine loan (the "Retail Mezzanine Loan") and a $315.0 million senior retail construction loan (the "Retail Construction Loan", and collectively with the Retail Mezzanine Loan, the "Retail Credit Facility"), of which $85.0 million and $125.4 million, respectively, were funded in September 2007 at origination. Both facilities were underwritten by Lehman Brothers Holdings, Inc. ("Lehman Brothers"), and the construction facility was partially syndicated to third party lenders. Of the total $400.0 million Retail Credit facility, approximately $83.0 million has been dedicated towards shared construction costs in the Las Vegas podium ("Shared Costs"). The Company began drawing for the Shared Costs in August 2008.

On September 16, 2008, Lehman Brothers filed for bankruptcy protection. The Company has been working diligently with Lehman Brothers and the co-lenders to ensure that there is no interruption in funding for the retail component. There can be no assurances that Lehman Brothers will continue to fund all or any portion of its remaining obligation under the Retail Construction Loan, or that the co-lenders will fund any Lehman Brothers shortfall in funding.

Legal matters

Employment – On May 4, 2006, the Company terminated an executive's employment with the Company, asserting a right to do so for cause. On May 17, 2006, the executive filed a Demand for Arbitration with the American Arbitration Association requesting damages in excess of $5.0 million, plus fees and costs in connection with the termination of her employment under her employment agreement with the Company. However, the Company disputed the claims of the executive and filed a counter claim that claimed damages in excess of $10.0 million and intended to vigorously defend the Demand for Arbitration.

In a related matter, on June 1, 2006, the Company's Board of Managers acted to invalidate, nullify, and void an action previously taken on January 31, 2006, in which the Board approved the acceleration of vesting of an additional 30% (258,750 Class A Units) of the executive's initial equity award of 862,500 Class A Units under the Company's Plan adopted by Equity. It is the Company's position that the senior executive holds 172,500 vested Class A Units in Equity, and has forfeited the remaining 690,000 Class A Units of the initial equity award granted under the Plan. In accordance with the Plan, any Class A Units granted to the executive that are forfeited will be reissued to SFALP and will not have an effect on the total number of outstanding Class A Units of Equity.

In February 2008, all parties agreed to a settlement that obligates the parties to fully release each other and to dismiss the arbitration with prejudice upon the payment by the Company to the estate of the terminated executive of $4.5 million and the forgiveness of $0.2 million in amounts receivable from the terminated executive. The settlement was recorded as a settlement of litigation expense in the consolidated statement of operations for the year ended December 31, 2007. On May 23, 2008, the Company paid $1.0 million of the $4.5 million settlement. The remaining $3.5 million unpaid settlement liability at September 30, 2008 is recorded as an accrued expense within current liabilities on the accompanying condensed consolidated balance sheet as of September 30, 2008. The Company is required to pay $2.0 million of the settlement by September 15, 2008 and the remaining $1.5 million by December 31, 2008.

The parties further agreed that the terminated executive holds a total of 220,000 vested Class A Units of Equity. All remaining Class A Units of the initial equity award granted to the executive on May 11, 2005, under the Incentive Award Plan were forfeited.

Biloxi – In October 2005, the Company considered entry into the Biloxi, Mississippi market in light of changes to the Mississippi laws following Hurricane Katrina to permit land-based casinos. The Company was approached by an investor ("Investor") who proposed a joint venture to develop a hotel, condominium and casino project (referred to as the "Biloxi project"). The Company was unsuccessful in negotiating the acquisition of a key property to enter the market and discontinued efforts to enter the market. The Company paid $0.3 million as 50% of a deposit on a parcel of land called the Hancock Bank site, with the expectation by the Company of a successful Biloxi project. Investor also expected that the Company would be successful and purchased or made additional deposits toward the purchase of, the Hancock Bank site and six other properties that could provide contiguous land for the proposed Biloxi project. In May 2006, Investor submitted to the Company a request for reimbursement for the Company's purported 80% share of the $7.3 million in acquisition and other costs that Investor had paid.

Because no formal joint venture with Investor was consummated and the Company does not hold legal title to any of the properties involved, the Company recorded only the $0.3 million deposit as of December 31, 2005. The Company's $0.3 million deposit was forfeited on June 27, 2006 and written off. In April 2008, following approximately two years without further demand by the Investor, the Company received a notice of claim from counsel representing the estate of the now deceased Investor for reimbursement of an unspecified amount for the Company's purported share of the acquisition price and maintenance costs for land acquired by the Investor. No proceeding has been filed against the Company. The Company intends to vigorously dispute the claim, denies that any joint venture was formed or that it has any obligation to Investor's estate to reimburse any sums expended by Investor and asserts that Investor's actions to acquire land were made individually by the Investor without any participation by the Company.

Krystle Towers – The Company and one of its subsidiaries were defendants, among others, in litigation filed March 28, 2005, in District Court, Clark County, Nevada (the "Court"), comprised of 35 consolidated cases in which the plaintiffs alleged that the Company parties and certain other defendants wrongfully terminated the plaintiffs' purchase agreements for condominium units in a condominium development to be located on the Algiers property. On October 30, 2007, all parties executed a settlement agreement that obligates the parties to fully release each other and dismiss all cases with prejudice upon the payment of $6.0 million by the Company and additional consideration by non-Company defendants. The Company recorded the expense and related liability for this settlement as of September 30, 2007 and made the payment in January 2008. On January 30, 2008, all cases were dismissed with prejudice in accordance with the settlement agreement.

On July 17, 2007, a separate action that was initially filed in 2005 and later dismissed was refiled against the Company parties by another potential purchaser of a condominium unit in the defunct condominium development. The plaintiff in this action, which was not consolidated with the other cases, made the same claims of an equitable interest in the property and monetary damages. On February 13, 2008, the case was dismissed with prejudice upon the payment of $0.02 million by the Company and additional consideration by non-Company defendants, and the execution of full releases by the parties. The Company is also a party to other claims and litigation related to its business. While it is not possible to predict with certainty the outcome of these cases, management believes that the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial condition, results of operations, or cash flows.

Turnberry Place – On July 27, 2007, certain residents (the "Petitioners") of Turnberry Place condominium complex filed suit in the Court against the Clark County Board of Commissioners (the "County Board"). The Petitioners were asking the court to set aside a special use permit granted by the County Board allowing an increase in the height of the parking garage/convention center complex (the "Garage Complex") at the Fontainebleau Las Vegas on the basis that the Garage Complex violated residential zoning standards.

On August 9, 2007, the Company's subsidiary intervened in the action to oppose the residents' petition. The residents have requested that the Court order a halt of construction on the Garage Complex, the special use permit be set aside and the County Board set the matter for rehearing so that the residents can have adequate time to present their case to the County Board. On October 19, 2007, the Court affirmed the decision of the County Board and denied the petition in its entirety. On or about November 8, 2007, the Petitioners filed a Notice of Appeal with the Supreme Court of Nevada. The Petitioners and the Fontainebleau Las Vegas attended a Court-mandated settlement conference on February 7, 2008, but did not reach a settlement. The parties have filed briefs with the Supreme Court of Nevada.

Sorrento Tower – The Company is or was a party to five lawsuits by purchasers of condominium units in the Sorrento Tower asserting a right not to close. Two of those lawsuits have been settled. The remaining three are in preliminary or discovery stages. The Company has also received notices of objections to closing brought by purchasers of units in the Sorrento Tower, asserting a right not to close as well as requests to terminate the purchase agreements. As of September 30, 2008, the Company has terminated the purchase agreements relating to thirty-three units with an aggregate purchase price of $21.9 million and refunded all or a portion of the related deposits in the amount of $3.7 million. The Company is in the final stages of closing the remaining units or terminating the purchase agreements, except those units in litigation. See Note 17 for information on purchase agreements terminated subsequent to September 30, 2008.

In addition, two wholly-owned subsidiaries of the Company were parties to a lawsuit filed on August 1, 2008 by a subcontractor on the Sorrento project. This matter was dismissed with prejudice on September 25, 2008.

Reopening of the Fontainebleau Hotel – Prior to the close of the second quarter 2008, management changed the scheduled reopening date of the Fontainebleau Hotel from July 1, 2008 to September 6, 2008. In August 2008, the reopening date was changed again, to October 18, 2008 (see Note 17 – the reopening was further delayed to November 21, 2008).

One group with a scheduled arrival date prior to the revised reopening asserted a contractual right to cancel its booking if the Chateau and Versailles hotel towers were not open at least 60 days before the group's scheduled arrival and further asserted a right to collect liquidated damages in the amount of $3.0 million in the event of such termination. The Company disputes the liquidated damages claim and notified the group on August 17, 2008, that it was terminating the contract without liability as a consequence of delays caused by force majeure events. No provision for liability has been recorded.

The Company had 13 customers with group reservations under contract between September 6 and October 17, 2008. The Company is negotiating the amount of reimbursements of cost due to the cancellations such as transportation, reprint collateral material or other incidental expenses. Excluding any potential damages relating to the group noted in the preceding paragraph (and the potential damages due to a later additional revision – see Note 17), the Company estimates that the total amount paid related to the delayed opening date will be approximately $1.4 million, of which $0.2 million was paid prior to September 30, 2008.

Other – The Company is also a party to other claims and litigation related to its business. While it is not possible to predict with certainty the outcome of these cases, management believes that the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial condition, results of operations, or cash flows.

Dubai development – In July 2008, a wholly owned indirect subsidiary of Fontainebleau signed a non-binding memorandum of understanding with Istithmar Hotels FZE, an affiliate of Nakheel PJSC, regarding the potential formation of a joint venture initially to develop a luxury hotel and resort at the crown of the

Palm Jebel Ali, Dubai. The joint venture is expected to be a 50-50 joint venture, with each party contributing the same initial consideration to the development of the resort. A Company subsidiary would serve as the developer of the project and earn a development fee in connection with those services. It is also contemplated that a separate wholly owned indirect subsidiary of Fontainebleau Resorts would serve as the resort manager of the resort and earn a separate fee. Any such development would be subject to, among other things, obtaining adequate financing, securing appropriate land, and securing appropriate development and construction permits and other necessary licenses. The parties have not signed any definitive agreements in respect of the proposed development, and there can be no assurance that any such agreements will be signed. Fontainebleau's involvement in this project would require it to raise, invest and spend significant amounts of capital. There can be no assurance that it will elect to do so or be able to do so on terms that are acceptable to it.

16. CASH FLOW DISCLOSURES AND SUPPLEMENTAL INFORMATION

	Nine Months Ended September 30, 2008	2007
		As Restated - See Note 2
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid during the period, net of amounts capitalized	$ 81,980	$ 62,023
SUPPLEMENTAL DISCLOSURES OF NON-CASH AND INVESTING/FINANCING ACTIVITIES:		
Interest paid in kind and accrued as additional principal	$ 16,794	$ 18,993
Change in construction liabilities	$ 167,797	$ 79,723
Condominium units transferred from in development to held for sale	$ 135,743	$ -
Amount of preferred unit dividend	$ 19,853	$ 7,653
Interests in Florida Holdings included in deferred gain	$ 3,803	$ -

17. SUBSEQUENT EVENTS

Soffer transactions – On October 17, 2008, Fontainebleau executed a promissory note in favor of Jeffrey Soffer to evidence a $25.0 million loan (the "Soffer Loan") made by Mr. Soffer to Fontainebleau. These funds were transferred to subsidiaries of the Company as cash support under the Completion Guaranty previously entered into by Turnberry Residential Limited Partner, L.P. (TRLP) with the agent for the Miami Credit Facility lenders. On October 17, 2008, TRLP assigned certain rights and obligations (Partial Assignment) related to the Completion Guaranty and Credit Enhancement Fee Agreement (see below) to Fontainebleau, which became a party to the Completion Guaranty. At the same time, Fontainebleau provided security for the Soffer Loan by entering into a Collateral Assignment of its right to receive Completion Guaranty reimbursement payments under the Credit Enhancement Fee Agreement dated June 6, 2007 between Company subsidiaries and TRLP.

On November 24, 2008, Mr. Soffer loaned an additional $5.0 million to Fontainebleau, which was also transferred to subsidiaries of the Company as cash support under the Completion Guaranty. The amount of the promissory note in favor of Mr. Soffer was increased to $30.0 million and the Collateral Assignment and the Partial Assignment were amended accordingly to take into account the additional Soffer loan and Fontainebleau cash support.

Equity contributions –Through subsidiaries, Fontainebleau made cash contributions to the Miami Joint Venture totaling $36.0 million and $14.2 million during October and November 2008, respectively, for use in the Florida Project.

Reopening of the Fontainebleau Hotel – Management changed the scheduled reopening date of the Fontainebleau Hotel from October 18, 2008 to November 21, 2008.

The Company had seven customers with group reservations under contract between October 19 and November 21, 2008. The Company is negotiating the amount of reimbursements of cost due to the cancellations such as transportation, reprint collateral material or other incidental expenses. The Company estimates that the total amount paid related to the additional delay in the opening date to November 21, 2008, will be approximately $1.4 million.

*****

Dep. Ex. 288

From: Jim Freeman
To: anna.m.finn@bankofamerica.com; Bolio, Brandon; brian.corum@bankofamerica.com; Naval, Ronaldo
Sent: 3/2/2009 11:59:00 AM
Subject: Fontainebleau Las Vegas Notice of Borrowing
Attachments: 3938_001.pdf

Please find attached the Las Vegas Notice of Borrowing that was faxed in this morning.

Account No.: 3750836479
Ref: Fontainebleau
ABA# 026009593

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

Track ______ Exhibit 238
Date 3-23-11
Witness FREEMAN
C. Lewis # 437 ______ Page

NOTICE OF BORROWING

March 2, 2009

Bank of America, N.A.,
as Administrative Agent
Mail Code: TX1-492-14-11
Bank of America Plaza
901 Main St.
Dallas, TX 75202-3714
Attention: Donna F. Kimbrough

Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC

Ladies and Gentlemen:

Pursuant to Section 2.4 of that certain Credit Agreement, dated as of June 6, 2007 (as amended, supplemented, replaced or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement or if not set forth therein the meanings given to them in the Disbursement Agreement, or, to the extent the Disbursement Agreement is then not in effect, the Disbursement Agreement as of the last day of its effectiveness), among Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Borrowers"), each lender from time to time party thereto and Bank of America, N.A., as administrative agent (the "Administrative Agent"), the Borrowers hereby give the Administrative Agent irrevocable notice that the Borrowers hereby request a Loan under the Credit Agreement, and in that connection set forth below the information relating to such Loan:

1. The Banking Day of the proposed Loan is March 3, 2009 (the "Borrowing Date").

2. The proposed Loan is a Disbursement Agreement Loan.

3. The proposed Loan is a Delay Draw Loan and a Revolving Loan.The Type of the proposed Loan is a Base Rate Loan.

4. The aggregate amount of the proposed Delay Draw Loan is $350,000,000, and the aggregate amount of the proposed Revolving Loan is $670,000,000.

The Borrowers agree that, if prior to the Borrowing Date any of the foregoing certifications shall cease to be true and correct, the Borrowers shall forthwith notify the Administrative Agent thereof in writing (any such notice, a "Non-Compliance Notice"). Except to the extent, if any, that prior to the Borrowing Date, the Borrowers shall deliver a Non-Compliance Notice to the Administrative Agent, each of the foregoing certifications shall be deemed to be made additionally on the Borrowing Date as if made on such date.

The undersigned is executing this Notice of Borrowing not in an individual capacity, but in the undersigned's capacity as a Responsible Officer of the Borrowers.

Very truly yours,

FONTAINEBLEAU LAS VEGAS, LLC,

and

FONTAINEBLEAU LAS VEGAS II, LLC

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: [signature]
Name: Jim Freeman
Title: Chief Financial Officer

Dep. Ex. 291-B

From: Whitney Thier
To: Albert Kotite; SONY.BEN-MOSHE@LW.com; Jed I. Bergman; Michael N. Kreitzer; Jim Freeman; Augusto Sasso; Todd.Kaplan@citadelgroup.com
Sent: 3/30/2009 1:10:03 PM
Subject: Z CAP AND GUGGENHEIM LETTERS
Attachments: 4407_001.pdf

The default notice letters were sent via FedEx on Friday. Please circulate within your firms as appropriate. Thanks.

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

From: constir3320@fbresorts.com [mailto:constir3320@fbresorts.com]
Sent: Friday, March 27, 2009 2:26 PM
To: Whitney Thier; Carlene Arnold
Subject: Z CAP AND GUGGENHEIM LETTERS

Track ______ Exhibit 291
Date 3-23-11
Witness FREEMAN
C. Lewis #4__ ________

FONTAINEBLEAU RESORTS, LLC

702 495 8100
2827 PARADISE ROAD
LAS VEGAS NV 89109

FONTAINEBLEAU.COM

March 27, 2009

Ryan Falconer, Director
Z Capital Partners, L.L.C.
Two Conway Park
150 Field Dr. Suite 300
Lake Forest, Il 60045

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

Dear Mr. Falconer:

On March 9, 2009, the Company submitted a Base Rate Notice of Borrowing to the Administrative Agent pursuant to Sections 2.1(b) and 2.4 of the Credit Agreement seeking a Delay Draw Term Loan in the aggregate amount of $350,000,000. Terms used but not defined herein are as defined in the Credit Agreement.

All conditions to the funding of this Delay Draw Term Loan were satisfied, and the overwhelming majority of lenders funded their proportionate share. On March 10, 2009, however, the Administrative Agent informed the Company that Z Capital Finance LLC ("Z Capital") had refused to fund $11,666,666.66, representing its portion of the requested Delay Draw Term Loan (the "Defaulted Funding Amount"). Furthermore, to date, Z Capital has failed and refused to remit the requested funding to the bank proceeds account.

Z Capital is in default of its obligations under the Credit Agreement, including, without limitation, Section 2.1(b) and 2.4(b). The Company demands that Z Capital immediately remit the Defaulted Funding Amount to the Bank Proceeds Account and take any and all other steps that are necessary to cure its default. Your continuing failure to fund is a material default under the Loan Documents and has resulted in substantial and continuing damage to the Company.

All rights and remedies available to the Company under the Credit Agreement and otherwise, at law and in equity, are hereby fully reserved.

Very truly yours,

Fontainebleau Las Vegas, LLC

Name: Whitney Thier
Title: General Counsel, Fontainebleau Resorts, LLC

cc: Martin Auerbach, Esq.

FONTAINEBLEAU RESORTS, LLC

702 495 8100
2827 PARADISE ROAD
LAS VEGAS NV 89109

FONTAINEBLEAU.COM

March 27, 2009

Copper River CLO
Orpheus Funding, LLC
Orpheus Holdings LLC
Sands Point Funding Ltd.
LFC2 Loan Funding LLC
c/o Guggenheim Investment Partners
135 East 57th Street
New York, NY 10022

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

On March 9, 2009, the Company submitted a Base Rate Notice of Borrowing to the Administrative Agent pursuant to Sections 2.1(b) and 2.4 of the Credit Agreement seeking a Delay Draw Term Loan in the aggregate amount of $350,000,000. Terms used but not defined herein are as defined in the Credit Agreement.

All conditions to the funding of this Delay Draw Term Loan were satisfied, and the overwhelming majority of lenders funded their proportionate share. On March 10, 2009, however, the Administrative Agent informed the Company that Copper River CLO Ltd., LFC2 Loan Funding LLC, Orpheus Funding LLC, Orpheus Holdings LLC, and Sands Point Funding Ltd. (collectively the "Guggenheim Lenders") had failed and refused to fund $10,000,000, representing their aggregate portion of the requested Delay Draw Term Loan (the "Defaulted Funding Amount"). To date, the Guggenheim Lenders have failed and refused to remit the requested funding to the bank proceeds account. In fact, Bank of America has reported to the Company that the Guggenheim Lenders have been completely nonresponsive to inquiries.

The Guggenheim Lenders are in default of their obligations under the Credit Agreement, including, without limitation, Section 2.1(b) and 2.4(b). The Company demands that the Guggenheim Lenders immediately remit the Defaulted Funding Amount to the Bank Proceeds Account and take any and all other steps that are necessary to cure their default. Your continuing failure to fund is a material default under the Loan Documents and has resulted in substantial and continuing damage to the Company.

All rights and remedies available to the Company under the Credit Agreement and otherwise, at law and in equity, are hereby fully reserved.

Very truly yours,

Fontainebleau Las Vegas, LLC

Name: Whitney Thier
Title: General Counsel, Fontainebleau Resorts, LLC