

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

IN RE:

**FONTAINEBLEAU LAS VEGAS
CONTRACT LITIGATION**

MDL NO. 2106

This document relates to all actions.

**NOTICE OF FILING ON THE PUBLIC RECORD DEPOSITION EXHIBITS
PREVIOUSLY FILED UNDER SEAL RELATED TO SUMMARY JUDGMENT
FILINGS (PART 3: DEPOSITION EXHIBITS 491-932)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DEPOSITION EXHIBITS (PART 3: Exhibits 491-932)		
Deposition Exhibit	Cantor Exhibit	Filing Status

Date: Miami, Florida
December 5, 2013

By: /s/ Jamie Zysk Isani
Jamie Zysk Isani

By: /s/ Lorenz Michel Prüss
Lorenz Michel Prüss

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*Attorneys for Plaintiffs Avenue CLO Fund,
Ltd., et al*

Attorneys for Defendant Bank of America, N.A.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **NOTICE OF FILING ON THE PUBLIC RECORD DEPOSITION EXHIBITS PREVIOUSLY FILED UNDER SEAL RELATED TO SUMMARY JUDGMENT FILINGS (PART 3: DEPOSITION EXHIBITS 491-932)** was filed with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically the Notice of Electronic Filing.

Dated: December 5, 2013.

Lorenz M. Prüss, Esq.

Dep. Ex. 491

From: Bolio, Brandon <brandon.bolio@bankofamerica.com>
Sent: Tuesday, March 24, 2009 2:41 PM
To: kaitlin.trinh@guggenheimpartners.com
Cc: Corum, Brian <brian.corum@bankofamerica.com>; Naval, Ronaldo <ronaldo.naval@bankofamerica.com>; Bill Scott <bscott@sheppardmullin.com>
Subject: Fontainebleau Las Vegas
Attach: Guggenheim Letter 03.12.09.pdf; Fontainebleau Las Vegas.msg

Kaitlin:

Per our conversation, attached is the letter regarding Fontainebleau Las Vegas that was previously sent to you on 3/12/09 (per attached e-mail).

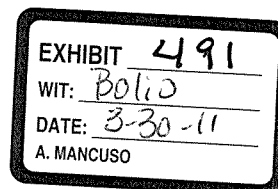
Please confirm the funding status and intentions of the lenders described in the attached letter.

Regards,
Brandon

Brandon Bolio

Corporate Debt Products - Gaming & Leisure
Bank of America
214.209.3795 | work
972.728.9492 | fax

Any information contained in or attached to this e-mail is intended solely for the use of the intended recipient(s), is confidential and may contain information that is legally privileged. If you are not an intended recipient of this e-mail, please notify the sender of the delivery error and then please delete and destroy all copies and attachments, and be advised that any review or dissemination of, or the taking of any action in reliance on, the information contained in or attached to this e-mail is expressly prohibited. See <http://www.bankofamerica.com/emaildisclaimer> (if this link is not clickable, please copy and paste the link into your browser address bar) for further important information on confidentiality, the risks inherent in electronic communication (including the possibility that e-mail messages cannot be guaranteed to be secure or free of errors or viruses), some of our policies regarding transactions and pricing and certain other matters.





March 12, 2009

Guggenheim Investment Management LLC
Kaitlin Trinh
135 E. 57th Street
New York, NY 10022
Fax Phone: 212 644 8396
Office Phone: 212 651 0840
Work Email: kaitlin.trinh@guggenheimpartners.com

Re: Credit Agreement dated as of June 6, 2007 among Fontainebleau Las Vegas, LLC (the "Company"), Fontainebleau Las Vegas II, LLC, the Lenders, and Bank of America, N.A., as Administrative Agent

Dear Ms. Trinh:

On March 9, the Company submitted a funding notice under the Credit Agreement referred to above for a \$350,000,000 Delay Draw Term Loan funding. We understand that you are fund manager or other responsible person for the following Lenders, from whom we have not received funds in response to the Company's funding notice:

Copper River CLO Ltd	\$1,333,333.33
LEC2 Loan Funding LLC	\$4,000,000.00
Orpheus Funding LLC	\$1,000,000.00
Orpheus Holdings LLC	\$666,666.67
Sands Point Funding Ltd	\$3,000,000.00

Please confirm our understanding that the foregoing Lenders do not intend to fund in response to the Company's request.

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

By: Ronaldo Naval
Ronaldo Naval, Vice President

Dep. Ex. 493

From: Bolio, Brandon. Sent: 12/22/2008 3:48 PM.
To: Paul.bonvicino@ivi-intl.com; Paul.bonvicino@ivi-intl.com.
Cc: Susman, Jeff; Susman, Jeff.
Bcc: .
Subject: RE: Fontainebleau Las Vegas.

Paul:

Please see my responses below (in blue). Let me know if you agree or if we need to discuss any of these topics further.

Thanks,
Brandon

From: MaryKay Coyle [mailto:marykay.coyle@db.com]
Sent: Monday, December 22, 2008 1:59 PM
To: Paul.bonvicino@ivi-intl.com; Susman, Jeff; Bolio, Brandon
Subject: Fontainebleau Las Vegas

I'm writing to follow up on the email that I sent last week.

Have you had a chance to review my email? I would appreciate a response at your earliest convenience.

Sincerely,
CONTACT INFO:
Mary Kay Coyle

Mary Kay Coyle
Managing Director
Deutsche Bank
60 Wall Street
New York, NY 10005
Tel#: 212-250-6039
Fax#: 212-797-5690

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Deutsche Bank does not render legal or tax advice, and the information

EXHIBIT 493
WIT: Bolio
DATE: 3-30-11
A. MANCUSO

contained in this communication should not be regarded as such.----- Forwarded by MaryKay Coyle/db/dbcom on 12/22/2008 02:56 PM -----

"Corum, Brian" <brian.corum@bankofamerica.com>

12/15/2008 02:20 PM

To

MaryKay Coyle/db/dbcom@DBAmericas, Paul.bonvicino@ivi-intl.com

cc

"Susman, Jeff" <jeff.susman@bankofamerica.com>, "Bolio, Brandon" <Brandon.Bolio@bankofamerica.com>

Subject

RE: Fontainebleau Las Vegas

MaryKay, FYI...Jeff and Brandon work on Fountainebleau, not me.

Brian

From: MaryKay Coyle [mailto:marykay.coyle@db.com]
Sent: Monday, December 15, 2008 1:03 PM
To: Paul.bonvicino@ivi-intl.com
Cc: Corum, Brian
Subject: Fontainebleau Las Vegas

Paul, by way of introduction, I am a member of the FBLV senior secured bank group and am on the private side. I'm hoping you can fill in some questions that I have related to the FBLV project that you are consulting on for the benefit of the banks.

Though I've had the chance to review the most recent project status report (#18) provided by BofA, given the increasingly challenged climate in LV coupled with the Lehman filing which clearly impacts the retail financing for the project, I'm surprised to see in your report, that this project remains relatively on time with an October 09 completion date. Having observed limited visual progress and reduced activity

on site over the past several months, I am concerned about the target date.

I'd like to hear your thoughts and comments on several questions:

* Do you have a revised completion date? To our knowledge, construction is still on schedule for a 4Q09 project opening.

* How can the project still be in balance given what appears to be limited progress over the past several months: Neither BofA nor IVI are not aware of reduced activity on site over the past several months. If you have information to the contrary, please provide the details so this can be addressed.

* I have heard that there are cost overruns over and above what has been reported since June (approx \$200MM in overruns) and that Moelis has been retained to raise additional equity to fund these overruns. What specifically are the overruns and as a related issue - how is the project in balance if there are. We are not aware of overruns besides what has been communicated in the IVI Project Status Reports. The project remains In-Balance by \$105.3MM per the latest In-Balance report on intralinks (Draw Requests / 2008 / 11.25.08 Draw Request / FB04 In-Balance Repot).

* Do you have any additional color on the retail build-out and what is happening with Lehman's expected funding going forward? So far, the retail facility lenders have continued to fund their portion of the retail shared costs when requested. Based on the last communication from the company on intralinks regarding the retail financing (Communications / Retail Facility Update Memo dtd 10/22/08), Fontainebleau continues to work to have a permanent solution if one becomes necessary.

* What is the remaining contingency and what percentage of remaining hard costs does this cover? The most recent Remaining Cost Report indicates \$105.1MM of remaining contingency. Please see the Remaining Cost Report posted monthly to intralinks (Draw Requests / 2008 / 11.25.08 Draw Request / FB06 Remaining Cost Repot). This amount of contingency is deemed adequate by IVI (see Project Status Reports) for the project based on the GC's anticipated remaining costs.

Thank you for your attention to these questions and I look forward to hearing your reply.

Sincerely,

Mary Kay Coyle
Managing Director
Deutsche Bank
60 Wall Street
New York, NY 10005
Tel#: 212-250-6039
Fax#: 212-797-5690

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Dep. Ex. 495



CONSTRUCTION CONSULTING & PROJECT MANAGEMENT

INSPECTION & VALUATION INTERNATIONAL, INC.

106 Corporate Park Drive, Suite 417
White Plains, New York 10604
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(914) 694-4007 (fax)
www.ivi-intl.com

April 8, 2009

Mr. Deven Kumar
VP of Development Finance
Fontainebleau Las Vegas, LLC.
2827 Paradise Road
Las Vegas, Nevada 89109
(702) 495-8055 (tel)
(702) 495-8403 (fax)
dkumar@fontainebleau.com

Sent by email

Re: Fontainebleau Las Vegas
Las Vegas, Nevada
IVI Project No. V61210964

Dear Mr. Kumar:

As a follow up to our project visit and meetings of April 1-3, 2009, and to consolidate our two emails of yesterday, we have the following questions.

- What is Fontainebleau's position concerning release of retainage on the subcontractors proposed by TWC? We do not believe the loan document allows the release, nor do we support the complete release of retainage prior to completion of the subcontractor's work and the proper close-out of the subcontract. The close-out process would follow the checklist provided by TWC last week.
- What subcontracts are currently in re-negotiation as a cost savings measure; if any? What are the anticipated savings per contract and cumulative savings? We were under the impression that savings were imminent.
- Please confirm that the Anticipated Final Cost of \$2,101,178,979 carried last month and this month on the ACR Summary is still all inclusive and no additional costs are anticipated for the duration of the project. We still have concerns that not all of the subcontractor claims are being carried within the submitted ACR.
- What is the status of determining the build-out limits on the Retail Level?

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WIT:	Bolio
DATE:	3-30-11
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Fontainebleau Las Vegas
IVI Project No. V61210964
April 8, 2009
Page 2 of 2

- What Scheduled Opening Date will you be putting in Section 19 of Advance Request No. 4-25-2009?
- Would you please send a copy of the executed KPMG LEED audit contract, and has KPMG provided an outside anticipated completion date or range of anticipated credits yet?
- Would you please provide a list of executed retail leases? Also, do you have a Tenant Commitment Schedule, which would include tenants, areas leased, landlord construction requirements and costs and tenant allowances.
- Have you confirmed that the MEP work for the Bars, Lounges and the Owned and Operated Restaurants are in the base trade agreements? These are not shown in the detailed breakdowns of TWC's Podium requisition.
- Have you seen the Tracy & Ryder settlement agreement and final lien waiver to approve full payment? Can we get a copy?
- How will you be handling the requests within the TWC requisition for work on the retail spaces that were to be paid from the Lehman loan? We also have to deal with the small amount put through last month. Should TWC prepare a separate requisition for these spaces to make it easier to track the costs?

We would like to have the questions resolved and requested documents before the submission of the next draw request.

Please call me at (914) 313-5113 or email me at robert.barone@ivi-intl.com if you have any questions.

Sincerely,

INSPECTION & VALUATION INTERNATIONAL, INC.



Robert W. Barone
Senior Vice President

RWB/bdi

Cc: Paul Bonvicino – IVI, Brandon Bolio – Bank of America

L:\003 Project Files\003.3 Project Management Oversight (PMO)\2006\V61210964-Fontainebleau Las Vegas\01. Correspondence\kumar 2.doc 4/8/09



Dep. Ex. 497

From: Washington, Maurice E. Sent:2/20/2009 1:26 PM.
To: jfreeman@fontainebleau.com; jfreeman@fontainebleau.com.
Cc: Bolio, Brandon; Howard, David; Varnell, Jon M; Corum, Brian; Bolio, Brandon; Howard, David; Varnell, Jon M; Corum, Brian.
Bcc: .
Subject: Letter to Fontainebleau Nevada .

Mr. Freeman,

Please see the attached letter.

Thanks

Maurice Washington
Vice President
Agency Management Officer
Tele #214-209-4128
Fax # 214-290-9544
maurice.washington@bankofamerica.com

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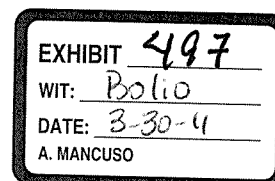
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Thank you.





Dep. Ex. 498



February 20, 2009

Via Electronic Mail

Jim Freeman, Senior Vice President and Chief Financial Officer
Fontainebleau Resorts LLC
Fontainebleau Las Vegas, LLC
2827 Paradise Road
Las Vegas, NV 89109
jfreeman@fontainebleau.com

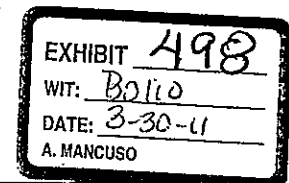
Re: Credit Agreement dated as of June 6, 2007 among Fontainebleau Las Vegas, LLC, Fontainebleau Las Vegas II, LLC, the Lenders, and Bank of America, N.A., as Administrative Agent

Dear Jim:

On February 13, the Company submitted the Advance Request for its February construction costs in the amount of \$122,370,388.67, which includes a request for a \$68 million loan under the Revolving Credit Facility. We note to you that the Advance Request was submitted after the deadline of the 11th day of the month established by Section 2.4.1 of the Master Disbursement Agreement, and request that the Company strictly observe the required deadline for any future draw requests in order to avoid disruption of the funding process. Among other problems, late submissions complicate the review of the Advance Request and related materials and coordination of Advances by the Retail Lenders. The Lenders are entitled to insist upon timely deliveries of the Advance Requests and you should understand that we will in any event require strict compliance with this deadline going forward.

This particular Advance Request is submitted at a time of continued deterioration of both the national economy and the Las Vegas marketplace, and in the context of comments contained in IVI's monthly construction report which raise some concerns about whether the Project may be experiencing increased costs. Bank of America, as Administrative Agent, has received several inquiries from Lenders on these topics, and are therefore requesting that you answer the following questions:

1) Page 7 of the latest IVI report notes IVI's concern that "certain subcontractor claims have not been fully incorporated into the report, and potential acceleration impact to meet the schedule has not been included." Similarly, on page 22, IVI states that, "[t]he Anticipated Summary anticipates a balance contingency of \$50,514,708; however IVI is concerned that the anticipated balance may drop substantially in order to meet the aggressive schedule."



W02-WEST:LAR401375087.6

-1-

(A) Please comment upon whether any additional costs exist that are not included in the budget and the Remaining Cost Report.

(B) Please comment upon the impact of any additional costs upon the ability to satisfy the In-Balance Test.

(C) Please identify any specific actual or potential cost overruns which are associated with these items.

2) Page 7 of the latest IVI report also expresses concern that "it appears that the LEED credits are tracking behind the projections, and the Developer has begun a detailed audit." Also, IVI notes on page 22 that "the Developer has provided documentation confirming LEED approval and the associated financial benefits accompanied as detailed in Section 6.10 of this report. However, it appears that the anticipated LEED credits are tracking behind projections, possibly in excess of \$15,000,000. The Developer has begun a detailed audit of the GC's cost documentation to determine if all the possible credits have been obtained from subcontractors."

(A) Please comment on the status of these audits;

(B) Please also identify any specific LEED credit shortfalls which you have identified.

(C) Please comment upon the potential impact of any additional LEED credit shortfalls upon the reported Remaining Costs of the Project and upon the ability of the Company to satisfy the In-Balance Test.

3) Please comment on the status of the Retail Facility, and the commitments of the Retail Lenders to fund under the Retail Facility, in particular, whether you anticipate that Lehman Brothers Holdings, Inc. will fund its share of requested loans, and whether the other Lenders under the Retail Facility intend to cover any shortfalls.

4) Please comment upon your view of the prospects for condominium sales at the Project and the timing of any sales.

5) Please comment on the impact of anticipated condo sales and timing of those sales on your ability to operate the Project within the existing financial covenants set forth in the Credit Agreement and to meet required interest payments and debt amortization.

In light of the current situation, we believe that it would be appropriate for the Company to provide the Lenders with updated projections reflecting currently anticipated project and interest costs, and updated expectations as to anticipated condominium sales and operating results. We would like to discuss any updated modeling you have already prepared, and what should be included in the model.

We request that you supply detailed written responses to these questions by no later than Monday, February 23, 2009.

Very truly yours,

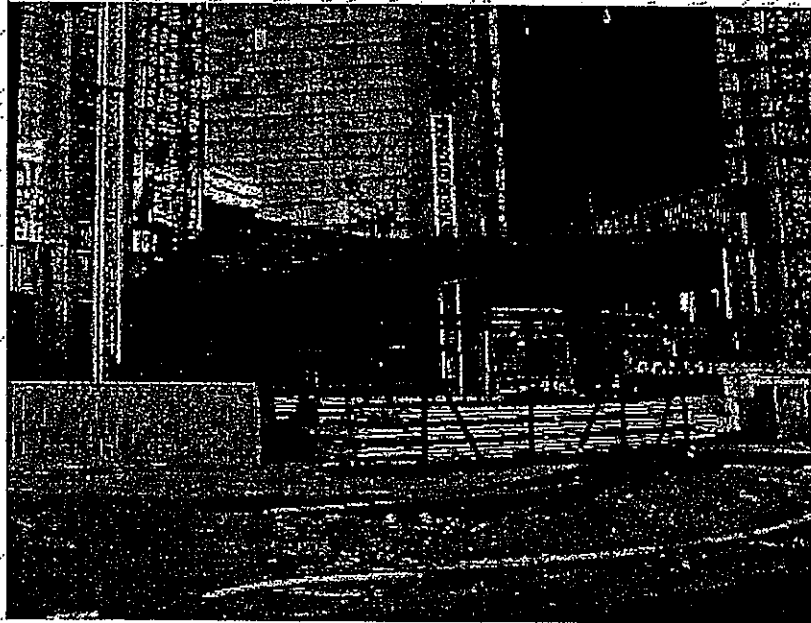
BANK OF AMERICA, N.A. as Administrative Agent

By: Maurice Washington
Maurice Washington, Vice President

Dep. Ex. 600

Project Status Report

Report No. 22
Fontainebleau Las Vegas
8,749,063 SFG Hotel & Casino
Las Vegas, Nevada



Prepared for
Bank of America
Dallas, Texas
&
Lehman Brothers Holdings, Inc.
New York, New York

March 3, 2009
IVI Project No. V61210964



EXHIBIT	600
WIT:	Bolio
DATE:	3-30-11
A. MANCUSO	



CONSTRUCTION CONSULTING & PROJECT MANAGEMENT

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(914) 694-4007 (fax)
www.ivi-intl.com

March 3, 2009

CDROM Overnight Mail

Mr. Brandon Bolio
Bank of America, N.A.
Gaming & Leisure Industry
901 Main Street, 64th Floor
Dallas, Texas 75202
(214) 209-3795 (tel)
(214) 209-0085 (fax)
brandon.bolio@bankofamerica.com

Mr. Josh Freedman
Lehman Brothers Holdings, Inc.
399 Park Avenue
New York, New York 10022
(212) 526-7000 (tel)
(212) 713-1278 (fax)
josh.freedman@lehman.com

Re: Fontainebleau Las Vegas
8,749,063 SFG Hotel & Casino
Las Vegas, Nevada
IVI Project No. V61210964

Dear Mr. Bolio and Freedman:

Attached is our Project Status Report No. 22 for the Developer's Draw Request No. 22 and the General Contractor's Requisition No. 22.

If you have any questions please call me directly at (914) 313-5067. If I am not available, please contact Robert W. Barone, R.A., LEED AP, at (914) 313-5113.

Sincerely,

INSPECTION & VALUATION INTERNATIONAL, INC.

Paul R. Bonvicino Jr.
Senior Project Manager

Reviewed by:

Robert W. Barone, LEED AP
Senior Vice President

PRB/aok

CC: jeanne.p.brown@bankofamerica.com; mrafeedie@trimontrea.com; ronaldo.naval@bankofamerica.com; brian.comm@bankofamerica.com

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SUMMARY

Anticipated Construction Cost vs. Direct Cost Budget

The Developer's direct cost budget was increased by \$190,265,022 in June 2008 to account for a significant amount of additional construction costs, resulting in a revised direct cost budget of \$2,099,999,238, and a direct cost contingency budget of \$211,894,252. The construction costs are currently within the Developer's revised direct cost budget of \$2,099,999,234. During this PC, the Prime Contract Control Budget was increased from \$1,972,635,661 to \$1,986,150,792, and the Contingency was reduced by \$13,564,877, resulting in a current direct cost contingency of \$76,848,445. This equates to 10.9% of the cost-to-complete and is adequate for the project as detailed in the Anticipated Cost Report, which reflects drawing completion and coordination; however, the ACR this PC anticipates a balance contingency of \$15,545,478 as detailed in section 3.3. While the Anticipated Cost Report indicates the Project is expected to stay within budget, IVI is concerned that all the subcontractor claims have not been fully incorporated into the report and potential acceleration impact to meet the schedule has not been included. Additionally, it appears that the LEED credits are tracking behind projections and the Developer has begun a detailed audit and the findings will be presented at the April 2009 quarterly meeting.

Construction Status

The project began in January 2007 with the Grand Opening anticipated in November 1, 2009. At 66.6% complete, the overall construction progress is tracking in-line with the latest construction schedule, which indicates a November 1, 2009 overall completion.

While the Project is tracking in accordance with the current schedule, it appears that the work in the podium may need to be accelerated to meet the aggressive target for that portion of the Project. A few venues are tentatively scheduled to open after grand opening as detailed in section 4.1.

The overall impact of the collapse to the Garage/Convention Center construction schedule is six (6) to (8) eight weeks behind schedule. At this time, it has been determined that the overall completion dated of the Garage/Convention Center will not be impacted.

Quality of Work/Conformance with Construction Documents

The work observed appears to be in general conformance to the drawings and specifications we have reviewed, and during our site visit, we did not observe any significant areas of unsatisfactory workmanship. It should be noted that the General Contractor has been maintaining a clean, relatively debris free site.

Five (5) previous material incidents occurred on-site August 2, 2007, August 6, 2007, February 11, 2008, June 3, 2008 and June 25, 2008. We understand that OSHA has acknowledged no fault or negligence on the part of TWC or FB for the August 2 and 6 incidents and will issue their formal report in 12 to 18 months (August 2008 to January 2009) for the first three (3) incidents. The fourth incident was no fault or negligent on the part of TWC or FB.

Five (5) additional incidents with minor injuries have occurred on-site, Monday December 10, 2007, Thursday January 3, 2008, Saturday January 12, 2008, Monday September 1, 2008 and Thursday October 2, 2008. The incidents are currently under investigation by OSHA and the fourth by LVPD.

Outstanding Documentation

- Formal OSHA report for the construction workers fall and the failure of the precast tees, and
- Close-out documentation for Orphan Tanks 3 and 4 (expected by June/July 2009).

These outstanding items were discussed during our previous site meetings.

1. SITE VISIT DATA

Site Visit Date: February 2, 2009

Previous Visit Date: January 5 & 6, 2009

Additional Site Visit: NA

Next Site Visit Date: March 2, 2009

Weather: Cloudy, 40°F

BofA Representative: None

LBH Representative: None

EZ Solutions: None

PCI Group: Raquel Speers-Shohet

IVI's Representative: Paul Bonvicino

Developer Entity: Fontainebleau Las Vegas, LLC

Developer Representatives: R C White, Deven Kumar, Jackie Miller, Kathy Hernandez, Bernie Glanister

Architect's Representative: Scott Walls

General Contractor's Representatives: Bob Ambridge, Bob Oehrli, Don Byrd, Ken McElfresh, Kili Ogilvie, Stephanie Cisneros, Cheryl Ross, Glen Russo, Robin Allen, Dan Ruddock, Miranda Zeller, Joe DeMarco, Cheryl Szeles

Developer's Advance Request No & Date: 26, February 13, 2009 (Exhibit "B")

Date Advance Received by IVI: February 14, 2009

General Contractor's Requisition No. & Date: 26, January 31, 2009 (Exhibit "C")

Date Requisition Received by IVI: February 14, 2009

Period Covered (PC): January 1 to January 31, 2009

2. REVIEW OF PAYMENT REQUISITION

2.1. Value of Work Completed to Date – Core and Shell

In accordance with the Form of Construction Consultant's Advance Certificate dated February 16, 2009 (Exhibit "D"), IVI has approved the following advance. Included as part of (Exhibit "B") are the following: Developer's Advance Request Certificate, Advance Confirmation Notice, Requested Cost Report, Shared Cost Allocation Report, Current Available Sources Report, Funding Order Report, Advance Request Transfer Report, Detailed Remaining Cost Report, Retail Remaining Cost Report, In Balance Report and the Contractor's Payment Application letter. In addition to the aforementioned also included as (Exhibit "B-1") are the following: Budget/Schedule Amendment Certificate dated January 31, 2009, Appendix I to Budget/Schedule Amendment, Appendix III to the Budget/Schedule Amendment Certificate and Attachment A to Budget Amendment Certificate. The General Contractor's Advance Certificate (Exhibit "C") dated January 31, 2009 and Architect Advance Certificate (Exhibit "C-1") dated February 3, 2009 is included.

a. Developer's Direct Cost Budget	\$	1,904,673,934	
b. Adjustments (approved COs, revisions, etc.)	+	195,325,304	(1)
c. Adjusted Direct Cost Budget	\$	<u>2,099,999,238</u>	
d. Value of Work Completed to Date	\$	1,427,476,576	
e. Stored Materials		42,165,329	
f. Deposits	+	17,851,638	
g. Subtotal Completed Value + Stored Materials	\$	<u>1,487,493,543</u>	
h. Less Retainage	-	89,393,925	
i. Total Completed Value Less Retainage	\$	<u>1,398,099,618</u>	
j. Less Previous IVI Recommended Disbursements	-	1,307,645,857	
k. Recommended Disbursement for the PC	\$	<u>90,453,761</u>	
l. Cost to Complete Direct Cost Budget (c - i)	\$	701,899,620	
m. IVI's Estimated Cost to Complete	\$	701,899,620	
n. Gross Percentage Complete (g/c)		70.8%	
o. Net Percentage Complete (k/c)		66.6%	
Budget Amendment No. 1	\$	5,060,279	
Budget Amendment No. 2	\$	<u>190,265,022</u>	
(1) Total Amendment change	\$	<u>195,325,301</u>	

2.2. Value of Work Completed to Date – FF&E

a. Developer's FF&E Budget	\$ 169,853,898	
b. Adjustments (approved CO's, revisions, etc.)	+	0
c. Adjusted FF&E Budget	\$ 169,853,898	(1)
d. Value of Work Completed to Date	\$	0
e. Stored Materials	+	0
f. Deposits	+	56,678,031
g. Subtotal Completed Value + Stored Materials	\$ 56,678,031	(2)
h. Less Retainage	-	687,828
i. Total Completed Value Less Retainage	\$ 55,990,203	
j. Less Previous IVI Recommended Disbursements	-	42,384,085
k. Recommended Disbursement for the PC	\$ 13,606,118	
l. Cost to Complete Direct Cost Budget (c - i)	\$ 113,863,695	
m. IVI's Estimated Cost to Complete	\$ 113,863,695	
n. Gross Percentage Complete (i/c)		33.4%
o. Net Percentage Complete (k/c)		33.0%

(1) Gaming FF&E \$ 40,871,099
 Rooms FF&E 73,784,267
 Exterior Signage 26,532,720
 Common Areas + 28,665,812
 Developer's Direct Cost Budget \$ 169,853,898

(2) The total value of deposits to date are as follows:

Gaming FF&E	\$ 150,771
Rooms FF&E	34,904,624
Exterior Signage	6,878,276
Common Areas	+
Total	\$ 14,744,360

IVI has received the FF&E overview summary of costs and status for each component as detailed in section 3.3 of this report.

2.3. Funding for Stored Materials and Deposits

During this period, additional funding was requested for off-site stored materials with the Developer providing IVI with the following (Exhibit "E"):

- An Inventory of Unincorporated Materials spreadsheet, which details a total of \$42,165,329 in currently stored materials and includes additional inventory this PC of \$8,957,783;
- Supporting documentation for stored materials, including evidence of property insurance, bill of sale and Transfer of Title; and
- Inspection report verifying Stored Materials prepared by Professional Associates Construction Services dated January 9, 2009.

During this period, funding was requested for material deposits with the Developer providing IVI with the following (Exhibit "F"):

Deposit Summary spreadsheet detailing a total of \$17,851,638 in deposits which includes deposits of \$5,135,334,701 this PC.

Stored materials and deposits to date are identified in the following tables:

Description of item (Tower 200)	Storage Location	Cumulative Off-Site Stored Value	Cumulative On-Site Stored Value	Key	Authorize Funding
Copper Tubing-Plumbing	2020 Mendenhall, NLV, NV	\$484,769		1, 2, 3, 5, 6	9
FCU/Thermal Fuse	16791 Burke La, Huntington Beach	\$188,793		1, 2, 3, 5, 6	9
MC Cable	3950 W Diablo Dr., LV, NV	\$29,668		1, 2, 3, 4	9
Hardware	4030 Industries, NLA, NV	\$557,228		1, 2, 3	9
Condo Mirrors	4030 Industries, NLA, NV	\$15,854		1, 2, 3	9
Condo Millwork	4030 Industries, NLA, NV	\$2,537,195		1, 2, 3	9, 10
Condo Shower Doors	4030 Industries, NLA, NV	\$787,919		1, 2, 3	9
Condo Closets	4030 Industries, NLA, NV	\$225,821		1, 2, 3	9, 10
Vanities+T5761	16791 Burke La, Huntington Beach	\$706,736		1, 2, 3	9, 10
Brackets	16791 Burke La, Huntington Beach	\$250,000		1, 2, 3	9
T1 Elevator Lobbies	16791 Burke La, Huntington Beach	\$74,100		1, 2, 3	9
Stone Shelves	16791 Burke La, Huntington Beach	\$12,785		1, 2, 3	9
Fire Alarm MC Cable	4375 s. Valley View, LV, NV	\$15,410		1, 2, 3	9
Condo Trim	4030 Industries, NLA, NV	\$89,821		1, 2, 3	9
Calacatta Oro	3750 W. Quail Ave, LV, NV	\$33,917		1, 2, 3	9
Tile Material	2020 Mendenhall, NLV, NV	\$2,198,381		1, 2, 3	9, 10
Glass Shower/Part	4030 Industries, NLA, NV	\$1,319,054		1, 2, 3	9
FCU/Thermal Fuse	16791 Burke La, Huntington Beach	\$189,956		1, 2, 3	9
Bath Accessories	280 Orville Wright, LV, NV	\$200,197		1, 2, 3	9
Lighting Fixtures	3950 W Diablo Dr., LV, NV	\$813,322		1, 2, 3	9
MC Cable	4375 s. Valley View, LV, NV	\$71,217		1, 2, 3	9
Misc. Elec. Materials	4375 s. Valley View, LV, NV	\$379,146		1, 2, 3	9
Elevator Lobbies	16791 Burke La, Huntington Beach	\$1,242,600		1, 2, 3	9
Lighting Fixtures	13169 Slover Ave., Fontana, CA	\$131,457		1, 2, 3	9
Cable Tray	3455 W Reno Ave, Sun Valley	\$94,476		1, 2, 3	9
Trim+Suite Shower drs	4030 Industries, NLA, NV	\$764,655		1, 2, 3	9
Welded Frames	4030 Industries, NLA, NV	\$119,255		1, 2, 3	9
Crown Molding	4030 Industries, NLA, NV	\$291,202		1, 2, 3	9
Elevator Materials	4855 West Harmon, LV, NV	\$6,011,074		1, 2, 3	9
LED Color Changing	30733 W Ten Mile, Farmington, MI	\$588,415		1, 2, 3	10
Wiring Devices	6065 Polaris	\$375,540		1, 2, 3	9
Electrical Materials	4375 s. Valley View, LV, NV	\$223,301		1, 2, 3	9
Pocket Fascia Bds	Architectural Materials	\$117,837		1, 2, 3	9
KD Frames	4030 Industries, NLA, NV	\$280,176		1, 2, 3	9
Condo Kitchen	4030 Industries, NLA, NV	\$45,477		1, 2, 3	9
Granite	6025 Hauck St, LV, NV	\$392,791		1, 2, 3	10
Wood Doors	4030 Industries, NLA, NV	\$4,373,096		1, 2, 3	9
Upgrade beam/case	4030 Industries, NLA, NV	\$189,902		1, 2, 3	9
Upgrade hardware	4030 Industries, NLA, NV	\$186,616		1, 2, 3	9
Closet Doors	4030 Industries, NLA, NV	\$1,368,919		1, 2, 3	9, 10
Mirrors+Door Mirrors	4030 Industries, NLA, NV	\$593,312		1, 2, 3	9, 10
Appliances+Econ	Econ Warehouse	\$97,484		1, 2, 3	9
Polished Tile	2020 Mendenhall, NLV, NV	\$232,821		1, 2, 3	9
Marble	2020 Mendenhall, NLV, NV	\$388,096		1, 2, 3	9
Low Voltage Cable	3950 Ponderosa, LV, NV	\$54,730		1, 2, 3	9
ASI Panels	2901 Meade Ave, LV, NV	\$31,061		1, 2, 3	9
Glass Mosaic	2020 Mendenhall, NLV, NV	\$41,889		1, 2, 3	9
Switchgear	5570 S Valley, LV, NV	\$195,802		1, 2, 3	9, 10
Low Voltage Material	4375 s. Valley View, LV, NV	\$41,682		1, 2, 3	9, 10
	Closing Inventory Total	\$29,644,964			

Description or item (Tower 200)	Vendor	Cumulative Deposits	Key	Authorize Funding
Glass	Zetian Systems	\$634,000	1	9, 10
Guest Closet Units	Architectural Materials	\$1,756,433	1	9
Curtain Wall	Zetian Systems	\$288,131	1	9
Custom Color	Zetian Systems	\$162,500	1	9
Kitchen Cabinets	M3 Procurement & Design	\$626,583	1	9, 10
Aluminum Extrusions	Zetian Systems	\$1,348,500	1	9, 10
Glass	Zetian Systems	\$951,000	1	10
Structural Silicone	Zetian Systems	\$562,909	1	10
Glass	Zetian Systems	\$29,763	1	10
Glass	Zetian Systems	\$85,120	1	10
Insulation	Zetian Systems	\$132,975	1	10
ITA 093005	Ital Stone	\$69,174	1	9
Limestone	Ital Stone	\$56,507	1	9
Granite	Ital Stone	\$207,388	1	9, 10
Dishwasher	Miele	\$69,046	1	9, 10
Dishwasher	Miele	\$132,319	1	9, 10
Eterior lighting	Uilluminating	\$6,500,000	1	9
Glass	Zetian Systems	\$375,273	1	9, 10
Interior Glass	Zetian Systems	\$374,750	1	10
Biege Stone	Ital Stone	\$173,315	1	10
Oven	Miele	\$65,063	1	10
Cooktop	Miele	\$31,253	1	10
Frosty Glass Tile	Ital Stone	\$78,000	1	10
Cooktop	Miele	\$38,311	1	10
Wood Doors	Gallagher-Kaiser	\$222,800	1	9
	Closing Inventory Total	\$14,971,113		

Description or Item (Garage/Convention 300)	Storage Location	Cumulative Off-Site Stored Value	Cumulative On-Site Stored Value	Cumulative Deposits	Key	Authorize Funding
Wire	3755 W Hacienda Ave	\$2,080			1, 2, 3, 4	9
Copper-Hydratics	2020 Mendenhall NLV, NV	\$21,441			1, 2, 3, 4	9
Rolls Steel	2333 McCall St, Dayton, Oh	\$395,872			1, 2, 3, 4	9
Light Fixtures	3755 Sunset, LV, NV	\$168,414			1, 2, 3, 4	9
Elevator Equipment	4855 W. Harmon, LV, NV	\$3,793,324			1, 2, 3	9, 10
Gears/Switches	3455 W Reno Ave, LV, NV	\$154,412			1, 2, 3, 4	9
Copper Tubing-Plumbing	2020 Mendenhall NLV, NV	\$39,985			1, 2, 3, 4	9
	Closing Inventory Total	\$4,676,528		\$0		

Description or Item (Overtime Inspection Account 400)	Storage Location	Cumulative Off-Site Stored Value	Cumulative On-Site Stored Value	Cumulative Deposits	Key	Authorize Funding
Inspections	Clark County Development Services			\$8,675	1	9
	Closing Inventory Total		\$0	\$8,675		

Description or Item (Podium 500)	Storage Location	Cumulative Off-Site Stored Value	Cumulative On-Site Stored Value	Cumulative Deposits	Key	Authorize Funding
Structural Steel Raw Material	1730 W. Reno, OK City, Ok	\$14,231			1, 2, 3, 4	9
AFCO Steel	1423 E 6th, Little Rock, AR	\$4			1, 2, 3, 4	9
Bofts & Misc. Components	1730 W. Reno, OK City, Ok	\$7,886			1, 2, 3, 4	9
Millwork	885 Gateway, San Diego, Ca	\$185,353			1, 2, 3, 4	10
Copper Tubing-Plumbing	2020 Mendenhall, NLV, NV	\$124,106			1, 2, 3, 4	9
Wire	3755 W. Hacienda Ave, LV, NV	\$16,855			1, 2, 3, 4	9
Pool Deck/Spa	710 Sunnyvale Dr, Wilmington, NC	\$690,931			1, 2, 3, 4	9
HSS Steel	6625 W Gary Ave, LV, NV	\$20,586			1, 2, 3, 4	9
Elevators	4855 W Harmon, LV, NV	\$4,981,848			1, 2, 3	9
Pool Deck/Spa	710 Sunnyvale Dr, Wilmington, NC	\$720,481			1, 2, 3, 4	10
Spa materials	710 Sunnyvale Dr, Wilmington, NC	\$180,243			1, 2, 3, 4	9
Electrical Material	Sun Valley	\$315,845			1, 2, 3	9
Glazing Accessories	Giroux Glass	\$345,997			1, 2, 3	9
Grey River Marble	Ital Stone	\$330,360			1, 2, 3	9
Glazing Accessories	Giroux Glass			\$1,359,150	1	9
Spa Marble	Superior Tile			\$140,000	1	9
Tile	Silver State Marble			\$183,244	1	9
Casino Tile	Sam fet			\$503,280	1	9
Greystone	Ital Stone			\$569,526	1	9, 10
Day Spa Stainless	Water Fx Custom Pools			\$116,649	1	9
	Closing Inventory Total	\$7,944,836		\$2,871,849		

Component	Cumulative Off-Site Stored Value	Cumulative On-Site Stored Value	Cumulative Deposits	Key	Authorize Funding
Tower (200)	\$29,644,964		\$14,971,113	1, 2, 3, 4	9
Garage/Convention (300)	\$4,575,529		\$0	1, 2, 3, 4	9
Inspections (400)	\$0		\$8,676	1, 2, 3, 4	9
Podium (500)	\$7,944,836		\$2,871,849	1, 2, 3, 4	9
Closing Inventory Total	\$42,165,329		\$17,851,638		

Key to Back-up Documents Received

- (1) Inventory Schedule.
- (2) Bill of Sale evidencing Developer's ownership of the stored materials.
- (3) Evidence of insurance on the stored material naming BofA as an additional insured.
- (4) Designer/Third Party Inspector acceptance.
- (5) IVI stored material visit.
- (6) Viewed on-site.
- (7) Material previously received.
- (8) Photographs taken by the GC/Subcontractor.
- (9) Previously funded by BofA.
- (10) Additional Funding this PC.

The Contractor previously provided a procedural flow chart for products sourced internationally. The chart and photos by the third party inspector confirm that the international supplier and manufacturer are currently on time with shipping and delivery of the products.

2.4. Requisition Retainage

Generally, the retainage is currently held at 10% of the trade work up to 50% of the contract amount, which is in compliance with the loan agreement and appropriate.

2.5. Certifications

IVI has received the Developer's Project Entities' Advance Certificate for the current draw request, which is included as part of Exhibit "B". The Advance Request now includes the General Contractor's Advance Certificate and the Project Architect's Advance Certificate (Exhibit "C" and Exhibit "C-1"), respectively.

2.6. Waivers of Lien

IVI has received current and generally appropriate waivers of lien from the General Contractor, and subcontractors. A copy of the General Contractor's and subcontractor's waiver is included as (Exhibit "G"). IVI has also received acceptable copies of the Lien Release Log (Exhibit "H") from the Developer for each component.

3. DIRECT COST BUDGET STATUS

3.1. Prime Contract and Change Orders

IVI has received fully executed copies of the General Contractor's agreement, which identifies the Control Budget including Developer Change Orders as shown below for each component. Bolded line items are new change orders received this PC.

Site Change Order Schedule	
Site CO#1-Landscaping reclassification	-\$44,074,777
Site CO#2 OCIP reclassification	\$937,936
Site CO#3 LEED's credit	-\$200,790
Site CO#4 Compliance with Nevada Power	\$3,743,761
Site CO#5 Electrical conduit relocation	\$110,282
Site CO#6 Dewatering system relocation	\$370,000
Site CO#7 NP Co relo lines overhead to underground	\$1,119,598
Site CO#8 Nevada Power field conditions	\$509,742
Site CO#9 Removal of pylon sign	\$73,753
Site CO#10 Relocate overhead power lines	\$100,400
Site CO#11 Extended allowances for dewatering	\$150,000
Site CO#12 Las Vegas Blvd. water revisions	\$38,753
Site CO#13 Extend existing conduit to transformer	\$126,783
Subtotal Change Orders	\$ (36,994,559)

LEED Change Order Schedule	
LEED Contract	-\$37,000,000
LEED CO#1 Credit reallocation	\$59,000,000
LEED CO#2 Garage mechanical modifications	-\$2,014,885
LEED CO#3 Podium mechanical modifications	-\$2,370,635
LEED CO#4 Added men's & women's showers	-\$75,455
LEED CO#5 Garage finishes modification	-\$190,000
LEED CO#6 Garage control revisions	-\$1,972,669
LEED CO#7 Garage structural modifications	-\$2,446,648
LEED CO#8 Tower finishes modifications	-\$133,521
LEED CO#9 Tower finishes modifications	-\$200,000
LEED CO#10 Tower Budget Lati Veneer	-\$49,748
Subtotal Change Orders	\$ 12,546,438

Tower Change Order Schedule	
Tower CO#1-Deduct Colasanti backcharge	-\$400,000
Tower CO#2 LEED's credit	-\$23,034,939
Tower CO#3 Steel required field modifications	\$600,482
Tower CO#4 Additional beams	\$138,746
Tower CO#5 Concrete field modification	\$41,685
Tower CO#6 Additional fireproofing	\$275,653
Tower CO#7 T1 terrace field conditions	\$45,520
Tower CO#8 Tower entry lockset & Incomm System	\$454,675
Tower CO#9 T1 knee wall modifications	\$204,797
Tower CO#10 Roof walk ways	\$119,775
Tower CO#11 Additional elevator openings	\$626,340
Tower CO#12 Sprinkler, electrical and HVAC revisions	\$6,149,277
Tower CO#13 Life Line System	\$410,500
Tower CO#14 Wireless Infrastructure	\$1,011,840
Tower CO#15 Concrete material price escalation	\$1,619,979
Tower CO#16 Electrical revisions	\$12,999,999
Tower CO#17 Light fixtures South Façade	\$8,500,000
Tower CO#18 Coordination of structural beams	\$616,294
Tower CO#19 Lati Veneer	\$383,269
Tower CO#20 Additional equipment including ladders	\$78,969
Tower CO#21 Warehousing costs	\$338,476
Tower CO#22 Building insulation & firestopping	\$50,001
Tower CO#23 Crane/Hoisting Equipment	\$20,234,342
Tower CO#24 Budget transfer Podium to Tower	\$17,472,684
Tower CO#25 Transfer elevator operations	\$1,541,678
Subtotal Change Orders	\$ 50,480,041

Garage Change Order Schedule	
Garage CO#1-Furnish/install Misc Steel	\$9,946,607
Garage CO#2-Added Hydraulic Elevator	\$321,302
Garage CO#3-Deduct Stair #12	-\$349,326
Garage CO#4-Deduct Overhead	-\$472,314
Garage CO#5 LEED's Credit	-\$13,386,296
Garage CO#6 Added Emergency Ramp/County requirement	\$660,768
Garage CO#7 Garage collapse costs	\$5,060,279
Garage CO#8 Upgraded pressure on Condensers	\$518,485
Garage CO#9 Provide 6 Boiler Economizers	\$1,496,401
Garage CO#10 Conversion costs from GMP to LS	\$3,605,522
Garage CO#11 Central plant boiler modifications	\$748,253
Garage CO#12 HVAC revisions	\$1,127,841
Garage CO#13 Structural steel modifications	\$2,632,773
Garage CO#14 Steel modifications	\$3,117,334
Garage CO#15 Concrete revisions	\$4,636,023
Garage CO#16 Additional masonry scope	\$888,349
Garage CO#17 Modification caisson & emergency ramp	\$205,343
Garage CO#18 Expansion control Podium to Garage	\$600,000
Garage CO#19 Steel modifications	\$2,976,952
Garage CO#20 Fire Alarm	\$43,165
Garage CO#21 Underground Utility Verification	\$2,884
Garage CO#22 Additional Scaffolding	\$7,920
Garage CO#23 Expansion Controls	\$2,060,400
Garage CO#24 Roof Membrane	\$1,251,959
Garage CO#25 Fireproofing	\$131,408
Garage CO#26 Hot Domestic Water Control System	\$80,564
Garage CO#27 Plumbing revisions	\$2,857,049
Garage CO#28 Emergency Generator Fill Station	\$168,397
Garage CO#29 Dock Storm Drains	\$156,355
Garage CO#30 Fire protection / TCO	\$255,000
Garage CO#31 Overtime NPC Yard	\$51,401
Garage CO#32 Overtime NPC Utilities	\$13,509
Garage CO#33 Waterproofing Level 1	\$972,533
Garage CO#34 Added men's & women's showers	\$75,455
Garage CO#35 Upgrade formaldehyde free finish	\$1,972,669
Garage CO#36 Control revisions for LEED compliance	\$190,000
Garage CO#37 Revision roof access/drywall/fire protection	\$3,703,810
Garage CO#38 Concrete revisions	\$444,076
Garage CO#39 Transfer crane/hoisting costs from General Conditions	\$1,766,595
Garage CO#40 Structural modifications of roof steel	\$2,446,648
Garage CO#41 Isolation Ceiling for sound control	\$527,558
Garage CO#42 & CO#43 Misc. steel revisions & package	\$4,537,217
Garage CO#44 Electrical revisions	\$4,180,358
Garage CO#45 Excavation/backfill for ejector pit	\$138,770
Garage CO#46 Steel revisions	\$39,730
Garage CO#47 Backfill north wall	\$357,227
Garage CO#48 Switchgear filters	\$534,520
Garage CO#49 Overtime to meet milestones	\$46,284
Garage CO#50 Elevator revisions	\$119,181
Garage CO#51 Façade mock-up & exterior louvers	\$3,766,147
Garage CO#52 Transfer Meeting Room budget	\$3,311,126
Garage CO#53 Transfer elevator operations	\$1,093,389
Subtotal Change Orders	\$ 61,637,601

General Conditions Change Order Schedule	
General Conditions CO#1-Overhead Podium and Garage	\$1,082,844
General Conditions CO#2-Colasanti charge	\$400,000
General Conditions CO#3 Adjusted Prime Contract Control Budget	\$221,477
General Conditions CO#4 Overhead on CO's	\$279,678
General Conditions CO#5 Additional site costs	\$24,014
General Conditions CO#6-Overhead on Podium CO's	\$2,658,287
General Conditions CO#7-Costs associated with Podium/Site/Tower and Garage	\$1,551,644
General Conditions CO#8 Costs associated with Podium & Garage	\$1,080,533
General Conditions CO#9 Cranes/Hoisting Costs	\$1,025,828
General Conditions CO#10 Additional management staff	\$425,001
General Conditions CO#11 Transfer costs to Tower	-\$20,234,341
General Conditions CO#12 Transfer costs to Garage	-\$1,766,596
General Conditions CO#13 Transfer costs to Podium	-\$3,612,946
General Conditions CO#14 Costs for September 2008	\$2,305,758
General Conditions CO#15 Transfer elevator operations	-\$4,510,601
General Conditions CO#16 General conditions future projects	\$4,016,400
General Conditions CO#17 Additional projected	\$2,453,525
Subtotal Change Orders	\$ (12,599,494)

IVI has also attached the executed supporting change order documentation (Exhibit "I-1") provided by the General Contractor which adjusts the Control Budget.

3.2. Subcontract Buy-out Status & Bonds

The Disbursement Agreement requires that the General Contractor award fixed price or GMP agreements for each subcontractor in accordance with the following timeline:

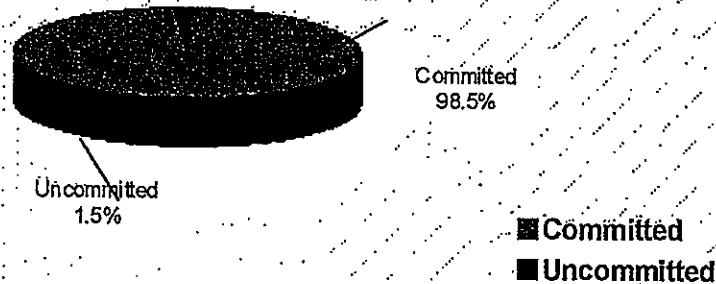
Date	% of Direct Costs
April 30, 2007	60%
June 30, 2007	75%
October 25, 2007	85%
2008 *	95%

*First advance after exhaustion of the second mortgage proceeds account:

The second mortgage has been exhausted and the first advance funding took place on August 25, 2008.

IVI has received 209 executed subcontracts, purchase orders and Owner change orders representing 98.57% of the direct cost budget of \$1,895,569,775 as shown in IVI's Contracts Received Schedule and TWC's Executed Contracts and POs (Exhibit "J").

GC Scope Buyout



3.3. Anticipated Costs

IVI has received the General Contractor's January 2009 Anticipated Cost Report (Exhibit "K") with detailed back-up for each component dated January 2009. The updated ACR incorporates the anticipated costs to complete each component of the project incurred this PC.

The ACR includes \$60,599,980 in pending OCOs; however, these have been taken into account within the Anticipated Contingency Summary. The Anticipated Summary anticipates a balance contingency of \$15,545,478; however, IVI is concerned that the anticipated balance may drop substantially in order to meet the aggressive schedule. The concern specifically, is that all of the subcontractors have not fully disclosed the potential costs to meet the schedule.

During the June 2008 PC, the Developer increased the Owner Equity Funds by \$190,265,021. The General Contractor's ACR identified \$217,191,288 in potential extra cost exposure due to; anticipated component modification, completion of the design documents, modifications required to satisfy the neighbor's concerns about the garage façade, budget busts and concealed field conditions related to underground utilities. At this time, the construction costs are anticipated to increase but not exceed the Developer's revised direct cost budget of \$1,909,734,213 plus \$190,265,021 in equity with the new direct cost budget totaling \$2,099,999,234. The executed Developer change orders during this PC increased the Prime Contract Control Budget by an additional \$13,515,131. The amended Developer's Prime Contract Control Budget is \$1,986,150,792 as detailed in section 3.1 of this report. Additional Budget Variances are anticipated; however, the List of Scope Changes (Exhibit "L") does not list any.

The Developer has provided documentation confirming LEED approval and the associated financial benefits accompanied as detailed in Section 6.10 of this report. However, it appears that the anticipated LEED credits are tracking behind projections, possibly in excess of \$15,000,000. The Developer has begun a detailed audit of the GC's cost documentation to determine if all the possible credits have been obtained from the subcontractors.

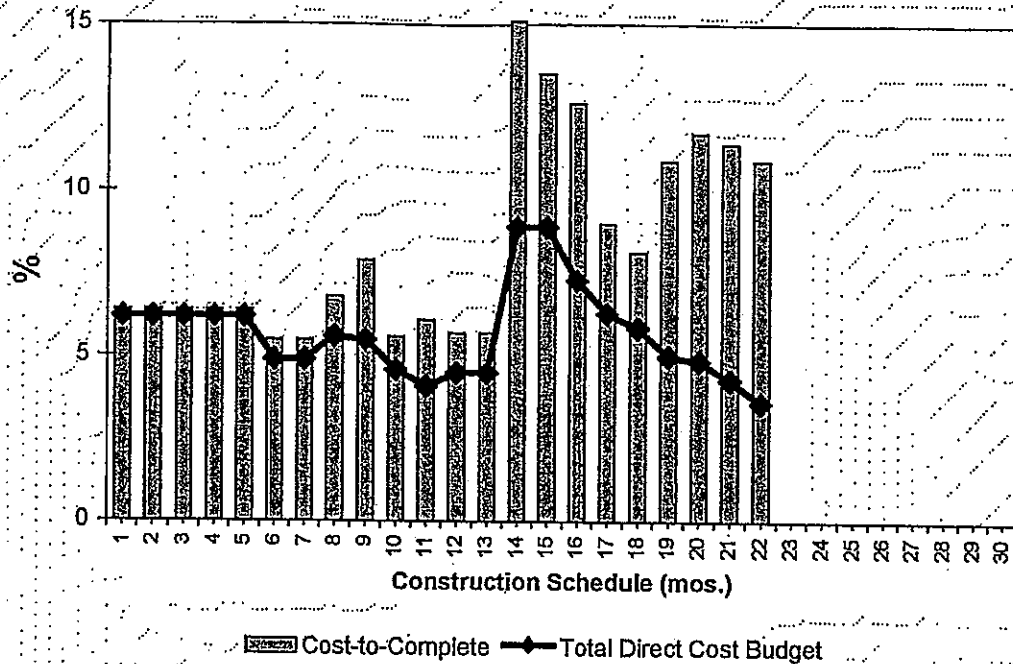
IVI received the latest cost report summary and supporting back-up (Exhibit "M") dated February 11, 2009 related to the FF&E. The FF&E costs are currently trending within the budget as detailed in section 2.2 of this report. The overall percentages committed are detailed in the matrix below:

Commitments Against Tracked Areas:	Approved Bank	Committed	Variance to Commit	Previous Percentage Committed	Percentage Committed to Date
Total Gaming	\$40,870,000	\$14,022,000	\$26,848,000	34%	34%
Total Rooms	\$73,784,000	\$52,591,012	\$21,192,988	66%	71%
Common Area-FOH	\$23,281,000	\$18,994,577	\$4,286,423	60%	82%
Common Area - BOH	\$5,385,000	\$4,378,494	\$1,006,506	0%	81%
Exterior Signage	\$26,532,000	\$23,459,127	\$3,072,873	88%	88%
Total	\$169,852,000	\$113,445,210	\$56,406,790	59%	67%

The Developer anticipates Tower FF&E delivery to start March 2, 2009 with a completion date of August 31, 2009.

3.4. Contingency Status

Contingency vs. Direct Cost Budget



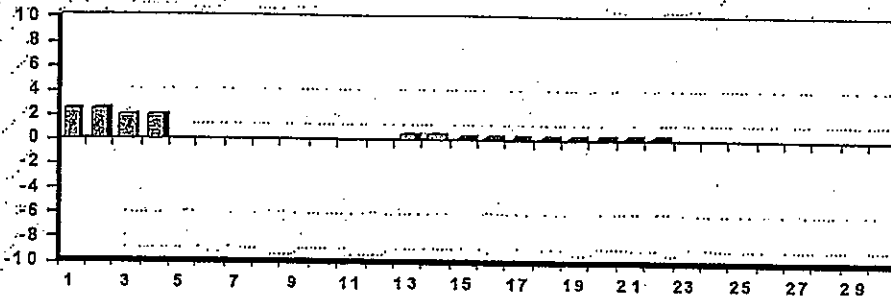
An \$111,039,860 contingency was available solely for direct costs, which originally represented 6.2% of the direct cost budget (less the contingency value). This was increased by \$100,854,392 to \$211,894,252 as a result of expected change orders for extra costs during a previous PC.

During this PC, the Developer executed \$13,515,131 in change orders to the General Contractor's Control Budget, which reduced the contingency from \$90,413,322 to \$76,848,445. The current ACR indicated a project surplus of approximately \$15,545,478; however, that is suspect pending potential subcontractor claims to accelerate the schedule to meet the aggressive target and a concern that the anticipated LEED credit will not be attained. Therefore, upon completion of a LEED audit, the Developer will deduct the LEED delta from contingency if the LEED credit is unattainable.

4. SCHEDULE STATUS

4.1. Construction Schedule

Weeks Ahead/Behind Developer's
Schedule Vs. Time



Actual Start Date: April 1, 2007
Target Compl. Date: October 1, 2009

IVI has received a copy of the undated Major Construction Summary and Milestones, which outlines the overall 30-month construction schedule on a summary level and is an adequate overview presentation of the schedule. IVI has also received the Monthly Update Schedule, dated December 6, 2007 updated by phase; Tower, Podium and Garage/Convention Center and by discipline. This is considered the baseline schedule.

The schedule start date of April 1, 2007 is based on the Developer issued Notice to Proceed of April 1, 2007 through completion of the entire project, October 1, 2009. The schedule represents a phased fast-track program, since construction operations commenced prior to completion of all construction documents.

The Developer has retained PCI, a schedule consulting firm, to independently review the progress of the work with weekly meetings and issue monitoring reports on the status of the schedule that have been provided to IVI. Key construction dates are currently indicated as follows based on PCI's February 6, 2009 (Exhibit "N") schedule report (milestone pages only) which indicates that the project is tracking on schedule. PCI and the General Contractor concurred that the project is on schedule. PCI attends the draw meetings as a 'checks and balance' to insure that the project remains on schedule, and any difference of opinion concerning the schedule can be immediately addressed without impacting the completion dates for each component/phase.

IVI has received an updated Podium Venue Schedule dated February 13, 2009 (Exhibit "O"). The matrix details the tentative opening schedule for each of the venues which will be discussed at the next draw meeting. At that time, the inception to completion schedule will be incorporated and fine tuned.

Task	Targeted Date	Actual A/Targeted Date
Start Tower Sitework and Piles	December 13, 2006	January 2, 2007 (A)
Start Garage Sitework and Piles	January 12, 2007	January 2, 2007 (A)
Start Podium Sitework and Piles	January 15, 2007	April 16, 2007 (A)
Complete Tower Sitework and Piles		September 12, 2007 (A)
Start Podium Structural Steel Erection	July 23, 2007	September 24, 2007 (A)
Tower Start Drywall T1 - T61	January 3, 2008	January 3, 2008 (A)
Perm Power to the Tower for Service Elevator	June 2, 2008	May 1, 2008 (A)
Garage Construction Parking available	July 31, 2008	August 28, 2008 (A)
Podium Begin Interior Build Out	May 21, 2008	April 18, 2008 (A)
Tower Passenger Elevators through T20	October 1, 2008	November 15, 2008 (A)
Tower Complete Structural Concrete	January 6, 2009	November 13, 2008 (A)
Start Central Plant Start-up/Testing & Commissioning		January 19, 2009 (A)
Garage Generator Start-up		March 2, 2009
Tower - Start FF&E deliveries	March 2, 2009	March 2, 2009
Garage Generator On-line		March 13, 2009
Start Tower Start-up/Testing & Commissioning	April 21, 2009	April 21, 2009
Start Convention Center Start-up/Testing & Commissioning	October 23, 2008	May 11, 2009
Start Podium Start-up/Testing & Commissioning	February 18, 2009	May 1, 2009
Tower Employee TCO		August 21, 2009
Tower - Complete FF&E deliveries	August 31, 2009	August 31, 2009
Tower Complete	September 21, 2009	September 15, 2009
Podium Complete	September 21, 2009	October 1, 2009
Ballroom/Convention Center Complete	May 20, 2009	November 1, 2009
Garage Complete		November 1, 2009
Soft Opening	September 22, 2009	N/A
Grand Opening	October 12, 2009	November 1, 2009
Theatre Complete	April 9, 2010	TBD

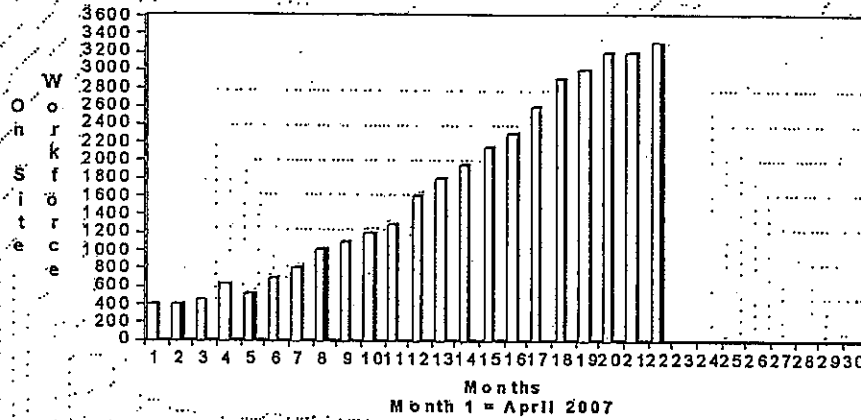
Based upon our visit, work is tracking in-line with the latest schedule; however, it appears that the work in the podium may need to be accelerated to meet the aggressive target.

Due to installation issues, the curtain wall system is slightly behind schedule; however, the delay in the installation of the curtain wall system is not part of the critical path and will have no impact on the overall schedule. Additionally, concerning the retail spaces, it is anticipated that several venues may open 30-60 days after the scheduled grand opening of November 1, 2009. The Developer has provided a tentative schedule, Exhibit "O" and will fine tune the venue schedule for discussion at the next draw meeting. The Theatre will be a completed shell only at Grand Opening until a show venue has been negotiated.

4.2. Workforce

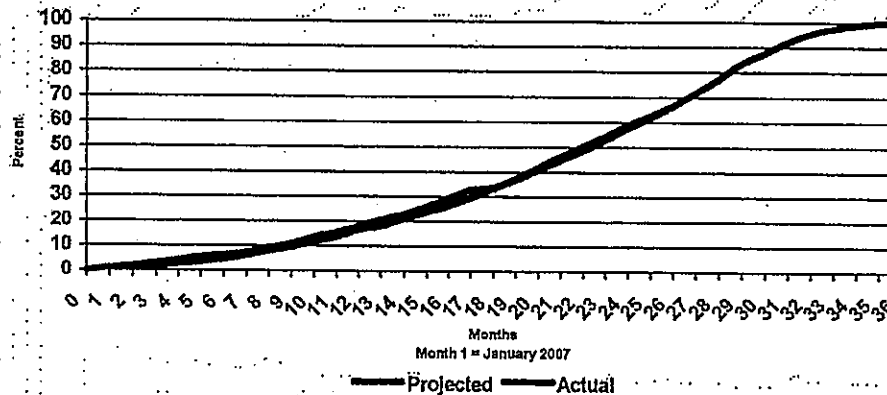
During the PC, the workforce averaged approximately 3,300 trade people on site. This current workforce is adequate to ensure progress consistent with the construction schedule.

**Workforce Count During the PC
Vs. Time**



4.3. Disbursement Schedule

Cumulative Direct Cost Disbursements Vs. Time

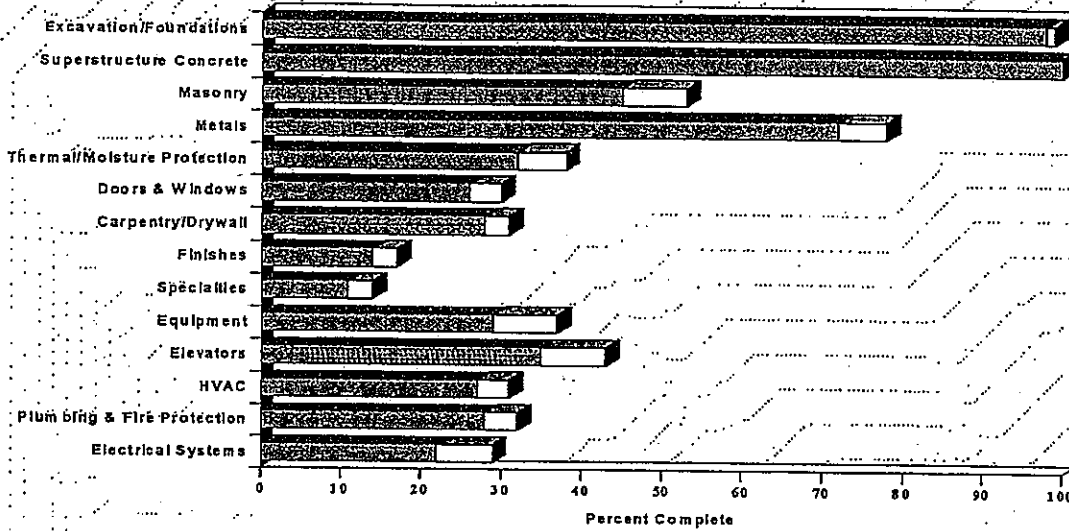


IVI originally received a copy of the Developer's Project Cash Flow based on the 30-month construction schedule; however, this was based upon an April 2007 start. Subsequently, we plotted the projected S-curve for the 36 month construction period, which took a January 2007 start and two (2) month close-out period into account. The project's cumulative net direct cost disbursements are now 66.6% of the direct cost budget, right in line with projections.

5. CONSTRUCTION STATUS

5.1. Key Indicators

Construction Progress of Key Systems



5.2. System Status

Temporary Facilities

The Developer has a fully staffed project office off-site on the adjacent property formerly known as the 'Wet-n-Wild' site. The Contractor's office consists of a series of approximately six (6) adjoining trailers; however, there are currently approximately 50 to 60 "job-trailers" on site.

Site Work

The basic roadways and infrastructure adjacent to the site exist and will be modified per the established scope of work. Off-site water and sanitary connection is complete in the Riveria Boulevard right-of-way. Also, the overhead electrical lines relocation phase of the project is 100% complete.

The electrical feeds; Swenson and Highland are 100% and were previously accepted by Nevada Power and Light.

Building lightning protection for the four components;

Component	Previously Complete	Complete this PC
Tower	17.0%	25%
Podium	57.0%	60%
Garage	95.0%	95.5%
Pylon	0%	0%

The percent complete for the tower will remain relatively flat until completion of the superstructure roof and parapet.

During mass excavation of the site, the subcontractor uncovered Orphan Tanks 3 and 4, reporting the discovery to NDEP. The closure of the USTs will be remediated the same way Orphan Tanks 1 and 2 were handled. Specifically, the tanks and their contents were removed and disposed of by the instructions of NDEP. Currently, the excavated soils are being disposed of at the proper facilities per County and State requirements, scheduled for completion in June/July 2009. The dewatering wells are being tested on a regular basis to ensure that contaminants have not reached the water tables. All costs for excavation and removal of the tanks are being paid through Fontainebleau's Pollution Control Insurance Policy (AIG). No costs for the associated work have been added to the Construction Budget.

A. TOWER (200)

Excavation and Foundations

Site clearing and earthwork is 100% complete.

Concrete Superstructure

The core foundation is 100% complete. The superstructure was "topped-off" on November 13, 2008, 6-weeks ahead of schedule.

Masonry

The project has not reached this stage of the construction schedule.

Roofing and Waterproofing

The project has not reached this stage of the construction schedule.

Doors and Windows

A mock-up of the curtain wall system was constructed in Los Angeles, reviewed and approved by the Architect, Developer and Contractor. All of the curtain wall material has been ordered with the status as follows:

Task	Previously completed	Completed this
Curtain Wall Clips 100%		
North Elevation	T53	T54 thru T62
South Elevation	T53	T54 thru T62
East Elevation	T55	T56 thru T63
West Elevation	T53	T54 thru T62
Curtain Wall System 100%		
North Elevation	T46 T47 thru T48/50%	T47 thru T54 T55 thru T56/50%
South Elevation	T50	T51 thru T56 T57 thru T58/100%
East Elevation	T52	T53 thru T56 T57 & T58/50%
West Elevation	T46 T47 & T48/50%	T47 thru T54 T55 & T56/50%

Due to performance issues on the installation of the curtain wall system, Embassy Glass, Inc. was replaced with Helou & Sons. The following issues have previously arisen concerning the curtain wall system that has impacted the schedule: movement of the structure above T32 and "wind days". This had caused a schedule delay of approximately 12 days. The General Contractor implemented 10-hour days in October and November to make up for lost time; however, the Contractor is unable to completely make-up the lost time. Therefore, completion of the curtain wall system will be slightly behind schedule; however, it is not part of the critical path and will have no impact to the overall schedule.

Carpentry and Drywall

The following tasks are 100% complete to the following levels:

Task	Previously completed	Completed this
Partition layout	T1 thru T64	Complete
Install top track	T1 thru T54	T55 thru T58
Metal stud framing	T1 thru T52	T53 thru T56
Ceiling framing	T1 thru T44	T40 thru T44
Tub framing	T1 thru T42	T43 thru T45
Drywall one side (Rooms)	T1 thru T35	T36 thru T55
Drywall two side (Rooms)	T1 thru T35	T36 thru T43
Tape and finish (Rooms)	T1 thru T35	T36 thru T40
Drywall one side (Condo)	T1 thru T35	T36 thru T55
Drywall two sides (Condo)	T1 thru T35	T36 thru T41
Tape and finish (Condo)	T1 thru T33	T34 thru T38

Finishes

The following tasks are 100% complete to the following levels (unless otherwise noted):

Task	Progress Completed	Completed this PG
Ceiling skim coat	T1 thru T56	Complete
Install porcelain tile (Rooms)	T1 thru T24 T25 & T26/50%	T25 thru T32 T33 & T34/50%
Install porcelain tile (Condo)	T1 thru T15	T16 thru T19/90% T20 thru T29/80%
Install tub decks	T1 thru T44	T45 thru T50
Install shower curbs	T1 thru T33	T34 thru T39
Shower curb stone	T1 thru T14 T15 thru T25/90%	T1 thru T 25
Set Tubs	T1 thru T 30	T31 thru T47
Install Carpet T1 thru T19	T1 thru T21 T22 & T24/10%	T22 thru T2/75%
Wall covering T1, T3 thru T5 T2 T6 thru T28 T29 T30 T31 thru T35 T36	95% 95% 90% 70% 25% 0% 0%	95% 100% 90% 90% 90% 90% 50%
Painting T1 & T3 T2 T4 thru T22 T23 thru T25 T26 T27 & T28 T29 T30 T31 thru T35 T36 & T37 T38 thru T45	95% 95% 95% 90% 60% 90% 70% 25% 0% 0% 0%	95% 100% 95% 90% 90% 90% 90% 90% 90% 50% 5%
Shower enclosure Rooms Condo	T1 thru T22 T1 thru T5	T23 thru T25 T6 thru T18
Bathroom vanities Rooms Condo	T1 thru T26 T1 thru T13	T27 thru T52 T14 thru T20
Condo Kitchen Cabinets	T1 thru T18	T19 thru T21

Conveying Systems

The elevator system has been delivered to the site and is proceeding on schedule as follows:

Task	Progress Completed	Completed this PG
Passenger Cars P1 thru P8	100%	100%
Passenger Cars P9 thru P16	75%	80%
Passenger Cars P17 thru P24	30%	35%
Passenger Cars P25 thru P32	25%	30%
Service Cars S1 thru S8	100%	100%
Service Cars S9 thru S16	75%	77%

Passenger cars P1 thru P8 and Service cars S1 thru S8 are operational since November after execution of a contract with the Hoister's union for operators.

Fire Protection

The following tasks are 100% complete to the following levels (unless otherwise noted):

Task	Previously Completed	Complete This PC
Rough-In	T1 thru T56	T57 thru T62
Sprinkler System Trim	T1 thru T30 & T31 thru T35/50%	T31 thru T35 & T36 thru T40/50%
Fire Pump rough-in	92.5%	95%

Installation of the fire standpipe is complete:

Plumbing

The following tasks are 100% complete to the following levels (unless otherwise noted):

Task	Previously Completed	Complete This PC
Install soaking tubs	T1 thru T42	T43 thru T47
In wall plumbing	T1 thru T50	T51 thru T53
Plumbing Rough-In	T1 thru T53	T54 thru T63
Install fixtures	0%	T2 thru T6
Install trim	T1 thru T43 T44 thru T49/20%	T44 thru T49 T50 thru T61/20%

Risers, laterals and overhead work is 100% complete.

HVAC

The percentage complete for the following major tasks are:

Task	Level	Previously Completed	Complete This PC
Set Distribution Equipment	Retail Mech.	95%	No change
Set Distribution Equipment	T31	80%	No change
Sleeves, Hangers/Supports	T1 thru T57	T62	Complete
Rough-In Ductwork/Piping	T1 thru T36	100%	Complete
Rough-In Ductwork/Piping	T31	60%	90%
Rough-In Ductwork/Piping	T32	50%	50%
Rough-In Ductwork/Piping	T37 thru T44	96%	96%
Rough-In Ductwork/Piping	T45 thru T49	50%	50%
Rough-In Ductwork/Piping	T50 thru T54	50%	50%
Rough-In Ductwork/Piping	T55 thru T58	5%	20%
Rough-In Ductwork/Piping	T59 thru T61	0%	20%
Set Fan Coil Units	T1 thru T39	100%	Complete
Set Fan Coil Units	T40 thru T43	5%	96%
Set Fan Coil Units	T44	0%	96%

Electrical

The percentage complete for the following task are:

Task	Location	Percentage Complete	Final P.C.
Main Switchgear Distribution	T31	96%	96%
Main Switchgear Distribution	T62	88%	90%
Power Lighting & Branch	T1 thru T3	95%	100%
Power Lighting & Branch	T4 & T5	95%	95%
Power Lighting & Branch	T6 thru T12	85%	85%
Power Lighting & Branch	T13 thru T24	80%	80%
Power Lighting & Branch	T25 thru T33	68%	70%
Power Lighting & Branch	T34 thru T41	20%	68%
Power Lighting & Branch	T42 thru T58	10%	20%
Power Lighting & Branch	T59 & T60	4%	4%
Power Lighting & Branch	T61	4%	4%

B. GARAGE/CONVENTION (300)

A failure occurred in one of the double tees placed on Level P-6 in August 2007 which started a chain reaction, resulting in the collapse of seven (7) double tees. The seven (7) double tees damaged the Casino Deck Level where the debris settled. This has been repaired; however, delays of six (6) to eight (8) weeks have resulted which will not impact the completion day.

Excavation and Foundations

Mass excavation, drilled piers, piles, micro piles and the secant wall are 100% complete. The secant wall permit was closed out November 2007.

Concrete Superstructure

The foundation is underway with 100% of the walls and perimeter walls complete. 100% of the double tees have been fabricated and installed. Slab placement in increments of 20,000 SF continues three to five times per week with approximately 99.5%.

Masonry

The contractor has completed the masonry work within the Nevada Power Yard area with 71% of the masonry work completed overall.

Structural Steel

The structural steel structure was completed on October 24, 2008.

Miscellaneous Metals

The emergency egress stairs and railings are in process with 80% complete.

Roofing and Waterproofing

The subcontractor has mobilized, completing the underlayment at the cooling tower and 50% of the roofing installation, and a 15% increase this PC.

Doors and Windows

The exterior metal framing is in process and the percentage complete for the following tasks are:

Task	Previously Completed	Complete this PC
South Façade	70%	70%
East Façade	75%	90%
Exterior Louver System	100%	100%
Doors & Hardware	20%	23%

Carpentry and Drywall

Framing and drywall is in progress on the Dock/Parking Levels and Ballroom with 72% and 70%, respectively, an increase of 2% and 5% respectively, during this PC for each component.

Finishes

The painting subcontractor has mobilized on Level P-1 for painting of the exposed concrete and is 91% complete.

Conveying Systems

Shop drawings for the elevators have been approved, and shafts for the hydraulic elevators have been set. Materials for the South Freight Elevators have been delivered; motors have been installed and the balance of material is stored on-site. It is anticipated that elevators CF 6 thru 8, CS-2 and EP 1 thru 3 will be operational by February 2009.

Fire Protection

The standpipe has been set at the south end of the garage with approximately 78% of the rough-in complete, a 3% increase during this PC. Approximately 97% of the applied fire proofing is complete, an 2% increase during this PC.

Plumbing

Materials have been purchased and are being stored in the Developer's warehouse. The percentage complete for the following tasks are:

Task	Previously Completed	Completed this PC
Underground dewatering	95%	95%
Central Plant rough-in	100%	Complete
Convention Center/Ballroom	75%	80%
Underground sanitary lines	90%	95%

HVAC

Engineering is in progress and hangers below the casino level are being placed. The eight chiller units are currently installed and five boilers have been set. Mechanical chase to the roof is in process with 99% complete, a 1% increase this PC. Installation of the roof top air houses is in process with 85% complete, a 5% increase this PC. The cooling towers are in place and installation remains at 99% complete.

Electrical

The underground electrical duct bank is 100% complete and the conduit from Rivera to the Nevada Power yard is in-place. Primary switch gear has been set and temporary power has been provided. Installation of the generators is in process with 95% complete, an 8% increase this PC.

C. PODIUM (500)

Excavation and Foundations

Mass excavation has been underway and is 100% complete with a small area remaining north and northwest of the Tower. 100% of the drilled piles/caissons are complete with 98% of the pile caps complete, no change this PC. The pile caps will be completed upon demobilization of Garage/Convention Center crane.

Concrete Superstructure

The percentage complete for the following tasks are:

Task	Previously Completed	Completed this PC
Grade Beams/Wall Foundations	98.5%	100%
Basement Walls	87%	88%
Core/shear Walls	100%	Complete
Slab on Grade	65%	73%
Slab on Metal Decking	70%	75%

Masonry

Walls in the Valet Level are 80% complete, an increase this PC of 5%.

Structural Steel

Installation of the steel stairs is in progress in Sequence 1. The percentage complete for the following tasks are:

Task	Previously Completed	Completed this PC
Structural Steel & metal decking on-site	77%	78%
Installed steel & metal decking	67%	68%
Steel frame erection		
Sequence 1 (Meeting Rooms North)	100%	Complete
Sequence 2A (Pool Suites)	100%	Complete
Sequence 2B (South Shops)	100%	Complete
Sequence 3A (Meeting Rooms South)	100%	Complete
Sequence 3B (Theatre)	100%	Complete
Sequence 4 (Casino/Pool Deck)	90%	95%
Sequence 5A (Casino Pool Deck)	100%	Complete
Sequence 5B	100%	Complete

The last main truss along the west elevation was scheduled for installation on January 12, 2009; however, due to weather related shipping delays installation was rescheduled for February 6, 2009. The delay will not impact the scheduled dry-in date of May 1, 2009 for the west façade.

Miscellaneous Metals

Engineering and fabrication for the steel stairs continues to proceed and is 98% complete, an increase this PC of 1%.

Roofing and Waterproofing

Below grade waterproofing is 97% complete and waterproofing Level 8 is 28% complete.

Doors and Windows

Door framing in the Back of House area is in process and is 52% complete.

Carpentry and Drywall

Installation of the metal studs and drywall is in progress with 30% complete, an increase this PC of 10%.

Finishes

The project has not reached this stage of the construction schedule. The Contractor will complete a mock-up of the casino floor by February 28, 2009 for Developer approval on or before March 6, 2009 in order to maintain the critical path.

Due to performance issues on the installation of the water features Tracy & Ryder will be terminated and replaced with Water FX.

Conveying Systems

The escalators have been delivered to the site and rail installation for Elevators HS1 and HS2 continues to proceed and is 90% complete, a 6.5% increase this PC.

Fire Protection

Installation has begun at the casino levels below the Tower. Spray fire proofing overall is 63% complete in the south podium, an increase of 2% this PC. The progress per floor is detailed below:

Task	Level	Previously Completed	Completed this PC
2 nd Floor Framing	Valet	75%	90%
3 rd Floor Framing	Casino/Theatre	80%	84%
4 th Floor Framing	Casino Mechanical	100%	Complete
5 th Floor Framing	Retail/Meeting L01	87%	87%
7 th Floor Framing	Retail Mech./Meeting L02	81%	90%
8 th Floor Framing	Pool Sub-deck	47%	66%
9 th Floor Framing	Pool Deck/Meeting L02	46%	51%
10 th Floor Framing	VIP L01	58%	59%
11 th Floor Framing	VIP L02/Meeting L03	54%	55%
12 th Floor Framing	VIP L02/Theatre	54%	55%
13 th Floor Framing	VIP L04/Meeting L05	52%	53%
14 th Floor Framing	VIP Roof/Meeting L06	46%	47%

Plumbing

Installation has begun at the casino levels below the Tower and sleeving/canning is proceeding with approximately 60% complete, a 9% increase during this PC.

HVAC

Installation has begun at the casino levels below the Tower and sleeving/canning is proceeding with approximately 30% complete, a 2% increase during this PC.

Electrical

Installation has begun at the casino levels below the Tower for temporary power, main power and low voltage, and sleeving/canning is proceeding with approximately 42% complete, a 4% increase during this PC.

D. FF&E

Tower (200)

Deposits have been placed for long lead item and items critical to maintaining the construction schedule. These items include: bathroom vanities and guest closet units, as detailed in Section 2.3 of this report. Tower Level T2 and T3 have been installed for quality control review prior to the balance of the installation scheduled for March 2, 2009.

The remaining long lead items to be negotiated and purchased include:

- Super suites furnishings on levels T57 through T61;
- Way finding system;
- Pool entry furnishings; and
- Pool Cabana Sales.

Garage/Convention (300)

Deposits have been placed for long lead item and items critical to maintaining the construction schedule. These items include: chairs, kitchen equipment and carpeting, as detailed in Section 2.3 of this report.

The remaining long lead items to be negotiated and purchased include:

- Hospitality (Lifescapes);
- Way finding system; and
- Bus Lobby.

Podium (500)

Deposits have been placed for long lead item and items critical to maintaining the construction schedule. These items include: carpeting and back-of-house equipment, as detailed in Section 2.3 of this report.

The remaining long lead items to be negotiated and purchased include:

- Theatre;
- Retail promenade;
- Way finding system;
- Wine Bar; and
- Convention Lobby.

5.3. Quality of Work and Conformance with Construction Documents

The work observed appears to be in general conformance to the drawings and specifications we have reviewed, and during our site visit, we did not observe any significant areas of unsatisfactory workmanship. The previously deficient precast concrete tees have now been replaced. In addition, work has been performed in accordance with generally accepted construction industry standards.

At the time of our site visit, the street side elevations of the project have been fenced in securely and appropriate safety measures appear to have been taken. IVI noted that generally, all workers were wearing hard hats.

Five (5) previous material incidents have occurred on-site:

Material Incidents		
#	Date	Comments
1	Thursday August 2, 2007	Three (3) construction workers were involved in a construction site fall; falling from an approximate height of 30-feet. One (1) worker died and two (2) sustained minor injuries. Complete details are not available at the present

Material Incidents		
#	Date	Comments.
		time; however, once the detailed information becomes available IVI will incorporate into the next PSR. OSHA was immediately called, inspected the area of the accident, and allowed construction to proceed. The OSHA report will also become part of a forthcoming PSR.
2	Monday August 6, 2007	A precast concrete tee collapse took place within the proposed Garage/Convention Center area in the southeast quadrant of the site. Specifically; one (1) precast concrete tee failed under its own weight. It is believed that the failure was due to an insufficient length of re-bar at the bottom chord of the precast tee. This is considered an anomaly; the Developer and Contractor in conjunction with their team of professionals have prepared a two volume Double Tee Incident - Correspondence & Photos report confirming that this was an isolated incident. The cause of the failure was determined to be due to the misplacement of the reinforcing in the North West corner of the Double Tee at level P-6. During the investigation, discrepancies were observed concerning the tendons on all of the tees. It has been determined that all of the 9' tees and 12' tees longer than 60' must be removed, recast and replaced. The aforementioned will affect approximately 300 tees. The on-site tees have been replaced at this time.
3	Monday February 11, 2008	A construction worker was struck by a chilled water pipe as it slid through the nylon chokers from the 19 th Floor to the 18 th Floor. The injuries sustained are a left hand which was nearly severed and a compound fracture to the right leg in two places. (Note that the hand was successfully reattached later in the day).
4	Tuesday June 3, 2008	The hydraulic crane cable snapped causing two (2) beams to fall and damaged two (2) in-place concrete garage tees. The damaged tees were replaced within by Friday June 6, 2008.
5	Wednesday June 25, 2008	Welding was in process directly above the product "Polacell" on the low roof of the garage. The product ignited and quickly became too big for the fire watch posted; the on-site water truck and the fire department extinguished the fire. Additionally, the fire caused extensive damage to the large generator temporary located next to the fire lane. The incident is currently under review and a report is expected within the next 30 to 60 days (August 2008 to September 2008).

Concerning incidents 1 and 2 OSHA verbally acknowledged on their closing conference call, Wednesday September 5, 2007 that no fault or any negligence in TWC or FB. There will be no monetary fines or citation for the two (2) accidents, a formal OSHA investigation report is due between August 2008 and January 2009.

Five (5) additional incidents with minor injuries have occurred on-site, Monday December 10, 2007, Thursday January 3, 2008, Saturday January 12, 2008 and Monday September 1, 2008 and Thursday October 2, 2008.

The incidents are currently under investigation by OSHA and the fourth by LVPD.

There is a concern related to the fourth incident and LVPD. Apparently even though LVPD was at the scene twice; once for the drunk driver and the second for the barricade collapse, there was no accident report filed by LVPD. This is being investigated by the General Contractor's attorneys. In the interim, the General Contractor has been contacted by an attorney representing the 20 year old injured women; however, a lawsuit has not been filed as of February 1, 2009.

5.4. Testing Reports

IVI has received copies of previous monthly non-conformance Inspection Report Logs (Exhibit "P") dated December 30, 2008.

6. DOCUMENTATION UPDATE

6.1 Drawings and Specifications

IVI has received the Major Milestone Summary, which includes Value Engineering ("VE") updated April 12, 2007 prepared by BWA, which outline the design status.

The project is tracking the schedule with milestone updates incorporated in the outline below:

Component	Task	Date
Site	Land Use Permits Available	October 4, 2006
Site	Grading Drainage Permit Study Approved	October 13, 2006
Garage/Convention Center	Issue for Permit 100% Foundation Construction Documents	October 31, 2006
Tower	Issue for Permit 100% Foundation Construction Documents	November 6, 2006
Tower	Issue for Permit 50% Construction Documents	November 21, 2006
Garage/Convention Center	Issue for Permit 50% Construction Documents	December 1, 2006
Tower	Issue for Permit 100% Structural Construction Documents (up to level 35) Mechanical Level	December 12, 2006
Garage/Convention Center	Issue for Permit 100% Structural Construction Documents	December 18, 2006
Tower	Issue for Permit 80% Construction Documents	February 1, 2007
Podium	Issue for Permit 100% Foundation Construction Documents (South Tower)	February 1, 2007
Podium	Issue for Permit 50% Construction Documents	February 1, 2007
Tower	Issue for Permit 100% Structural Construction Documents (Level 36 to Top)	February 7, 2007
Garage/Convention Center	Issue for Permit 80% Construction Documents	February 14, 2007
Podium	Issue for Permit 100% Structural	March 2, 2007

Component	Task	Date
	Construction Documents (South of Tower)	
Tower	Issue for Permit 100% Construction Documents	March 12, 2007
Garage/Convention Center	Issue for Permit 100% Construction Documents	March 21, 2007
Garage/Convention Center	Issue AMPE 100% CD's for permit	April 4, 2007
Podium	Issue Structural CD's (South Tower) for permit	April 20, 2007
Podium	Issue 80% Progress CD's	May 30, 2007
Podium	Issue for Permit 80% Construction Documents	June 1, 2007
Podium	Issue Theatre Footprint modification	July 15, 2007
Garage/Convention Center	CCBD approved proceeding as collapse	August 31, 2007
Podium	Issue for Permit 100% Foundation/Structural Construction Documents (North of Tower)	September 19, 2007
Garage/Convention Center	Permit issued for AMPE	October, 2007
Podium	Issue ASMPE 100% CD's (North Tower) for permit	October, 2007
Garage/Convention Center	Revised Ballroom/Convention Center CD's issued	October 1, 2007
Podium	Issued VE North Podium Foundation and Structural Plans	February 1, 2008
Garage/Convention Center	100% AMEP issued	February 4, 2008
Garage/Convention Center	Ballroom interior design CD's issued	February 29, 2008

In anticipation that several venues may open 30-60 days after the scheduled grand opening of October 2009, a mural will be designed and constructed for the future storefront spaces along the promenade.

6.2. Permits

Permits are in place for the current work underway. The permits received during this PC (Exhibit "Q") are bolded below:

Component	Description	Permit No.	Date Issued
Site	Dust Permit	33202	November 20, 2006
Site	Temporary Discharge Permit	Tnev2007368	December 4, 2006
Site	Demolition	06-41516 DE2	December 4, 2006
Site	Temporary Power Permit	06-53143 EPD	December 13, 2006
Site	Land Use Permit	06-41514	December 14, 2006
Site	Grading Permit	06-41514 GD6	January 12, 2007
Site	Secant Wall Permit	06-46993 BU1	January 16, 2007
Tower	Phased Foundation	06-48249 BU3	February 20, 2007

Component	Description	Permit No.	Date Issued
Garage	Emergency Ramp	06-52272 BU1	February 22, 2007
Wet n Wild	Dust Permit	N/A	February 22, 2007
Wet n Wild	Demolition (<i>Wet-n-Wild</i>)	07-12042 DE2	March 1, 2007
Tower	Structural	06-48249	March 6, 2007
Garage	Foundation-Parking	06-47392 BU1	March 14, 2007
Tower	Structural (Levels 1 through 34)	07-05172	May 3, 2007
Garage	Structural Permit	07-7220-BU4	May 4, 2007
Podium	Foundation Permit	07-11015	May 10, 2007
Tower	Structural	06-48249	May 14, 2007
Garage	Sub-Slab Drainage	06-47392 BU3	May 17, 2007
Garage	Structural	07-25864	June 12, 2007
Garage	Foundation Electrical	06-47392 EDP	June 25, 2007
Podium	Foundation Electrical	07-11015 EDP	July 6, 2007
Tower	AMEP	07-14840	July 31, 2007
Garage	Submittal Letter	07-33797	August 8, 2007
Podium	Structural	07-21582	August 9, 2007
Tower	Structural L35 – Roof	07-141186	August 12, 2007
Tower	Foundation	06-48249-001	August 16, 2007
Tower	Structural Permit	06-48249-02	August 16, 2007
Podium	Foundation F3	07-11015-001	August 27, 2007
Garage	Temporary Power	07-34342 EPD	September 5, 2007
Podium	Master Egress	06-48195-001	September 6, 2007
Tower	Structural Revision L1 – L34	07-5172-01	September 6, 2007
Garage	Materials & Methods	06-39826	September 15, 2007
Podium	Master Egress	06-48195-002	September 15, 2007
Tower	Electrical	07-14840-EPD	October 3, 2007
Garage	Structural	07-7220-01	October 18, 2007
Garage	Foundation	06-47392-01	October 19, 2007
Tower	Piping Supports @ Valet	06-48249-03	October 24, 2007
Podium	Underground	07-11015PLFT	October 29, 2007
Tower	Plumbing	07-14840-PLFT	November 1, 2007
Garage	Architectural Permit	07-17708 BU5	November 8, 2007
Garage	Micro Piles	07-32876	November 13, 2007
Garage	PLFT	07-17708-PLFT	November 14, 2007
Tower	Mechanical	07-14840	November 20, 2007

Component	Description	Permit No.	Date Issued
Garage	Closure Secant Wall Permit	06-46993 BU1	November 26, 2007
Podium	Foundation DPH	07-11015-03	November 29, 2007
Tower	Master Egress Permit	06-33024	December 15, 2007
Garage	Stairs 4, 5, & 6	07-7220-02	January 4, 2008
Garage	Double-Tee	07-7720-03	January 4, 2008
Podium	Foundation Phased	07-38187 BU3	January 14, 2008
Podium	North Podium Foundation and Structural Permit	07-40154 BU4	January 18, 2008
Garage	Structural	07-7220-04	January 18, 2008
Garage	Foundation	06-47392-02	February 7, 2008
Podium	AMEP	07-42658BU	February 13, 2008
Podium	South Podium	07-33462 BU5	February 20, 2008
Tower	Revisions	07-33024	February 20, 2008
Podium	North Podium AMPE	07-42658	February 25, 2008
Tower	Structural Smoke Control	07-14840	March 4, 2008
Garage	AEMP Revisions	07-17708-01	March 4, 2008
Podium	MEPD	07-33462EPD	March 5, 2008
Site	Fire Protection Report	06-33024	March 6, 2008
Garage	Fire Protection Report	06-39826	March 6, 2008
Podium	Fire Protection Report	06-48195	March 6, 2008
Podium	Fire Protection Report	07-33462	March 6, 2008
Tower	Curtain Wall and Embeds	07-5172-04	March 7, 2008
Tower	Structural Revisions	07-14186-04	March 7, 2008
Tower	Rebar Revisions	07-5172-03	March 9, 2008
Podium	Plumbing	07-33462PLFT	March 11, 2008
Podium	Stairs 101, 115 & 117	07-21582-14	March 12, 2008
Podium	Stairs 116	07-21582-15	March 12, 2008
Podium	Porte Coche Revisions	07-38187-01	March 13, 2008
Podium	Porte Coche Revisions	07-40154-01	March 17, 2008
Podium	Stair Revisions	07-21582-16	March 20, 2008
Podium	Framing Revisions	07-21582-17	March 20, 2008
Tower	Arch Revisions	07-14840-07	March 25, 2008
Tower	Engineering	06-33024-02	April 6, 2008
Site	Pedestrian Overhead Canopy	08-06455 BU1	April 8, 2008
Tower	Architectural Revision	07-14840-05	April 8, 2008
Garage	Structural Revision	07-7220-05	April 15, 2008

Component	Description	Permit No.	Date Issued
Tower	Sprinkler System	N/A	April 15, 2008
Garage	Foundation Revision	06-47392-03	April 25, 2008
Podium	Stair Revision	07-21582-20	April 28, 2008
Tower	Engineering	06-33024-03	May 6, 2008
Podium	Stair Revision	07-21582-31	May 7, 2008
Tower	Arch Revisions	07-14840-09	May 8, 2008
Podium	Arch Revision	07-33462-01	May 12, 2008
Garage	Arch Set Rev.	07-17708-02	May 13, 2008
Podium	Structural	07-21582-23	May 20, 2008
Podium	Structural	07-21582-22	May 21, 2008
Tower	Stairs #1, #2 & #3	07-5172-007	May 22, 2008
Tower	Architectural	07-14840-10	May 28, 2008
Garage	Stairs #10 & #22	07-7220-06	May 28, 2008
Podium	Life Safety	06-48195-03	May 29, 2008
Garage	Stairs #16	07-7220-07	June 2, 2008
Garage	Stair Framing	07-7220-09	June 4, 2008
Tower	Structural	07-5172-008	June 6, 2008
Tower	Structural	07-14186-06	June 16, 2008
Podium North	Structural	07-40154-02	June 17, 2008
Podium North	Foundation	07-40154-02	June 17, 2008
Tower	Structural	07-5172-09	June 20, 2008
Tower	Stairs 1-3	07-14186-10	June 20, 2008
Garage	Sanitary	08-13931 BU1	July 7, 2008
Tower	Architectural	07-14186-07	July 8, 2008
Podium	Structural	07-21582-24	July 8, 2008
Tower	Electrical	07-14840-12	July 11, 2008
Tower	AMEP	07-14840-11	July 11, 2008
Tower	Architectural	07-14186-09	July 16, 2008
Podium	Site	07-33462-03	July 17, 2008
Garage	Electrical	07-17708-EL	July 25, 2008
Garage	Structural	07-7220-11	July 29, 2008
Garage	Structural	07-7220-12	July 30, 2008
Podium	Stairs	07-21582-18	July 8, 2008
Podium	Framing	07-21582-26	July 8, 2008
Garage	East Elevation	07-7220-13	July 15, 2008
Podium	Architectural	07-33462-02	July 30, 2008

Component	Description	Permit No.	Date Issued
Podium	Site	07-33462-04	July 30, 2008
Podium	Mechanical	07-42658 MEFT	August 5, 2008
Podium	Spa	08-13578	August 7, 2008
Garage	Barrier Cables	07-7220-14	August 8, 2008
Podium	Theatre Arch.	07-33462-05	August 11, 2008
Podium	Building	07-42658-01	August 11, 2008
Tower	Misc. Coordination	07-14840-13	August 15, 2008
Podium	Structural	07-21582-27	August 19, 2008
Podium	Plumbing	07-42658 PLFT	August 21, 2008
Garage	Structural	07-7220-15	September 3, 2008
Garage	Structural	07-7220-16	September 4, 2008
Podium	Foundation	07-38187-3	September 5, 2008
Tower	Misc. Coordination	07-14840-14	September 9, 2008
Podium	Stair 121	07-21582-25	September 9, 2008
Podium	Structural	07-33462-06	September 10, 2008
Podium	Structural	07-40154-3	September 10, 2008
Garage	Structural	07-7220-18	September 11, 2008
Podium	Casino	08-23297	September 11, 2008
Garage	Structural	07-7220-19	September 12, 2008
Garage	Structural	07-7220-20	September 14, 2008
Garage	TCO Exit Plan	07-7220	September 15, 2008
Garage	Foundation	06-47392-04	September 15, 2008
Podium	Structural	07-40154-4	September 17, 2008
Tower	Materials & Methods	06-33024-11	September 21, 2008
Podium	Building	07-42658	September 23, 2008
Podium	Building	08-13578-01C	September 23, 2008
Podium	Framing	07-21582-29	September 24, 2008
Podium	Architectural	07-21582-28	September 24, 2008
Garage	Structural/Stair #3	07-7220-21	October 1, 2008
Podium	Architectural	07-21582-31	October 6, 2008
Garage	Structural	07-7220-22	October 6, 2008
Tower	Structural	07-14186-012	October 7, 2008
Podium	Structural	07-38187-4	October 7, 2008
Podium	Framing	07-21582-32	October 10, 2008
Garage	Fire	07-17708-FA	October 15, 2008

Component	Description	Permit No.	Date Issued
Podium	Stair 192	07-21582-41	October 20, 2008
Podium	Stair 191	07-21582-43	October 20, 2008
Podium	Structural	07-21582-35	October 21, 2008
Tower	Structural	07-14186-013	October 21, 2008
Tower	Structural	07-14186-015	October 21, 2008
Tower	Architectural & MEP	07-14840-15	October 21, 2008
Podium	Structural	07-21582-33	October 22, 2008
Podium	Structural	07-21582-34	October 22, 2008
Garage	Architectural	07-17708-003	October 22, 2008
Site	Sidewalk Canopy	08-25201	October 24, 2008
Podium	Site	07-21582-36	October 27, 2008
Podium	Structural	07-21582-37	October 28, 2008
Podium	Structural	07-21582-39	November 10, 2008
Garage	Egress	07-7220	November 10, 2008
Garage	Misc.	07-7220-24	November 10, 2008
Podium	Wedding Chapel	08-27529	November 11, 2008
Podium	Theatre	07-21582-40	November 11, 2008
Garage	Structural	07-17708-04	November 12, 2008
Garage	Misc.	07-7220-26	November 12, 2008
Garage	Structural	07-7220-25	November 14, 2008
Garage	Structural	07-7220-27	November 18, 2008
Garage	Structural	07-7220-28	November 18, 2008
Podium	Convention Lobby	08-30383 BU1	November 18, 2008
Garage	Stair 2	07-7220-29	November 19, 2008
Garage	Structure	07-7220-30	November 19, 2008
Garage	Stair 11	07-7220-31	November 19, 2008
Podium	Stair 193	07-21582-42	November 25, 2008
Podium	Stair 157	07-21582-44	November 25, 2008
Podium	Stair 159	07-21582-45	November 25, 2008
Podium	Stair 162	07-21582-46	November 25, 2008
Podium	Stair 158	07-21582-47	November 25, 2008
Podium	Venue-Restaurant Bar	08-30819	November 25, 2008
Podium	Venue-Pool Café	08-30985	November 25, 2008
Garage	Stair 9	07-7220-33	November 26, 2008
Garage	West Elevation	07-7220-32	November 29, 2008
Garage	Stair 1	07-7220-34	December 2, 2008

Component	Description	Permit No.	Date Issued
Podium	Venue-Oasis Pool Bar	08-30822	December 2, 2008
Garage	Delta 12	07-17708-05	December 2, 2008
Podium	Structural	07-21582-48	December 5, 2008
Garage	SK-06 &SK-07	07-7220-35	December 8, 2008
Podium	Foundation delta NF6	07-38187-05	December 9, 2008
Podium	Structural delta NS8	07-40154-05	December 9, 2008
Podium	Bleau Lounge	08-31185 BU1	December 11, 2008
Podium	Venue-Euro Pool Bar	08-30824 BU1	December 12, 2008
Garage	East Elevation	07-7220-36	December 13, 2008
Podium	Fireproofing	07-21582-38	December 17, 2008
Podium	Exterior Courtyard	07-21582-51	December 19, 2008
Podium	Fire Alarm	07-33462 FA 9	December 19, 2008
Tower	Embedment Shop Drawings	07-14186-17	December 19, 2008
Podium	Delta 18	07-33462-09	December 22, 2008
Garage	Structural Framing Level 6	07-7220-45	December 23, 2008
Garage	Delta 13	07-17708-06	December 24, 2008
Podium	Venue-Casino Sundries	08-32957 BU1	December 24, 2008
Podium	NCR Response	07-21582-52	December 26, 2008
Garage	West-North Elevations	07-7220-39	December 26, 2008
Podium	Venue-Burger Bar	08-32956	December 29, 2008
Tower	Structural Delta 15B	07-14186-18	December 30, 2008
Garage	Structural Delta 10	07-7220-43	December 30, 2008
Garage	Emergency Ramp	06-52272-04	December 31, 2008
Garage	North Elevation	07-7220-44	December 31, 2008
Garage	Foundation Delta 9	06-47392-06	January 2, 2009
Podium	Structural Delta S17	07-21582-53	January 2, 2009
Podium	Retail Promenade	07-21582-54	January 6, 2009
Podium	Hospitality Courtyard	07-33462-10	January 9, 2009
Tower	Structural Delta 14B	07-14186-16	January 12, 2009
Garage	Delta 14	07-17708-07	January 16, 2009
Podium	Las Vegas Blvd. Zone 140	07-33462-11	January 20, 2009
Podium	Venue-East Casino	08-23297 FA9	January 26, 2009
Podium	Venue-FB Logo	09-1305 BU1	January 26, 2009

6.3. As-Built Survey

Not expected at this time.

6.4. Designer-of-Record Field Observation Reports

IVI has requested, but has not received a report for this PC.

6.5. Certificate of Occupancy

Upon governmental sign-off of each completed component/phase the GC will acquire a Temporary Certificate of Occupancy (TCO) or Certificate of Occupancy (CO). Either a TCO or CO has been received during this PC (Exhibit "R") and bolded on the matrix below:

Component/Phase	Permit No.	Date Issued	Expires	Certificate
Parking Garage P-1 to P-3	07-7220	August 26, 2008	January 31, 2009	TCO
Parking Garage P-4	07-7220	October 1, 2008	January 31, 2009	TCO
Parking Garage P-1 to P-4	07-7220	December 1, 2008	January 31, 2009	TCO
Parking Garage P-1 to P-4	07-7220	February 2, 2009	April 30, 2009	TCO

6.6. Construction Meeting Minutes

The contractor has continued to provide Project Meeting Minutes prepared by BWA.

6.7. Shop Drawing and RFI Logs

IVI as requested has received the RFI Log – Outstanding for the garage, tower and podium (Exhibit "U") during the PC.

6.8. Tenant/End-User Status and Approvals

IVI has not received copies of any executed lease agreements for the available retail spaces. Listed below are the proposed tenants and allotted space:

Category	Level	Suite ID	Tenant	Tentative Opening Date	SFG
F&B	Casino	100A	Lobby Bar	TBD	4,391
F&B	Casino	R1	Gotham Bar & Grill	TBD	9,918
F&B	Casino	R2	FB Steakhouse	TBD	9,702
F&B	Casino	R4	Bar American	TBD	10,537
Retail	Casino	104	Retail	TBD	1,157
Retail	Casino	105	Retail	TBD	3,515
Retail	Casino	107	Retail	TBD	1,920
Retail	Casino	108	Retail	TBD	2,300
Retail	Casino	109	Retail	TBD	5,747
F&B	Retail	R6	italian Concept	TBD	8,739
F&B	Retail	R12	Burger Bar	TBD	3,524
F&B	Retail	R7	Seafood	TBD	9,747
F&B	Retail	237	Gelateria	TBD	2,853
F&B	Pool	R9	Tapas Concept	TBD	7,006
F&B	Pool	R10	Hakkasen	TBD	11,889
F&B	Pool	R11	Night Club/Ultra Lounge	TBD	41,400
F&B	Casino	R3	NOBU Sushi	TBD	5,385
Retail	Casino	103	Retail	TBD	2,067

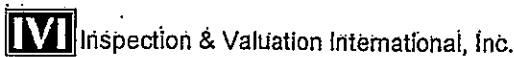
Category	Level	Suite ID	Tenant	Tentative Opening Date	SFG
Retail	Casino	111	Retail	TBD	1,173
Retail	Casino	A2	Retail	TBD	5,040
Retail	Casino	116	Retail	TBD	2,731
Retail	Casino	116/LOGO	Retail	TBD	2,182
Retail	Casino	LOGO	Retail	TBD	2,036
Retail	Casino	Deli	Retail	TBD	1,689
F&B	Retail	R5	NOBU	TBD	14,548
Retail	Retail	200	Retail	TBD	8,972
Retail	Retail	202	Retail	TBD	715
Retail	Retail	205	Retail	TBD	1,867
Retail	Retail	207	Retail	TBD	2,293
Retail	Retail	209	Retail	TBD	1,612
Retail	Retail	211	Retail	TBD	1,535
Retail	Retail	213	Retail	TBD	2,094
Retail	Retail	215	Retail	TBD	2,016
Retail	Retail	217	Retail	TBD	2,141
Retail	Retail	225	Retail	TBD	5,028
Retail	Retail	226	Retail	TBD	6,423
Retail	Retail	227	Retail	TBD	2,305
Retail	Retail	229	Retail	TBD	2,380
Retail	Retail	231	Retail	TBD	4,630
Retail	Retail	235	Retail	TBD	2,720
Retail	Retail	238	Retail	TBD	670
Retail	Retail	239	Retail	TBD	679
Retail	Retail	241	Retail	TBD	1,995
Retail	Retail	243	Retail	TBD	1,806
Retail	Retail	245	Retail	TBD	1,861
Retail	Retail	247	Retail	TBD	2,803
Retail	Retail	249	Retail	TBD	1,225
Retail	Retail	251	Retail	TBD	1,509
Retail	Retail	253	Retail	TBD	1,790
Retail	Retail	255	Retail	TBD	1,884
Retail	Retail	257	Retail	TBD	1,822
Retail	Retail	258	Retail	TBD	1,778
Retail	Retail	259	Retail	TBD	1,556
Retail	Retail	260	Retail	TBD	1,306
Retail	Retail	261	Retail	TBD	1,047
Retail	Retail	262	Retail	TBD	1,043
Retail	Retail	263	Retail	TBD	1,266
Retail	Retail	265	Retail	TBD	1,286
Retail	Retail	267	Retail	TBD	1,120
Retail	Retail	268	Retail	TBD	1,336
Anchor	Retail	A1	Retail	TBD	14,661
Anchor	Retail	A3	Retail	TBD	27,795
Total SFG					290,373

6.9. Closeout Documents

Not expected at this time.

6.10. LEED Status

The Developer previously provided the following as a summary update concerning the status of the LEED qualification costs and the sales tax benefit:



IVI Project No. V61210964

- Executed LEED Deferral Certificate Log;
- LEED Credit checklist; and
- LEED Scorecard & Action Plan.

The aforementioned outlined: potential credit, requirements for compliance, action plan, assigned responsibility and estimated premium costs.

During this PC, the Developer provided the following (Exhibit "W"):

- LEED credit checklist dated December 31, 2008.

Based upon this documentation, it appears that the project is on track to obtain a Silver certification. The governmental approval process is 4-6 weeks after final submission, with certification expected by March 2010.

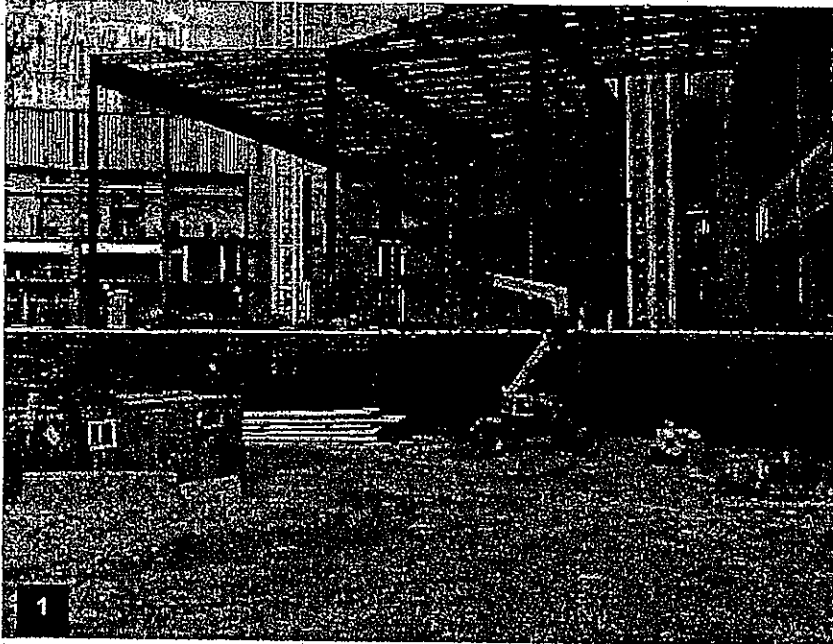
7. SALIENT FACTS SCHEDULE

Project Location:	Las Vegas Boulevard, Las Vegas, Nevada
Project Type:	Fontainebleau Resorts Hotel Casino
Project Size:	8,749,063 SFG
Construction Delivery Method:	Cost-of-the-Work Plus a Fee
Developer:	Fontainebleau Las Vegas, LLC. 2827 Paradise Road Las Vegas, Nevada 89109 Mr. Deven Kumar, VP of Development Finance (702) 495-8055 (tel) (702) 495-8403 (fax) dkumar@fbresorts.com
BofA Contact:	Bank of America 901 Main Street, 64 th Floor Dallas, Texas 75202 Mr. Brandon Bolio (214) 209-3795 (tel) (214) 209-0085 (fax) brandon.bolio@bankofamerica.com
LBH Contact:	Lehman Brothers Holdings, Inc 399 Park Avenue New York, New York 10022 Josh Freedman (212) 526-7000 (tel) (212) 713-1278 (fax) josh.freedman@lehman.com
General Contractor:	Tumberry West Construction, Inc 6725 Via Austi Parkway, Suite 380 Las Vegas, Nevada 89119 Roger McElfresh, President (702) 495-8005 (tel) (702) 495-7110 (fax) RMcelfresh@tumberrylltd.com
Architect:	Bergman, Walls & Associates. 2965 S. Jones Boulevard Suite C Las Vegas, Nevada 89146 Scott Walls (702) 940-0000 (tel) (702) 940-0001 (fax) swalls@bwaltd.com

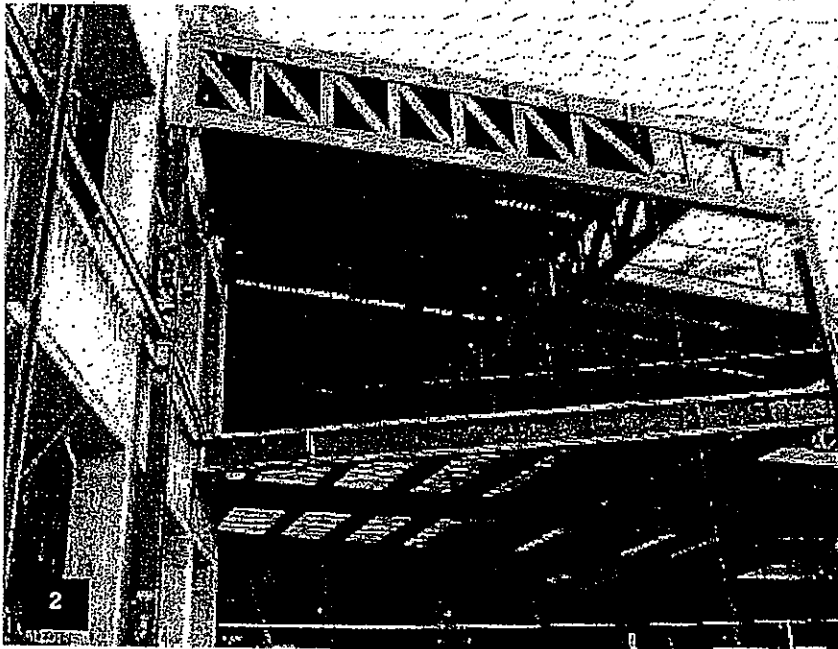
8. DISBURSEMENT AGREEMENT TERMS

Agreements:	Executed subcontractor agreement requirements: 60% execution by April 30, 2007; 75% execution by June 30, 2007; 85% execution by October 25, 2007 and 95% after exhaustion of the second mortgage proceeds account.
Contingency:	\$111,039,860; usage to be approved by BofA.
Retainage:	10% retainage will be held per trade contractor until 50% completion, and then the Project Entities may terminate the requirement of further retainage to the extent that the cumulative retainage is equal to 5% of the contract value (as adjusted by change orders, if any).
Bonding:	Payment and Performance Bonds are required from major subcontractors with a value over \$25,000,000, unless specifically waived.
Reallocations:	To be approved by BofA.
Stored Materials:	Funding for stored materials is permitted with an on-site limit of \$25,000,000, an off-site limit of \$50,000,000, increased to \$75,000,000 at the October 2, 2007 draw request meeting for PSR 6 which may further be waived at the discretion of the disbursement agent and a deposit limit of \$50,000,000. Funding for retail stored materials is permitted with an on-site limit of \$4,000,000, an off-site limit of \$4,000,000 and a deposit limit of \$4,000,000. Evidence of insurance, an invoice, a bill-of-sale, and consultant or 3 rd party verification is required for funding.

Fontainebleau Las Vegas
February 1, 2009

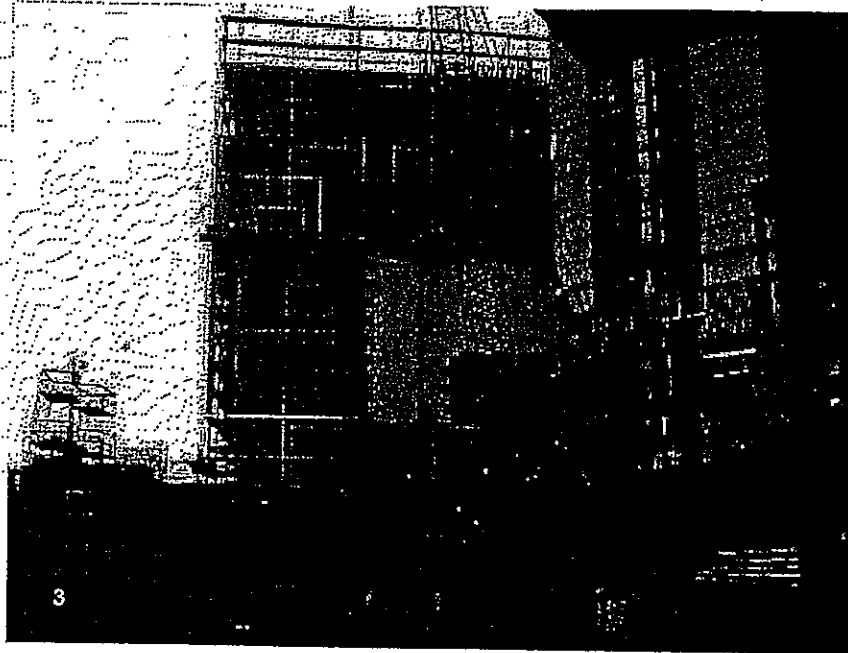


View looking east of the structural steel framing in process for the main lobby.

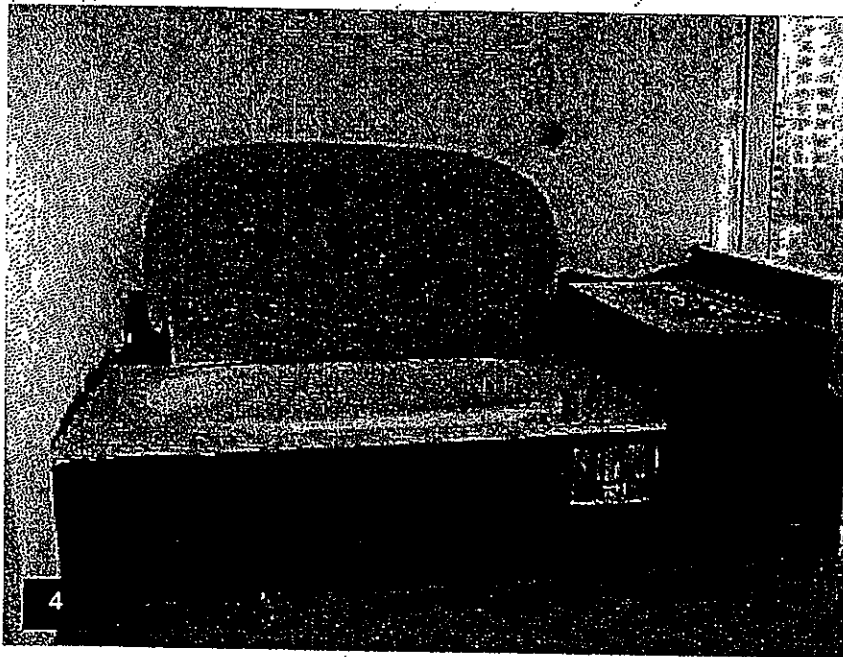


View of the Podium structural steel framing along Las Vegas Boulevard with the last truss scheduled for installation the second week in February.

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February 1, 2009

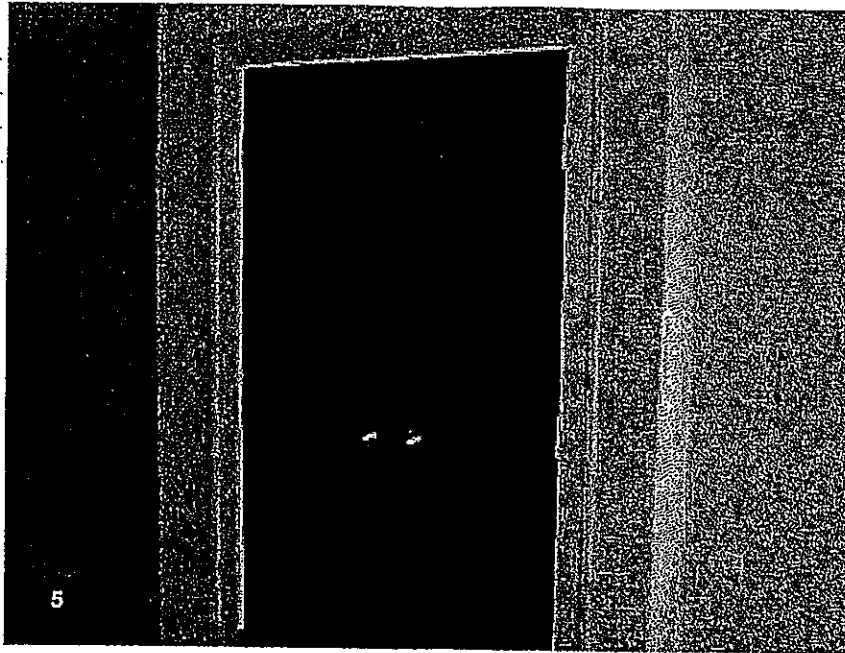


View of the west elevation of the Garage/Convention Center with the metal stud framing and insulation of the façade in process.

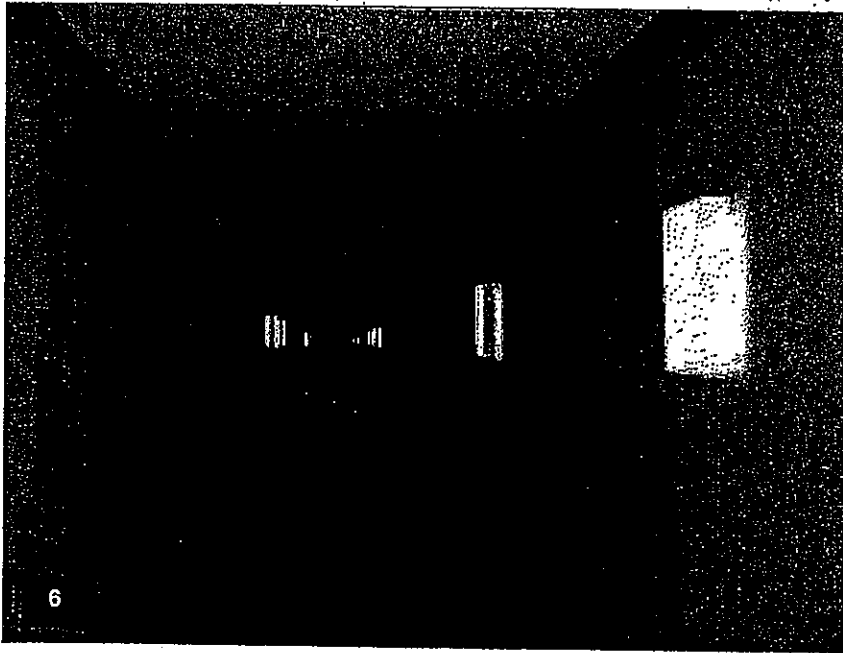


Tower Level T1 – View of a typical bathroom suite with the tub set and the tile in process.

Fontainebleau Las Vegas
February 1, 2009

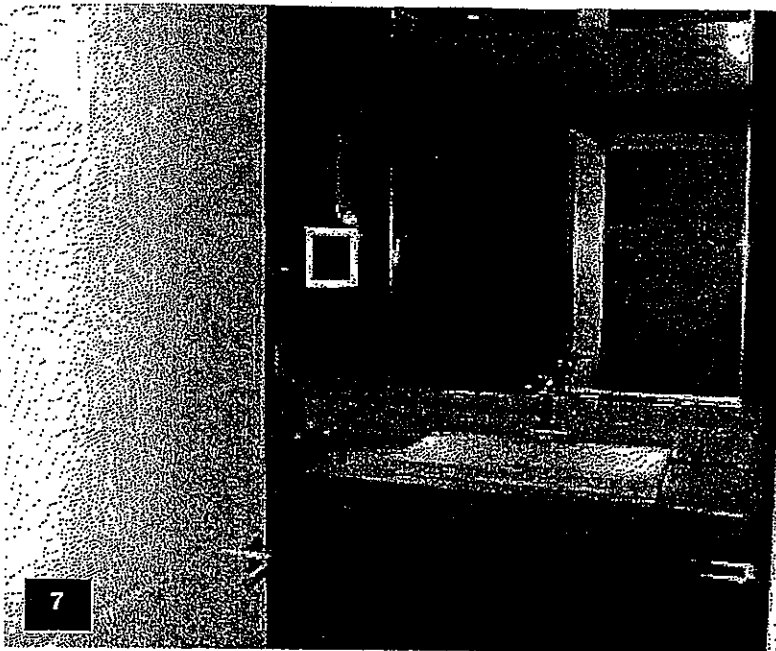


Tower Level T2 – View of a typical guestroom with installation of the closet doors complete.

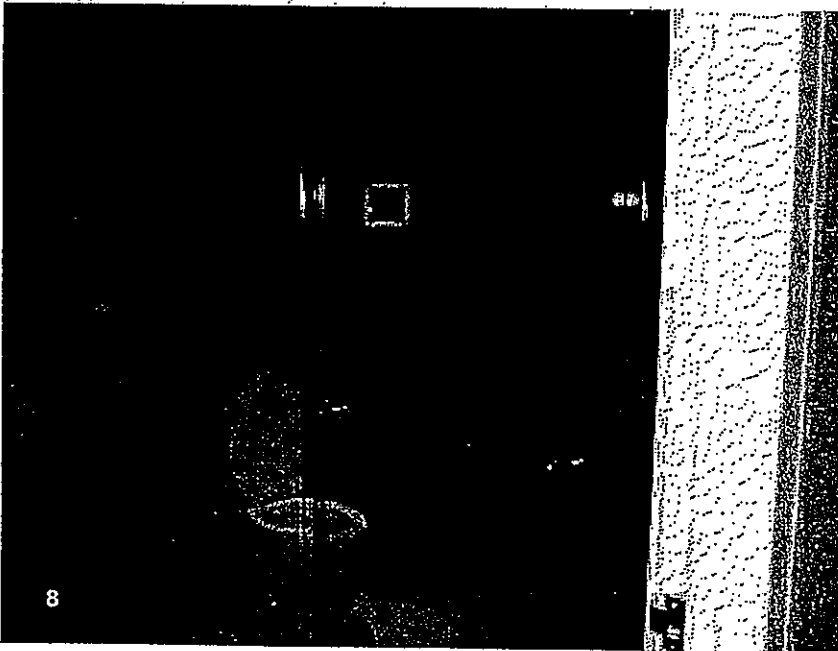


Tower Level T2 – View of the completed corridor including; carpeting, wall sconces, ceiling light fixtures and wall covering.

Fontainebleau Las Vegas
February 1, 2009

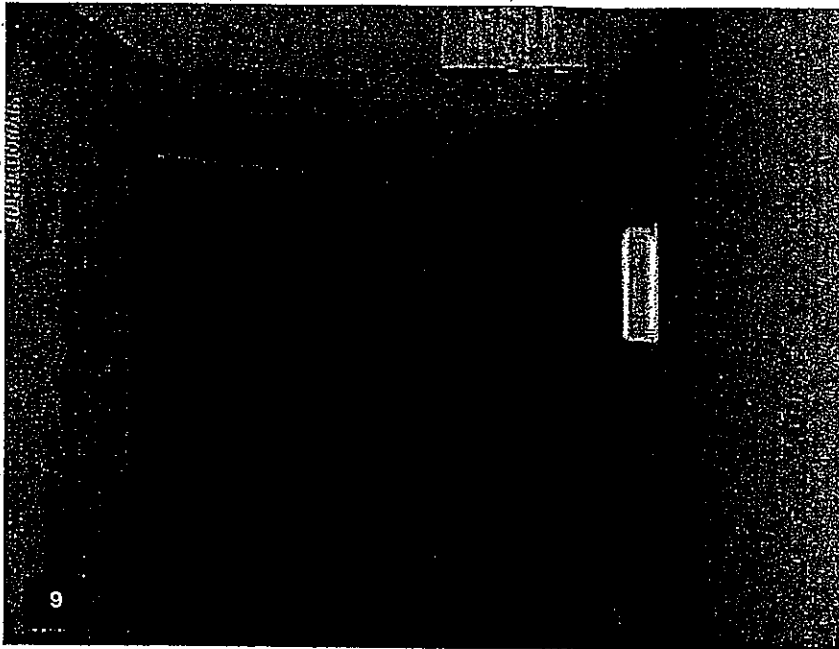


Tower Level T2 – View of a typical guestroom bathroom completed including; vanity top, sink, mirrors, valance and faucet.

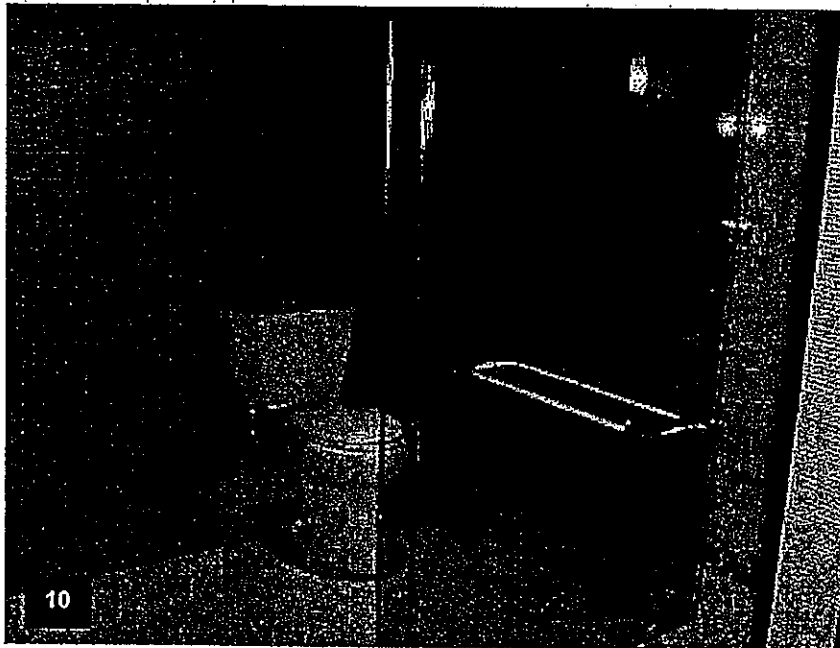


Tower Level T2 – View of a typical guestroom bathroom completed including; toilet, glass shower enclosure and accessories.

Fontainebleau Las Vegas
February 1, 2009

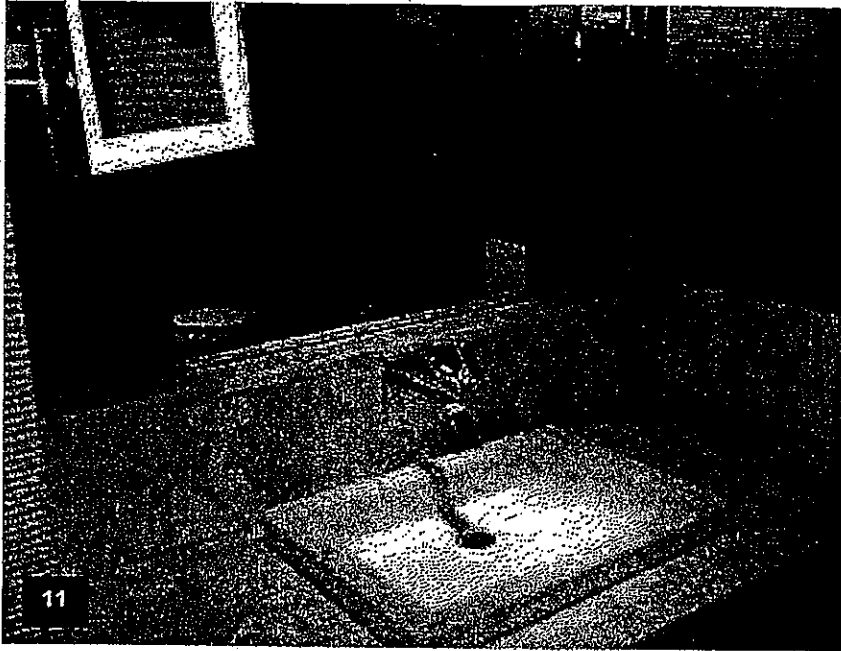


Tower Level T2 – View of a typical condominium entrance completed including doorbell, valance, finishes and hardware.

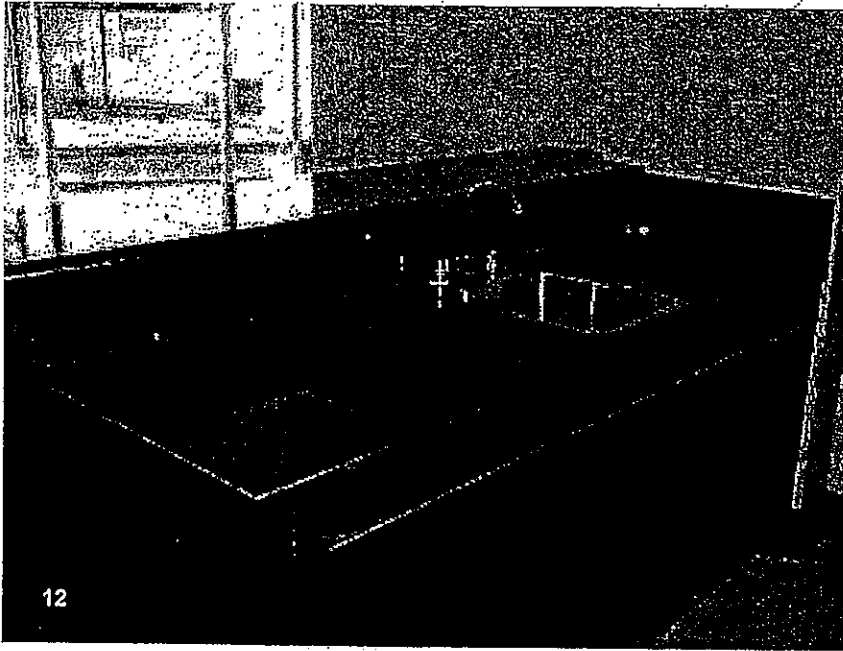


Tower Level T2 – View of a typical condominium bathroom completed including; toilet, glass shower enclosure and accessories.

Fontainebleau Las Vegas
February 1, 2009

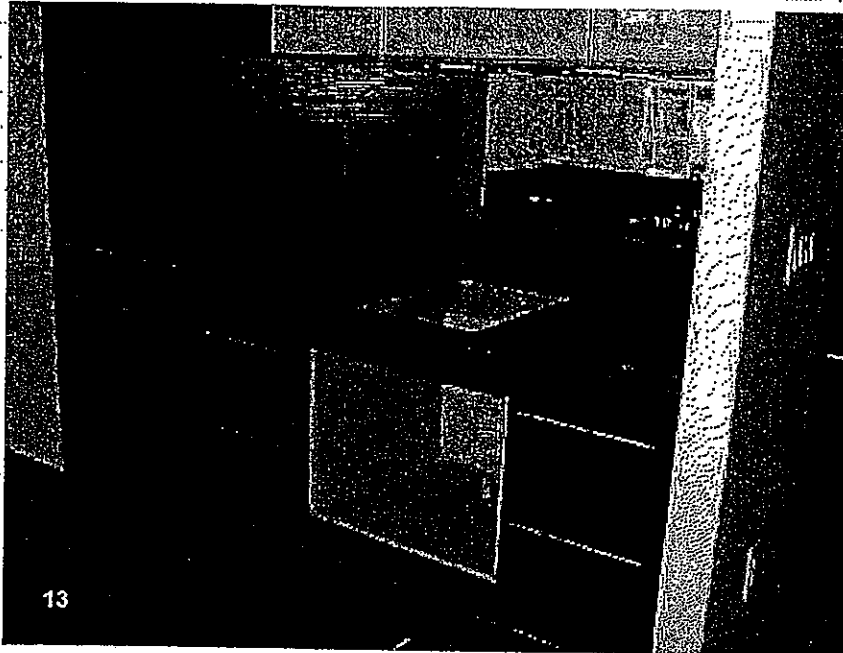


Tower Level T2 – View of a typical condominium bathroom completed including: vanity top, sink, mirrors, valance and faucet.

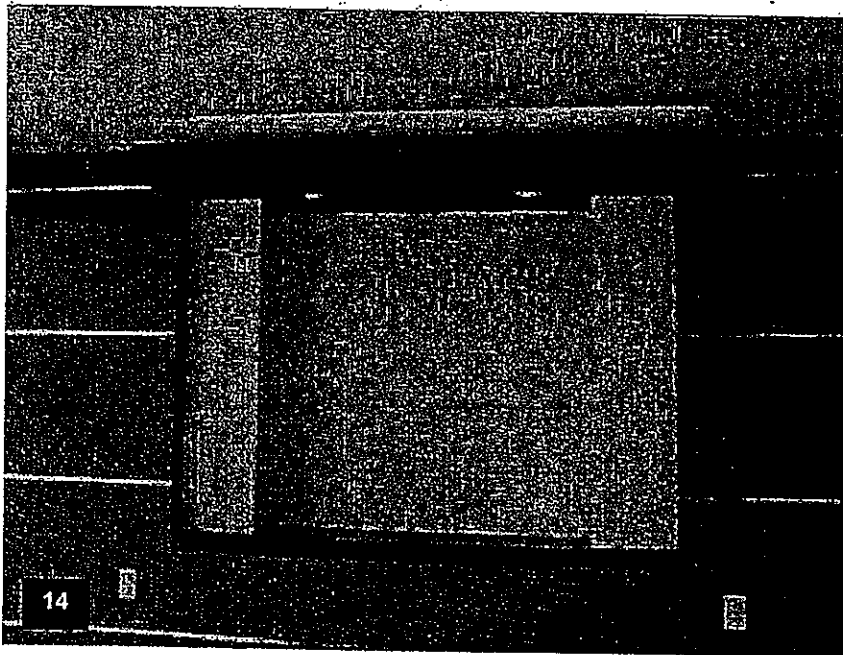


Tower Level T2 – View of a completed typical condominium kitchen completed including; stone countertops, breakfast bar, sink and faucet.

Fontainebleau Las Vegas
February 1, 2009

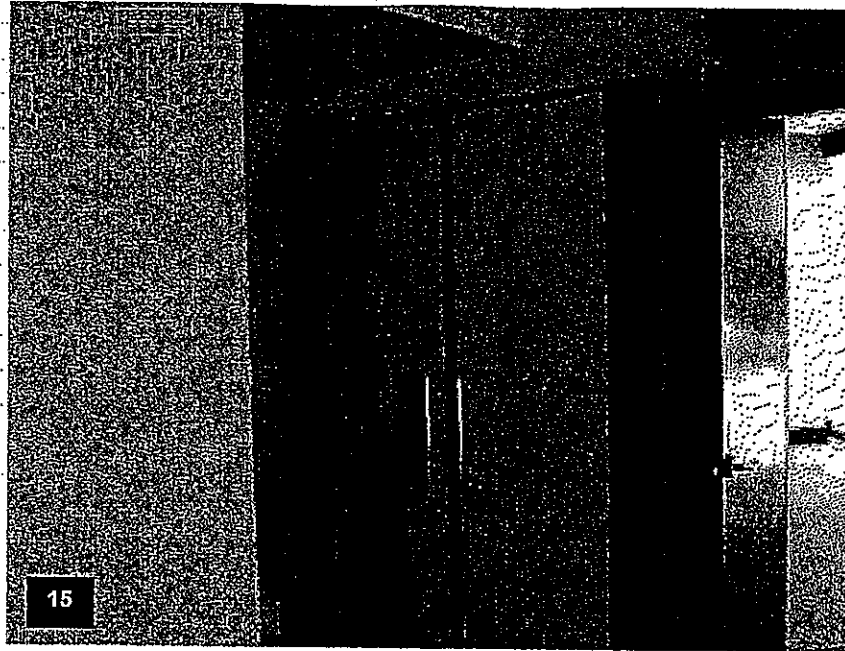


Tower Level T2 – View of a completed typical condominium kitchen completed excluding the cooktop and oven.

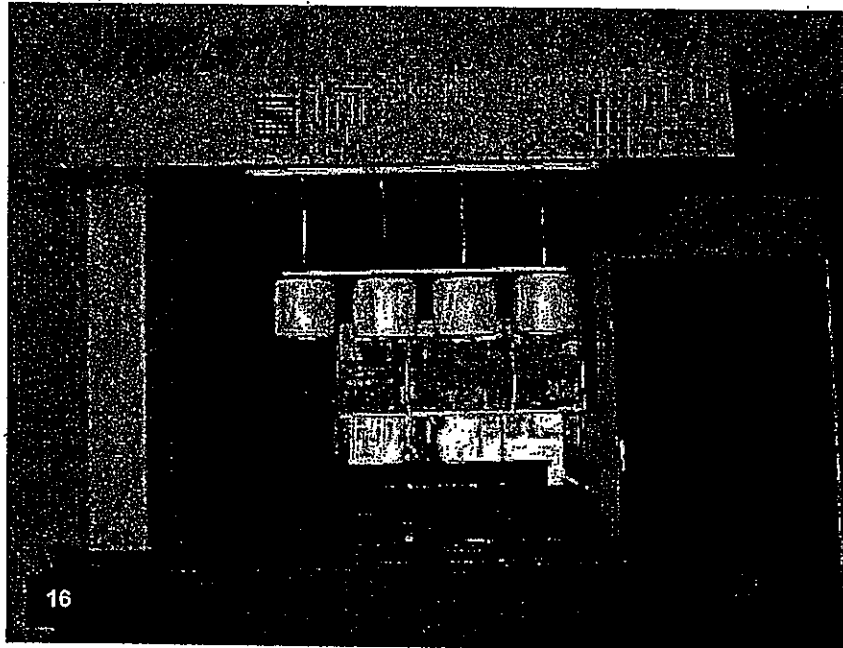


Tower Level T2 – View of a typical condominium bedroom completed with the recessed area illuminated.

Fontainebleau Las Vegas
February 1, 2009

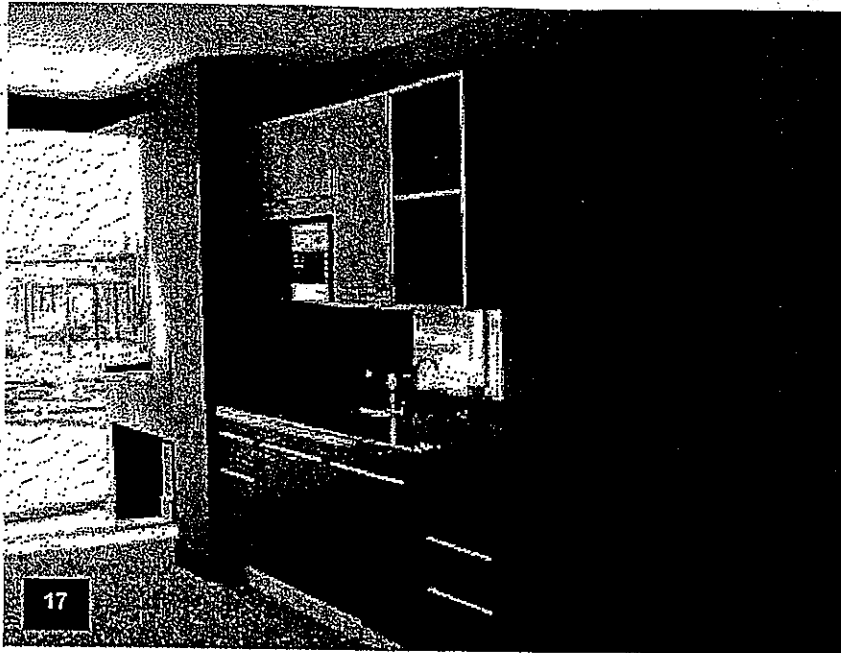


Tower Level T2 – View of a typical condominium entrance area with the closet installation completed.

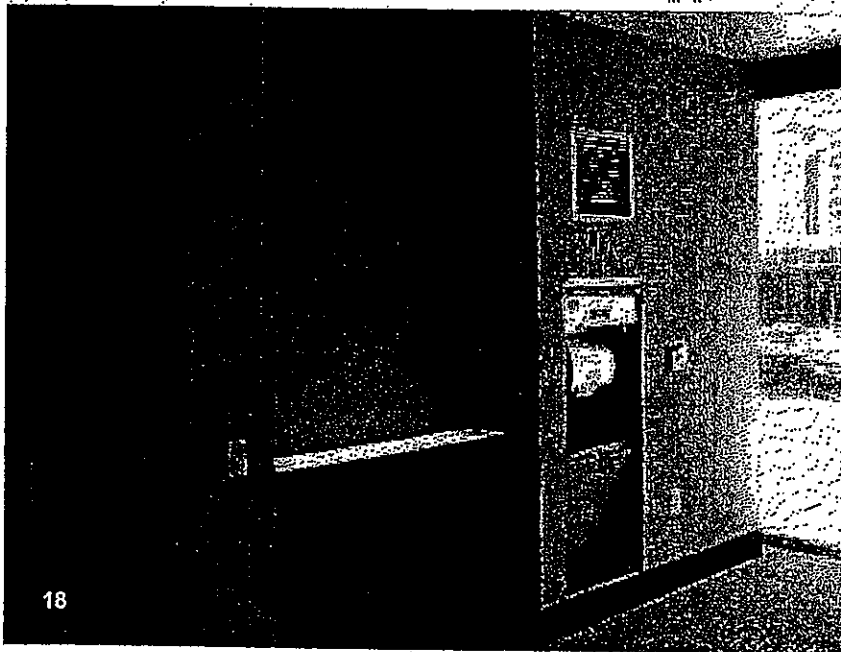


Tower Level T2 – View of the completed kitchen area for a typical one bedroom condominium including the light fixtures over the breakfast bar.

Fontainebleau Las Vegas
February 1, 2009

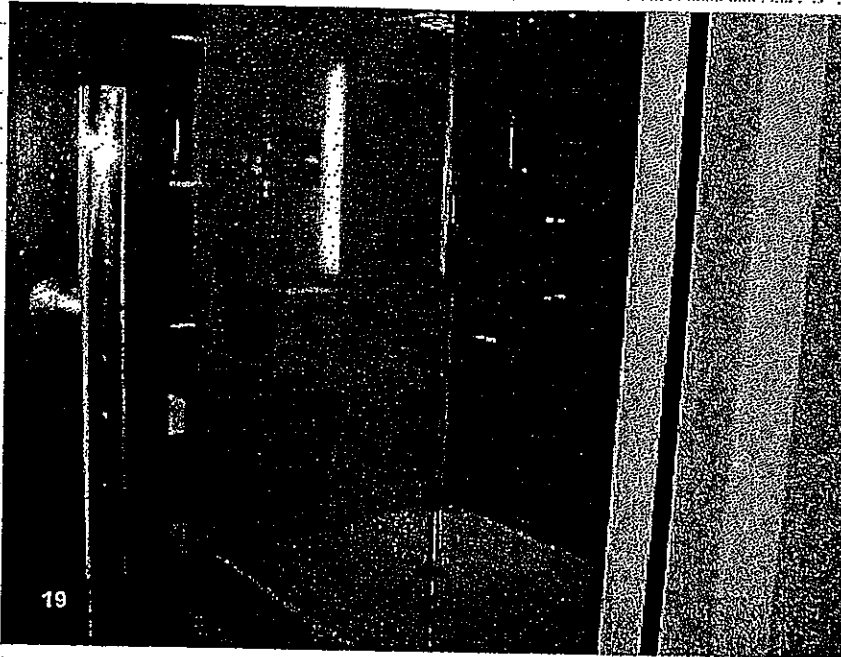


Tower Level T2 – View of a typical kitchen area completed for a studio condominium.

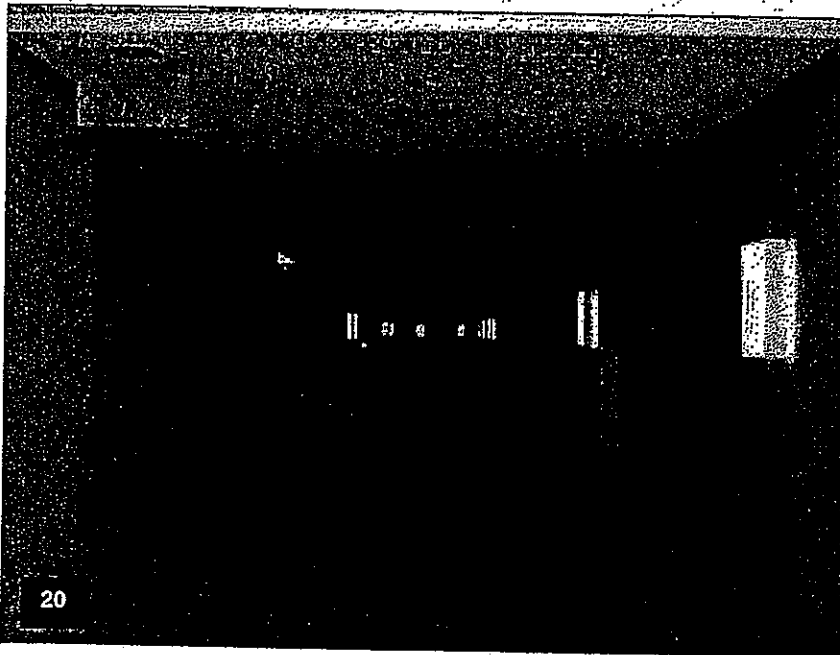


Tower Level T2 – View of a typical studio condominium completed excluding the cover for the fan coil units which will be installed as part of FF&E.

Fontainebleau Las Vegas
February 1, 2009

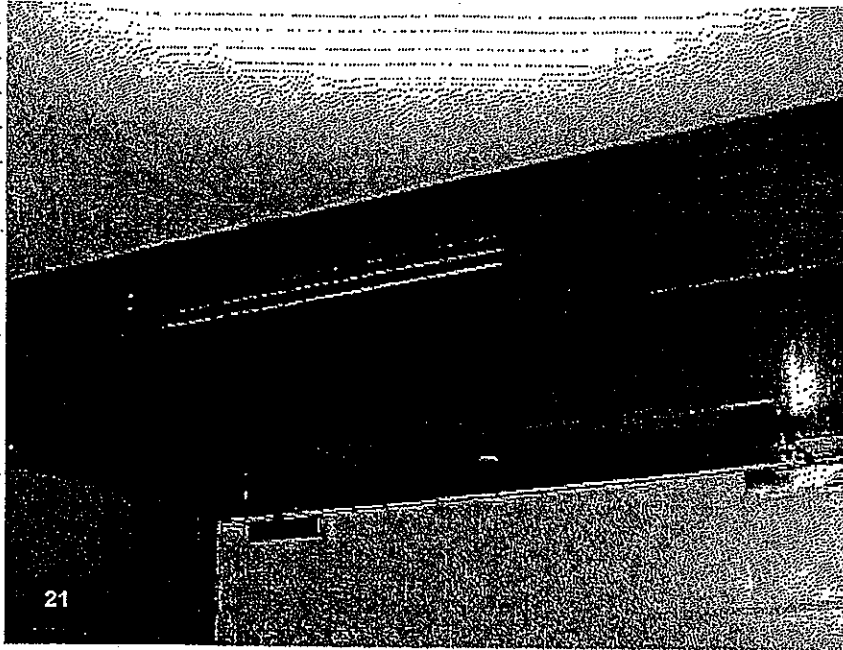


Tower Level T2 – View of a typical studio condominium bathroom completed.

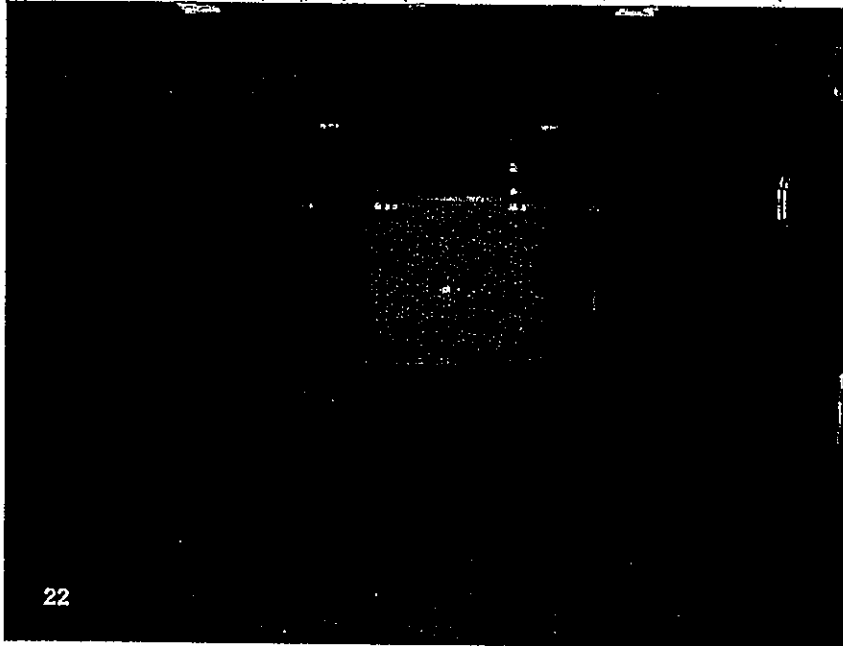


Tower Level T3 – View of the completed corridor including; carpeting, wall sconces, ceiling light fixtures and wall covering.

Fontainebleau Las Vegas
February 1, 2009

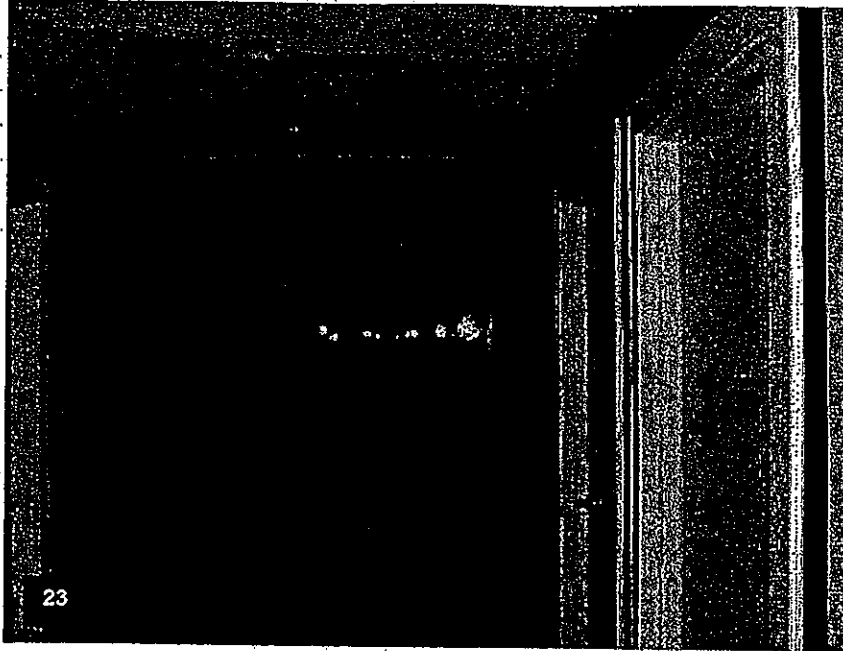


Tower Level T2 – View of the elevator lobby fan coil unit completed.

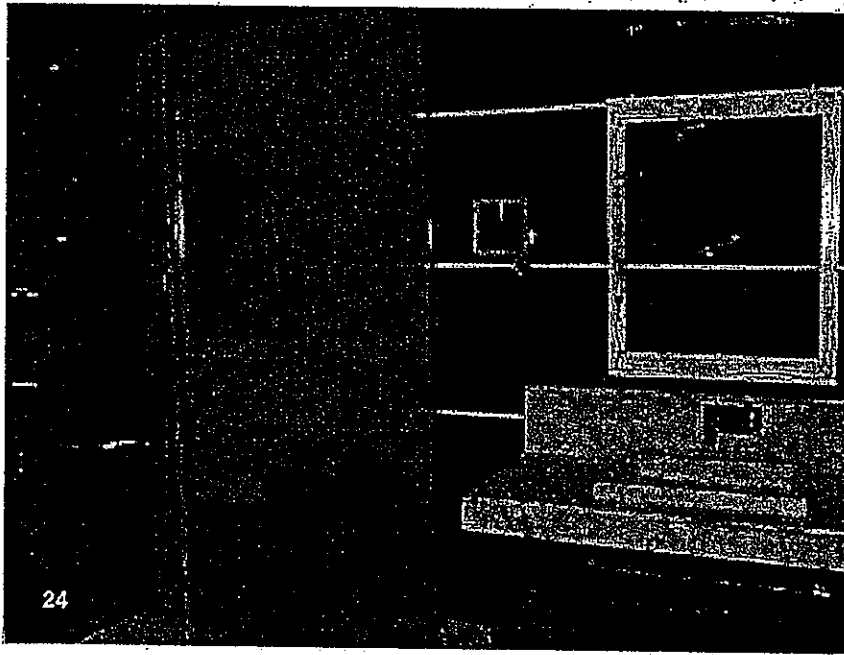


Tower Level T2 – View of the completed elevator lobby including; carpeting, light fixtures, wood paneling and wallcovering.

Fontainebleau Las Vegas
February 1, 2009

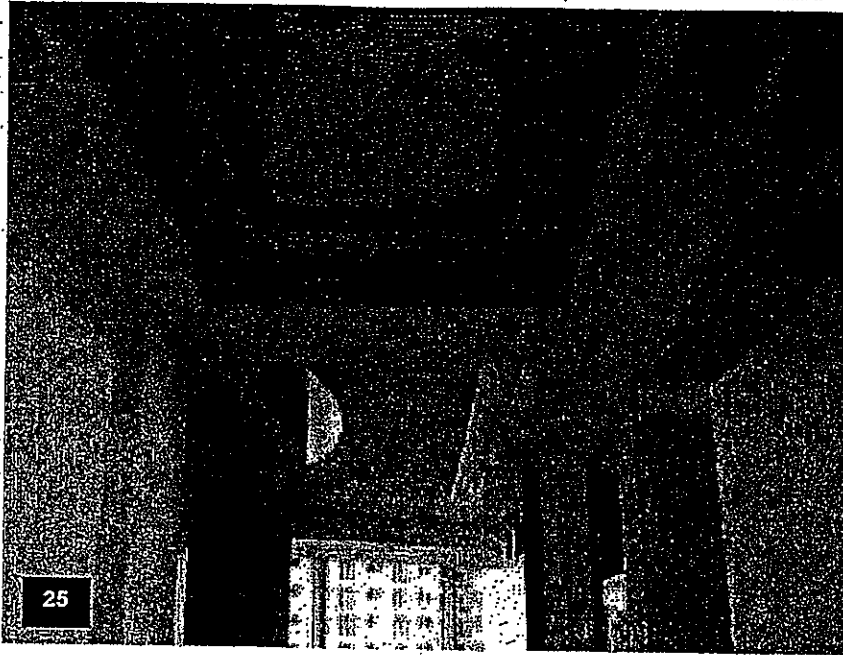


Tower Level T3 – View of the corridor excluding carpeting and light fixtures which will be typical until installation of all FF&E.



Tower Level T4 – View of a typical bathroom with completion in process.

Fontainebleau Las Vegas
February 1, 2009

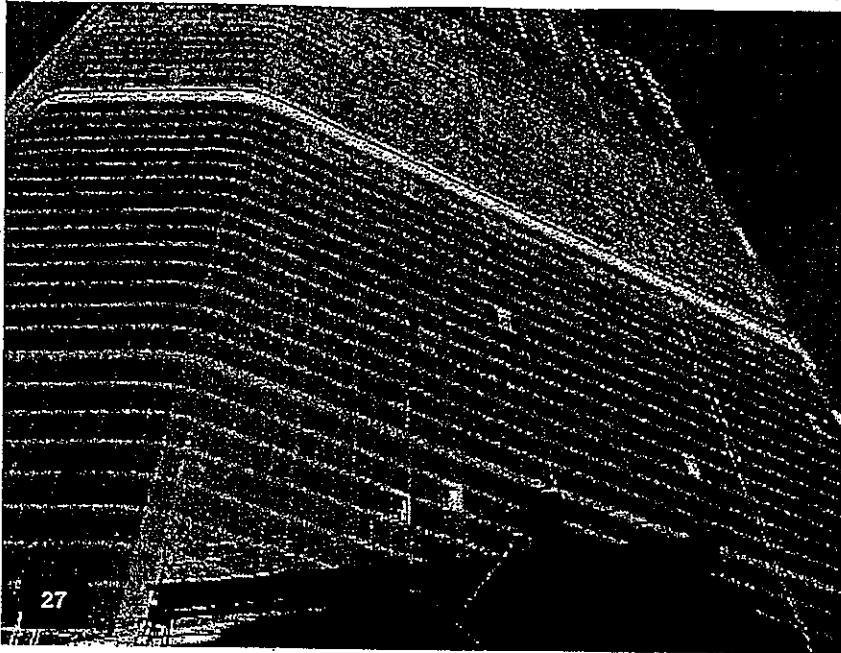


Tower Level T4 – View of a completed coffered ceiling in a typical end suite.

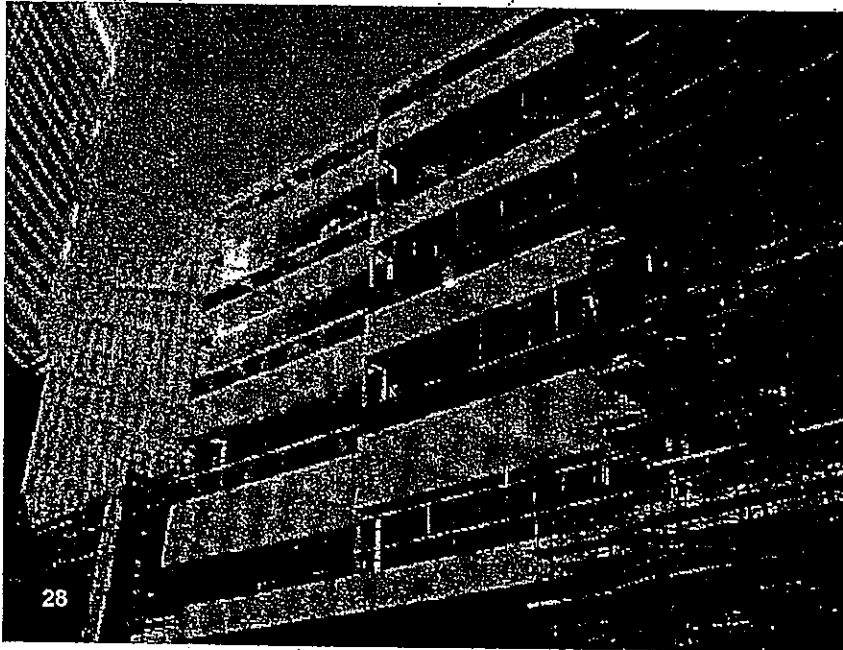


View of the west elevation of the meeting room glass façade facing the hospitality gardens.

Fontainebleau Las Vegas
February 1, 2009



View of the south elevation of the Tower, visible is the louver band at tower level T31.



View of the west elevation of the meeting room façade with the EFIS and glazing in process.

Fontainebleau Las Vegas
February 1, 2009

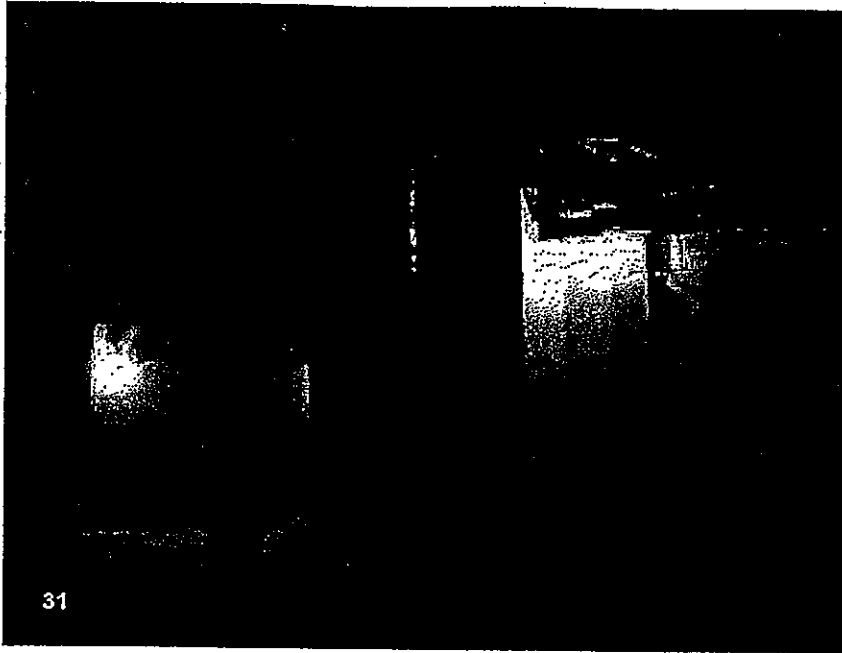


Garage/Convention Center - View of the corridor outside the Ballroom with the door frames and MEP in process.

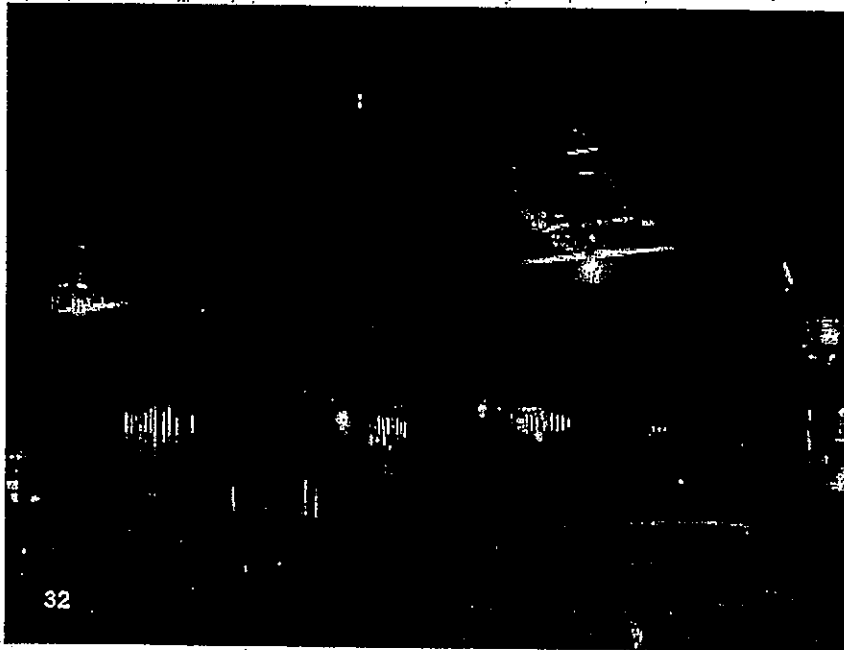


Garage/Convention Center - View of the in process MEP for the Ballroom.

Fontainebleau Las Vegas
February 1, 2009

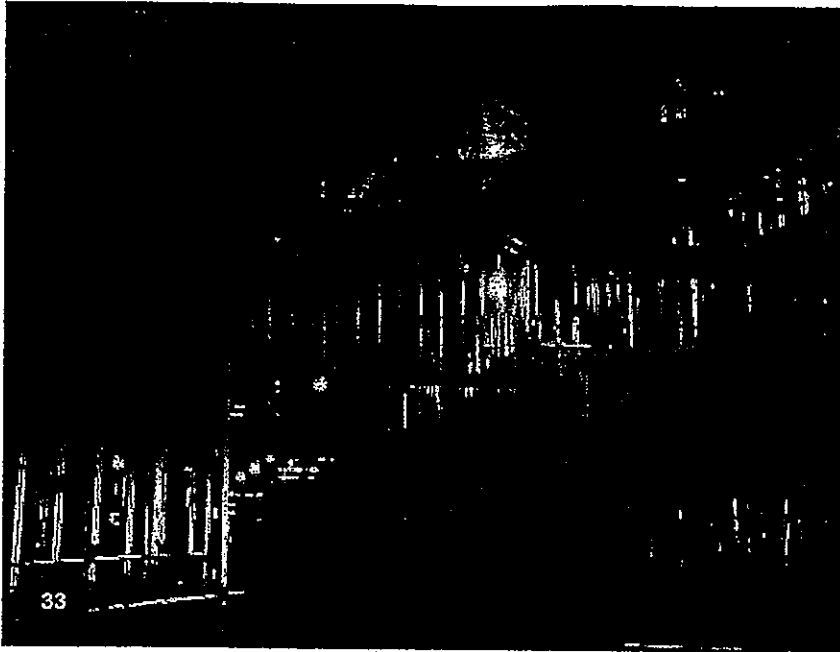


Garage/Convention Center – View of the installed operable partitions in the meeting rooms with the ceiling and MEP in process.

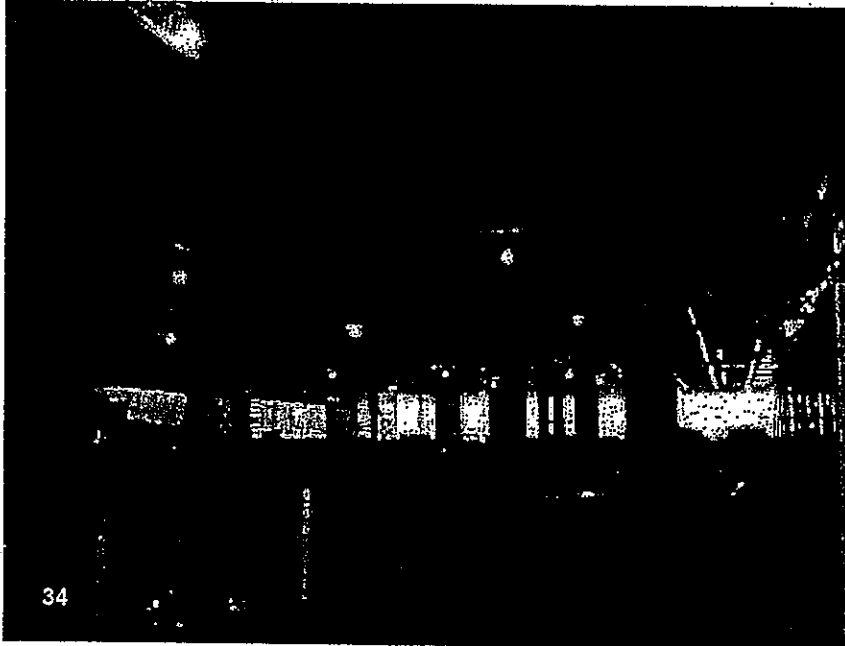


Garage/Convention Center – View of the MEP in process in the Ballroom.

Fontainebleau Las Vegas
February 1, 2009

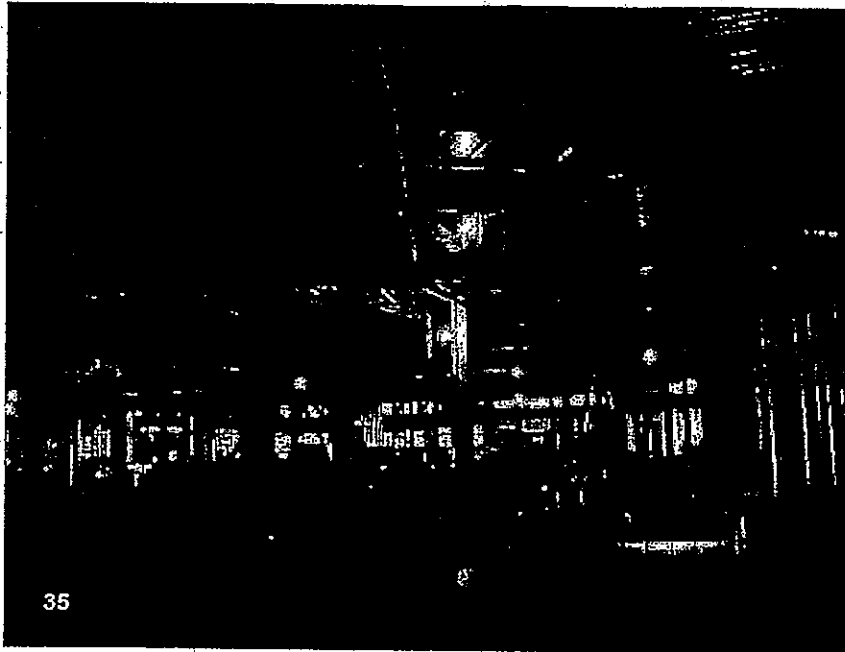


Podium Casino Level – View of the corridor adjacent to the Front Desk Support and the Coffee & Chocolate Boutique.

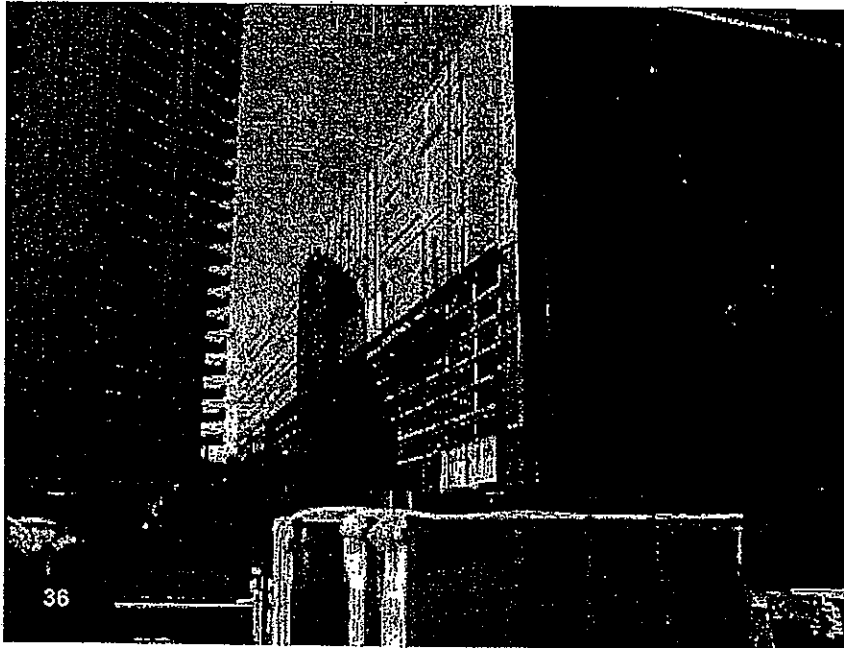


Podium Casino Level – View of the casino floor looking west.

Fontainebleau Las Vegas
February 1, 2009

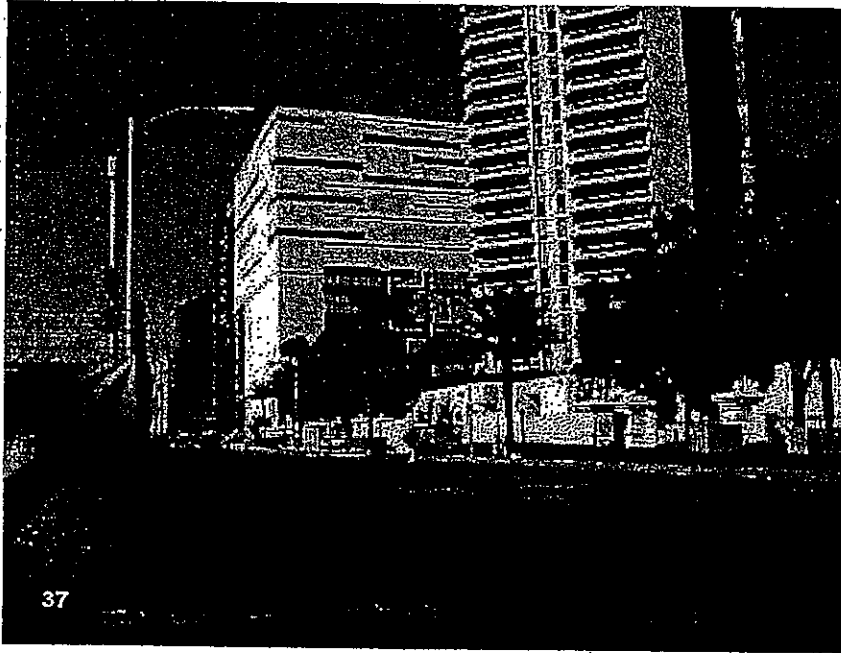


35
Podium Casino Level – View of the casino floor looking west in the gaming area.

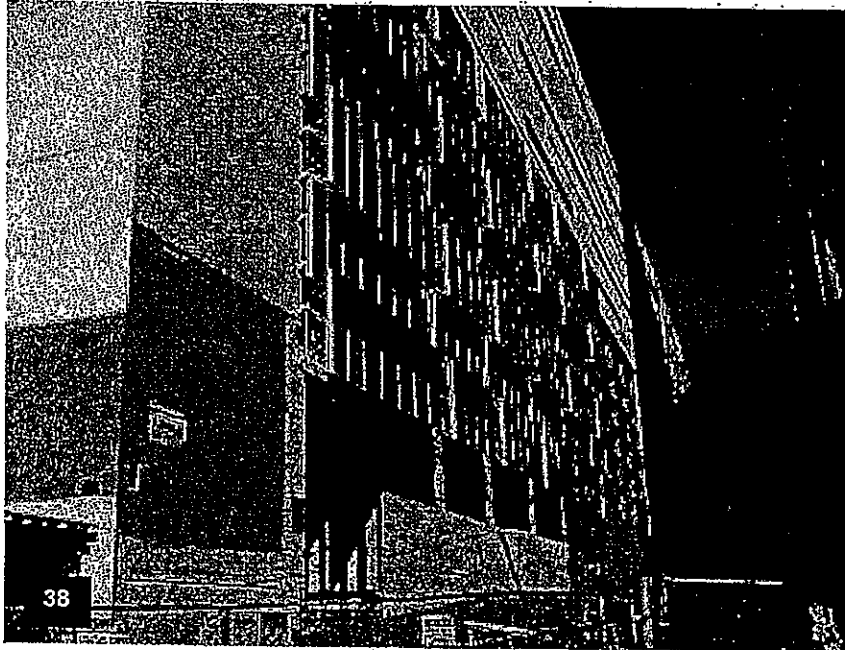


36
Garage/Convention Center – View of the northeast corner of the in process façade screening for the lower levels facing the residential towers and the completed EFIS façade facing the residential towers.

Fontainebleau Las Vegas
February 1, 2009



Garage/Convention Center – View of the southeast corner of the in process façade screening for the lower levels facing the residential towers and the completed EFIS façade facing the residential towers.



Garage/Convention Center – View of the east elevation of the in process façade screening for the lower levels facing the residential towers.

Dep. Ex. 604



CONSTRUCTION CONSULTING &
PROJECT MANAGEMENT

INSPECTION & VALUATION
INTERNATIONAL, INC.

106 Corporate Park Drive, Suite 417
White Plains, New York 10604
(914) 694-1900 (tel)
(914) 694-4007 (fax)
www.ivi-intl.com

March 5, 2009

Mr. Deven Kumar
VP of Development Finance
Fontainebleau Las Vegas, LLC
2827 Paradise Road
Las Vegas, Nevada 89109
(702) 495-8055 (tel)
(702) 495-8403 (fax)
dkumar@fbresorts.com

Re: Fontainebleau Las Vegas
Las Vegas, Nevada
IVI Project No. V61210964

Dear Mr. Kumar:

Based upon our visits to the project over the last two months and some of the documents received, we have the following questions I hope that you could answer.

Podium Venues

Last month, IVI received a tentative venue opening schedule with a commitment of a coordinated schedule for discussion during the March draw meeting. According to Paul Bonvicino, this was not available during our meeting earlier this week. We are hoping to see the finalized schedule within a week. At this point in the project schedule, we would expect to have a better understanding of the design and budget approval status for the venues, and which are planned to be ready for the Grand Opening. Please provide this schedule as soon as possible. We are also asking for a summary of any costs in excess of the budget related to the venue completion.

Owner Change Orders and Anticipated Cost Report

Based upon our review of the Turnberry West Construction Requisition for the month of February 2009 (received last week) and the Anticipated Costs for Fontainebleau dated January 2009 (the "ACR"), there appears to be a delay in the execution of Owner Change Orders, which seems to have gotten larger recently.

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BARCELONA · LONDON · PARIS · NICE · STOCKHOLM

Member of SOCOTEC Group  with 140 offices worldwide

EXHIBIT	604
WIT:	Bolio
DATE:	3-30-11
A. MANCUSO	

HIGHLY CONFIDENTIAL

BANA_FB00897758

Fontainebleau Las Vegas
IVI Project No. V61210964
March 5, 2009
Page 2 of 2

It appears that the ACR's "Anticipated Additional Costs", which were supposed to be a worst case projection of the potential owner change orders, are actually a summary of the projected costs to date with no projection of future needs. This is not what the ACR should be representing. This seems to be the case as just about all of the Anticipated Additional Costs (\pm \$60,800,000) have now been included in TWC's latest requisition as a credit entry labeled "TW Construction - Commitments Against POCs". It seems that TWC has already committed all of the Anticipated Additional Costs into their project as subcontractor change orders and Fontainebleau Las Vegas, LLC ("FBLV") has not signed the Owner Change Orders. This gives the indication that the project contingency is higher than it actually is.

This leads us to believe that FBLV and TWC are not on the same page with respect to the Owner Change Orders, which needs to be resolved, and that the entire picture regarding additional pending costs are not being fully shown. At this point in the project, it is hard to believe that there are no additional costs or claims out there. The ACR is designed to show the pending costs to the project and if all shown are already in TWC's requisitions as credits, which balances the contract amounts against the project budget, there must be items missing.

We would like to see a submission of the future potential claims being made by the subcontractors against TWC and any budget overruns related to the un-bought work. Please update the ACR to show the potential exposures to FBLV and a better indication of the current contingency.

LEED

We continue to be concerned about the ability to achieve the required LEED credits for the project. Based upon TWC's latest requisitions, it appears that there is still a \pm \$33,000,000 balance to be achieved. At approximately 75% complete, we would expect to have seen a larger amount committed. We understand that a detailed audit is currently in process; however, we ask that this be expedited to understand the extent of the projected shortfall.

We would like to have the requested documents before the submission of the next draw request.

Please call me at (914) 313-5113 or email me at robert.barone@ivi-intl.com if you have any questions.

Sincerely,

INSPECTION & VALUATION INTERNATIONAL, INC.



Robert W. Barone
Senior Vice President

RWB/bdi

Cc: Paul Bonvicino - IVI, Brandon Bolio - Bank of America

I:\003 Project Files\003.3 Project Management Oversight (PMO)\2008-2009\10964-Fontainebleau Las Vegas\01. Correspondence\11r.doc 3/5/09



Dep. Ex. 607



JK, SS

1

Subject Notebook

80 Sheets

College Ruled/Margin
11 x 8 1/2 in / 27.9 x 21.5 cm
Wirelock® Binding
100% Recycled Cover

Made in Mexico • #25-404



0 74319 25404 1

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Division of American Pad & Paper LLC

EXHIBIT 607
WIT: Bolio
DATE: 3-30-11
A. MANCUSO

FBLV Lender Calls

DB - Paul White

2/23

Jamie

D.H.

Gugenheim - ~~Samie~~ Freeland

• heard trying to do exchange on the sub-debt for a piece of the equity

D.H. Ubbalco finding Lehman's share

• pricing the Lehman piece

*

• Certain wall ~~no longer~~ stopped for last month?

- Freeman not calling Jamie back.

- sub debt in Qwa Paul

D.H.

Highland Capital : Kevin Mourtse (972) ~~419-6238~~ 628-4100

Brad Means

Sohn Zimmerman

- Confidence in mgmt ~~creativity~~ ^{FBI's} continued silence

* Would like a meeting call w/ Management
mgmt. contingency plans to stop? Not that I am aware of.
Evidence of stuffing / planning for Grand open?

I said have a look on employee training center

Sponsors? other capital?

Is this mgmt team committed to finishing.

Revisiting cost re-negotiation initiative.

R.N.

Halcyon - Todd Nocella (212-303-9402)

- Made nervous by tone of letter

- Pending reports

R.N.

Bardays - Diane Albanese (212-526-4979)

- Questions about the letter and ~~the~~ requirements to fund

- Mentioned the MFC IP language

Z-Capital Ryan Falconer

✓ Camulous - 530mm Revolver
Courtney Carson (2/24) #A 203-658-0758
Ted (2/23)
- lender call

①

*Public ✓ Lord Abbott Beth McInain 201-827-2642
- LVM

✓ Symphony Scott _____ 415-676-4009
Gunter. Stein
- why asking for this now? LCD index
- went private when saw the public notice on
- initially, very incited

✓ Babson Capital Minal Patel?

2/24

✓ MS Financial Henry Brassl Rev. 7.5mm
- would be beneficial to hear from right.
"check the box"

①

✓ Sun-tomo - Doug Ruby
- wants a lender call

*Public ✓ Caspian David Corletto 914-⁷⁹⁸~~788~~-4206
- LVM
- asked abt public letter.
- told him draw scheduled.

Four corners: FL, DDTL Adam Brown ^{Nice guy} 704-917-4257
- lots of questions re. retail facility.
- main worry is bonds that are impaired: cash could
be put to better use elsewhere.
- lender call would be nice.
- sounds like at this point nothing to keep people from funding

①

3,324

Internal Call #2

2/23/09

Son, David, Henry, Doug, Joe, Nicomi, Robin
Paul Erick Boas
Alan, Bill...

Alan

2/24/09

Redacted -- Privileged

Redacted -- Privileged

Kaia Uppike
↳ "corp credit" SRE
int mt risk mt
manage exposure

* Michael Brian 212-449-0948
John Swabda?

2/25/09

* Hillary Thorndike AVP ML

- Send CAU?

* Doug, * Khoa m-obrien@ml.com

- Mike - loan portfolio mgmt "CDP"
 - Gaming handles Foundation
 - Note: robust SAB scenario. does not want for his w/s
 - BofA take lead as Admin Agent, but want to do things in cooperation
 - "a good work-out guy w/ practical gaming experience"
- Greentown
mcm, Boyd, H&T, FB
- want a heads-up + let them know when ok to fund.

Jim ✓ Specific question that DA asking BofA vs D.A.
- need to answer the question

DOS - Same V.B.

- Could still like a lender call + projections

* Public Loan Abbot Beth McLean 201 827 2642

H.Y. ✓ RBS: Tim Pinkerton McNaught
212 5101-2384

Why did the DA approve the draw? now they're obligated to fund.

~~Brandon~~, Doug, Doug R.

Bill, Eric, Henry, Seamus, Ron, Alan. # Brian ^{9/25}

Redacted -- Privileged

CIT Evan Ptasny

9:00 est

Joseph Barnett

-10mias
FBLV Borrowing Notice
3/2/09 -10mias
Joe, Brian, Henry, Eric, Jesse, Ken Swensen, Ron, Doug
Bill, David, Alan

Redacted -- Privileged

3/2/09

Redacted -- Privileged

FBLV Lender Conf. Call

10:00 am EST

3/2/09

Speakers

Brian Corum, BB, Jon, Ron, Joe, Harry
Bill, Alan, Eric Siehe

*1
*2

Q+A:

Jamie Freedland: Gugenheim

- 1) Contact w/ company's world bank
- 2) Subsequent advances: Need to meet 3.3 d.t.

- 2.1(b)(iii)

3) Right to request: fine makes letter? ie. in balance (bad) vs copy of debt

SPM John McDonald

- 1) Bank group reserves more from Sheppard Mullin

2) IVI

3) Condom sales - won't create a default during construction

4) 2.1(b)(iii)

5) Suggest only advance \$150mm? ^{b/c} can't borrow > \$150mm unless DDTL fully drawn

Camelous Courtney Carson

RBS

Tim McNaught

- 1) New draw schedule? ie anticipated monthly capex - not obliged to submit new projections

2) Are bondweirs in default of any other pieces of debt?

3) Anticipated to inspect from time to time?

4) need to hear from IVI before for

Babson Capital
Jeff

- 1) IVI call
- 2) call w/ company

JPM Mark Constantina

- 1) Did all REV lenders find last wed? Yes except FNBN.

DB Valerie Shapiro, Mark Cohen

- * 1) Looking to BSA for guidance w/rt our D.D.
 - what diligence will we be doing now
 - " " " " " " in future

2) Accuracy of IVI's report?

3) Escrow accounts: who owns in Bankruptcy
they own the money

4) Diligence the project, i.e. in-balance

* 5) Company hired ^{any} advisor, not is?

* 6) Want another CC. / Need NI reconciliation.

* 7) ~~BSA~~ Counsel for all lenders.

JPM Richard Smith

2.1(b) what if someone doesn't find their DD consistent.

Bryant Jamie Ireland

1) Late submission of DA?

2) Hire counsel for the group?

3) Insolvency... MAC: group or on their own?

4) Personal liability to reping if not true? Fraud = personal liability

Halcyon Todd Novella

1) Past lender list & call participants

5) Information covenant section b.d.

RBS Jim Grobe

- 1) 2.1 b(ii) have 2nd ~~mortg~~ ^{Acct} been exhausted?
- 2) c(iii) - finding of Rev Contract on total DDTL finding.
- 3) Will Agent tell other lenders if it will find?
- 4) No. real CPs, only have EOD + terminate commitments.

RBS Tim McNaught

- 1) Follow up call tomorrow morning?
re-convene @ 8:00 am tomorrow?
- 2) MAC: no condo sales, etc.

JPM Mark Constantino

- 1) Potential cost overruns + LEED credits → Certification of everything in order
- subsequent meetings + discussions w/ IVI
- written reconciliation

MSX Asset Mgmt _____ ?

- 1)
- 2) IVI Bridge

Highland Kevin Bourke

- 1) credible agent H.R. Hiring / group sales?
~~operators~~ Operators?
- 2) Time for counsel on behalf of lenders.

Sumitomo George Newman

- 1) Bank proceeds acct in bankruptcy?
- paying int, taxes, + relieved of commitment fees

Joint

Redacted -- Privileged

~~CONFIDENTIAL~~ ~~CONFIDENTIAL~~
Brian, BB, Doug, Eric, Henry, Alan, Ron, Joe, Tom

Redacted -- Privileged

Redacted -- Privileged

[Redacted text block]

Fontainebleau Lender Call #2

3/2/09

David,

2.1(c)(iii)

~~BB Watson~~

RBS James Grobe

- Does joint defense still apply if NI is on the call

Gugenheim Jamie Freeland

- 1) Hill / PCI, paid by IVI
- 2) Construction progress behind?
- 3) Subcontractor cost savings + amenities (ie not finishing retail)
- 4) Schedule to D.A. of min project amenities

ATL
Arson

↓ RBS James Grobe

- 1) Only basis for not responding would be Default + termination of commitment
 - cross default by the Loan Parties
 - Section 5 of GTY FB Resort
 - 6 of CG by Turnberg
 - D.A. default
- * - Both will be diligence if any TR in default
- Areas in DA that rise as Default

Brian Whalen - DB.

Added as of Feb 27 and sports
TVI will prepare Supplemental letter that
sports to her updated comments as of today.

Doy.k.

3/3

✓ Linda Page Carlyle
Eve Wynn

✓ Princeton Advisory Anna Chin 809 514 0035

✓ Victoria Court Global ASIA
Oil Marchand

✓ Churchill Pacific Vincent Fu

✓ ING Jason Esplin

- daily bankruptcy review

Torrey #625mm Town Square project
sues L.B. (original filing in DB ... Lehman
committed to fund)

AS Julie White

Jim Carroll



[Faint, illegible text scattered across the page, possibly bleed-through from the reverse side.]



Internal Pre-Steering Committee Call
Alan, Eric, Ron, Bill, Henry

3/4/09

Redacted -- Privileged

Steering Committee Call

Yes → Highland, ABS, IDB, JPM, Barclays; Simi; BotA;
~~BOB~~ BOS

3/4/09

Redacted -- Privileged

Redacted -- Privileged

Redacted -- Privileged

Redacted -- Privileged

Dill Bob
Alan, Eric, Paul, Ron, ~~Phil~~, Henry.. 3/5/09

Redacted -- Privileged

Redacted -- Privileged

Kevin Horne
Andre Dorenbaum

Brian Park
Jon Barnes

Steering Committee - (Pre Call)

Bill, Alan, Brian, Eric,

3/6/09

Redacted -- Privileged

Redacted -- Privileged

Redacted -- Privileged

3/9/09

Sean, Knight, Brian

Showed Freeman some options to buy bonds back @ discount.

- As late as last summer

- ~~the~~ Oct

6/15 5.25% conversion Trading @ 3

10.25% 5.125 semiannually ~34.5 mm

Internal call

~~Bill, Alan, Eric, Jesse, Roc, Henry~~

3/9/09

Redacted -- Privileged

FBLV Public Leader Call
Bill, David, Eric, Alan, . . .

3/9/09

①

Redacted -- Privileged

FBI LV Steering Comte Call

Bill, Alan, David, Eric Seithe, Brian Homan

3/10/09

Redacted -- Privileged

Redacted -- Privileged

Copper River X
Orpheus X

Alamy, Ron, Jesse, Henry, Bill

REDACTED - PRIVILEGED

Camden Courtney Carson

Satelite Parron Cossentino (PVT)

- was waiting for the agent before they landed
- ~~was~~ still not sure...

3/11/09

BOS - Rich Grani 305 913-2009
BOS opened in Miami in 2007 (3 emp. + 2 to hire)

FD Miami

14 names in the portfolio.

Ron Williams

Director Ading Ana Chin 609 514 0035

INO Jason Espin

Bill, Jesse, Ron, Alan

Redacted -- Privileged

W
BW

Guggenheim

Tucker Cave LVM

3/12

Kaitlyn Trinn LVM

76257 100 101 102

Pre-negotiation

Forbearance Pre-call

Alan, Bill, Henry; Eric, Joni

3/12

Redacted -- Privileged

Pre-negotiation Agreement

Henry, Brian, Bill, Alan, David; Eric

3/13

REDACTED - NON-RESPONSIVE

- DB Keith Braun Val Shup
- JPM John Medvann Marc Construction
- HC Kevin Rostker
- RBS Vlad, Tim
- BOS Adrian, JVB, Manny
- Burdays Rob Alan
- Semi Justin, Charles
- *Bingham Bob Dorabrough

REDACTED - PRIVILEGED

Redacted -- Privileged

Opening DE = All material amenities

70% tenant improvements in Netw space by sq.ft.

Internal Debrief w/ IVI

Alan, Bill, Ron, Brian, Henry, Eric, Jeanne, Khoa
Jon, Bob, Paul. 3/16/09

Redacted -- Privileged

*1

3/16/09

IVI Lender call

Alan, Brian, Henry, Bill.
Bob Donborough
Bob Barone, Henry Yu.

Redacted -- Privileged

Valerie Carbone

Redacted -- Privileged

Redacted--Non-Responsive

Henry, Alan,
Bob.

3/17/09

Redacted -- Privileged

Redacted -- Privileged

Steve Vossen

Redacted -- Privileged

Soanne Daniel - Hollywood Woodwork
& 700,000

3/19

Yes Detmarais

~~Steve Vossen~~

Alan, ~~Soanne~~, Brian, Henry, Bill

3/19

Redacted -- Privileged

FBLV Bank Meeting

3/20/09

17 night pos
125 emp county
4) 17.

On-line contract Jan 09 College contract Feb 09
2,100

Andrew Binell Pres COO (A.C. Background)
Mark Lefever CFO
John Cottrill

Focusing on advance booking; Group Room Nights...
10 203,800
11 152,900
12 101,500

2010. volume

Have rights to market Ceom's customer database.
Hotel tower (and market?)

License application submitted

Target Sept. 09 approval

end of May, tower closed & cranes down.
Podium enclosed June 1

LEED, ~27mm achieved of 59 (26 Pending)
6mm potential shortfall (will take 60 days for audit)

Outbid.

Net 160 of 315
Net 112

In Balance: \$ 40mm

980 (incl. Durr cont)
+ 15mm min contingency = 27mm

Earn-in concept:
12mm Liq. acct.
3.75 Rev. support amt.
Last 16 before 80
734 to 750

Betail

Underwritten by Lehman remains in full force
285k sq-ft 56 + .16 % LOI = ~72.2
~49% of 72 is F.B.

- no thresholds (has approvals from retail lenders)
- opening issue
- 70% of T.I. spent by opening date 3/31/09
↳ ties to opening of rest of facility.

Budget

24mm SCs (were underestimated); add overhead
Acceleration
LEED.

15mm Trade claims (design related)
"If accepted all costs would still be in-balance"
Renegotiated. 5mm already targeting 25mm
worst case another 10mm

Still in balance if assume 1/2 #s

Pulled out top floor asian.

Miami perf. better than expected.

Financials

Condos - not expecting to sell condos prior to opening
→ reprice (calculated in In-Balance)
get 45% more in fees from condos as hotel

Location & closeness to convention center main draw
- otherwise, fighting distance.

~63-64% occ. @ peak times: (largest conv. center)

Bond coupon in June? Sure

- Cap.
- HC from Sam
- AGA
- BOS Mary, Tim
- Sam
- Chris Hill
- Atalaya Todd
- DB
- Guzman Samir
- Lord Abbot

Bob
Paul

Stakeholders 59% Soffer
 ca 19% Crown
 Inst. Inv. & mgmt
 100

VI

Opening Nov. 1st

Rem. Cost. Rep. - Needed to finish the job vs. what has been committed by D order.

\$50MM over rem. costs.

If add \$50mm, still in balance.

805. Rev. cant draw unless DDTL fully drawn?
\$23mm

Haleyon - Brian
I 2 capital & commitment produced by Barclays

Brian, Henry, Ron, Jeanne, David,
Bob, Paul

Letter from DA to Agent + Agent to Lenders
- 2.1(x3) as being satisfied (allow full rev. availability)
- Unfunded DDTL commitments "available" for 3125
advance request.

* - We anticipate will receive a clean cert. from IVI
Ask guys by cob tomorrow if disagree.
- given \$15mm pos. In-Bal, loss of \$11mm would
throw them out of balance.

Bardays owns 2capitals pos. only in the TL
- believes 2capitals DDTL still alive but maybe events.

Nov 1st date (impact to Perm. costs)

* from Cost Rep. (+ Det. Perm Cost Rep)
add addtl 50mm

* In Balance

- ~~add~~ \$15mm

- any impact of addtl int exp / debt serv

* Advance Request Report

* "One Pager" In Balance Reconciliation

Item cost report : ^{In Balance Test} ~~Box~~ "Adj. Items" look a bit off

Budget Schedule/Amend Cert: Missing Schedule 1

84 807 428

Redacted -- Privileged

Alan, Brian, Bill, Eric 3/26/09

Redacted -- Privileged

★
Kaitlyn Trish (Guzenheim)
Forwarded letter internally; no response yet, ~~but~~ will follow up again & get back to us. 3/27

Alan, Bill, Eric, Brian, BB

Dingham - Mark Spitzer, Bob Donbrady, Jeff Sarben

Bardays

BOS - Manny, Adrian,

RBS - Vlad

Sumitomo

DB - Val

JPM - John McQuinn, Dick Smith

AC - Kevin Rourke

Redacted -- Privileged

Marnell
Chuck Atwood

pt and brief bondmt in Germany
Securitized debt

Bob Barone

4/1/09

Looking for 100% payouts on ^{retaining} ~~some~~ of the contracts in exchange for contract savings.

- \$11-12mm

- usually when trade is done w their work.

- IVI not comfortable w this

Opening Date

Preconstruction for retail

Steering Committee Call

2/12/09

Bingham
RBS
BOS
HC
Burdig
~~DB~~
JPM
Sunitano

Redacted -- Privileged

Redacted -- Privileged

Redacted--Non-Responsive

Redacted--Non-Responsive

FBLV Private Lender

4/7/09

Brian, Alan, Eric, Henry, Bill
Bob Dombroff

IVI Bob Barone, Paul Bonvicino

April 1, 2009

Site wed-Friday. Bob walked wed, meeting Thurs, Paul walk Friday.

Progress

Not as robust as prior month

Tower

- June/July curtain wall done
- Interiors proceed well. Not loading FF+E yet, but "accepting" units → T12. Load in to start 4/30
- # ready for punchlist → T20
- Suites starting. Framing & rough in
- Roofing getting started.
- 8 interior elevators: turned over. (only 2 cars left on exterior)
- FF+E punch going well & w/i budget

Garage/Convention

Next 70-90 days for another garage level
 Convention ^{with balloons} moving well envelope wise. Interiors ^{pretty} advanced.
 Theatre just a shell as expected.

Sitework seems reasonable

Podium

Aren of disappointment. Concerned over lack of progress in casino & retail corridors

- Spn good & BOH good

Brought in several GCs to finish out ^{some} ~~FE~~ spaces instead of ^{TWC}
 However, have not been released yet.

Some preconstruction on retail in draw (<100-200K)

- following up w/ FB to see if has been pulled out

Schedule

Not feeling Nov. 1 is a likely date

- given lack of progress in Podium
- expressed concern about FB
- would have a tough time accepting Nov. 1

Co. not necessarily committed to Nov. 1 & would be approaching lending group to discuss

Costs

presented w/ same cost reports & info

IV! Not sure its all there no documentation that would tell from otherwise, but have concerns that may be more out there

Retention Releases

THC looking to do full retention to benefit on hand to negotiate & close-out vendors quickly

- Issue - close-out documents have not been received

sub. was not even finished

\$18-15 mm between all projects

- Doing it to save \$ for project

LEEDS ok for now

\$110 mm (incl. stuff IVI may not certifi)

\$90-100 mm on construction side

Q + A

J.P. McJohn McProufe

Progress on Retail & Tenant Fit-out?

- Noodles, coffee shops, etc

Nothing started on work for Retail Facility

4-6 month build-out for these spaces dep. on complement

TAG: Saxon Esplini Prepared to sign April advance request

- 1) Returnage
- 2) Veneer
- 3) Date

*

Could they stop certain sections & save \$? ^{as presented}

- cabinets & tile basically pre-purchased
- could save some, but fairly advanced already
- Biol. vessels in for starting tile work

DB: Val - Shipirov

Are there sufficient funds available to complete the project?

Brigade Doug Pardon

JPM math constations

General Conditions - notable increase in this? i.e. Supervision

- more senior staff brought on.
- Prob one of cleanest & best maintained sites; cost more than anticipated.

- Storage of materials; offsite trailing;
Felt like TWC wanted to say things but couldn't

When might we get blindsided? Maybe Podium
FF+E ^{making} 5-10% below?

Riversource Vessa (Recently went Private)

* Get to the bottom of your (LUS) concern

VI drops off

Company has mentioned a "potential restructuring"
Provided an Interim Agreement.

REDACTED - PRIVILEGED

FB LV Steering CmTE

4/13/09

Bob Dombroff, Bill Scott, A. Martin, Henry Yu

JPM - McDunn

Sumitomo

DB - Val

Bardays

Highland

BOS - Adrian

Brigade

RBS

Meeting: 10:00 am - Friday @ FB Miami

- Steering CmTE, other select TL leaders, other parties
- Comprehensive presentation re project

Redacted -- Privileged

Redacted -- Privileged

Chordary

FB LV Private Lender Call

4/14/09

Alan, Bill, Eric, Henry, Brian
Bob Donbroff Bob Barone

825.9 - 836mm - 822MM

Bubson, Halapa, JMS, Caspin, Pinesone, Guggenm, Caspiam asking
to join Steering Comm.

2.101 - Ben last time
2.258

Agenda

- 1) Notice from Company
- 2) Proposed meeting Friday

Letter from FB:

Did not receive draw package + IVL didn't receive adequate resp.
- Instead, got the letter from Jim

IVL: Updated Anticipated Cost Report - \$157mm more than prev. ACR

- Cost to finish project in accordance w/ M1 + M2
- Various design factors caused project costs ↑
- No costs related to Retail component in the ACR

Plan to move opening to Feb 1, 2010

- trades slow on Podium b/c not released to do certain work.
- Decisions must be made in April + subs released this month.

Have not received schedule of leases yet (Co. to address w/ banks)

JPM - Mark Constantino

last ACR showed +\$85mm in Podium Now +\$106mm

(0	Tower	Now +\$21mm
0	N. Podium	+17

DB Val Shapiro

"or other material contracts" connected to In-Balance failure

B.S. Retail lenders would like to see a restructuring of the credit

RBS - Tim McLaughlin

FB Skinning CATE

Redacted -- Privileged

Redacted--Non-Responsive

Redacted--Non-Responsive

Redacted--Non-Responsive

Glen Schettler

4/17/09

Jeff Soffer, Howard Korman, Jim, Daven, Sony Kothke
Scott Bana

Meets: Train Carlson

Attend: Todd Cyprian Brian Mayer

Look at who Rob Dornbruff is sitting with! →

"Design Build" - what you perceive works. 3 yrs ago doesn't.
- latter phrase means that what you do now is what
shows to the consumer

May be difficult for these guys to get notice from Team leaders!
And that is step 1!

pending 303 } Guggenheim
Campson

Brigade - Don Morgan Day Pardon

ING Jason Esplin

Questions

Ask for Moelis + Citadel Back one
- engagement letters

Back up support on projections

Term Leaders will not waive unless contemporaneous finding
of Reverser

→ ~~Reverser~~ Need InBalance reconciliation

Gaming license issue

- If own 1 share of equity in put gaming enterprise, must be
licensed.

FTI working for company in Miami.

Send recommendations

Retail Facility

- full force + effect

FB LV - Private Lender Call

4/22/09

Guggenheim - Jamie Freeland

Seward Kessel - Greg, Mark Highland

Canyon Capital - Patrick Denby

Brigade Capital - Doug Pardon x 2

Highland - Kevin Houtse

Hennigan & Bennett & ^{Bennet} Bruce ~~Be~~ Represents Canyon

Cotton - Kim

Halcyon - Brian Yorke

Carlyle - Linda Pace

Bingham - Mark Spitzer

~~Both~~ Both DB Both
2 priv. lenders either participated or did not say

42

Redacted -- Non-Responsive

Yunker 25-30mm Equity @ Resorts
 - pfd + common mix
 - Strategic Internal Equity Group

~~XXXXXXXXXX~~

69

Redacted--Non-Responsive

Redacted--Non-Responsive

61

Redacted -- Non-Responsive

Redacted -- Non-Responsive

Henry Yu 415 278 2817

12

Redacted -- Non-Responsive



Redacted--Non-Responsive



Redacted--Non-Responsive

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6/5/09

Sanjay, Amy, Henry, Eric, Don Wilson, Betsy

Redacted -- Privileged

Redacted--Non-Responsive

Redacted--Non-Responsive

5

Redacted--Non-Responsive



Redacted--Non-Responsive

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Redacted--Non-Responsive

Dep. Ex. 608

From: Barone, Robert <robert.barone@ivi-intl.com>
Sent: Monday, March 16, 2009 10:58 AM
To: 'Bolio, Brandon' <brandon.bolio@bankofamerica.com>
Cc: Bill Scott <bscott@sheppardmullin.com>; Bonvicino, Paul R. <Paul.Bonvicino@ivi-intl.com>
Subject: FB Las Vegas - IVI March 14 Meeting Update

Brandon,

As a follow up to my March 14 meeting with Deven Kumar of Fontainebleau Las Vegas, I wanted to give you an update on the items noted in my March 5 letter to Deven.

Venue Schedule

Deven presented me with a draft venue schedule that outlines the construction completion dates and FF&E/Training dates for each of venues in the Podium, Tower and Garage/Convention Center. While it was generally complete, he asked that it be treated as a draft to be used during our meeting, and final version will be submitted early this week. At this time, they are still projecting a November opening, but that is to be the subject of further discussions with the lenders. I understand that FB would like to consider a later opening date (possibly a few months) and a reduction in the number of venues to open, which will need to be the topic of discussion with the lenders. At this time, FB is holding back the release of some venue construction, pending those decisions.

Owner Change Orders and ACR

Deven acknowledged that the +/- \$60,800,000 in Pending Owner Change Orders shown on the TWC ACRs are no longer pending and have been incorporated into the TWC commitments. As such, this will be shown as being drawn from the contingency. He has also shown \$18,000,000 for additional general conditions, \$8,500,000 for acceleration and \$6,000,000 for a LEED credit reduction, which will further reduce the contingency, and in fact, produce a projected overrun of about \$20,500,000. Please keep in mind that beyond the PCOs that will be executed, the additional overruns are projected.

We also discussed the fact that TWC's ACR has not shown any increases in the potential exposure to FB for the last month or so, with is clearly not accurate. Deven acknowledged that there are probably more claims out there and will push TWC to complete this by early the week on March 16. In fact, I hope to get it today. I also expect to get a summary from FB outlining their opinion of true exposure using the TWC projections as a basis.

LEED

FB is behind in retaining an auditor for the LEED review and should have KPMG signed up this week. Based upon their review, TWC is clearly behind on a percentage basis capturing the appropriate LEED credits, finding a number of subs not in compliance, but they have not completed the detailed review. They have acknowledged a \$6,000,000 shortfall at this time, which has been reported against contingency.

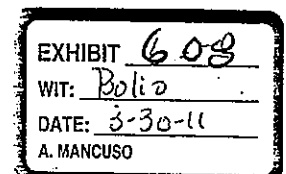
As I noted, I expect updated documents from Deven early this week.

Let me know if you have any questions.

Regards,

Bob

Robert W. Barone, R.A., LEED AP
Senior Vice President
Inspection & Valuation International, Inc.
106 Corporate Park Drive, Suite 417
White Plains, New York 10604
914.694.1900 x 5113 (tel)
914.694.4007 (fax)
914.368.4613 (direct fax)
robert.barone@ivi-intl.com



Dep. Ex. 609

From: Bolio, Brandon. Sent: 3/18/2009 8:47 PM.
To: Jim Freeman; Whitney Thier; Jim Freeman; Whitney Thier.
Cc: [-] Corum, Brian; Bill Scott; Naval, Ronaldo; Yu, Henry; Howard, David; Varnell, Jon M; Corum, Brian; Bill Scott; Naval, Ronaldo; Yu, Henry; Howard, David; Varnell, Jon M.
Bcc: .
Subject: FB LV Questions.

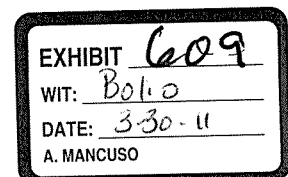
Jim:

Please find the attached list of questions in response to the Draw Request and in anticipation of the Friday lender meeting.

I'm available to discuss tomorrow until 1:00 pm Central, when I will be leaving for the airport.

Regards,
Brandon

Brandon Bolio
Corporate Debt Products - Gaming & Leisure
Bank of America
214.209.3795 | work
972.728.9492 | fax



Fontainebleau Las Vegas – Lender Meeting Topics.

- General Status of Project;
- Documentation questions related to March Advance Request:
 1. Advance Confirmation Notice – Amounts requested from the DDTL of \$133,003,371.99 are currently in the Bank Proceeds Account and technically to be advanced from that account.
 2. Budget/Schedule Amendment Certificate – The Certificate and Appendix I do not address a \$747,000 increase in soft costs reflected on the Remaining Cost Report.
 3. In-Balance Report – Please provide a detailed recap of the In-Balance calculation, including but not limited to how the following line items were calculated:
 - a. Bank Proceeds Account
 - b. Delay Draw Term Loan Availability
 - c. Bank Revolving Availability
 - d. Remaining Costs (see “Project Budget” below)
 4. Remaining Cost Report (see “Project Budget” below)
 5. Funding Order Report – Please review Column C, notably the “Delay Draw Term Loan Availability” line.
- Project Budget:
 1. Any anticipated costs not currently reflected in the Remaining Cost Report, the process for incorporating anticipated costs into the budget / Remaining Cost Report, and the effect of such on In-Balance. Topics including, but not limited to, the following:
 - a. Additional costs associated with accelerated schedule;
 - b. Additional General Conditions costs;
 - c. Additional subcontractor, design enhancement or other costs;
 2. The status of LEED credits and the Company’s anticipation of any LEED credit shortfalls;
 3. Realized or anticipated cost savings resulting from renegotiations with subcontractors;

4. Any plans the Company may have for timetable or scope adjustments to achieve cost savings;
 5. Confirmation of the Opening Date;
 6. Adequacy of the contingency for the Project;
- The status of venue planning and leasing;
 - The status of the Company's efforts to provide for the operation of the Project, including staff hiring, group reservations and other marketing efforts, licensing and other pre-opening activities;
 - The absence of condominium sales, the impact of the impending Condo Price Adjustment upon the construction budget for the Project and the In-Balance Test, and the impact of increased leverage upon the ability of the Company to successfully operate the Project;
 - Any plans the Company has to raise equity, either directly or through its parent entities;
 - A general overview of the current status of related party financings, including Fontainebleau Resort's PIK Preferred shares, and Retail Facilities, and the Fontainebleau Miami project and mezzanine loan facilities;
 - The status of negotiations with the Retail Lenders, a recap of the amounts funded by each of the Retail Lenders, and the prospects for continued fundings under the Retail Facility;
 - The current financial status of Turnberry Residential;
 - Discussion of current market conditions and expected impact upon operating results, and updated projections.

Dep. Ex. 610

From: Bolio, Brandon. Sent: 3/19/2009 11:40 AM.
To: [-] Yu, Henry; Alan Martin; Bill Scott; Corum, Brian; Howard, David; Varnell, Jon M; Sieke, Eric -Legal; Yu, Henry; Alan Martin; Bill Scott; Corum, Brian; Howard, David; Varnell, Jon M; Sieke, Eric -Legal.
Cc: Naval, Ronaldo; Brown, Jeanne P; Naval, Ronaldo; Brown, Jeanne P.
Bcc:
Subject: FW: Fontainebleau Las Vegas - Exhibit C-2 IVI Certification - Attorney Client Privileged Communication.

Please see the e-mail below from IVI along with their attached modified certification for the FB LV draw. Changes to the standard form appear to have been bolded - Section 3 (c), (d), (e), (f) and (l).

I suggest we discuss next steps - let me know what times work - I am available now and anytime before 1:00 pm Central.

From: Bonvicino, Paul R. [mailto:Paul.Bonvicino@ivi-intl.com]
Sent: Thursday, March 19, 2009 10:27 AM
To: Brown, Jeanne P; Josh Freedman
Cc: Bolio, Brandon; Barone, Robert
Subject: Fontainebleau Las Vegas - Exhibit C-2 IVI Certification

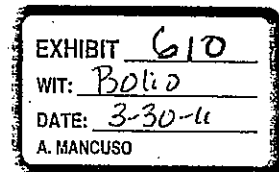
Good morning; as required under the Master Disbursement Agreement dated as of June 6, 2007 attached is an executed copy of the "Construction Consultant Advance Certificate" for the referenced project.

Please do not hesitate to contact me should you need additional information.

Thank you,

Paul

Paul R. Bonvicino, Jr. AIA
Senior Project Manager
Inspection & Valuation International, Inc
106 Corporate Park Drive, Suite 417
White Plains, New York 10604
(914) 694-1900 (tel)
(914) 313-5067 (direct)
(914) 694-4007 (fax)
paul.bonvicino@ivi-intl.com
www.ivi-intl.com





CONSTRUCTION CONSULTING &
PROJECT MANAGEMENT

INSPECTION & VALUATION
INTERNATIONAL, INC.

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

EXHIBIT C-2
to the Master Disbursement Agreement

CONSTRUCTION CONSULTANT ADVANCE CERTIFICATE

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

Date: March 19, 2009
Advance Date: March 25, 2009

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

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

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

Wells Fargo Bank, National Association,
as Trustee
Corporate Trust Services
MAC N9303-120
608 2nd Avenue South
Minneapolis, MN 55479
Attention: Fontainebleau Resorts Account
Manager

Re: Advance Request No. 23 (the "Current Advance Request") under the Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

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BARCELONA · LONDON · PARIS NICE · STOCKHOLM

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Ladies and Gentlemen:

Inspection & Valuation International, Inc. (the "Construction Consultant"), hereby certifies as follows:

1. The Construction Consultant has reviewed the above referenced Disbursement Agreement, to which the Project Entities are a party, to the extent necessary to understand the defined terms contained herein and in the Current Advance Request that are incorporated by reference from the Disbursement Agreement and to provide the certifications contained herein. This certificate is being delivered pursuant to Sections 2.4.4(b) and 3.3.5 of the Disbursement Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Disbursement Agreement.

2. We have reviewed the material and data made available to us by the Project Entities, the General Contractor, the Architect, the other Contractors and the Subcontractors since the date of the last Advance Request, which material and data consists of the Current Advance Request and the appendices and other items attached thereto; relevant Contractor and Subcontractor invoices; and Plans and Specifications. We have also observed the status of construction progress at the Site. Our review and observations were performed in accordance with generally accepted consulting practices consisting of a walk-through of the Site conducted on March 1, 2009 observation of installed equipment and material, observation of work procedures, review of "QA," "QC" and safety program reports as made available by the General Contractor, Contractors and Subcontractors, and our attendance of the construction review progress meetings. We have also reviewed the Architect's Advance Certificate and the General Contractor's Advance Certificate (together, the "Supporting Certificates") (unless the Disbursement Agreement does not require one or more of such Supporting Certificates to be included with the Advance Request) attached to the Current Advance Request as Appendix 14 and 15 (together, the "Current Supporting Certificates"), including each monthly progress report submitted pursuant to the Prime Construction Agreement. We have also reviewed all previous Advance Requests and the Supporting Certificates submitted with such previous Advance Requests.

3. Based on our review of the aforementioned information, and of data provided to us by others which we have not independently verified, we are of the opinion that, as of the Advance Date:

- a) Based on our periodic review of the progress of design, procurement and construction of the Project, we have not discovered any substantial deviations from the Plans and Specifications in the claims for materials that have been procured and work performed under the Current Advance Request and all previous Advance Requests;
- b) The Project Entities have properly substantiated, in all material respects, the Project Costs for which payment is requested in the Current Advance Request.
- c) The Remaining Cost Report attached to the Current Advance Request does not accurately reflect, in all material respects, the Remaining Costs required to achieve Final Completion, segregated by each Line Item Category. IVI believes that an additional \$50,000,000 will be required for Construction Costs, or \$663,967,560 cost to complete.
- d) The Unallocated Contingency Balance is substantially as set forth in the Detailed Remaining Cost Report attached to the Current Advance Request and does not equal or exceed the Required Minimum Contingency;
- e) The Opening Date is not likely to occur on or before the Scheduled Opening Date set forth in the Current Advance Request. IVI believes November 1, 2009 is the likely Opening Date. The Completion Date is likely to occur within 180 days thereafter;
- f) Our scope of review has not brought to our actual attention any material errors in the information contained in the Current Advance Request or in the Current Supporting Certificates referred to in paragraph 2 of this Construction Consultant Advance Certificate, except as noted in 3(c), 3(d) and 3(e);
- g) Except for the Permits detailed in Exhibit G to the Disbursement Agreement, to the best of our actual knowledge, there are no other material Permits or governmental authorizations currently required in connection with the construction and operation of the

Project not related to business license, taxation and employment;

- h) We have periodically observed the progress of work and have met with various representatives of the Project Entities and Contractors working on the Project and have reviewed documents provided by the Project Entities' consultants and design professionals and based on the foregoing we have not found any material discrepancies from the Plans and Specifications and consider the work performed to date to be in accordance with the Plans and Specifications in all material respects;
- i) The Advances requested in the Current Advance Request are, in our reasonable judgment, generally appropriate in light of the percentage of construction completed and the amount of Unincorporated Materials;
- j) To the best of our knowledge, there are no approved or material proposed Scope Changes (other than Minor Scope Changes) which are not listed on Appendix 17 to the Current Advance Request listing Scope Changes or that have not been listed in a previous Advance Request;
- k) The Project Entities have delivered the written inventory of Unincorporated Materials and evidence reasonably satisfactory to us that the conditions set forth in Section 3.3.22 have been satisfied;
- l) The undersigned has not discovered any material error in the matters set forth in the Current Advance Request or Current Supporting Certificates, except as noted in 3(c), 3(d) and 3(e).

Based on the foregoing, the Construction Consultant approves the Current Advance Request.

The foregoing certifications as to Project Costs incurred pursuant to the Resort Budget, relate solely to Total Hard Costs.

In making the foregoing representations, warranties and certifications, the Construction Consultant has relied whenever it has deemed it reasonably appropriate to do so, on the accuracy and legality of all documents provided to the Construction Consultant by third parties. The Construction Consultant is not providing independent verification as to the accuracy of each item of information provided nor is it performing the services of a design professional.

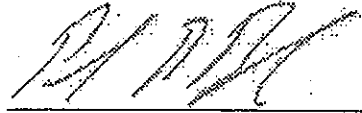
The foregoing representations, warranties and certifications are true and correct, are made for the benefit of the Disbursement Agent, the Funding Agents and the Lenders represented thereby, and may be relied upon by such parties for the purposes of making Advances pursuant to the Disbursement Agreement;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

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Construction Consultant has executed this Construction Consultant Advance Certificate as of the 19 day of March, 2009.

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

By:



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

Dep. Ex. 611

From: Barone, Robert <robert.barone@ivi-intl.com>
Sent: Sunday, March 22, 2009 11:38 AM
To: Bill Scott <bscott@sheppardmullin.com>
Cc: Bolio, Brandon <Brandon.Bolio@bankofamerica.com>; Yu, Henry <henry.yu@bankofamerica.com>; Corum, Brian <brian.corum@bankofamerica.com>; Bonvicino, Paul R. <Paul.Bonvicino@ivi-intl.com>
Subject: FB Las Vegas - Remaining Cost
Attach: 031709_Funding_Summary.pdf; 031709_ACR_Overview.pdf

Bill

As a follow up to our conversation yesterday, I wanted to outline the \$50,000,000 increase to the Remaining Costs as included in our recent draw certification.

Over the last two weeks or so, we have been working with the developer to update their most recent anticipated cost report ("ACR") as we did not believe it included all costs it should. Through this review, we have agreed that the prior ACR did not include an adequate projection of costs, only those actually incurred to date and requiring change orders at this time. The developer has now provided an ACR that they state represents their understanding of the hard cost exposures to the project, which totals \$53,172,979 broken down as follows:

LEED Credit Shortfall - \$6,007,876
Site, Tower, Garage/Convention and Podium - \$23,165,103
General Conditions - \$24,000,000

While we have not conducted an audit of the information presented (it would take weeks), the information presented appears reasonable at this stage in the project. I have attached the ACR (Funding Summary) and back up worksheet (ACR Overview) that outlines what is included in the numbers. It is important to note that these are just the developer's worst case projections and do not represent committed costs. However, the LEED shortfall and general condition costs are a reasonably certain cost while the remaining \$23,165,103 could still be considered Unallocated Contingency.

As part of this month's draw, the developer has issued change orders to the contractor (Turnberry West) to cover the committed costs, which resulted in a remaining Unallocated Contingency of \$11,994,445.

When the remaining Unallocated Contingency of \$11,994,445 is applied against the potential overrun of \$53,172,979, an overrun of \$41,178,542 is projected for the developer's best guess of their exposures.

While we believe the developer has done a credible job of projecting the potential costs, it is prudent to include some additional funds for what is not known or expected at this time. At this point, IVI is recommending an additional +/- \$9,000,000 contingency, which results in our \$50,000,000 increase in the remaining costs. With the addition of the \$9,000,000, the IVI recommended contingency would be about \$32,165,000. This will be monitored on a monthly basis.

I hope this helps clarify our recommendation.

Regards,

Bob

Robert W. Barone, R.A., LEED AP
Inspection & Valuation International, Inc.
106 Corporate Park Drive, Suite 417

White Plains, NY 10604

914.694.1900 x 5113 (tel)
914.694.4007 (fax)
914.368.4613 (direct fax)
robert.barone@ivi-intl.com <mailto:robert.barone@ivi-intl.com>
www.ivi-intl.com <http://www.ivi-intl.com/>

EXHIBIT 611
WIT: Bolio
DATE: 3-30-11
A. MANCUSO

Summary							
	LEED 10800	Site 10100	Tower 10200	Garage 10300	Podium 10500	General Conditions 10400	Totals
Contract as of April 08	\$ 17,614,479.18	\$ 15,156,097.66	\$ 630,283,991.02	\$ 383,891,624.52	\$ 650,074,362.29	\$ 95,642,087.77	\$ 1,792,462,642.44
May Owner Change Orders	\$ -	\$ -	\$ -	\$ -	\$ 53,165,734.83	\$ 2,658,286.74	\$ 55,824,021.57
June Owner Change Orders	\$ -	\$ 1,703,093.45	\$ 8,656,953.11	\$ 20,538,391.61	\$ 1,136,624.00	\$ 1,551,644.84	\$ 33,586,607.01
July Owner Change Orders	\$ -	\$ -	\$ -	\$ 3,578,300.47	\$ 18,032,353.00	\$ 1,080,532.67	\$ 22,691,186.14
Aug Owner Change Orders	\$ -	\$ -	\$ 24,642,318.00	\$ 4,474,243.95	\$ -	\$ 1,025,828.10	\$ 30,042,390.05
Sept Owner Change Orders	\$ (5,088,040.73)	\$ -	\$ 21,701,347.28	\$ 10,699,253.26	\$ 6,659,841.25	\$ (22,883,125.35)	\$ 11,009,275.70
Oct Owner Change Orders	\$ -	\$ -	\$ -	\$ 14,246,992.52	\$ (4,898,389.50)	\$ -	\$ 9,348,603.02
Nov Owner Change Orders	\$ -	\$ -	\$ 17,472,684.00	\$ 3,311,126.00	\$ (17,397,398.00)	\$ -	\$ 3,386,412.00
Dec Owner Change Orders	\$ -	\$ 415,935.73	\$ 1,541,678.00	\$ 1,093,389.00	\$ 8,677,975.50	\$ (484,200.00)	\$ 11,234,778.23
Jan Owner Change Orders	\$ -	\$ -	\$ -	\$ -	\$ 11,111,352.00	\$ 2,453,525.00	\$ 13,564,877.00
Feb Owner Change Orders	\$ -	\$ 1,104,155.09	\$ 26,553,906.91	\$ 29,932,022.75	\$ 3,010,439.85	\$ 4,254,019.48	\$ 64,854,544.08
Current Owner Contract	\$ 12,546,438.45	\$ 19,379,281.93	\$ 730,752,878.32	\$ 471,465,344.07	\$ 729,572,795.22	\$ 85,288,559.25	\$ 2,048,005,337.24
Anticipated Additional Costs	\$ 6,007,875.98	\$ 282,475.58	\$ (1,207,874.06)	\$ (796,642.49)	\$ 24,887,144.42	\$ 24,000,000.00	\$ 53,172,979.43
Anticipated Final Costs	\$ 18,554,314.43	\$ 18,661,757.51	\$ 729,545,004.26	\$ 470,668,701.58	\$ 754,459,939.64	\$ 109,288,559.25	\$ 2,101,178,316.67

Current Anticipated Owner Equity Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Anticipated Expenditures	\$ 6,007,875.98	\$ 282,475.58	\$ (1,207,874.06)	\$ (796,642.49)	\$ 24,887,144.42	\$ 24,000,000.00	\$ 53,172,979.43
Total	\$ 6,007,875.98	\$ 282,475.58	\$ (1,207,874.06)	\$ (796,642.49)	\$ 24,887,144.42	\$ 24,000,000.00	\$ 53,172,979.43

Anticipated Contingency Summary	
Previous Contingency Balance Jan 09	\$ 76,848,445.00
Current Use of Contingency as of Feb 2009	\$ (64,654,008.00)
Anticipated Cost as of Feb 2009	\$ (53,172,979.43)
Anticipated Balance of Contingency	\$ (41,178,542.43)

FOR INTERNAL DISCUSSION ONLY

CRAFT

Area	TWC Description	Sub-Contractor	Potential Costs	FB NOTES
POORUM				
	Landscaping	Valley Crest	\$ 1,200,837.19	Additional scope per JB design, pending FB review for roofing
	Reinforcing Steel Contract	Century Steel, Inc.	\$ 13,691.00	Final Scope-pending FB review for overruns
	Topping Slabs	Osco Form	\$ 497,035.99	Added raised floors on Pool Deck, pending FB design review
	Structural Metal	George M. Raymond Co.	\$ 1,741,148.32	Additional scope per design, pending FB design review
	FRM Carpentry	George M. Raymond Co.	\$ 695,849.24	Added network scope and upgraded finishes, pending FB review/VE options
	Small Tools, Consumables	Various	\$ 812.55	FB to review sub billing & final cost consumption rate
	Carpentry Tools	AlamcoK Construct	\$ 34,271.00	Pending FB review of sub-billing, costs exceed estimate
	Building Insulation	F. Rodgers	\$ 6,678.00	Pending FB review, sub claims out of spec scope
	Consulting	ISA	\$ 25,000.00	Add services due Clark County requirement -pending FB review
	Alum Entrance/Storeroom/Glazed Alum Curtain Walls and Fibred Windows	Green Glass, Inc.	\$ 2,870,414.50	Final design of exterior from AlamcoK2A, FB to review/VE request made to designers
	Exterior Facade - Window Cleaning	ROM	\$ 350,000.00	Estimated costs for soft detailing request - pending FB review
	Interior Framing	Raymond	\$ 1,206,925.29	Additional BOH program requested from operations, pending FB review/FPE adjustment
	Retail Promenade Stone	Hal Stone, Inc.	\$ 2,285,246.13	FB to review designer scope change - may revert to original design
	Tile & Stone Installation	TEO	\$ 376,047.44	Final design of added stone, pending FB review (See note above)
	FRP Walls	The Southwest Circle Group	\$ 9,661.00	FB to review scope
	Stone & Brick Flooring	TEO	\$ 7,713.00	Sub requested additional scope, pending FB review
	Painting	George M. Raymond Co.	\$ 402,450.40	Contractor scope increase request-pending FB contract review
	Finishes Allowance	ROM	\$ 1,200,000.00	Estimated scope additions, pending FB VE
	Special Flooring	F. Rodgers	\$ 32,350.00	FB to VE scope back to standard
	Exterior Sun Control Devices	TEO	\$ 1,267,110.00	Final on site of existing rooms, pending FB review
	Special Purpose Rooms & Buildings	TEO	\$ 63,265.68	FB operations request pending FB review
	Spa Pools & Water Features	Water FX	\$ 800,000.00	Pending VE-Removal of special fixtures from design
	Schedule Acceleration	ROM	\$ 8,500,000.00	Pending final scheduled opening date
	MEP Allowance for Completion	OK	\$ 400,000.00	Estimated costs for soft scope, pending FB VE
	Sub-Total		\$ 24,687,144.42	
TOWER				
	Small Tools, Consumables	Various	\$ 4,119.58	Pending FB review
	Site, Field PCs	Misc.	\$ 6,347.43	Pending FB review
	Pre-stopping, Fixing/pointing, Insulation	F. Rodgers	\$ 16,997.00	Pending FB/BA review of sub scope
	Window Cleaning	Atlas Construction Clean-up	\$ 147,210.00	Pending FB review
	Tile & Stone	Silver State Marble	\$ 100,000.00	Sub design changes requested from operations, pending FB review
	Marble Tile	Hal Stone, Inc.	\$ 36,688.88	FB to review designer spec, possible VE back to standard finish
	Architectural Underlay	Geo-Cel Solutions	\$ 6,631.00	Pending FB/BA review of sub scope
	Finishes Allowance	TEO	\$ 1,200,000.00	Sub design changes requested from operations, pending FB review
	Hotel Accessories	First Specifiers	\$ 25,165.00	Designer Upgrade finishes, Pending FB review, possible VE to standard finish
	Treads Damage Repair Back-Charges	ROM	\$ (250,000.00)	TWC reviewing sub work for potential backcharges
	Subcontractor Contract Negotiations	ROM	\$ (3,000,000.00)	TWC/BA to review contract to scope & billing, reductions pending final audit
	Sub-Total		\$ (1,207,874.06)	
GARAGE				
	Small Tools	Abate	\$ 2,875.66	FB to review billing
	Site, Field PCs	PHI Inc.	\$ 2,212.11	FB to review billing
	Consumables	Abate	\$ 3,078.31	Pending FB review
	Lumber & Crane	Desert Lumber	\$ 2,529.03	Pending FB review
	Lumber	Desert Lumber	\$ 6,421.94	Miscellaneous Lumber costs, pending FB review
	Membrane Roofing	Commercial Roofers	\$ 108,634.40	Additional scope claims by sub-contractor, BVA/BA review
	Plastic Doors & Frames	Coltigher/Kalbar Corp.	\$ 315,495.99	Per current design, potential VE item - FB to review
	Overhead & Ceiling Doors (lift)	TEO	\$ (21,741.35)	potential sub credit, pending FB review
	Framing & Drywall	D'Alazio Contracting, Inc.	\$ 710,625.40	Design changes requested from operations, potential VE item - FB to review
	Gripping	Gripping Solutions	\$ 37,625.00	FB/BA to review scope
	Elevators	ThyssenKrupp Elevator	\$ 6,400.00	Pending FB/BA review of sub scope
	Convention Center - Operable Partitions	McNamold of Nevada, LLC	\$ 55,000.00	FB to review - potential VE
	Subcontractor Contract Negotiations	ROM	\$ (7,000,000.00)	TWC/BA to review contract to scope & billing, reductions pending final audit
	Sub-Total		\$ (796,647.50)	
SITE				
	TAM Dewatering Filtration System Power	FSK	\$ 2,455.70	Add Service charges-FB/BA to review
	SNP - Prep for pad	SNP	\$ 1,010.00	Add Service charges-FB/BA to review
	Concrete Materials - 13 cy	Parker (Cemes)	\$ 2,290.00	Add Service charges-FB/BA to review
	F - P & P 2nd	Coltigher	\$ 1,871.00	Add Service charges-FB/BA to review
	Rebar Allowance	Century Steel	\$ 2,000.00	Add Service charges-FB/BA to review
	Catalog Lumber/kit	TEO	\$ 271,123.88	Design scope increase, pending FB review
	Small Tools	Various	\$ 1,125.00	FB to review
	Sub-Total		\$ 202,473.58	
LEED				
	Revised LEED Costs	Various	\$ 6,007,875.96	LEED program to be audited by outside firm to capture audit potential savings
	Sub-Total		\$ 6,587,071.44	
General/Other Costs				
	GC Costs to complete	TEO	\$ 24,000,000.00	Additional GC Costs for completion
	Sub-Total		\$ 26,858,248.00	
	Total Anticipated Costs		\$ 53,172,978.42	

Reverts Confidential

3/17/2009

Page 1

Dep. Ex. 613

From: Barone, Robert <robert.barone@ivi-intl.com>
Sent: Tuesday, April 14, 2009 4:29 PM
To: 'Bolio, Brandon' <brandon.bolio@bankofamerica.com>
Cc: 'Yu, Henry' <henry.yu@bankofamerica.com>; Bill Scott <bscott@sheppardmullin.com>; Alan Martin <AMartin@sheppardmullin.com>; 'Corum, Brian' <brian.corum@bankofamerica.com>
Subject: FW: FB Las Vegas
Attach: 1691_001.pdf

Brandon

Here is info from Deven, which confirms Bill's call.

Regards,

Bob

Robert W. Barone, R.A., LEED AP
 Inspection & Valuation International, Inc.
 914.694.1900 x 5113 (tel)
 914.313.5113 (direct)
 914.694.4007 (fax)
 914.368.4613 (direct fax)
 robert.barone@ivi-intl.com
 www.ivi-intl.com

An international construction advisory firm serving private and institutional equity investors and mortgagees, IVI specializes in project management oversight services, property condition assessments, environmental site assessments and remediation, and construction claims. IVI has 6 regional offices in the USA and affiliations in South America, Europe, and Asia.

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

From: Deven Kumar [<mailto:dkumar@fontainebleau.com>]
Sent: Tuesday, April 14, 2009 3:52 PM
To: Bonvicino, Paul R.; Barone, Robert
Subject: RE: FB Las Vegas

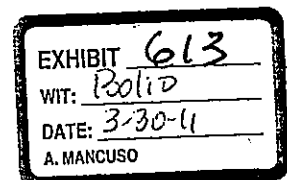
Please see attachment for discussion:

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

From: Bonvicino, Paul R. [<mailto:Paul.Bonvicino@ivi-intl.com>]
Sent: Tuesday, April 14, 2009 12:12 PM
To: Deven Kumar; Barone, Robert
Cc: 'Brandon.Bolio@bankofamerica.com'
Subject: Re: FB Las Vegas

Deven, what number should I call you at, at 3:45 to discuss the documentation you are finalizing.

Thank you,



Paul

Sent from my BlackBerry Wireless Handheld

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

From: Deven Kumar <dkumar@fontainebleau.com>
To: Bonvicino, Paul R.; Barone, Robert
Cc: Brandon.Bolio@bankofamerica.com <Brandon.Bolio@bankofamerica.com>
Sent: Tue Apr 14 10:44:56 2009
Subject: RE: FB Las Vegas

Ok.

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

From: Bonvicino, Paul R. [<mailto:Paul.Bonvicino@ivi-intl.com>]
Sent: Tuesday, April 14, 2009 7:03 AM
To: Deven Kumar; Barone, Robert
Cc: Brandon.Bolio@bankofamerica.com
Subject: RE: FB Las Vegas

Deven, unfortunately I can not push back to 4:30 as this is the scheduled time of the lender conference call. Therefore, would you please provide the information by 3:30 PM ET allowing time to review and discuss the documentation.

Thank you,

Paul

Paul R. Bonvicino, Jr. AIA
Senior Project Manager
Inspection & Valuation International, Inc
106 Corporate Park Drive, Suite 417
White Plains, New York 10604
(914) 694-1900 (tel)
(914) 313-5067 (direct)
(914) 694-4007 (fax)
paul.bonvicino@ivi-intl.com
www.ivi-intl.com

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

From: Deven Kumar [<mailto:dkumar@fontainebleau.com>]
Sent: Tuesday, April 14, 2009 9:58 AM
To: Barone, Robert; Bonvicino, Paul R.
Cc: Brandon.Bolio@bankofamerica.com
Subject: RE: FB Las Vegas

Can we push it to 4:30 eastern? I am working on the documentation with construction to send to you prior to the call.

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

From: Barone, Robert [<mailto:robert.barone@ivi-intl.com>]
Sent: Tuesday, April 14, 2009 5:13 AM
To: Deven Kumar; Bonvicino, Paul R.

Cc: 'Brandon.Bolio@bankofamerica.com'
Subject: FB Las Vegas
Importance: High

Deven

We received a copy of the disclosure made yesterday by FB that there are significant extra construction costs and a pending schedule delay related to the project, which were not disclosed previously to us.

At this point, we have no information related to these new disclosures and the lenders have asked us to review them with you.

Due to a prior commitment, we are hoping that you can be available for a 3:45 pm EST call to discuss today as the lenders have asked us for a call later in the day to review.

We also request any documentation that would outline this new information be sent to us prior to the call.

Please let us know if we can arrange this.

Bob

Robert W. Barone, R.A.
914.694.1900 x 5113 (tel)
914.313.5113 (direct)
914.694.4007 (fax)
914.368.4613 (direct fax)

Sent from my BlackBerry Wireless Handheld

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SMRH00105583

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For Discussion Purposes Only

**Fontainebleau Resorts, Las Vegas
Turnberry West Construction, Inc.
Anticipated Costs as of April 14, 2009**

**DRAFT
Preliminary Analysis
Subject to Change**

Project	1 Original Budget April 07	2 Approved Owner Change Orders as of April 09	3A Current Budget April 2009	POC's	April 2009 ACR	Anticipated Additional Costs over Budget
	= 1 + 2				X = 1+2+3A	= X - (1+2)
Podium	\$ 609,115,666	\$ 116,884,443	\$ 726,000,109	\$ 106,249,715	\$ 832,249,823	\$ 106,249,715
Garage/Convention+	\$ 379,895,718	\$ 90,982,033	\$ 470,877,751	\$ 3,909,067	\$ 474,786,818	\$ 3,909,067
Garage Collapse Claim	\$ -	\$ 5,060,279	\$ 5,060,279	\$ (1,519,717)	\$ 3,540,562	\$ (1,519,717)
Tower	\$ 663,718,930	\$ 62,186,925	\$ 715,905,855	\$ 31,391,599	\$ 747,297,454	\$ 31,391,599
N. Podium	\$ -	\$ 17,472,684	\$ 17,472,684	\$ 16,541,161	\$ 34,013,845	\$ 16,541,161
Site	\$ 54,269,686	\$ (35,922,736)	\$ 18,346,950	\$ 8,856,854	\$ 27,203,804	\$ 8,856,854
General Conditions	\$ 93,634,074	\$ 15,292,504	\$ 108,926,578	\$ 23,983,352	\$ 132,909,931	\$ 23,983,352
Subtotal	\$ 1,790,634,074	\$ 271,956,133	\$ 2,062,590,207	\$ 189,412,030	\$ 2,252,002,237	\$ 189,412,030
TWC Contingency	\$ 111,039,860	\$ (111,039,860)	\$ -	\$ -	\$ -	\$ -
*LEED Cost	\$ 22,000,000	\$ (12,584,870)	\$ 9,415,130	\$ (2,479,055)	\$ 6,936,076	\$ (2,479,055)
**LEED Benefit	\$ (59,000,000)	\$ 59,000,000	\$ -	\$ -	\$ -	\$ -
***OCIP (in Projects)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Other	\$ 74,039,860	\$ (64,624,730)	\$ 9,415,130	\$ (2,479,055)	\$ 6,936,076	\$ (2,479,055)
Subtotal	\$ 1,864,673,934	\$ 207,331,403	\$ 2,072,005,337	\$ 186,932,975	\$ 2,258,938,312	\$ 186,932,975
Owner Added Funding						
Owner Equity	\$ 190,265,022	\$ (190,265,022)	\$ -	\$ -	\$ -	\$ -
Garage Claim	\$ 5,060,279.32	\$ (5,060,279)	\$ -	\$ -	\$ -	\$ -
Total w/Added Funding	\$ -	\$ 12,006,102	\$ 2,072,005,337	\$ 186,932,975	\$ 2,258,938,312	\$ 186,932,975

4/14/09

Dep. Ex. 614

From: Bolio, Brandon. Sent: 1/23/2009 7:15 PM.
To: Susman, Jeff; Susman, Jeff.
Cc: Duong, Khoa; Duong, Khoa.
Bcc: .
Subject: APPROVAL REQUESTED: Fontainebleau Las Vegas annual review CAM.

Jeff:

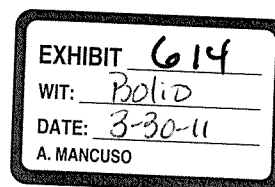
Attached for your review is the Fontainebleau Las Vegas Annual Review CAM. The revised CDP Base Case results in stabilized EBITDA (in 2011) of \$268MM, down 14% versus the 2007 underwriting projections of \$313MM. This, combined with zero assumed condo sales, results in covenant violations at the first test period (6/30/10). Concurrently with this CAM we are downgrading FB LV to RR 8 (from RR 7+). We are also changing the exposure strategy to "Decrease" and placing utilized trading limits in runoff and canceling unutilized trading limits.

Combined BofA and ML exposure (to all of FB Resorts) is \$341MM, requiring approval up to Robinson (of Risk) and Lorenz (of CDP).

Let us know when you are ready to discuss...Thanks,

Brandon and Khoa

Brandon Bolio
Corporate Debt Products - Gaming & Leisure
Bank of America
214.209.3795 | work
972.728.9492 | fax



Credit Approval Memorandum

Borrower FONTAINEBLEAU LAS VEGAS LLC		GCI 333899417	Business Unit CDP - Gaming			Approval Doc Date: 16 JAN 09			Date Approval Needed By:		
Address LAS VEGAS, NV		Client Since 2007	Exposure Strategy Old New		SLT	Shared Nat'l Credit	Subject to Reg O	Key Risk Name			
Business Casino Hotels		NAICS Industry Gaming/Cruiselines	M	D	(N)	(Y)	(N)	(Y)			
Primary Ownership: Private - 100% indirectly owned by Fontainebleau Resorts, LLC		Quartile: N/A	Existing	Score- card	Over- ride	Agency Moody's	Sr. Debt Rating B3	Sub. Debt Rating -	CP Rating -	Corp Rating -	Outlook Rating Negative
Market Value (if public): N/A	KMV-EDF: N/A	KMV Implied RR: N/A	7+		8	S&P	B	CCC	-	B-	Negative

Borrower FONTAINEBLEAU LAS VEGAS LLC / FONTAINEBLEAU LAS VEGAS II LLC		GCI 335680143	Business Unit CDP - Gaming			Approval Doc Date: 16 JAN 09			Date Approval Needed By:		
Address LAS VEGAS, NV		Client Since 2007	Exposure Strategy Old New		SLT	Shared Nat'l Credit	Subject to Reg O	Key Risk Name			
Business Casino Hotels		NAICS Industry Gaming/Cruiselines	M	D	(N)	(N)	(N)	(Y)			
Primary Ownership: Private - 100% indirectly owned by Fontainebleau Resorts, LLC		Quartile: N/A	Existing	Score- card	Over- ride	Agency Moody's	Sr. Debt Rating B3	Sub. Debt Rating -	CP Rating -	Corp Rating -	Outlook Rating Negative
Market Value (if public): N/A	KMV-EDF: N/A	KMV Implied RR: N/A	7+		8	S&P	B	CCC	-	B-	Negative

Borrower FONTAINEBLEAU LAS VEGAS HOLDINGS LLC		GCI 333899383	Business Unit CDP - Gaming			Approval Doc Date: 16 JAN 09			Date Approval Needed By:		
Address LAS VEGAS, NV		Client Since 2007	Exposure Strategy Old New		SLT	Shared Nat'l Credit	Subject to Reg O	Key Risk Name			
Business Casino Hotels		NAICS Industry Gaming/Cruiselines	M	D	(N)	(N)	(N)	(Y)			
Primary Ownership: Private - 100% indirectly owned by Fontainebleau Resorts, LLC		Quartile: N/A	Existing	Score- card	Over- ride	Agency Moody's	Sr. Debt Rating -	Sub. Debt Rating Caa3	CP Rating -	Corp Rating Caa1	Outlook Rating Negative
Market Value (if public): N/A	KMV-EDF: N/A	KMV Implied RR: N/A	7		8	S&P	B	CCC	-	B-	Negative

Borrower FONTAINEBLEAU RESORTS LLC		GCI 334253622	Business Unit CDP - Gaming			Approval Doc Date: 16 JAN 09			Date Approval Needed By:		
Address LAS VEGAS, NV		Client Since 2007	Exposure Strategy Old New		SLT	Shared Nat'l Credit	Subject to Reg O	Key Risk Name			
Business Casino Hotels		NAICS Industry Gaming/Cruiselines	M	D	(N)	(N)	(N)	(Y)			
Primary Ownership: Private - 100% indirectly owned by Fontainebleau Resorts, LLC		Quartile: N/A	Existing	Score- card	Over- ride	Agency	Sr. Debt Rating	Sub. Debt Rating	CP Rating	Corp Rating	Outlook Rating
Market Value (if public): N/A	KMV-EDF: N/A	KMV Implied RR: N/A	7		8						

#	Facility Type	Requested Amount	Existing Amount	Utilizations	Expiration Date (New)	Final Maturity Date (New)	FRR	Secured, Supported, Other
Fontainebleau Las Vegas								
1.	REV	\$100,000,000	\$100,000,000	\$1,577,788			8	Sup
2.	BAC	\$500,000	\$500,000	\$89,663	31/JAN/2010	31/JAN/2010	8	
Fontainebleau Las Vegas / Fontainebleau Las Vegas II								
3.	DRVQ	\$11,278,403	\$14,500,000	\$10,645,677	28/JAN/2011	28/JAN/2011	8	Oth
Fontainebleau Las Vegas Holdings								
4.	DRVL	\$0	\$5,000,000	\$0	CANCEL	CANCEL	8	Oth
Fontainebleau Resorts								
5.	TMCUSTLMT (Com'l)	\$3,000,000	\$3,000,000	\$0	31/JAN/2010	31/JAN/2010	8	Sup

Credit Approval Memorandum

#	Request Summary
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- 1-5 Annual review. Set next annual review date as January 31, 2010.
2. Renew \$500M credit card limit (Nevada Com'l).
3. Place \$14.5MM derivative limit in runoff.
4. Cancel \$5MM derivative limit due to inactivity.
5. Renew \$3MM intraday TMCUST Limit (Nevada Com'l).

Change exposure strategy to "Decrease" from "Maintain".

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

Policy Exception: (N)	MUV: (N)	Facility#	Exception:
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Comments / Summary / Special Approval Requirements:

* Profitability shown is that of Fontainebleau Las Vegas, LLC. Profitability for the entire Fontainebleau Resorts relationship as of LTM 11/30/08 provided 56% RAROC and \$2,428M SVA.

Fontainebleau Las Vegas LLC is a Key Risk Client based on total relationship TRE of \$207MM exceeding House Guidelines of \$25MM for a RR 7 or worse.
 Note: TRE reflected above excludes Merrill Lynch TRE of \$22.6MM (RR 7) and \$110.9MM (RR 8). See Exposure Strategy for additional details.

NARRATIVE

SECTION 1: TRANSACTION OVERVIEW AND RATIONALE**A. Underwriting:***Request*

- Document the Annual Review for Fontainebleau Las Vegas, LLC ("Fontainebleau," "FB LV," or the "Company") and BofA's \$100MM hold of the \$800MM Revolver to FB LV.
 - The Company's Credit Facilities consist of an \$800MM 5-year revolver, a \$700MM 7-year term loan, and \$350MM 7-year delay draw term loan.
 - BofA originally underwrote \$617MM (1/3) of the \$1.85Bn bank deal. The bank financing was raised in conjunction with \$675MM Second Mortgage Notes to finance the construction of an original \$2.9Bn casino resort on a 24.5-acre site on the north end of the Las Vegas Strip.
- Renew the \$500M credit card limit (Nevada Com'l).
- Place the \$14.5MM DRVL at Fontainebleau Las Vegas / Fontainebleau Las Vegas II in runoff.
- Cancel the \$5MM DRVL at Fontainebleau Las Vegas Holdings due to inactivity.
- Renew the \$3MM TMCUST limit at Fontainebleau Resorts LLC (Nevada Com'l).
- The next annual review date will be reset to 1/31/2010.

Construction Status

- Construction consists of a 63-story tower with 3,800 total rooms (2,689 guest rooms, 178 suites, and 933 condo-hotel units), a 100,000 square-foot casino, a 353,000 square-foot convention center, and a 60,000 square-foot spa. In addition, the property will include a 286,500 square-foot retail component with restaurants, nightclub, and related amenities.
- With 62% of costs spent as of 12/31/08, the overall construction progress is tracking in-line with the latest construction schedule, which indicates a 11/1/09 overall completion. Grand Opening is anticipated in November 2009.
- In June 2008, Fontainebleau increased the budget by ~\$200MM due to design enhancements, modifications required to satisfy the neighbor's concern about the garage façade, budget changes, and concealed field conditions related to underground utilities. The budget increase was funded 100% with equity from the proceeds of the Nakheel investment (see below).

Nakheel PJSC Investment

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

Lehman Brothers Bankruptcy

- On 9/16/08, Lehman Brothers Holdings, Inc. declared bankruptcy. Lehman underwrote a \$400MM Retail Credit Facility as financing for certain retail portions of the project, consisting of a \$315MM Retail Construction Loan and an \$85MM Retail Mezzanine Loan (of which \$125.4MM and \$85MM were funded at closing in June 2007). \$100MM of the \$315MM Construction Loan was syndicated to a group of lenders consisting of Sumitomo, National City and ULICO.
- Of the total \$400MM Retail Credit Facility, \$83MM is dedicated towards shared construction costs in the Las Vegas podium. Draws for shared construction costs began in August 2008 concurrently with the initial bank advance (after proceeds from the 2nd Mortgage Notes were exhausted). As of December 2008, \$21.9MM of retail shared costs were funded.
- To date, the retail facility lenders have continued to fund their portion of the retail shared costs when requested (a condition precedent to funding from bank proceeds). The Company has been working diligently with Lehman Brothers and the co-lenders to ensure that there are no further interruptions in funding for the retail component. However, there are no assurances that Lehman Brothers will continue to fund all or any portion of its remaining obligation under the Retail Construction Loan, or that the co-lenders will fund any Lehman Brothers shortfall in funding.

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Current Market Conditions

- With the depressed economic environment and rising unemployment, demand for casino gaming and other leisure activities have been adversely impacted as consumers have limited discretionary spending.
- Factors that could lead the economy out of its current depressed state in the latter half of FY 2009 are an economic reform plan that may include tax cuts to lower- and middle-class families and the creation of new jobs through an infrastructure program and the recent decline in gas prices, which are expected to restore consumer confidence and normalize discretionary spending.

Ratings Update

- **Moody's:** On 11/6/08, Moody's downgraded Fontainebleau Las Vegas Holdings, LLC's ("FLVH") Corporate Family Rating to 'Caa1' from 'B2.' FLVH's \$675MM Second Mortgage Notes were lowered to 'Caa3' from 'Caa1.' At the same time, FB LV's and co-issuer Fontainebleau Las Vegas II, LLC's bank facilities (revolver, term loan, and delayed draw term loan) were lowered to 'B3' from 'B1'. Moody's stated that the rating outlook was 'Negative.'
 - Rationale for the two-notch downgrade was prompted by the claim that the likelihood of weak gaming demand trends in Las Vegas would increase the risk that the Company would not be able to meet its debt service burden once the project opens in late 2009. The downgrade also contemplates weak demand for condo-hotel units, particularly in the Las Vegas market where the real estate market is under significant stress. Moody's believes that any shortfall in condo-sale proceeds (used to pay down debt) relative to original expectations will have a direct negative impact on leverage.
 - The 'Negative' outlook recognizes the challenges faced by FB Resorts to resolve a potential funding shortfall for the retail component of the Las Vegas project. Lehman Brothers Holdings, Inc., currently in bankruptcy, is a large lender under the retail credit facilities. A failure to continue funding the retail loan could ultimately result in a default under FB Resort's credit facilities.
- **S&P:** On 9/18/08, S&P lowered FLVH's Corporate Credit Rating to 'B-' from 'B.' FLVH's First Senior Secured Debt was also lowered to 'B' from 'B+.' At the same time, the Company's \$675MM Second Mortgage Notes were lowered to 'CCC' from 'CCC+.'
 - Rationale for the downgrade was the belief that the FLVH will be challenged to generate sufficient cash flow to service its debt obligations in the absence of a meaningful market rebound in 2H09, particularly within the context of weaker-than-anticipated condo sales. The downgrade also factors in an expectation that the current weakened state of the financial services industry will prove very challenging if/when the Company begins its condo selling efforts.

B. Business Case:*Relationship with the Client*

- BofA's relationship with Glen Schaeffer dates back to 1987 with Mandalay Bay, where he served as President and CEO. Since then, BofA developed a substantial corporate and investment banking role as the Company's lead bank. As a result, BofA was awarded the Joint Lead (left) position in 2005 on a \$500MM Credit Facility for Schaeffer's venture, Fontainebleau Resorts.
- For the FB LV relationship, BofA serves as Joint Lead Arranger (Left) and Joint Book Manager as well as Administrative Agent and Swing Line Lender.
- For the FB Miami relationship, BofA serves as Joint Lead Arranger (Left) and Joint Book Manager as well as Administrative Agent and L/C Issuer.

Client Selection

- **Strong Management Team** – The Company's strong management team, which includes Glenn Schaeffer (CEO) and Jeff Soffer (principal of the Turnberry Associates), is considered highly experienced and has successful track records with both the development and operation of major gaming and leisure multi-use facilities.
- **Significant Development Experience**
 - *Glenn Schaeffer / Former Mandalay Resort Group team* – This team developed numerous projects over the years, including over 16,000 hotel rooms, over 600,000 square feet of gaming space, and a 1.5 million square foot convention center at Mandalay Bay. Mr. Schaeffer's success has been recognized by Institutional Investor and Las Vegas Magazine, which depicted him as one of the top-ten corporate financiers in the US and one of the five executives who shaped 21st century Las Vegas, respectively.
 - *Turnberry* – Turnberry Associates is one of America's premier real estate development and property management companies. TA has developed more than \$7Bn in commercial and residential property, including approximately 20 million square feet of retail space, more than 7,000 apartments and condo units, 1.5 million square feet of office space, and in excess of 2,000 hotel and resort rooms. Since 1999, Turnberry has been active in the Las Vegas market, having achieved condo sales of over \$1.5Bn, starting with the development of Turnberry Place, a 4-story, \$700MM, luxury, high-rise residential community at the north end

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of the Las Vegas Strip. Turnberry developed the second and third towers of the three condo-hotel towers at the Residences at MGM Grand Las Vegas, a JV with MGM and several other residential and lifestyle centers in Las Vegas, including Turnberry Towers and Town Square.

- **Significant Real Estate Value** – The land that comprises the FB LV location was acquired in two separate transactions for an aggregate cost of \$143.8MM (\$5.9MM per acre). The market value for the land has increased since the consummation of the purchases and the consolidation of the parcels. The Las Vegas land was last appraised in December 2006 at \$416MM (\$16.9MM per acre).
- **Ideal Location** – When complete, the FB LV property will represent the northernmost of the “mega resorts” on the Las Vegas Strip. With focus on the north end of the LV Strip, from projects such as the Palazzo at the Venetian and Encore at Wynn, such developments are expected to generate immense foot traffic once these projects ramp-up.

Company and Industry Snapshot

- Please see Appendix I and II, respectively.

Exposure and Capital Strategy

- Bank of America TRE for the entire Fontainebleau relationship is **\$207MM**; Merrill Lynch TRE is **\$133.5MM**. Combined TRE at both institutions to Fontainebleau Resorts is **\$340.5MM**, consisting of the following:

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

- Combined relationship TRE of \$340.5MM exceeds House Guidelines of \$25MM for a RR 7 or worse, thus confirming that Fontainebleau Las Vegas is a Key Risk Client. In May 2008, CDP downgraded FB Las Vegas' risk rating to RR 7+ (from RR 6-) in concurrence with the downturn in the economy and its effects on the Las Vegas market. Due to further deterioration in the market and the unlikelihood that the Company will sell condos and/or meet original underwriting projections, CDP is further downgrading FB Las Vegas to RR 8.
- New exposure strategy is **Decrease**. CDP will look to opportunistically reduce exposure, beginning with canceling unused trading lines and placing existing derivative lines in runoff (concurrently with this CAM).

Relationship Economics

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

Market Pricing

- **Bond Pricing:**

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

Pricing as of 1/14/09

Source: Lighthouse

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SECTION 2: FINANCIAL INFORMATION**A. Summary Financial Information:***Financial Review*

- At this time, the Company is not generating revenue due to its status as an in-progress construction project. Through its financial statements, management details its expenses for each reporting period and, therefore, incurs losses in those respective periods. Expenses will increase throughout the construction process, mainly due to pre-opening expense and interest expense, until the property opens in 4Q09.
 - The construction process is ~62% complete with approximately 3,200 trade people on-site. According to IVI, the project schedule remains in-line with the projected completion date (4Q09).
- The primary objective of the following analysis will consist of expected operating performance at opening through FY 2012. The credit facility matures in June 2012.
- While quarterly financial statements have been received throughout the construction period, the first statements reflecting operations are not expected until 4Q09, which will only account for one or two months of operations since the grand opening is not expected until November 2009.
- A Compliance Certificate is not expected until the first test date, which is the last day of the first fiscal quarter which ends six months or more following the opening date (expected to be 6/30/10).

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

- Given stabilized (FY 2011) EBITDA of \$268MM and Fixed Charge Coverage Ratio ("FCCR") of 1.31x based on CDP's revision to management projections from the 2007 underwriting and the assumption that none of the 1,018 condos will be sold (detailed below), the PSOR is considered Weak to Moderate. Cash flows are sufficient to service debt and maintain the property. In a normal and stable bank market, CDP believes that these operating statistics would allow for a refinancing scenario, albeit with higher pricing and with faster amortization of debt.

Base Case Assumptions:

- CDP revised Base Case projections from the 2007 underwriting to reflect depressed market conditions and a realistic scenario that none of the 1,018 condos are sold. The Company opened a condo sales center in 4Q08, and while the Company does not actively market its condo offerings, none have been sold to date. Further validating CDP's skepticism of the current Las Vegas condo market, in December 2008, MGM announced its plans to cancel the condo component for Harmon at CityCenter, which effectively eliminated 207 condos and resulted in a scale-down of the building.
 - In the event condos are sold, condo owners at FB LV can make their residences available to prospective hotel guests if such residences are placed in the hotel rental pool. As such, the condo owner and FB LV would share revenues coming in from the rented residence.
 - In the event that none of the condos are sold, the condos will be converted to hotel suites and made available to hotel guests. If this were to happen, the Company would enjoy the full benefit of the room revenues.
- To determine a reasonable cash flow level at opening and growing to stabilization in FY 2011, CDP compared historical gaming and hotel revenue drivers based on a comparable set of casino-hotel properties such as MGM's Bellagio, Wynn Las Vegas, Wynn Encore, and Las Vegas Sands' Venetian and Palazzo in the years prior to and leading up to the current market decline. FB LV revenue drivers were forecasted at or below management expectations throughout the projection set, as detailed below.

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

- Hotel Drivers:
 - The Average Daily Rate ("ADR") for FB LV were lowered ~25% against previous underwriting / management's estimate in the first three years of operations, and then assumed to grow at an average rate of 6% through FY 2012. ADR was forecasted downward due to an expectation of lower room rates via increased promotions from current Las Vegas Strip operators once the property opens; both Wynn Las Vegas and Wynn Encore have reduced room rates in an effort to maintain occupancy rates in this depressed economic environment.

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- The resulting Base Case hotel assumptions are below the expected FY 2010 averages for the comp set and are intended to reflect a reversion to the mean. Assumptions were compared to Wall Street Equity Research estimates for FY 2010 for the comp set. As shown in the chart below, RevPAR for FB LV in FY 2010 of \$188 is well below estimates for the comp set of \$225. CDP deems this conservatism versus published analyst and company estimates appropriate given more recent volatility and early evidence of further deterioration in 4Q08.

2010 Competitive Set Hotel Assumptions				
	# of Rooms	ADR	Occupancy	RevPAR
FB Las Vegas ⁽¹⁾	3,889	\$219.9	85.3%	\$187.6
Competitive Set:				
Bellagio ⁽²⁾	3,993	\$260.0	90.9%	\$236.3
Wynn Las Vegas ⁽²⁾	2,716	\$283.0	90.4%	\$255.8
Wynn Encore ⁽²⁾	2,034	\$290.0	85.0%	\$246.5
Venetian ⁽²⁾	4,027	\$215.0	90.0%	\$193.5
Palazzo ⁽²⁾	3,025	\$217.0	90.0%	\$195.3
Total Mean	3,159	\$253.0	89.3%	\$225.5

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

(2) Based on JPMorgan equity analyst estimates published 11/24/2008.

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

Casino Comparables				
	# Slots	WPU	# Table Games	WPU
FB Las Vegas ⁽¹⁾	1,700	\$195.9	125	\$3,545.6
Competitive Set:				
Venetian ⁽²⁾	1,814	\$202.7	134	\$4,152.3
Palazzo ^{(2), (3)}	1,393	\$154.3	128	\$3,343.7
Wynn Las Vegas ⁽²⁾	1,959	\$228.0	139	\$8,812.0
Total Mean	1,722	\$195.0	134	\$5,436.0

(1) Based on management estimates.

(2) Based on an actual, historical averages from 1Q08 - 3Q08.

(3) Palazzo opened in December 2007.

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CDP Base Case:

Fontainebleau Las Vegas - Base Case								
Assumes No Condo Sales								
(\$ in Millions)								
	3 Months					12 Months		
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	12/31/10	12/31/11	12/31/12
Operating Performance								
Net Revenues	\$ 194.4	\$ 233.9	\$ 235.7	\$ 206.6	\$ 206.6	\$ 882.8	\$ 916.2	\$ 944.5
Y-O-Y Net Revenue Growth		-	-	-	6.3%	-	3.8%	3.1%
EBITDA	\$ 37.2	\$ 64.2	\$ 64.7	\$ 56.7	\$ 56.7	\$ 242.4	\$ 268.1	\$ 274.5
EBITDA Margin	19.1%	27.5%	27.5%	27.5%	27.5%	27.5%	29.3%	29.1%
Summary Cash Flow								
EBITDA	\$ 37.2	\$ 64.2	\$ 64.7	\$ 56.7	\$ 56.7	\$ 242.4	\$ 268.1	\$ 274.5
Plus: Condo Sales Proceeds	-	-	-	-	-	-	-	-
Less: Capitalized Condo Selling Costs	1.9	1.4	0.6	-	-	2.0	-	-
Less: Net Interest Expense	42.3	42.6	43.0	43.4	43.4	172.9	177.1	174.3
Less: Change in Working Capital	6.0	-	-	-	-	-	-	-
Less: Change in Accrued Interest	17.3	(17.3)	17.3	(17.3)	17.3	-	-	-
Less: Maintenance Capital Expenditures	2.5	2.5	2.5	2.5	2.5	10.0	20.0	25.0
Less: Owners' Tax Distributions	-	-	-	-	-	-	-	-
Cash Flow Before Mandatory Debt Repayment	(32.9)	35.0	1.3	28.1	(6.5)	57.4	71.0	75.2
Less: Mandatory Term Loan Repayment from Condo Sales	-	-	-	-	-	-	-	-
Less: Mandatory Revolver Repayment from Condo Sales	-	-	-	-	-	-	-	-
Free Cash Flow	(32.9)	35.0	1.3	28.1	(6.5)	57.4	71.0	75.2
Less: Term Loan Amortization	-	-	-	1.8	1.8	3.5	7.0	7.0
Net Free Cash Flow	\$ (32.9)	\$ 35.0	\$ 1.3	\$ 26.4	\$ (8.2)	\$ 53.9	\$ 64.0	\$ 68.2
Summary Balance Sheet								
Operating Cash	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1
Funded Liquidity Reserve	50.0	50.0	50.0	50.0	-	-	-	-
Total Cash and Cash Equivalents	\$ 64.1	\$ 64.1	\$ 64.1	\$ 64.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1
LV Revolver	\$ 774.2	\$ 739.1	\$ 737.9	\$ 712.4	\$ 672.0	\$ 672.0	\$ 611.5	\$ 546.8
LV Term Loans	1,050.0	1,050.0	1,050.0	1,047.4	1,044.8	1,044.8	1,034.3	1,023.8
First Senior Secured Debt	\$ 1,824.2	\$ 1,789.1	\$ 1,787.9	\$ 1,759.8	\$ 1,716.7	\$ 1,716.7	\$ 1,645.7	\$ 1,570.5
2nd Mortgage Notes	675.0	675.0	675.0	675.0	675.0	675.0	675.0	675.0
Total Debt	\$ 2,499.2	\$ 2,464.1	\$ 2,462.9	\$ 2,434.8	\$ 2,391.7	\$ 2,391.7	\$ 2,320.7	\$ 2,245.5
Credit Statistics								
LTM EBITDA		\$ 221.5	\$ 222.8	\$ 242.4	\$ 242.4	\$ 242.4	\$ 268.1	\$ 274.5
First Senior Secured Debt / EBITDA		8.07x	7.90x	7.08x	7.08x	7.08x	6.14x	5.72x
Covenant Level		5.15x	5.00x	4.75x	4.75x	4.75x	3.50x	3.00x
Cushion (%)		-56.8%	-58.0%	-49.1%	-49.1%	-49.1%	-75.4%	-90.7%
Total Debt / EBITDA		11.12x	10.93x	9.87x	9.87x	9.87x	8.66x	8.18x
Covenant Level		8.30x	8.00x	7.75x	7.75x	7.75x	6.25x	5.50x
Cushion (%)		-34.0%	-36.6%	-27.3%	-27.3%	-27.3%	-38.5%	-48.7%
Fixed Charge Coverage Ratio		1.42x	1.33x	1.28x	1.28x	1.28x	1.31x	1.32x
Covenant Level		1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.25x
Cushion (%)		21.7%	12.9%	8.3%	8.3%	8.3%	10.8%	7.5%

Operating Performance:

- Due to CDP's changes to the Base Case, net revenues are down -17%, -19% and -21% compared to management's projections for FY 2010, FY 2011 and FY 2012, respectively. Revenue of \$883Bn in the first full year of operations (FY 2010) is projected to grow at a conservative 2% CAGR over the projected period through FY 2012 to \$945MM.
- EBITDA is down -9%, -14%, and -16% compared to management's projections for FY 2010, FY 2011 and FY 2012. EBITDA of \$242MM in FY 2010 (first full year of operations) is projected to grow at a 4% CAGR as margins improve to 29% from 27% due to increased operating efficiencies and cost-saving measures. FB LV also hopes to attract clientele from its signature property in Miami, Fontainebleau Miami, which had its grand opening in November 2008.
- The projected revenue mix at FB LV is in-line with what is typically seen in major Las Vegas Strip properties, as the revenue mix continues to become less gaming focused. For example, FY 2010 revenues are expected to be comprised of the following: 32% gaming, 30% hotel, 23% F&B, and 15% other.
- Projected supply additions on the LV Strip over the next three years have decreased due to the current depressed market environment which has resulted in less LV Strip visitation, decreased operating performance at LV Strip properties, and constrained credit and high yield debt availability. More than 13,000 of the often quoted "45,000 new Las Vegas rooms" have been cancelled (Crown, Tropicana, etc.) or delayed for the time being (Echelon, Plaza, MGM / Kerzner, Trump II, Caesars, etc.). Please see the Industry Snapshot in Appendix II for additional detail.

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Covenant Compliance:

- Due to the likely scenario where no condos are sold at FB LV and CDP's downward revisions to the revenue drivers, the Company is not expected to be in compliance at its first covenant test date on 6/30/2010 and through FY 2012.
 - At 6/30/10 (first test quarter), First Senior Secured Debt to EBITDA is projected at 8.07x (vs. a 5.15x covenant), and Total Debt to EBITDA is projected at 11.12x (vs. a 8.30x covenant). At 12/31/12 (eleventh test quarter), First Senior Secured Debt to EBITDA is projected at 5.73x (vs. a 3.00x covenant), and Total Debt to EBITDA is 8.19x (vs. a 5.50x covenant). The Company is in compliance with its Fixed Charge Coverage Ratio, with adequate cushions, through the projected period.
 - When the Credit Agreement and related documents were written, excess cash flow from condo proceeds were ear-marked for mandatory amortization of the Credit Facilities. Without condo proceeds, there is not enough excess cash flow to amortize the Term Loans and Revolver and remain in compliance.
- The Company is aware of this realistic scenario and has expressed interest in revisiting the current Credit Agreement with BofA and both parties' respective legal advisors to examine and confirm the possibility of a recapitalization, likely in the form of additional equity and / or repurchases of Second Mortgage Notes, which are currently trading at an extreme discount.
 - After Fontainebleau Resorts reorganized its corporate structure, approximately 74% of the outstanding voting interests and 59% of the outstanding equity interests in Fontainebleau Resorts were owned or controlled directly by Jeff Soffer. Mr. Soffer is also a significant owner and officer of the group of related individuals and entities collectively referred to as Turnberry Associates.
 - CDP contemplated possible equity infusions, which count toward the calculation of LTM EBITDA) from FB Resorts and Jeff Soffer and found an aggregate of \$400MM of additional equity over a three year period would need to be contributed in order to pay down debt and be in compliance with its Financial Covenants. A brief synopsis is listed below as well and additional detail in Appendix III.

FB Las Vegas Covenant / Equity Infusion Analysis			
(\$ in Millions)			
	6/30/10	3/31/11	3/31/12
First Senior Secured Debt	\$1,678	\$1,417	\$1,230
Total Debt	\$2,353	\$2,092	\$1,905
LTM EBITDA	\$368	\$504	\$415
Equity Injection ⁽¹⁾	\$110	\$145	\$145
First Secured Senior Leverage	4.56x	3.43x	2.97x
Covenant Level	5.15x	3.50x	3.00x
Total Leverage	6.39x	5.07x	4.59x
Covenant Level	8.30x	6.25x	5.50x

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

- With potential funding issues and expected covenant violations at the first test period, CDP fully expects to address these concerns with the Company in 1H09 in the form of an amendment to the current Credit Agreement.

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NARRATIVE

Stress Case:

Fontainebleau Las Vegas - Stress Case										
Assumes No Condo Sales										
(\$ in Millions)										
	3 Months					12 Months			12 Months	12 Months
	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	12/31/10	12/31/11	12/31/12	12/31/12	
Operating Performance										
Net Revenues	\$ 189.7	\$ 210.6	\$ 212.2	\$ 185.9	\$ 185.9	\$ 794.6	\$ 824.7	\$ 850.2		
Y-O-Y Net Revenue Growth		-	-	-	(2.0%)	-	3.8%	3.1%		
EBITDA	\$ 34.1	\$ 52.1	\$ 52.5	\$ 46.0	\$ 46.0	\$ 196.8	\$ 217.6	\$ 222.4		
EBITDA Margin	18.0%	24.8%	24.8%	24.8%	24.8%	24.8%	26.4%	26.2%		
Summary Cash Flow										
EBITDA	\$ 34.1	\$ 52.1	\$ 52.5	\$ 46.0	\$ 46.0	\$ 196.8	\$ 217.6	\$ 222.4		
Plus: Condo Sales Proceeds	-	-	-	-	-	-	-	-		
Less: Capitalized Condo Selling Costs	1.9	1.4	0.6	-	-	2.0	-	-		
Less: Net Interest Expense	47.6	49.2	51.1	52.9	52.9	208.0	236.7	249.3		
Less: Change in Working Capital	6.0	-	-	-	-	-	-	-		
Less: Change in Accrued Interest	17.3	(17.3)	17.3	(17.3)	17.3	-	-	-		
Less: Maintenance Capital Expenditures	2.5	2.5	2.5	2.5	2.5	10.0	20.0	25.0		
Less: Owners' Tax Distributions	-	-	-	-	-	-	-	-		
Cash Flow Before Mandatory Debt Repayment	(41.3)	16.3	(18.9)	8.0	(26.6)	(23.2)	(39.0)	(51.9)		
Less: Mandatory Term Loan Repayment from Condo Sales	-	-	-	-	-	-	-	-		
Less: Mandatory Revolver Repayment from Condo Sales	-	-	-	-	-	-	-	-		
Free Cash Flow	(41.3)	16.3	(18.9)	8.0	(26.6)	(23.2)	(39.0)	(51.9)		
Less: Term Loan Amortization	-	-	-	1.8	1.8	3.5	7.0	7.0		
Net Free Cash Flow	\$ (41.3)	\$ 16.3	\$ (18.9)	\$ 6.2	\$ (28.4)	\$ (26.7)	\$ (46.0)	\$ (58.9)		
Summary Balance Sheet										
Operating Cash	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1		
Funded Liquidity Reserve	50.0	50.0	50.0	50.0	-	-	-	-		
Total Cash and Cash Equivalents	\$ 64.1	\$ 64.1	\$ 64.1	\$ 64.1	\$ 14.1	\$ 14.1	\$ 14.1	\$ 14.1		
LV Revolver	\$ 789.7	\$ 773.4	\$ 792.3	\$ 787.0	\$ 768.1	\$ 768.1	\$ 817.7	\$ 880.1		
LV Term Loans	1,050.0	1,050.0	1,050.0	1,047.4	1,044.8	1,044.8	1,034.3	1,023.8		
First Senior Secured Debt	\$ 1,839.7	\$ 1,823.4	\$ 1,842.3	\$ 1,834.3	\$ 1,812.9	\$ 1,812.9	\$ 1,851.9	\$ 1,903.8		
2nd Mortgage Notes	675.0	675.0	675.0	675.0	675.0	675.0	675.0	675.0		
Total Debt	\$ 2,514.7	\$ 2,498.4	\$ 2,517.3	\$ 2,509.3	\$ 2,487.9	\$ 2,487.9	\$ 2,526.9	\$ 2,578.8		
Credit Statistics										
LTM EBITDA		\$ 185.0	\$ 184.8	\$ 196.8	\$ 196.8	\$ 196.8	\$ 217.6	\$ 222.4		
First Senior Secured Debt / EBITDA		9.96x	9.93x	9.21x	9.21x	9.21x	8.51x	8.56x		
Covenant Level		5.15x	5.00x	4.75x	4.75x	4.75x	3.50x	3.00x		
Cushion (%)		-93.4%	-98.5%	-93.9%	-93.9%	-93.9%	-143.1%	-185.4%		
Total Debt / EBITDA		13.61x	13.58x	12.64x	12.64x	12.64x	11.61x	11.60x		
Covenant Level		8.30x	8.00x	7.75x	7.75x	7.75x	6.25x	5.50x		
Cushion (%)		-64.0%	-69.7%	-63.1%	-63.1%	-63.1%	-85.8%	-110.9%		
Fixed Charge Coverage Ratio		0.99x	0.92x	0.87x	0.87x	0.87x	0.82x	0.79x		
Covenant Level		1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.25x		
Cushion (%)		-17.7%	-23.6%	-27.1%	-27.1%	-27.1%	-31.4%	-37.0%		

Stress Case Assumptions: *In-Line with Gaming IRS Guidelines*

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

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Operating Performance and Covenant Compliance:

- Due to the stringent assumptions enacted in the Stress Case scenario, average EBITDA throughout the full three-year period is approximately 19% below the Base Case scenario.
- With high levels of debt outstanding and increasing LIBOR, cash flow does not fully service interest expense and maintenance capital expenditures, with any shortfall funded through the Company's revolver.
- The Stress Case operating scenario also results in the Company overdrawing its \$800MM starting in 4Q11 through FY 2012 to service interest expense and maintenance capital expenditures.
- Reduced cash flows and no condo proceeds results in peak Total Leverage of 13.61x (vs. an 8.30x covenant) at 6/30/10 (first test period).
- As a result of the Stress Case, the Company would be in violation of its financial covenants in all reporting periods. The management team at FB LV would need to approach the bank group for an amendment, at which times the banks would seek additional structure and pricing concessions.

Repayment / Refinancing:

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

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

Restructuring and/or Refinancing in the HY Market

- Given Stress Case FY 2010 First Senior Secured Debt and Total Leverage of 9.96x and 13.61x, respectively, it is likely that Company's capital structure would be restructured as opposed to an immediate foreclosure scenario.
- In a stable and normalized HY market, the Company would look to refinance its Credit Facilities given the Company's use of FB Resorts as a guarantor. Until Total Leverage is less than 5.0x, the FB Resorts guaranty remains in place and could be called upon in a distressed scenario.
- Attached below is a list of recent HY issuances from gaming-related companies.

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

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

Sale of Business

- In the event that FB Resorts is unable to help FB LV access the HY market to refinance its Credit Facilities, FB Resorts could sell the FB LV property to repay debt.
- On 12/15/2008, MGM announced an agreement to sell Treasure Island to Phil Ruffin for \$775MM, which represents an EBITDA multiple of 7.0x based on LTM EBITDA of \$111MM (8.7x 2009 Wall Street estimates). Although the sale of Treasure Island, essentially a mid-tier property, represents a healthy transaction, FB LV would command a premium (based on EBITDA multiple) since the property is considered an upper-tier resort comparable to MGM's Bellagio, Wynn Las Vegas / Encore, and Venetian / Palazzo.
- Assuming Stress Case EBITDA at FY 2011 of \$218MM and applying an 8.5x multiple for the sale of a single property casino will generate a transaction value of \$1.85Bn which covers FY 2011 funded maximum First Senior Secured Debt of \$1.85Bn approximately 1.00x and Total Debt of \$2.53Bn approximately 0.73x.
 - An 8.5x multiple is a 10% reduction to average multiples in the gaming space, as is taken on an already stressed EBITDA (19% below CDP's Base Case and 30% below Management's Case).
- Assuming Base Case projected FY 2011 EBITDA of \$268MM and applying the same multiple would generate a transaction value of \$2.28Bn, which covers First Senior Secured Debt of \$1.65Bn approximately 1.38x and Total Debt of \$2.32Bn approximately 0.98x.

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Historical Single-Property Acquisitions Comparables						
Date Announced	Completed	Target	Acquirer	Enterprise Value (\$MM)	EBITDA Multiple	
12/15/08	TBD	Treasure Island (MGM)	Phil Ruffin	775	7.0x	
11/13/07	01/22/08	43% of Isle of Capri Black Hawk	Isle of Capri	345	8.5x	
06/27/07	03/10/08	Binion's Gambling Hall & Hotel (MTR Gaming)	TLC Casino Enterprises	32	14.2x	
11/07/06	04/17/07	Zia Park Racetrack / Black Gold Casino	Penn National Gaming	200	8.2x	
11/01/06	04/10/07	Primm Valley Resorts	Herbst Gaming	400	9.2x	
10/02/06	02/27/07	Barbary Coast Hotel & Casino	Harrah's Entertainment	200	8.9x	
07/25/06	10/25/06	South Coast Hotel & Casino	Michael Gaughan	513	16.0x	
06/07/06	11/09/06	Pahrump Nugget	Golden Gaming	7	8.0x	
02/14/06	07/31/06	Isle of Capri Bossier City and Vicksburg	Legends Gaming, LLC	240	7.2x	
11/29/05	05/19/06	Flamingo Laughlin	American Real Estate Partners, LP	120	8.0x	
11/04/05	12/21/05	Trump Indiana Riverboat	Majestic Star Casino	253	8.1x	
08/22/05	12/23/05	Imperial Palace Hotel & Casino	Harrah's Entertainment	370	18.5x	
08/01/05	04/01/06	Pahrump Saddle West	Marnell Group	22	5.3x	
06/20/05	10/25/05	Argosy Casino - Baton Rouge	Columbia Sussex	20	7.5x	
05/11/05	06/23/06	Caesars Reno Hilton	Grand Sierra Resort Corp.	150	13.6x	
02/08/05	07/18/05	Wemply's US Gaming Division	BLB Investors	464	8.1x	
02/04/05	09/27/05	Golden Nugget Las Vegas	Landry's Restaurants	295	10.5x	
				High	18.5x	
				Low	5.3x	
				Mean	9.8x	
				Mean (Excluding High / Low)	9.5x	

Justification of an 8.5x Multiple

- This valuation is based on a comparable analysis of single property acquisition transactions that took place since FY 2005. A multiple of 8.5x (90% of the average without taking into account the highest and lowest EBITDA multiples) and assumes was chosen to represent a distressed sale during a downturn in the gaming sector.
- CDP views an 8.5x multiple as very conservative as it does not account for the potential premium that would be commanded since FB LV would be one of the premier destination casino resorts on the Las Vegas Strip.

SECTION 3: RISK ANALYSIS**A. Key Credit Risks:**

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

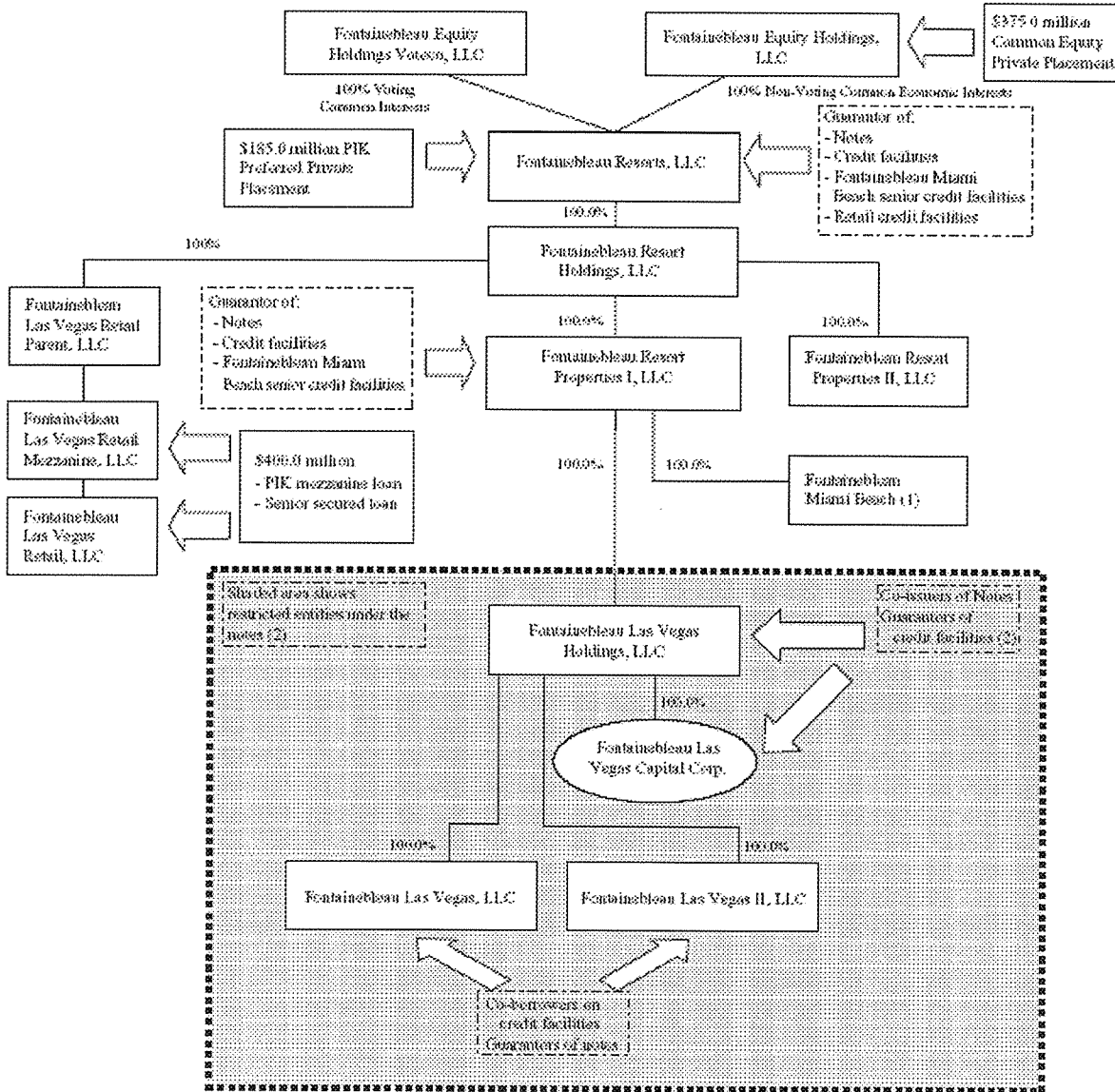
NARRATIVE

- o In the event condos are sold and cash flow becomes available, there is an Excess Cash Flow recapture mechanism in place that will allocate net condo proceeds to amortize the Credit Facilities. In addition, standard mandatory prepayment terms apply.

B. For General/Specialized Industries Approvals include the following, if applicable:

• Legal Structure:

- o The Borrowers are the collective owners of the Fontainebleau resort in Las Vegas, NV. The facilities are guaranteed by: (1) Fontainebleau Resorts, LLC, (ultimate parent; on an unsecured basis); (2) Fontainebleau Resort Properties I, LLC (intermediate holding company; owns interest in both the Miami and Las Vegas project entities); (3) Turnberry / Las Vegas Boulevard, L.P. (Borrower's direct parent); and (4) existing and future subsidiaries of the Borrower's direct parent (secured). The special purpose entity that owns the Miami project is not named guarantors of the Fontainebleau Miami facilities to preserve the bankruptcy remote nature of the two projects.



(1) Includes a number of wholly-owned entities.
 (2) The shaded area shows the entities that will be issuers of the notes, borrowers under the credit facilities and subsidiary guarantors with respect to the notes and credit facilities. Fontainebleau Resorts, LLC and Fontainebleau Resort Properties I, LLC will guarantee the notes and the credit facilities, but will not be part of the Las Vegas Restricted Group.

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Management Analysis:

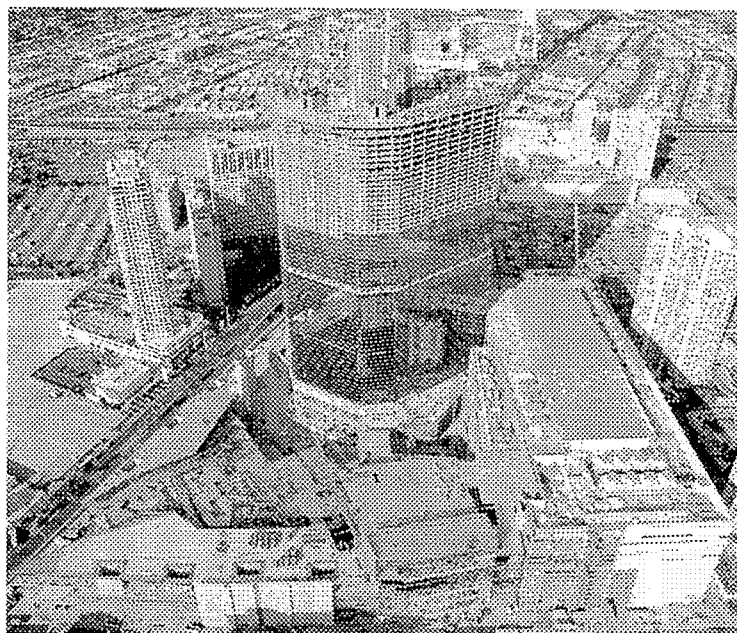
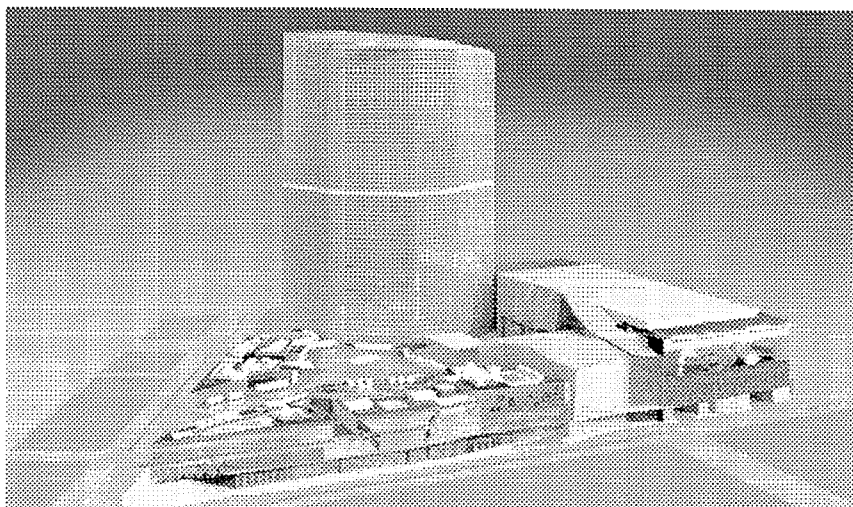
- o Glenn Schaeffer and Jeff Soffer assembled a talented management team since the Company's inception in 2005. Members of the management team (listed below) are considered highly experienced and have had successful track records with both the development and operation so major gaming and leisure multi-use properties.
 - Jim Freeman (Senior VP and CFO) – Jim oversees debt and capital raising, financial planning, accounting, and cash management at the Company. He joined as CFO in March 2006 following 14 years of experience in the private equity and investment banking industries with a focus in the gaming and leisure industry.
 - David Feder (President and General Manager of FB Miami) – David oversees the expansion and renovation of the property and will direct all aspects of the total resort complex upon opening. He is also responsible for all operations of the Fontainebleau Tower Suites. Previously, David served as President and COO of Boca Resorts, Inc., with responsibility for all operations of the company's collection of properties.
 - W. Bryan O'Shields (Senior VP of Food & Beverage) – Before joining FB Miami, Bryan held senior level positions in food & beverage operations management in the US and abroad.
- o Turnberry is a leading property developer and manager in the United States with extensive history and success in numerous U.S. markets, including Florida and Las Vegas. Turnberry has developed over \$7.0Bn worth of real estate properties, including properties that are managed by major corporations such as MGM MIRAGE and Hilton.
- **Corporate Governance:**
 - o During the deal process in 2007, an Enhanced Due Diligence was performed on the Executive Board of the Company as well as the Board of Publishing and Broadcasting Limited ("PBL"), as PBL is a 20% equity investor in Fontainebleau Resorts. There were no issues on the Executive Board of Fontainebleau, however, James Packer, the Executive Chairman of PBL, was alleged to have bribed a witness before speaking to investigators of Australian Securities and Investments Commission regarding the collapse of One Tel in 2001.
 - Given PBL's investment, it will need to abide by strict regulations imposed by the Nevada Gaming Control Board if it plans to pursue a gaming license at some point.
 - In the future, the Company intends to launch a public equity offering and must abide by stringent SEC regulations.
 - The Company's auditor's, Deloitte and Touche ("DT"), completed an independent investigation of the Company's internal controls and found a number of issues as detailed in a letter dated 9/13/06. The Company responded in a letter dated 3/28/07 and has addressed and rectified these issues.

SECTION 4: RISK RATING

- Since FB LV is a real estate construction project at this point, CDP risk rated the Company using the Commercial Real Estate Developers Scorecard, which initially resulted in a RR 6- at the time of the initial underwriting. In May 2008, CDP re-ran the Company's scorecard utilizing then current market factors (negative economic trends) and adjusting for the non-financial factors, resulting in a risk rating of RR 7+.
- CDP is judgmentally downgrading the Company to a RR 8 (from RR 7+) in conjunction with this CAM. After adjusting the 2007 underwriting projections to reflect depressed market conditions and the likely scenario that no condos are sold results in a high probability default; therefore, CDP is proactively downgrading the risk rating to 8. CDP will revisit the risk rating if (when) the Company approaches its bank group for an amendment later this year.
- CDP will revert to the Large Corporate – Private Scorecard once 15 months of financial information is attained, which is not expected until 2011.

Appendix I: Company Snapshot

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



Appendix II: Industry Snapshot

Las Vegas Strip

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

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

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

Source: October 2008 Gaming Market Overview

Current Economic Conditions

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

Appendix II: Industry Snapshot

Projected Room Supply

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

Ongoing Projects	Developer	Expected Opening	Cost (\$MM)	Rooms / Condos
Hard Rock expansion	Morgans / DLJ	2H09	\$760	875
Planet Hollywood Towers	Private	3Q09	\$1,200	1,228
Fontainebleau Las Vegas	Fontainebleau	4Q09	\$2,900	3,800
CityCenter	MGM Mirage	4Q09	\$9,200	6,700
Cosmopolitan	Private	4Q09	\$3,500	2,998

Source: October 2008 Gaming Market Overview & Gaming Weekly Update (1/16/09)

Delayed Projects	Developer	Cost (\$MM)	Rooms / Condos
Caesar's Octavius Tower	Harrah's	\$1,300	665
Palazzo condo tower	LVS	\$600	UTD
Sahara redevelopment	SBE Entertainment	UTD	1,000
Echelon	Boyd	\$4,800	5,000
Las Vegas Plaza	Elad Group	\$5,000	4,100
MGM / Kerzner - Istithmar JV	MGM / Kerzner	UTD	UTD

Source: October 2008 Gaming Market Overview & Gaming Weekly Update (1/16/09)

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

Appendix III: Cushion Analysis

	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12
COVENANT ANALYSIS - Base Case (no equity injection)											
<i>(\$ in Millions)</i>											
FIRST LIEN LEVERAGE RATIO	\$1,788	\$1,760	\$1,717	\$1,677	\$1,672	\$1,642	\$1,646	\$1,606	\$1,600	\$1,568	\$1,571
First Lien Debt	\$221	\$223	\$242	\$249	\$256	\$262	\$268	\$270	\$272	\$273	\$275
LTM EBITDA	8.07x	7.90x	7.08x	6.73x	6.53x	6.28x	6.14x	5.95x	5.89x	5.74x	5.72x
Actual	5.15x	5.00x	4.75x	3.75x	3.75x	3.50x	3.50x	3.00x	3.00x	3.00x	3.00x
Covenant	(\$125)	(\$129)	(\$119)	(\$198)	(\$190)	(\$207)	(\$202)	(\$265)	(\$262)	(\$250)	(\$249)
EBITDA Cushion (\$)	-56.8%	-58.0%	-49.1%	-79.5%	-74.2%	-79.0%	-75.4%	-98.4%	-96.4%	-91.4%	-90.7%
EBITDA Cushion (%)	\$2,463	\$2,435	\$2,392	\$2,352	\$2,347	\$2,317	\$2,321	\$2,281	\$2,275	\$2,243	\$2,246
Total Debt	\$221	\$223	\$242	\$249	\$256	\$262	\$268	\$270	\$272	\$273	\$275
LTM EBITDA	11.12x	10.93x	9.87x	9.44x	9.17x	8.84x	8.68x	8.45x	8.38x	8.22x	8.18x
Actual	8.30x	8.00x	7.75x	6.50x	6.50x	6.25x	6.25x	5.50x	5.50x	5.50x	5.50x
Covenant	(\$75)	(\$82)	(\$66)	(\$113)	(\$105)	(\$109)	(\$103)	(\$145)	(\$142)	(\$135)	(\$134)
EBITDA Cushion (\$)	-34.0%	-36.6%	-27.3%	-45.2%	-41.0%	-41.4%	-38.5%	-53.7%	-52.3%	-49.4%	-48.7%
EBITDA Cushion (%)	\$129	\$186	\$242	\$249	\$256	\$262	\$268	\$270	\$272	\$273	\$275
EBITDA	\$91	\$140	\$189	\$195	\$199	\$202	\$205	\$206	\$207	\$207	\$207
Fixed Charges	1.42x	1.33x	1.28x	1.28x	1.29x	1.30x	1.31x	1.31x	1.31x	1.32x	1.32x
EBITDA / (LTM Cash Interest Expense + LTM Scheduled Amortization + LTM Taxes + LTM Maintenance CapEx + LTM Lease Expense)	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.25x	1.25x	1.25x
EBITDA Cushion (\$)	\$28	\$24	\$20	\$19	\$22	\$25	\$29	\$29	\$17	\$19	\$21
EBITDA Cushion (%)	21.7%	12.9%	8.3%	7.6%	8.8%	9.6%	10.8%	10.7%	6.2%	6.8%	7.5%
COVENANT ANALYSIS - Base Case (with equity injection)											
<i>(\$ in Millions)</i>											
EQUITY INJECTION	\$110	-	-	\$145	-	-	-	\$145	-	-	-
FIRST LIEN LEVERAGE RATIO	\$1,678	\$1,648	\$1,603	\$1,417	\$1,407	\$1,419	\$1,419	\$1,230	\$1,221	\$1,195	\$1,192
First Lien Debt	\$368	\$333	\$352	\$504	\$401	\$407	\$413	\$415	\$417	\$418	\$420
LTM EBITDA	4.56x	4.95x	4.55x	2.81x	3.51x	3.49x	3.43x	2.97x	2.93x	2.86x	2.84x
Actual	5.15x	5.00x	4.75x	3.75x	3.50x	3.50x	3.50x	3.00x	3.00x	3.00x	3.00x
Covenant	\$42	\$3	\$15	\$126	\$26	\$2	\$8	\$5	\$9	\$20	\$22
EBITDA Cushion (\$)	11.5%	1.0%	4.2%	25.1%	6.4%	0.4%	1.9%	1.1%	2.3%	4.7%	5.3%
EBITDA Cushion (%)	\$2,363	\$2,323	\$2,278	\$2,092	\$2,082	\$2,094	\$2,094	\$1,905	\$1,896	\$1,870	\$1,867
Total Debt	\$368	\$333	\$352	\$504	\$401	\$407	\$413	\$415	\$417	\$418	\$420
LTM EBITDA	6.39x	6.98x	6.47x	4.15x	5.19x	5.14x	5.07x	4.59x	4.55x	4.47x	4.45x
Actual	8.30x	8.00x	7.75x	6.50x	6.50x	6.25x	6.25x	5.50x	5.50x	5.50x	5.50x
Covenant	\$85	\$42	\$58	\$182	\$81	\$72	\$78	\$68	\$72	\$78	\$80
EBITDA Cushion (\$)	23.0%	12.8%	16.6%	36.2%	20.1%	17.7%	18.9%	16.5%	17.2%	18.6%	19.1%
EBITDA Cushion (%)	\$239	\$296	\$352	\$504	\$401	\$407	\$413	\$415	\$417	\$418	\$420
EBITDA	\$91	\$138	\$186	\$190	\$189	\$190	\$190	\$190	\$190	\$189	\$187
Fixed Charges	2.63x	2.14x	1.90x	2.66x	2.12x	2.15x	2.17x	2.19x	2.20x	2.21x	2.24x
EBITDA / (LTM Cash Interest Expense + LTM Scheduled Amortization + LTM Taxes + LTM Maintenance CapEx + LTM Lease Expense)	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.25x	1.25x	1.25x
EBITDA Cushion (\$)	\$343	\$279	\$246	\$735	\$370	\$385	\$401	\$409	\$395	\$400	\$415
EBITDA Cushion (%)	143.3%	94.4%	69.9%	145.7%	92.3%	94.5%	97.0%	98.6%	94.8%	95.8%	96.9%

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Appendix III: Cushion Analysis

COVENANT ANALYSIS - Stress Case (no equity injection)											
(\$ in Millions)											
	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12
FIRST LIEN LEVERAGE RATIO											
First Lien Debt	\$1,842	\$1,834	\$1,813	\$1,799	\$1,822	\$1,819	\$1,852	\$1,844	\$1,870	\$1,869	\$1,904
LTM EBITDA	\$185	\$185	\$197	\$202	\$208	\$213	\$218	\$219	\$220	\$221	\$222
Actual	9.95x	9.93x	9.21x	8.89x	8.76x	8.55x	8.51x	8.42x	8.49x	8.45x	8.56x
Covenant	5.15x	5.00x	4.75x	3.75x	3.75x	3.50x	3.50x	3.00x	3.00x	3.00x	3.00x
EBITDA Cushion (\$)	(\$173)	(\$182)	(\$185)	(\$278)	(\$278)	(\$307)	(\$311)	(\$396)	(\$403)	(\$402)	(\$412)
EBITDA Cushion (%)	-93.4%	-96.5%	-93.9%	-137.2%	-133.7%	-144.3%	-143.1%	-180.7%	-183.1%	-181.6%	-185.4%
TOTAL LEVERAGE RATIO											
Total Debt	\$2,517	\$2,509	\$2,488	\$2,474	\$2,497	\$2,494	\$2,527	\$2,519	\$2,545	\$2,544	\$2,470
LTM EBITDA	\$185	\$185	\$197	\$202	\$208	\$213	\$218	\$219	\$220	\$221	\$222
Actual	13.61x	13.58x	12.64x	12.23x	12.07x	11.72x	11.61x	11.51x	11.56x	11.50x	11.11x
Covenant	8.30x	8.00x	7.75x	6.50x	6.50x	6.25x	6.25x	5.50x	5.50x	5.50x	5.50x
EBITDA Cushion (\$)	(\$118)	(\$129)	(\$124)	(\$178)	(\$176)	(\$186)	(\$187)	(\$239)	(\$243)	(\$241)	(\$227)
EBITDA Cushion (%)	-64.0%	-69.7%	-63.1%	-88.2%	-84.8%	-87.6%	-85.8%	-109.2%	-110.2%	-109.1%	-102.0%
Fixed Charge Coverage Ratio											
EBITDA	\$105	\$151	\$197	\$202	\$208	\$213	\$218	\$219	\$220	\$221	\$222
Fixed Charges	\$106	\$164	\$225	\$237	\$246	\$256	\$265	\$271	\$276	\$279	\$282
Actual	0.99x	0.92x	0.87x	0.85x	0.84x	0.83x	0.82x	0.81x	0.80x	0.79x	0.79x
Covenant	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.20x	1.25x	1.25x	1.25x
EBITDA Cushion (\$)	(\$22)	(\$43)	(\$64)	(\$70)	(\$74)	(\$78)	(\$82)	(\$86)	(\$100)	(\$101)	(\$103)
EBITDA Cushion (%)	-21.3%	-28.4%	-32.5%	-34.6%	-35.6%	-36.9%	-37.7%	-39.3%	-45.2%	-45.8%	-46.2%

Credit Approval Memorandum (USCG)

Annual Review (Y)

Action Needed Date:

CAM Date: 16/Jan/09

Borrower FONTAINEBLEAU LAS VEGAS LLC		GCI 333899417	Client Segment Strategic			Primary Ownership: Primary Ownership: Private – 100% indirectly owned by Fontainebleau Resorts, LLC					
City, State LAS VEGAS, NV		EIN 52-2239332	Exp. Strategy Existing New			Rating Agency	Sr	Sub	CP	Corp	Outlook
Business Casino Hotels		Country of Incorporation US	M	D	Moody's S&P	B3	-	-	-	Neg	
Multiple Borrowers (N)	Subject to Reg O: (N)	NAICS 721110	Existing	Score card	Over ride	KMV - EDF		KMV Implied RR			
Co-Borrowers (Y) # 5		SLT (N)	7+		8						
Client Designation: PRIVATE											

Borrower FONTAINEBLEAU LAS VEGAS LLC / FONTAINEBLEAU LAS VEGAS II LLC		GCI 335680143	Client Segment Strategic			Primary Ownership: Primary Ownership: Private – 100% indirectly owned by Fontainebleau Resorts, LLC					
City, State LAS VEGAS, NV		EIN 52-2239332	Exp. Strategy Existing New			Rating Agency	Sr	Sub	CP	Corp	Outlook
Business Casino Hotels		Country of Incorporation US	M	D	Moody's S&P	B3	-	-	-	Neg	
Multiple Borrowers (N)	Subject to Reg O: (N)	NAICS 721110	Existing	Score card	Over ride	KMV - EDF		KMV Implied RR			
Co-Borrowers (N)		SLT (N)	7+		8						
Client Designation: PRIVATE											

Borrower FONTAINEBLEAU LAS VEGAS HOLDINGS LLC		GCI 333899383	Client Segment Strategic			Primary Ownership: Primary Ownership: Private – 100% indirectly owned by Fontainebleau Resorts, LLC					
City, State LAS VEGAS, NV		EIN 52-2239337	Exp. Strategy Existing New			Rating Agency	Sr	Sub	CP	Corp	Outlook
Business Casino Hotels		Country of Incorporation US	M	D	Moody's S&P	-	Caa3	-	Caa1	Neg	
Multiple Borrowers (N)	Subject to Reg O: (N)	NAICS 721110	Existing	Score card	Over ride	KMV - EDF		KMV Implied RR			
Co-Borrowers (N)		SLT (N)	7		8						
Client Designation: PRIVATE											

Borrower FONTAINEBLEAU RESORTS LLC		GCI 334253622	Client Segment Strategic			Primary Ownership: Private (Jeff Soffer majority owner)					
City, State LAS VEGAS, NV		EIN 20-2668268	Exp. Strategy Existing New			Rating Agency	Sr	Sub	CP	Corp	Outlook
Business Casino Hotels		Country of Incorporation US	M	D							
Multiple Borrowers (N)	Subject to Reg O: (N)	NAICS 721110	Existing	Score card	Over ride	KMV - EDF		KMV Implied RR			
Co-Borrowers (N)		SLT (N)	7		8						
Client Designation: PRIVATE											

#	Fac Type	R Cr	R B C	Requested Amount	Cur	Existing Amount	Utilizations	Expiration Date (Old)	Expiration Date (New)	Final Maturity Date (New)	FRR Existing	FRR Score card	FRR Over ride	C'try Of Risk	Sec. Sup. Oth	T&C Chg Y/N
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FONTAINEBLEAU LAS VEGAS LLC 333899417																
1.	REV	C		\$100,000,000		\$100,000,000	\$1,577,788	06/JUN/2012		06/JUN/2012	7+		8	US	Sup	N
2.	BAC	G		\$500,000		\$500,000	\$89,663	22/AUG/2008	31/JAN/2010	31/JAN/2010	7+		8	US	Oth	N

FONTAINEBLEAU LAS VEGAS LLC / FONTAINEBLEAU LAS VEGAS II LLC 335680143																
3.				\$11,278,403		\$14,500,000	\$10,645,677	28/JAN/2011	28/JAN/2011	28/JAN/2011						
3.1	TCRIS LIMIT	C		\$11,278,403		\$7,979,856	\$10,645,677				7+		8	US	Oth	N
3.2	DRVQ	G		\$0		\$6,520,144	\$0				7+		8	US	Oth	N

FONTAINEBLEAU LAS VEGAS HOLDINGS LLC 333899383																
4.				\$0		\$5,000,000	\$0									
4.1	TCRIS LIMIT	G		\$0		\$5,000,000	\$0	20/NOV/2008	CANCEL	CANCEL	7		8	US	Oth	N
4.2	DRVL	C		\$0		\$0	\$0	20/NOV/2008			7		8	US	Oth	N

FONTAINEBLEAU RESORTS LLC 334253622																
5.	TMCU STLMT	A		\$3,000,000		\$3,000,000	\$0	22/AUG/2009	31/JAN/2010	31/JAN/2010	7		8	US	Oth	N

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Credit Approval Memorandum (USCG)

#	Action / Purpose
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- 1-5 Annual review. Set next annual review date as January 31, 2010.
2. Renew \$500M credit card limit (Nevada Com'l). Allocation was previously approved on Fontainebleau Florida Hotel LLC GCI 333908242.
3. Place \$14.5MM derivative limit in runoff.
4. Cancel \$5MM derivative limit due to inactivity.
5. Renew \$3MM intraday TMCUST Limit (Nevada Com'l).

Change exposure strategy to "Decrease" from "Maintain".



FB LV Basel

	Loans & Loan Equivalents	Intraday Risk	Relationship Profitability Summary			Multi-Bank Facilities	
				Existing as of LTM 11/30/08*	Pro Forma	Administrative Agent	Bank of America
Borrower Direct	\$100,500,000	\$0	Net Income	\$520M		BAC Title	Administrative Agent
Borrower Contingent	\$0	\$0	Credit Capital	\$2,819M		Total Facility	\$800MM REV, \$700MM TML, \$350MM DDTL
Related	\$106,620,517	\$3,000,000	Total Economic capital	\$2,952M		BAC Underwritten	\$333.3MM REV, \$283MM TML
Sub Total	\$207,120,517	\$3,000,000	Velocity	41%		BAC Hold	\$100MM REV
Less: Trading Adjustment			Rel. Return on Econ. Cap.	18%		Institutional Tranches (Y/N)	Y
Less: Credit Default Swap			Shareholder Value Added	\$208M		If Yes, fully underwritten (Y/N)	Y (4-way split)
Total	\$207,120,517	\$3,000,000	Performance Gap			Shared National Credit	Req # 1
Concentration Limit	\$0	\$0	Issuer Risk Limit: \$2,870,150				
			Distribution: (N)				
Policy Exception (N)	MUV: (N)	Facility#	Exception:				
Comments / Summary / Special Approval Requirements:							
* Profitability shown is that of Fontainebleau Las Vegas, LLC. Profitability for the entire Fontainebleau Resorts relationship as of LTM 11/30/08 provided 56% RAROC and \$2,428M SVA.							
Fontainebleau Las Vegas LLC is a Key Risk Client based on total relationship TRE of \$207MM exceeding House Guidelines of \$25MM for a RR 7 or worse. Note: TRE reflected above excludes Merrill Lynch TRE of \$22.6MM (RR 7) and \$110.9MM (RR 8). See Exposure Strategy for additional details.							

Do the actions in this CAM/ CAM MOD fall under the CCA Program?	YES	NO X
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Credit Approval Memorandum (USCG)

CDP KYC DUE DILIGENCE QUESTIONNAIRE

PART 1:

- New or Revised KYC Questionnaire
- Previously-completed KYC Questionnaire reviewed for this credit action and remains accurate
Date Reviewed: 01/15/09

PART 2:

1. Have all required CDP KYC Due Diligence Questionnaires been completed (or verifications received)?
 - YES – KYC Completion Date: 01/15/09 *
 - NO** – List exceptions, or ensure any pending KYC is detailed on the Summary Risk Assessment form
2. Client AML Risk Classification*: Medium AML Risk
3. If Client has been classified as Medium or High AML risk, or represents Higher Risk Client Type, identify driver of risk: Gaming/Casino ***
4. Has Enhanced Due Diligence been completed for any Borrower designated as Medium or High AML Risk?
 - NA
 - YES – EDD Completion Date: (MM/DD/YY)
 - NO**
5. Link to:
 - KYC Due Diligence Questionnaire for Standalone Borrower or Parent/Owner: [KYCS.tool](#)
 - KYC Summary Risk Assessment (or equivalent), if multiple parties covered by Parent KYC:

Version – 03/08/2007

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

Approved							
New Borrower Restriction (N)		If "Y", Date of Initial Approval:					
CDPO		CDP – IL		SRM		RME	
Name	Date	Name	Date	Name	Date	Name	Date
		Jeff Susman		Doug Keyston		Doug Robinson	
Telephone		214.209.0964		415.913.5808		214.209.9340	
GPD Executive		GLCIPDE					
Name	Date	Name	Date	Name	Date		
Frank Forrest		Bill Lorenz					
Telephone 980.386.1730		Telephone 44.207.174.5800		Telephone			
Recommended							
CIBB / CDB		Syndication Product Structurer				Risk Review & Control Approval Sign-Off	
Name	Date	Name	Date	Name	Date	Name	Date
Telephone		Telephone		Telephone		Telephone	
Conditions for Approval:							

CRMS 14.5.8 Exposure Report

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

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

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

#	Borrower	Fac Type	R C r	R B C	Loan & Loan Equivalent Facility Amount	Intraday Risk Facility Amount	Cur	Utilizations	Expiration Date	Final Maturity Date	R R	Sec, Sup, Oth	C'try of Risk	SOR#
1	FONTAINEBLEAU LAS VEGAS LLC	REV		C	\$100,000,000			\$1,577,788	06/JUN/2012	06/JUN/2012	8	Sup	US	005760470001535997
2	(Com'l)	BAC		A	\$500,000			\$89,663	04/FEB/2009	04/FEB/2009	8	Oth	US	004339930006943460
Borrower Direct Totals					\$100,500,000	\$0		\$1,667,451						

Borrower Related

#	Borrower	Fac Type	R C r	R B C	Loan & Loan Equivalent Facility Amount	Intraday Risk Facility Amount	Cur	Utilizations	Expiration Date	Final Maturity Date	R R	Sec, Sup, Oth	C'try of Risk	SOR#
1	FONTAINEBLEAU FLORIDA HOTEL LLC	CMBS		C	\$40,000,000			\$40,000,000	06/JUN/2012	06/JUN/2012	6	Sup	US	700072100003407928
2	FONTAINEBLEAU FLORIDA HOTEL LLC AND	CON		C	\$20,467,805			\$16,051,846	06/JUN/2012	06/JUN/2012	6-	Sup	US	005769190001591262
3		TML		C	\$19,512,195			\$19,512,195	06/JUN/2012	06/JUN/2012	6-	Sup	US	005769190001874179
4	FONTAINEBLEAU FLORIDA HOTEL LLC AND				\$14,142,114			\$13,001,137	13/MAR/2012	13/MAR/2012				335747191TR01
		TCRIS LIMIT		C	\$14,142,114			\$13,001,137			6-	Oth	US	
		TCRIS LIMIT		G	\$0						6-	Oth	US	
5	FONTAINEBLEAU FLORIDA TOWER 3 LLC A	SLC		C	\$1,200,000			\$1,200,000	13/MAY/2009	13/MAY/2009	1	Sec	US	009241540001755143
6	FONTAINEBLEAU LAS VEGAS LLC / FONTAIN				\$11,278,403			\$10,645,677	28/JAN/2011	28/JAN/2011				335680143TR01
		TCRIS LIMIT		C	\$11,278,403			\$10,645,677			8	Oth	US	
		TCRIS LIMIT		G	\$0						8	Oth	US	
7	FONTAINEBLEAU RESORTS LLC	TMCUS TLMT		A		\$3,000,000			22/AUG/2009	22/AUG/2009	8	Oth	US	003180033425362201
Borrower Related Totals					\$106,620,517	\$3,000,000		\$100,410,855						
Grand Totals					\$207,120,517	\$3,000,000		\$102,078,306						

Trading Limits

Limits Expiry Date: 28/JAN/2011

RECOMMENDED		Master Trading Limit		TOTAL		FONTAINEBLEAU LAS VEGAS HOLDINGS LLC		FONTAINEBLEAU LAS VEGAS LLC/FONTAINE		FONTAINEBLEAU LAS VEGAS HOLDINGS LLC	
		Amt	Tenor	Amt	Tenor	Amt	Tenor	Amt	Tenor	Amt	Tenor
A. Derivatives Pre-Settlement (Sublimit)											
B. FX Pre-Settlement (Sublimit)											
Securities Pre-Settlement											
Total Pre-Settlement Trading Limits		\$11,728,403		\$11,728,403		\$0	Cancel	\$11,728,403	Runoff	\$0	
FX Settlement*											
Sec Settlement*											
FX Contract*											
Securities Contract*											
Total Contract											
Risk Rating											
Credit Codes (see below)											
A&B Documentation complete? Y/N**											
New Documentation required prior to trade? Y/N											
GCI											
Change? Y/N/New (indicate line changed)											

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

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

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

Dep. Ex. 622

From: Neely, Latrelle L. Sent: 2/27/2009 10:19 AM.
To: Brown, Jeanne P; Brown, Jeanne P.
Cc: [-] Bolio, Brandon; Corum, Brian; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Brown, April V; Bolio, Brandon; Corum, Brian; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Brown, April V.
Bcc: .
Subject: RE: Fontainebleau Las Vegas - February 25, 2009.

Jeanne,

We have processed the transactions and wired the funds.

La Trelle

From: Brown, Jeanne P
Sent: Friday, February 27, 2009 4:59 AM
To: Neely, Latrelle L
Cc: Bolio, Brandon; Corum, Brian; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Brown, April V
Subject: Fontainebleau Las Vegas - February 25, 2009

La Trelle,

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

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

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

Call me if you have any questions.

Thank you,

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

EXHIBIT 622
WIT: Naval
DATE: 4-1-11
A. MANCUSO

Dep. Ex. 623

From: Brown, Jeanne P. Sent: 2/27/2009 10:44 AM.
To: Phalen, Jesse C; Phalen, Jesse C.
Cc: [-] Corum, Brian; Bolio, Brandon; Crifo, Rose A; Camejo, Claudia I; Naval, Ronaldo; Corum, Brian; Bolio, Brandon; Crifo, Rose A; Camejo, Claudia I; Naval, Ronaldo.
Bcc:
Subject: Fontainebleau Las Vegas February 26, 2009.

Jesse:

Please move the Revolver amounts (\$67,150,000.00) into the Fontainebleau Bank Funding Account #1233056005.

I have received confirmation from La Trelle Neely that the Bank Proceeds funds have also been moved into the Bank Funding Account.

Please process the debits from the following accounts and deposit all funds into the FB Resort Payment Account #501001203813.

Amount	Account Name	Account #
4,043,132.00	FB Retail Funding	1233057335
117,448,128.58	FB Bank Funding	1233056005
28,513.99	FB Interest	1233055973

Please call with any questions. Thank you.

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

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

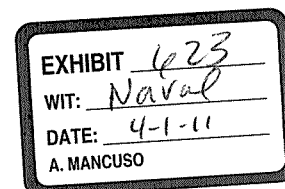


EXHIBIT E

to Master Disbursement Agreement

ADVANCE CONFIRMATION NOTICE

Requested Advance Date: February 25, 2009

Fontainebleau Las Vegas Holdings, LLC
Fontainebleau Capital Corp.
Fontainebleau Las Vegas, LLC
Fontainebleau Las Vegas II, LLC
Fontainebleau Las Vegas Retail, LLC
Each of the Funding Agents

Re: Advance Request No. 2-25-2009 under Master Disbursement Agreement dated as of June 6, 2007 (the "Disbursement Agreement") among Fontainebleau Las Vegas Holdings, LLC, Fontainebleau Las Vegas Capital Corp., Fontainebleau Las Vegas Retail, LLC, Fontainebleau Las Vegas, LLC, and Fontainebleau Las Vegas II, LLC (collectively, the "Project Entities"), the Funding Agents referred to therein, and Bank of America, N.A., as Disbursement Agent.

Ladies and Gentlemen:

This Advance Confirmation is issued with reference to the Disbursement Agreement. Capitalized terms used herein without definition shall have the meanings assigned in the Disbursement Agreement.

Pursuant to the Advance Request described above, the Project Entities requested certain Advances. This Advance Confirmation confirms the amount of the Advances to be made under the Financing Agreements, and the amount to be transferred into each Account.

Amounts to be Advanced:

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

W02-WEST:LAR:400328619.1

- 1 -

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

Advances funded pursuant to the Retail Facility shall be deposited into the Retail Funding Account, for further credit to the following Accounts:

Retail Payment Account	\$
Resort Payment Account #501001203813	\$ 4,043,132.00

All Advances funded from the Loss Proceeds Account shall be deposited into the Bank Funding Account, for further credit to the following accounts:

Resort Payment Account #501001203813	\$.00
--------------------------------------	--------

Interest earned from the Interest Payment Account shall be deposited into the Bank Funding Account for further credit to the following Accounts:

Resort Payment Account #501001203813	\$ 28,513.99
Cash Management Account #4968332450	\$

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

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

All Advances funded from the Bank Proceeds Account shall be deposited into the Bank Funding Account, for further credit to the following Accounts:

Resort Payment Account #501001203813	\$ 50,241,078.79
--------------------------------------	------------------

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

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

Amount to be funded from the Fontainebleau Las Vegas LLC Equity Proceeds Acct 0238-5090110385 shall be deposited into the following Account:

Resort Payment Account #501001203813	\$.00
--------------------------------------	--------

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

Please confirm this Advance Confirmation Notice and the Advances and transfers described above are correct by countersigning it in the place provided below.

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

By: *Janice Brown*
Title: *VP Dist. Agent*

W02-WEST;LAR;40033619.1

-3-

By countersigning this Advance Confirmation Notice and returning it to the Disbursement Agent, the Project Entities confirm that each of the representations, warranties and certifications made in the Advance Request referred to above (including the various Appendices attached thereto), as supplemented in writing from time to time following the initial submission to the undersigned, are true and correct as of the Requested Advance Date and Disbursement Agent is entitled to rely on the foregoing in authorizing and making the Advances herein requested. By executing the Advance Confirmation Notice, the Project Entities will be deemed to confirm that the foregoing representations, warranties and certifications are correct as of the Requested Advance Date.

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

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

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

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its Managing
Member

By: _____


Title: Authorized Signatory

FONTAINEBLEAU LAS VEGAS CAPITAL CORP.
a Delaware corporation.

By: _____


Title: Authorized Signatory

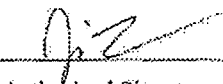
FONTAINEBLEAU LAS VEGAS RETAIL, LLC,
a Delaware limited liability company

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

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

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC, its
Managing Member

By: 
Title: Authorized Signatory

FONTAINEBLEAU LAS VEGAS, LLC,
a Nevada limited liability company

and

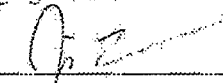
FONTAINEBLEAU LAS VEGAS II, LLC,
a Florida limited liability company

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

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

By: Fontainebleau Resort Holdings, LLC,
its Managing Member

By: Fontainebleau Resorts, LLC,
its Managing Member

By: 
Title: Authorized Signatory

Dep. Ex. 624

From: Phalen, Jesse C. Sent: 2/27/2009 11:08 AM.
To: [-] Corum, Brian; Brown, Jeanne P; Alan Martin; Bill Scott; Yu, Henry; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal; Corum, Brian; Brown, Jeanne P; Alan Martin; Bill Scott; Yu, Henry; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal.
Cc: Howard, David; Naval, Ronaldo; Howard, David; Naval, Ronaldo.
Bcc:
Subject: RE: Barclays – Attorney Client Privileged Communication – nosig.

That is correct.

Jesse Phalen
Bank of America
Assistant Vice President
Credit Services Representative III
Global Product Solutions/Large Corporate Loan Servicing
P: 925-675-8458
F: 888-969-9228
email: jesse.c.phalen@bankofamerica.com

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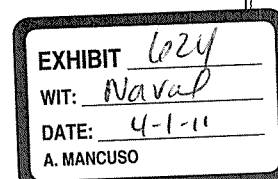
From: Corum, Brian
Sent: Friday, February 27, 2009 8:07 AM
To: Phalen, Jesse C; Brown, Jeanne P; 'Alan Martin'; 'Bill Scott'; Yu, Henry; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication – nosig

So the money should be in the Resort account now?

From: Phalen, Jesse C
Sent: Friday, February 27, 2009 10:06 AM
To: Brown, Jeanne P; 'Alan Martin'; 'Bill Scott'; Yu, Henry; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication – nosig

I have completed the transfers.

Jesse Phalen
Bank of America
Assistant Vice President
Credit Services Representative III
Global Product Solutions/Large Corporate Loan Servicing
P: 925-675-8458
F: 888-969-9228



email: jesse.c.phalen@bankofamerica.com

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From: Brown, Jeanne P
Sent: Friday, February 27, 2009 7:48 AM
To: 'Alan Martin'; Bill Scott; Phalen, Jesse C; Yu, Henry; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication – nosig

The funding to the client is in process.

From: Alan Martin [mailto:AMartin@sheppardmullin.com]
Sent: Thursday, February 26, 2009 4:45 PM
To: Bill Scott; Brown, Jeanne P; Phalen, Jesse C; Yu, Henry; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication – nosig

Redacted -- Privileged

From: Bill Scott
Sent: Thursday, February 26, 2009 1:42 PM
To: 'Brown, Jeanne P'; Phalen, Jesse C; Yu, Henry; Alan Martin; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication

Redacted -- Privileged

WMS

From: Brown, Jeanne P [mailto:jeanne.p.brown@bankofamerica.com]
Sent: Thursday, February 26, 2009 1:10 PM
To: Phalen, Jesse C; Yu, Henry; Bill Scott; Alan Martin; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication

Redacted -- Privileged

From: Phalen, Jesse C
Sent: Thursday, February 26, 2009 3:53 PM
To: Brown, Jeanne P; Yu, Henry; 'Bill Scott'; 'Alan Martin'; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication

I was told by Barclays that the money was wired out. I am now waiting for confirmation.

Jesse Phalen

Bank of America

Assistant Vice President

Credit Services Representative III

Global Product Solutions/Large Corporate Loan Servicing

P: 925-675-8458

F: 888-969-9228

email: jesse.c.phalen@bankofamerica.com

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From: Brown, Jeanne P
Sent: Thursday, February 26, 2009 12:53 PM
To: Phalen, Jesse C; Yu, Henry; 'Bill Scott'; 'Alan Martin'; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication

Any word?

From: Phalen, Jesse C
Sent: Thursday, February 26, 2009 2:58 PM
To: Brown, Jeanne P; Yu, Henry; 'Bill Scott'; 'Alan Martin'; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication

I've put in a call to my contact at Barclays. I got her voice message asking her to call me back on the status of the wire.

Jesse Phalen

Bank of America

Assistant Vice President

Credit Services Representative III

Global Product Solutions/Large Corporate Loan Servicing

P: 925-675-8458

F: 888-969-9228

email: jesse.c.phalen@bankofamerica.com

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From: Brown, Jeanne P
Sent: Thursday, February 26, 2009 11:29 AM
To: Phalen, Jesse C; Yu, Henry; 'Bill Scott'; 'Alan Martin'; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo
Subject: RE: Barclays – Attorney Client Privileged Communication

Redacted -- Privileged

From: Phalen, Jesse C
Sent: Wednesday, February 25, 2009 6:40 PM
To: Yu, Henry; 'Bill Scott'; 'Alan Martin'; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo; Brown, Jeanne P
Subject: RE: Barclays – Attorney Client Priveleged Communication

Sorry I was in a meeting for the past hour. The wire from DB is in.

Jesse Phalen

Bank of America

Assistant Vice President

Credit Services Representative III

Global Product Solutions/Large Corporate Loan Servicing

P: 925-675-8458

F: 888-969-9228

email: jesse.c.phalen@bankofamerica.com

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From: Yu, Henry
Sent: Wednesday, February 25, 2009 3:27 PM
To: Bill Scott; Alan Martin; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo; Phalen, Jesse C; Brown, Jeanne P
Subject: RE: Barclays – Attorney Client Priveledged Communication

Dear all;

Mark Cohen had already left for the day. I talked to Valerie Shapiro who is the workout officer at DB working on this for Mark. The first thing she said was that they have sent the wire.

Redacted -- Privileged

Redacted -- Privileged

Best regards,

Henry

From: Bill Scott [mailto:bscott@sheppardmullin.com]
Sent: Wednesday, February 25, 2009 3:29 PM
To: Yu, Henry; Alan Martin; Bolio, Brandon; Fuszard, Joseph; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo; Phalen, Jesse C; Brown, Jeanne P
Subject: RE: Barclays – Attorney Client Priveledged Communication

Here's a dial in for the call.

1 800 901 9719
passcode 176 257

WMS

From: Yu, Henry [mailto:henry.yu@bankofamerica.com]
Sent: Wednesday, February 25, 2009 11:56 AM
To: Alan Martin; Bolio, Brandon; Fuszard, Joseph; Bill Scott; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo; Phalen, Jesse C; Brown, Jeanne P
Subject: RE: Barclays – Attorney Client Priveledged Communication

3:30 central works for me

From: Alan Martin [mailto:AMartin@sheppardmullin.com]
Sent: Wednesday, February 25, 2009 1:54 PM
To: Bolio, Brandon; Yu, Henry; Fuszard, Joseph; Bill Scott; Sieke, Eric -Legal; Swenson, Ken -Legal

Cc: Corum, Brian; Howard, David; Naval, Ronaldo; Phalen, Jesse C; Brown, Jeanne P
Subject: RE: Barclays – Attorney Client Privileged Communication

Brandon –

Bill and I are currently available. I have a meeting from 2:30 to 3:30 central time but otherwise available as is Bill.

Alan

Sheppard Mullin

650 Town Center Drive
4th Floor
Costa Mesa, CA 92626-1993
714.513.5100 office
714.513.5130 fax
www.sheppardmullin.com

Alan Martin

714.424.2831 direct | 714.428.5921 direct fax
AMartin@sheppardmullin.com | Bio

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From: Bolio, Brandon [mailto:brandon.bolio@bankofamerica.com]
Sent: Wednesday, February 25, 2009 11:39 AM
To: Yu, Henry; Fuszard, Joseph; Alan Martin; Bill Scott; Sieke, Eric -Legal; Swenson, Ken -Legal
Cc: Corum, Brian; Howard, David; Naval, Ronaldo; Phalen, Jesse C; Brown, Jeanne P
Subject: Barclays – Attorney Client Privileged Communication

Barclays does not intend to fund this draw due to the late submission of the draw package (see e-mail below).

Redacted -- Privileged

From: diane.albanese@barclayscapital.com [mailto:diane.albanese@barclayscapital.com]
Sent: Wednesday, February 25, 2009 1:27 PM
To: Naval, Ronaldo; Bolio, Brandon
Cc: Mark.Manski@barclayscapital.com
Subject: Fontainebleau Feb. 25, 2009 Funding Request

Dear Ron and Brandon,

We refer to our email dated February 24, 2009 regarding the untimely February 13, 2009 advance request of Fontainebleau Las Vegas (the "Company") under the Credit Agreement dated as of June 6, 2007. As you know, the Company expressly acknowledged by letter dated February 23, 2009 that this advance request does not comply with Section 2.4.1 of the Master Disbursement Agreement, which requires the Company to submit advance requests no later than the 11th day of the applicable calendar month. Barclays will, of course, honor its commitments under the Credit Agreement and will fund future monthly advance requests that comply with the required conditions precedent, but it cannot honor this belated request, which is admitted by the Company to be in contravention of the loan documents

Regards,

Diane

Diane Albanese

BARCLAYS CAPITAL

Vice President

Bank Debt Management

212-526-4979 phone

646-758-5130 fax

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Dep. Ex. 625

From: Neely, Latrelle L. Sent: 9/26/2008 5:22 PM.
To: Brown, Jeanne P; Brown, Jeanne P.
Cc: Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Bolio, Brandon; Susman, Jeff; Naval, Ronaldo.
Bcc:
Subject: RE: Fontainebleau Las Vegas - Sept. 26, 2008.

Jeanne,

We have processed the following redemption transactions:

0238-5090110384 in the amount of 95,932,518.06 wire reference #2008092600277126
0238-5090110384 in the amount of 3,399,671.75 wire reference #2008092600277380

0238-5090110385 in the amount of 22,573.63 wire reference #2008092600277770

0576-5090110382 in the amount of 105,694.36 wire reference #2008092600279151

Have a great weekend!

La Trelle

From: Brown, Jeanne P
Sent: Friday, September 26, 2008 1:48 PM
To: Neely, Latrelle L
Cc: Bolio, Brandon; Susman, Jeff; Naval, Ronaldo
Subject: RE: Fontainebleau Las Vegas - Sept. 26, 2008

La Trelle – please send out the funds.

From: Brown, Jeanne P
Sent: Friday, September 26, 2008 4:00 PM
To: Neely, Latrelle L
Cc: Bolio, Brandon; Susman, Jeff; Naval, Ronaldo
Subject: FW: Fontainebleau Las Vegas - Sept. 26, 2008

La Trelle – PLEASE DO NOT EXECUTE THIS TRANSACTION UNTIL YOU RECEIVE CONFIRMATION.

Please wire \$105,694.36 from the Fontainebleau Las Vegas Liquidity Account (5090110382) to the Fontainebleau Las Vegas Resort Payment Account (501001203813). I would appreciate a confirmation once this transfer has been made, including what the remaining balance is.

Please wire \$99,332,189.81 from the Bank Proceeds Account (5090110384) and credit as follows:

EXHIBIT 625
WIT: Naval
DATE: 4-1-11
A. MANCUSO

Fontainebleau Las Vegas Resort (501001203813) \$95,932,518.06

Interest Payment Account (1233055973) \$ 3,399,671.75

In addition, please wire \$22,573.64 from the Fontainebleau Las Vegas LLC Equity Proceeds Acct (5090110385) to the Fontainebleau Las Vegas Resort Payment Account (501001203813).

Please call me if you have any questions.

Thank you,

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

Dep. Ex. 626

From: Neely, Latrelle L. Sent: 10/28/2008 4:32 PM.
To: Brown, Jeanne P; Brown, Jeanne P.
Cc: [-] Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I.
Bcc: .
Subject: RE: Fontainebleau Las Vegas - Oct. 27, 2008.

Jeanne,

we have processed the transactions and wired the funds, however, because there was a change in our debit accounts procedures, I may not get a wire confirmation. If by chance I get the wire confirmation I will let you know.

La Trelle

From: Brown, Jeanne P
Sent: Tuesday, October 28, 2008 12:10 PM
To: Neely, Latrelle L
Cc: Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I
Subject: Fontainebleau Las Vegas - Oct. 27, 2008

La Trelle –

Please wire \$100,647.45 from the Fontainebleau Las Vegas Liquidity Account (5090110382) to the Fontainebleau Las Vegas Resort Payment Account (501001203813). I would appreciate a confirmation once this transfer has been made, including what the remaining balance is.

Please wire \$101,914,293.51 from the Bank Proceeds Account (5090110384) and credit as follows:

Fontainebleau Las Vegas Resort (501001203813) \$101,914,293.51

In addition, please wire \$39.12 from the Fontainebleau Las Vegas LLC Equity Proceeds Acct (5090110385) to the Fontainebleau Las Vegas Resort Payment Account (501001203813).

Please call me if you have any questions.

Thank you,

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
Credit Services & Administration

EXHIBIT 626
WIT: Naval
DATE: 4-1-11
A. MANCUSO

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

Dep. Ex. 627

From: Brown, April V. Sent: 11/26/2008 5:17 PM.
To: Brown, Jeanne P.
Cc:
Bcc:
Subject: RE: Fontainebleau Las Vegas - Nov. 26, 2008.

You are good to go.

Happy Thanksgiving,

April

From: Brown, Jeanne P
Sent: Wednesday, November 26, 2008 1:45 PM
To: Brown, April V
Cc: Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I
Subject: Fontainebleau Las Vegas - Nov. 26, 2008

April –

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

Please wire \$143,838,250.93 from the Bank Proceeds Account (5090110384) and credit as follows:

Fontainebleau Las Vegas Resort (501001203813) \$93,928,324.62

FBLV Interest Payment Account (1233055973) \$49,909,926.31

Please call Brandon Bolio if you have any questions.

EXHIBIT 6027
WIT: Naval
DATE: 4-1-11
A. MANCUSO

Thank you,

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

Dep. Ex. 628

From: Brown, April V. Sent: 12/30/2008 5:05 PM.
To: Brown, Jeanne P; Brown, Jeanne P.
Cc: [-] Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Neely, Latrelle L; Bolio, Brandon; Susman, Jeff; Naval, Ronaldo; Crifo, Rose A; Camejo, Claudia I; Neely, Latrelle L.
Bcc: .
Subject: RE: Fontainebleau Las Vegas - December 30, 2008.

Jeanne,

Per our conversation your transfers have been made. However, we no longer receive the confirmation with the reference number.

HAPPY NEW YEAR TO ALL!!!

April

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

April -

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

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

Fontainebleau Las Vegas Resort (501001203813) \$99,502,095.86

FBLV Interest Payment Account (1233055973) \$ 3,298,029.48

Please call me if you have any questions.

Thank you,

EXHIBIT	<u>628</u>
WIT:	<u>Naval</u>
DATE:	<u>4-1-11</u>
A. MANCUSO	

Jeanne P. Brown
Vice President
Relationship Administration Office Manager
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