



Stable Operations. Affordable Luxury. Full steam ahead to host NACVA and the IBA in June 2010.

December 17, 2009

We appreciate your efforts to convey correct information to your attendees regarding Fontainebleau Miami Beach.

The recent articles regarding the principle partner Jeff Soffer are primarily directed towards the Fontainebleau Las Vegas project. The Fontainebleau Las Vegas was forced into bankruptcy due to the real estate crash in Las Vegas and the banks defaulting on the remaining loans required to complete the project. Although we have similar ownership groups, the Fontainebleau Las Vegas project is completely separate from the Miami Beach project and poses no threat towards Miami's ongoing operation.

Other recent articles about our partner Nakheel continue to make the news in the local and national media. Nakheel is a 50% partner in the Fontainebleau Miami Beach. They purchased this project with a cash transaction. Therefore, none of the debt being discussed in the media is associated with Fontainebleau Miami Beach.

We currently have an agreement with all of the financial institutions who carry the debt load on our property. We are working our way through the details as expeditiously as possible in order to put this behind us quickly. Both ownership groups have assured us this will be cleared up very quickly. There is no possibility that this project will shut down due to our financial restructuring. Neither our ownership nor lenders would allow this to happen.

In order to properly address your attendees concerns I think it is important for them to understand that the current situation is not unique to the Fontainebleau Miami Beach. Currently, according to a major hospitality association, 1 out of 5 hotels in America is currently undergoing some type of debt re-structuring. Whether it is fortunate or unfortunate, we happen to be a very popular high profile property that is good fodder for the media.

We have been given the full support of ownership to continue with our sales, training and service initiatives. We have received approval for \$3 million dollars worth of capital improvement on our property. The last thing they would ever want would be to reduce the value of their asset by cutting service and/or capital improvement projects. The Fontainebleau Miami Beach continues to operate very profitably and efficiently and is the leader in our competitive set in rate and occupancy. All three of our signature restaurants just received "excellent" ratings from Zagats.

*Sincerely,
Scott Flexman, Vice President
Fontainebleau Miami Beach*



NACVA/IBA's 2010 Annual Consultants' Conference June 2 – 5, 2010

The conference rate of \$199 single or double occupancy plus applicable taxes is available three days prior and three days post the conference dates based on availability. The conference rate will expire on May 7, 2010. For reservations call (800) 548-8886.