

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") dated as of September 1, 2000 is executed and delivered by Las Vegas Monorail Company, a Nevada nonprofit corporation (the "Company"), and Wells Fargo Bank, National Association, as trustee (the "Trustee") and as dissemination agent (the "Dissemination Agent"), in connection with the execution and delivery by the Director of the State of Nevada Department of Business and Industry (the "Director") of \$600,648,217.30 aggregate principal amount of its Las Vegas Monorail Project Revenue Bonds, 1<sup>st</sup> Tier Series 2000 and 2<sup>nd</sup> Tier Series 2000 (the "Bonds"). The Bonds are being executed and delivered pursuant to a Senior Indenture dated as of September 1, 2000 by and between the Director and Wells Fargo Bank, National Association, as trustee (the "Agreement"). The Company covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Company for the benefit of the Bondowners and Beneficial Owners and in order to assist Salomon Smith Barney, Inc. and Banc of America Securities LLC (collectively, the "Underwriter") in complying with S.E.C. Rule 15c2-12(b)(5). Pursuant to this Disclosure Agreement, the Company agrees to provide the information required to be provided by the Company under the Rule at the time and in the manner required by the Rule. This Disclosure Agreement does not address additional undertakings, if any, by or with respect to persons other than the Company who may be considered obligated persons or purposes of the Rule, which additional undertakings, if any, may be required for the Underwriter to comply with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Company pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of the Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Director" shall mean the Director of the State of Nevada Department of Business and Industry.

"Dissemination Agent" shall mean Wells Fargo Bank, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Company and which has filed with the Company and the Director a written acceptance of such designation.

"Fiscal Year" shall mean the period beginning on January 1 of each year and ending on the next succeeding December 31.

"Government Authority" shall mean any national, state or local government, any political subdivision thereof, any department, agency, authority or bureau of any of the foregoing, or any other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Listed Event" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Official Statement" shall mean the Official Statements, dated September 12, 2000, relating to the Bonds.

"Underwriter" shall mean Salomon Smith Barney and Banc of America Securities LLC, the original underwriters of the Bonds, whose address for purposes of this Agreement is Salomon Smith Barney, 390 Greenwich Street, 2nd Floor, New York, New York 10031. Attention: Gregory Carey, and any other underwriting firm that provides written notice to the Company that it is required to comply with the Rule in connection with the offering of the Bonds.

"Person" shall mean any natural person, corporation, limited liability company, partnership, firm, association, Government Authority or any other Person whether acting in an individual fiduciary, or other capacity.

"Repository" shall mean each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Nevada.

"State Repository" shall mean any public or private repository or entity designed by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Agreement, there is no State Repository.

### SECTION 3. Provision of Annual Reports.

(a) The Company shall, or shall cause the Dissemination Agent to, not later than June 1 of each year, commencing June 1, 2001, provide to each Repository, the Director and to the Underwriter an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement provided that the audited financial statements, if any, of the Company may be submitted separately from the balance of the Annual Report and later than the date required for the filing of the Annual Report if they are not available by that date.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to Repositories, the Company shall provide the Annual Report to the Dissemination Agent or shall provide notification to the Dissemination Agent that the Company is preparing, or causing to be prepared, the Annual Report and the date which the Annual Report is expected to be available. If by such date, the Dissemination Agent has not received a copy of the Annual Report or notification as described in the preceding sentence, the Dissemination Agent shall contact the Company to determine if the Company is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to provide an Annual Report to Repositories by the date required in subsection (a) or to verify that an Annual Report has been provided to Repositories by the date required in subsection (a), the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) file a report with the Company and the Director certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Report. The Company's Annual Report shall contain or include by reference the information which is available as of December 31 of each year relating to the following:

- a. Audited financial statements of the Company for its most recently completed fiscal year (which currently ends on each December 31), prepared in accordance with generally accepted accounting principles as promulgated to apply to private entities from time to time by the Financial Accounting Standards Board. If the Company has audited financial statements prepared and the audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements for the preceding year, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- b. A statement of ridership, farebox revenues, advertising revenues, operation and maintenance costs and debt service coverage with respect to the Monorail for such fiscal year, in the form set forth in the Official Statement under the captions "PROJECTED DEBT SERVICE COVERAGE" and "PROJECTED NET PROJECT REVENUES."
- c. The filing of any judicial lawsuit against the Company or otherwise known to the Company which will materially adversely affect the completion and/or operation of the Monorail, or litigation which would materially adversely affect the financial condition of the Company.

Any and all of the items listed above may be included by specific reference to other documents, including official statements of debt issues which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Company shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Company shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material under clauses (b) and (c):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modifications to rights of security holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities; and
11. Rating changes.

(b) Whenever the Company obtains knowledge of the occurrence of a Listed Event, the Company shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Company determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Company shall promptly file a notice of such occurrence with the Dissemination Agent which shall then distribute such notice to the Municipal Securities Rulemaking Board and each State Repository, with a copy to the Director and the Underwriter.

SECTION 6. Termination of Reporting Obligation. The Company's obligations under this Disclosure Agreement shall terminate upon any of the following events:

- (a) the legal defeasance, prior redemption or payment in full of all of the Bonds,
- (b) upon the delivery by the Company to the Director and the Underwriter of an opinion of nationally recognized bond counsel to the effect that the information required by this Disclosure Agreement is no longer required. Such opinion shall be based on information publicly provided by the Securities and Exchange Commission or a private letter ruling obtained by the Company or a private letter ruling obtained by a similar entity to the Company. If such termination occurs prior to

the final maturity of the Bonds, the Company shall give notice of such termination in the same manner as for an Annual Report hereunder.

SECTION 7. Dissemination Agent. The Company may from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the Company, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Company pursuant to this Disclosure Agreement. The Company hereby appoints Wells Fargo Bank, National Association as the Dissemination Agent hereunder.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Company may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) This Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel addressed to the Director, the Trustee and the Underwriter, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver either (i) is approved by the Bondowners in the same manner as provided in the Agreement for amendments to the Agreement with the consent of Bondowners, or (ii) does not, in the opinion of nationally recognized bond counsel addressed to the Director and the Trustee, materially impair the interests of the Bondowners or Beneficial Owners of the Bonds; and

(d) The Company or the Dissemination Agent shall have delivered copies of the amendment and any opinions delivered under (b) and (c) above.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Company shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Company. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given to the Municipal Securities Rulemaking Board, the State Repository, if any, and the Repositories, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison of financial data described in clause (ii) of the preceding sentence shall be provided at the time financial statements, if any, are filed under Section 4(g) hereof.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Company chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Company shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Company to comply with any provision of this Disclosure Agreement, any Underwriter or any Bondowner or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Company or the Dissemination Agent to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bond Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Company to comply with this Disclosure Agreement shall be an action to compel specific performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement and the Company agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct or Dissemination Agent's failure to comply with its obligations under this Disclosure Agreement. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Company, the Underwriter, Bondowners or Beneficial Owners or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon a direction from the Company or an opinion of nationally recognized bond counsel. The obligations of the Company under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Agreement.

The Dissemination Agent will not, without the Company's prior written consent, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification may be sought hereunder unless such settlement, compromise or consent includes an unconditional release of the Company and its controlling persons from all liability arising out of such claim, action or proceedings. If a claim, action or proceeding is settled with the consent of the Company or if there is a final judgment (other than a stipulated final judgment without the approval of the Company) for the plaintiff in any such claim, action or proceeding, with or without the consent of the Company, the Company agrees to indemnify and hold harmless the Dissemination Agent to the extent described herein.

SECTION 12. Company as Independent Contractor. In performing under this Disclosure Agreement, it is understood that the Company is an independent contractor and not an agent of the Director.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Company, the Director, the Dissemination Agent, the Underwriter and Bondowners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

LAS VEGAS MONORAIL COMPANY, a Nevada  
nonprofit public benefit corporation

By: \_\_\_\_\_  
Name: John J. Haycock,  
Title: Chairman

WELLS FARGO BANK NATIONAL  
ASSOCIATION, as Dissemination Agent

By: \_\_\_\_\_  
Its: Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of the Issuer: Director of the State of Nevada Department of Business and Industry  
Name of Bond Issue: Las Vegas Monorail Project Revenue Bonds, 1<sup>st</sup> Tier Series 2000 and  
2<sup>nd</sup> Tier Series 2000  
Date of Issuance: September 20, 2000

NOTICE IS HEREBY GIVEN that The Las Vegas Monorail Company has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement. [The Company anticipates that such Annual Report will be filed not later than \_\_\_\_\_, \_\_\_\_\_.]

Dated: \_\_\_\_\_

WELLS FARGO BANK, NATIONAL  
ASSOCIATION

By: \_\_\_\_\_

cc: Director of the State of Nevada Department of Business and Industry  
Salomon Smith Barney  
Banc of America Securities LLC