



Wells Fargo Corporate Trust Services
Special Accounts
MAC: N9311-115
625 Marquette, 11th Floor
Minneapolis, MN 55479

APRIL 6, 2010

**NOTICE TO HOLDERS
OF
DIRECTOR OF THE STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
LAS VEGAS MONORAIL PROJECT REVENUE BONDS
1ST TIER SERIES 2000, 2ND TIER SERIES 2000 AND 3RD TIER SERIES 2000**

**CUSIP NUMBERS:
(Base CUSIP: 25457V)**

**1ST TIER: AA4, AB2, AC0, AF3, AG1, AH9, AJ5, AK2, AL0, AM8, AN6, AP1,
AQ9, AR7, AS5, AT3, AU0, AV8, AW6, AX4, AY2, AZ9, BA3, BB1**

2ND TIER: BC9, BD7, BE5

3RD TIER: BF2

Wells Fargo Bank, National Association, currently serves as trustee (the "Trustee") under the Senior Indenture, dated as of September 1, 2000 (the "Senior Indenture"), between the Trustee and the Director of the State of Nevada Department of Business and Industry (the "Issuer"). The Issuer issued its 1st Tier Series 2000 (the "1st Tier Bonds") and its 2nd Tier Series 2000 (the "2nd Tier Bonds") Las Vegas Monorail Project Revenue Bonds (the 1st Tier Bonds and 2nd Tier Bonds are collectively referred to as the "Senior Bonds"), under the Senior Indenture. The Trustee also currently serves as trustee under the Subordinate Indenture, dated as of September 1, 2000 (the "Subordinate Indenture"), between the Trustee and the Issuer. The Issuer issued its Las Vegas Monorail Project Revenue Bonds 3rd Tier Series 2000 A-I (the "3rd Tier Bonds" or the "Subordinate Bonds", and together with the Senior Bonds, the "Bonds"). The Trustee refers holders of the Bonds to prior Notices for more information regarding the Bonds.

Las Vegas Monorail Company Bankruptcy Proceedings

On January 13, 2010, the Las Vegas Monorail Company (the "LVMC") filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Nevada (Case No. BK-S-10-10464-LBR) (the "Bankruptcy Proceedings"). The Bankruptcy Proceedings and related documents are available on the bankruptcy court's PACER website (found at www.nvb.uscourts.gov), or at the Bankruptcy Court Clerk's Office at the following address:

Clerk of the United States Bankruptcy Court
United States Bankruptcy Court - District of Nevada
300 Las Vegas Boulevard South
Las Vegas, Nevada 89101

A motion to dismiss the Bankruptcy Case filed by Ambac Assurance Corporation, in its capacity as Bond Insurer (defined below), along with a motion by the Trustee for adequate protection and partial objection to use of cash collateral have not yet been ruled upon by the Bankruptcy Court. No proposed plan of reorganization has been filed.

The Trustee has retained the law firm of Lewis and Roca LLP to represent it in matters concerning the Bonds and the Bankruptcy Proceedings.

Trustee's Petition for the Appointment of Successor Subordinate Trustee

On April 5, 2010, the Trustee filed with the District Court of Hennepin County, Minnesota (the "District Court"), a Verified Petition for the Appointment of a Successor Trustee and for Instruction in Administration of a Trust Pursuant to Minn. Stat. § 501B.16 (the "Petition"). The Petition sought instruction from the District Court with respect to the appointment of a corporate trust administrator to act as successor trustee for the 3rd Tier Bonds in order to resolve any possible conflicts of interest. A conflict may arise if the Trustee continues to administer the Trust Estate for the different tiers of Bonds, in light of the existing and continuing Events of Default caused by LVMC's failure to deposit sufficient revenues to pay debt service on the Bonds.

Ambac Assurance Corporation Segregated Account Rehabilitation Proceedings

Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance corporation (the "Bond Insurer") regulated by the Office of the Commissioner of Insurance of the State of Wisconsin (the "Commissioner"), issued a municipal bond insurance policy (the "Policy") that insures payment of the principal of, interest and accreted value, on the 1st Tier Bonds when such payments are due. Proceeds of the Policy are not available to pay the principal, interest on and accreted value of the 2nd Tier Bonds or the 3rd Tier Bonds.

The Bond Insurer has also issued a Surety Reserve Bond (individually, the "1st Tier Surety Reserve Bond", and together with the Policy, the "Policies") with respect to the 1st Tier Debt Service Reserve Fund (the "1st Tier DSRF"). The 1st Tier Surety Reserve Bond had an original coverage amount of \$20,991,807.50 (the "Surety Bond Coverage"), with a remaining balance of \$459,036.35. In the event and to the extent that moneys on deposit in the 1st Tier DSRF are insufficient to pay the amount of principal and interest coming due on the 1st Tier Bonds, then the Bond Insurer is required to make a deposit of moneys in the 1st Tier Debt Service Fund, sufficient for the payment to the Trustee, of amounts which are then up to but not in excess of the Surety Bond Coverage.

On or about March 21, 2010, the Board of Directors of the Bond Insurer established a segregated account pursuant to Wisc. Stat. § 611.24(2) (the "Segregated Account") for (i) certain policies insuring or relating to credit defaults swaps, (ii) all residential mortgage-backed securities policies, (iii) certain other identified policies, including those relating to the Bonds, and (iv) certain Student Loan Policies (collectively, the "Segregated Account Policies").

According to filings made with the Securities and Exchange Commission by Ambac Financial Group, Inc., the parent of the Bond Insurer, on March 24, 2010, the Commissioner commenced rehabilitation proceedings in the Circuit Court of Dane County, Wisconsin (the "Rehabilitation Court") with respect to the Segregated Account (the "Segregated Account Rehabilitation Proceedings") purportedly in order to permit the Commissioner to facilitate an orderly run-off and/or settlement of the liabilities allocated to the Segregated Account pursuant to the provisions of the Wisconsin Insurers Rehabilitation and Liquidation Act. On March 24, 2010, the Rehabilitation Court issued an injunction (the "Temporary Injunction") effective until further order of the Rehabilitation Court enjoining certain actions by holders of Segregated Account Policies and other counterparties, including the assertion of damages or acceleration of losses based on early termination and the loss of control rights in insured transactions. Pursuant to a

Verified Petition for Order of Rehabilitation filed in Wisconsin with such proceedings, the Commissioner has stated that it will, within approximately six months, seek the approval by the Rehabilitation Court of a plan of rehabilitation with respect to the Segregated Account (the "Segregated Account Rehabilitation Plan"). The Verified Petition states that the Segregated Account Rehabilitation Plan will, if approved, provide, among other things, that the holders of Segregated Account Policies shall receive in respect of claims made a combination of (i) cash and (ii) surplus notes. Until the Segregated Account Rehabilitation Plan is approved, if approved, it is anticipated that no claims will be paid on Segregated Account Policies, including claims for debt service payments under the Policies.

On April 5, 2010, the Trustee filed a Motion To Modify Temporary Injunction Order and To Intervene (the "Motion to Intervene") requesting that the Rehabilitation Court (i) modify the Temporary Injunction and grant the Trustee leave to intervene, (ii) enter an order removing the Policies from the Segregated Account and return those policies to the General Account of the Bond Insurer, and (iii) grant such other relief as the Rehabilitation Court deems necessary. Copies of the Motion To Intervene and the Brief in Support of the Motion are attached to this Notice.

The Trustee has retained the law firms of Murphy Desmond S.C. and Locke Lord Bissell & Liddell LLP to represent it in matters concerning the Policies and the Segregated Account Rehabilitation Proceedings.

Any party in receipt of this Notice may direct questions by telephone to the Trustee at (612) 667-3777, or by mail addressed to:

Wells Fargo Bank, National Association
Corporate Trust Department – Attn: Gavin Wilkinson
MAC# N9311-115
625 Marquette Avenue, 11th Floor
Minneapolis, MN 55479
Email: gavin.wilkinson@wellsfargo.com

Bondholders should not rely on the Trustee as their sole source of information concerning the Bonds. The Trustee makes no recommendations and gives no investment or legal advice herein or as to the Bonds generally.

Dated: April 6, 2010

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Trustee