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Las Vegas Monorail Co

*Wells Fargo Bank, N.A.
Corporate Trust Services
Special Accounts Group
MAC N9311-115
625 Marquette Avenue
Minneapolis, MN 55479*

February 6, 2009

**NOTICE OF BONDHOLDER MEETING
TO HOLDERS OF**

**DIRECTOR OF THE STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
LAS VEGAS MONORAIL PROJECT REVENUE BONDS
1ST TIER SERIES 2000 AND 2ND TIER SERIES 2000**

CUSIP NUMBERS:

(Base CUSIP: 25457V)

1st Tier: AA4, AB2, AC0, AF3, AG1, AH9, AJ5, AK2, AL0, AM8, AN6, API AQ9, AR7, AS5, AT3, AU0, AV8, AW6, AX4, AY2, AZ9, BA3, BB1

2nd TIER: BC9, BD7, BE5

Wells Fargo Bank, National Association, serves as Trustee (the "Trustee") under a 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"), pursuant to which the Issuer's 1st Tier (the "1st Tier Bonds") and 2nd Tier (the "2nd Tier Bonds") Series 2000 Las Vegas Monorail Project Revenue Bonds (the "Bonds"), were issued and are outstanding. The proceeds of the Bonds were used for financing (in part) of the acquisition, construction, improvement and/or equipping of a four-mile dual guideway monorail system in Clark County, Nevada (the "Project"). The Issuer loaned the proceeds of the Bonds to Las Vegas Monorail Company, a non-profit corporation organized under the laws of the State of Nevada (the "Borrower"), pursuant to a Financing Agreement, dated as of September 1, 2000, between the Issuer and the Borrower (the "Financing Agreement").

As the trustee previously informed holders of the Bonds, the Borrower is in default of certain obligations under the Financing Agreement and the Senior Indenture. In particular, the Borrower has failed to fund debt service in sufficient amounts to pay interest and principal on the Bonds as they come due. Section 4.2(a)(i) of the Financing Agreement requires the Borrower to pay to the Trustee, on or before the last Business Day of each month, sums sufficient to fund debt service on the Bonds and replenish the Debt Service Reserve shortfalls (over twelve months).

The Borrower failed to make sufficient payments to satisfy the requirements of Section 4.2(a)(i) and consequently, on January 2, 2009, the Trustee withdrew from the 1st Tier DSRF and the 2nd Tier DSRF amounts sufficient to make up the deficiency in the respective Debt Service Funds. The payment on the 1st Tier Bonds included a principal payment of \$4,180,000.00 and interest in the amount of \$9,634,971.88. The Trustee drew \$11,073,119.64 from the 1st Tier DSRF to fully fund this payment of principal and interest. The payment on the 2nd Tier Bonds included interest only in the amount of \$5,493,875.00. The Trustee drew this entire amount from the 2nd Tier DSRF to fully fund this payment of interest.

The Borrower's failures to fund debt service and replenish the Debt Service Reserves constitute Events of Default under the Financing Agreement and the Senior Indenture. These Events of Default are continuing.

The Trustee holds in trust certain funds and accounts, as provided for in the Senior Indenture. As of February 6, 2009, the amounts held by the Trustee are as follows:

Revenue Fund	\$1,114,089.09
First-tier Debt Service Account	0.75
First-tier Debt Service Reserve	3,661,698.75
Second-tier Debt Service Account	0.00
Second-tier Debt Service Reserve	3,299,233.77
Indemnification Account	1,092,791.33
Construction Account	3,401,492.34
Removal Cost Escrow	7,885,318.79

On July 1, 2009, interest on the 1st Tier Bonds comes due in the amount of \$9,634,971.88 and interest on the 2nd Tier Bonds comes due in the amount of \$5,493,875.00. If the Borrower continues to fail to fully fund debt service on the 1st Tier and 2nd Tier Bonds, the Trustee will hold insufficient amounts to fully fund the 1st Tier and 2nd Tier interest payments due July 1, 2009. On that date, if there are insufficient funds available to pay interest due on the 1st Tier Bonds the Trustee will make demand on Ambac Assurance Corporation, as insurer of the 1st Tier Bonds, to fully fund the shortfall. If, as seems likely, there are insufficient funds available to pay interest due on the 2nd Tier Bonds, the 2nd Tier Bonds will experience a payment default.

The Trustee will conduct a meeting of the holders of the Bonds on **Thursday, February 19, 2008 at 10:00 a.m. Eastern Standard Time**. The meeting agenda is attached. The call-in information for the meeting follows:

Telephone No.: 1-866-751-5723

Conference ID: *6673777 * (the asterisk before and after the ID are required)

The meeting will be recorded. Holders of the Bonds may contact the Trustee after the meeting to receive the telephone number and access code for the recording.

Any bondholder who plans to attend the meeting in person should contact Gavin Wilkinson at the number or address below. Space will be limited and seating preference will go to those who RSVP by Monday, February 16, 2009.

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. The Trustee makes no recommendations and gives no investment or legal advice herein or as to the Bonds generally.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

AGENDA
BONDHOLDER MEETING^{1,2}
FEBRUARY 19, 2009, 10:00 A.M. EST
OFFICE OF MORGAN STANLEY
522 5TH AVENUE, 6TH FLOOR, NYC

I. Las Vegas Monorail Presentation

- A. Introductions
- B. Extension of Franchise Agreement
- C. 2008 Financial Results
- D. 2009 Budget
 - 1. Forecast Model
 - 2. Update to Forecast
 - 3. Expense Initiatives
 - 4. Visitor Volumes
 - 5. Projected Funds Available for Debt Service
- E. Bond Insurer
 - 1. Forbearance Agreement
 - 2. Role of Chief Restructuring Officer
- F. Financing Status
 - 1. Status of Refinancing of Existing Debt
 - 2. Status of Plan of Finance for Extension

II. Trust Administration Matters

¹ This meeting will be recorded. Bondholders may contact the Trustee after the meeting to receive the telephone number and access code for the recording.

² Bondholders will be able to join this meeting telephonically through using the following call-in information: dial in 1-866-751-5723 (international dial in 720-587-1496); access code *6673777* (the asterisks before and after the access code are required).

