



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

RECEIVED

JAN 20 2010

Las Vegas Monorail Co

January 14, 2010

**NOTICE OF BANKRUPTCY FILING
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 (the "1st Tier Bonds") and 2nd Tier (the "2nd Tier Bonds") Series 2000 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" also referred to herein as the "Subordinate Bonds" and together with the Senior Bonds are referred to as the "Bonds").

The Trustee refers holders of the Bonds to prior Notices for more information regarding the Bonds.

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, NV 89101

The Trustee has retained the law firm of Lewis and Roca LLP, and specifically Bryant Barber and Susan Freeman of that firm, to represent it in matters concerning the Bonds and the Bankruptcy Proceedings.

The Trustee will file all necessary proofs of claim to protect the interests of Bond Holders. It is not necessary for Bond Holders to take any action in the Bankruptcy Proceedings to protect their claims relating to the Bonds.

As the Trustee previously informed holders of the Bonds, the LVMC 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 LVMC 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). These failures to fund debt service and replenish the Debt Service Reserves constitute Events of Default under the Financing Agreement and the Senior Indenture. The filing of the bankruptcy petition constitutes an additional Event of Default under the Financing Agreement and the Senior Indenture.

In addition, the Trustee has learned that the LVMC has diverted to an account in its own name approximately \$1 million in Project Revenues that the LVMC is required to deliver to the Trustee, in violation of its obligations under the Senior Indenture and the Financing Agreement. The Trustee demanded that the LVMC return these funds. The LVMC rejected this demand and has spent some of the money it diverted. The Trustee will file a motion with the Bankruptcy Court asking it to order the LVMC to return all unspent Project Revenues to the Trustee and to comply with the Senior Indenture and Financing Agreement requirements for depositing all Project Revenues into the Trustee's Revenue Fund.

Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance corporation (the "Bond Insurer"), issued a municipal bond insurance policy (the "Bond Insurance Policy") that insures payment of the principal of and interest and accreted value on the 1st Tier Bonds when such payments are due. The Bankruptcy Proceedings will have no effect on the Bond Insurance Policy or the Bond Insurer's obligation to guarantee all payments of principal, interest and accreted value on the 1st Tier Bonds. Proceeds of the Bond Insurance Policy are not available to pay the principal of or interest on the 2nd Tier Bonds or the 3rd Tier Bonds.

The Bond Insurer has filed its motion to dismiss the Bankruptcy Proceedings on the grounds that the LVMC is a municipality and not eligible for Chapter 11 protection. The Trustee intends to join the Bond Insurer's motion. As in all litigation, there can be no assurance that this motion or the Trustee's motion will be successful.

The Trustee will conduct a bondholder meeting by telephone on **Wednesday, January 20, 2010 at 2:00 p.m. Central Standard Time**. All Holders of the Bonds are invited to attend. The purpose of the call is to provide a general update regarding the status of the Bonds and the Bankruptcy Proceedings. No non-public information will be provided during the call. If the Bankruptcy Court schedules a hearing in the Bankruptcy Proceedings during the time scheduled for the bondholder meeting, the Trustee may reschedule the meeting.

The call-in information for the meeting follows:

Telephone No.: 1-888-563-1986
Conference ID: 612 667 3777 #

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 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: January 14, 2010.

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Trustee

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