



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

APRIL 20, 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

Introduction

The Senior Bonds. 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 Senior Bonds are secured by the Senior Indenture and are currently outstanding.

The Subordinate Bonds. 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 3rd Tier Bonds are secured by the Subordinate Indenture and are also currently outstanding.

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"). The Borrower used the proceeds of the Bonds for financing, in part, the acquisition, construction, improvement and/or equipping of a four-mile dual guideway monorail system in Las Vegas, Clark County, Nevada (the "Project").

Pledge of Security. Under the Senior Indenture, the Issuer pledged its interest in the Financing Agreement and all revenues paid and payable thereunder (except certain rights of the Issuer to payment for expenses and indemnification) to the Trustee as security for payment of the principal of, premium, if any, and interest on the Senior Bonds as provided therein. Under the Subordinate Indenture, the Issuer pledged its interest in the Financing Agreement and all 3rd Tier revenues (except certain rights of the Issuer to payment for expenses and indemnification) to the Trustee, subject to the rights of the Senior Bonds, as security for payment of the principal of, premium, if any, and interest on the Subordinate Bonds as provided therein.

Subordination of 2nd Tier Bonds to 1st Tier Bonds. The 2nd Tier Bonds are subordinate and junior in right of payment to the prior payment in full of the 1st Tier Bonds. So long as the 1st Tier Bonds are outstanding, holders of the 2nd Tier Bonds have very limited rights under the Senior Indenture to institute any suit, action or proceeding at law or in equity, to protect or enforce any right under the Senior Indenture.

Subordination of 3rd Tier Bonds to Senior Bonds. The Subordinate Bonds are subordinate and junior in right of payment to the prior payment in full of the 1st Tier Bonds and the 2nd Tier Bonds. Notwithstanding any payment defaults, so long as any 1st Tier Bonds and 2nd Tier Bonds are outstanding, the Holders of the 3rd Tier Bonds have no right to institute any suit, action or proceeding at law or in equity, to protect or enforce any right under the Subordinate Indenture.

Bond Insurance Policy. 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 “OCI”), 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. On or about March 25, 2010 the Bond Insurer disclosed that it had established a segregated account to segregate certain segments of the Bond Insurer’s liabilities, including its obligations under the Policy. On March 24, 2010, the OCI commenced rehabilitation proceedings with respect to the segregated account. According to the information disclosed by the Bond Insurer, until a rehabilitation plan is approved, it is anticipated that no claims will be paid with respect to policies in the segregated account. It therefore seems likely that the Bond Insurer will fail to honor claims against the Policy, which will result in payment default on the 1st Tier Bonds on July 1, 2010. 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 Policy from the segregated account and return the Policy to the general account of the Bond Insurer, and (iii) grant such other relief as the Rehabilitation Court deems necessary.

Default. Since January 2008, the Borrower has failed to make sufficient payments to satisfy the requirements of Section 4.2(a)(i) of the Financing Agreement. The amount of revenues available to be applied to debt service has been less than that required under Section 5.03(a) of the Senior Indenture to fund 1st Tier debt service, and no revenues have been available for debt service or to replenish reserves in connection with the 2nd or 3rd Tier Bonds. These failures to fund debt service and replenish the debt service reserves constitute Events of Default under the Financing Agreement, the Senior Indenture and the Subordinate Indenture. These Events of Default are continuing.

Senior Indenture Petition. On November 11, 2009, the Trustee filed with the District Court of Hennepin County, Minnesota (the “Court”), a Verified Petition (the “Senior Indenture Petition”) for the Appointment of a Co-Trustee and for Instruction in the Administration of a Trust Pursuant to Minn. Stat. § 501B.16 in order to resolve a possible conflict of interest under the Senior Indenture. The Court heard the Senior Indenture Petition on December 30, 2009, and on January 5, 2010 the Court issued an order appointing U.S. Bank National Association as Co-Trustee with respect to the 2nd Tier Bonds.

Bankruptcy Petition: On January 13, 2010 (the “Petition Date”), the “Borrower 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 (the “Bankruptcy Case”), the Honorable Bruce A. Markell presiding (the

“Bankruptcy Court”). The Borrower’s Bankruptcy Case is being administered under *In re Las Vegas Monorail Company*, case number 10-10464-BAM. The Borrower filed numerous motions, including a motion seeking, among other things, Bankruptcy Court authorization for use of cash collateral (the “Cash Collateral Motion”). The Bond Insurer filed a motion to dismiss the Bankruptcy Case (the “Motion to Dismiss”) on the grounds that the Borrower is a “municipality” for the purposes of the Bankruptcy Code, and, as such, is ineligible to be a debtor under Chapter 11. On February 18, 2010, the Bankruptcy Court held a hearing on the Cash Collateral Motion and the Motion to Dismiss. The Bankruptcy Court has yet to rule on either motion.

Trustee Petition for Appointment of Co-Trustee and Subordinate Trustee

On April 8, 2010, the Trustee filed with the Court, a Supplemental Petition for the Appointment of a Trustee and for Instruction in the Administration of a Trust Pursuant to Minn. Stat. § 501B.16 (the “Supplemental Petition”). You will find enclosed a copy of the Supplemental Petition and a copy of the Order setting a hearing date of May 12, 2010 at 2:30 p.m. in Courtroom C400 at the Hennepin County Government Center, Minneapolis, Minnesota. Due to their length, the exhibits to the Supplemental Petition are not enclosed herewith, but are available upon written request to the Trustee.

The Supplemental Petition seeks instruction from the Court with respect to the appointment of a qualified corporate trust administrator to act as successor trustee for the 3rd Tier Bonds under the Subordinate Indenture in order to resolve a possible conflict of interest arising from the Trustee continuing to administer the Trust Estate for the different tiers of Bonds, in light of the existing and continuing Events of Default caused by the Borrower’s failure to deposit sufficient revenues to pay debt service on the Bonds.

The Supplemental Petition affords beneficial holders of the Bonds an opportunity to make their views on this issue known to the Court at the time the Petition is heard. The Trustee anticipates that the Court will, after considering the Supplemental Petition, the Senior Indenture, the Subordinate Indenture and the views of the beneficial holders of the Bonds, issue an order instructing the Trustee how to proceed. The Trustee believes that the court procedure is beneficial in that it affords the beneficial holders of the Bonds an opportunity to be heard and have their views considered by the Court with jurisdiction over the administration of the Trust Estate.

Trustee Contact Information. 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

Notice to Holders of Las Vegas Monorail Project Revenue Bonds, Series 2000

April 20, 2010

Page 4

The Statements made in this Notice are not to be construed as representations or assurances by the Trustee. 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.

Dated: April 20, 2010.

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Trustee