NSB PUBLIC FINANCE

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December 9, 2008

Mark Vincent
Finance Director & City Services
City of Las Vegas Finance Department
400 Stewart Avenue
Las Vegas, NV 89101

RE: $266,000,000* City of Las Vegas, Nevada Lease Purchase Agreement

Dear Mr. Vincent:

As financial advisor to the City of Las Vegas (the "City") it is our opinion that issuing a general obligation bond for the above referenced financing is not a viable option at this time. A general obligation bond issue requires approval by election of registered voters. Waiting for the next election cycle would unnecessarily postpone the City Hall Project which is expected to be a significant catalyst for the development/redevelopment of Downtown Las Vegas. In addition, an issuance backed by the general obligation of the City and additionally secured by pledged revenues takes approximately 4 to 6 months to be legally approved and still may require approval by election of registered voters.

Many investors price certificates of participation in a lease purchase agreement similar to general obligation issues, so the issuance of general obligation bonds may not result in interest savings over the term of the lease purchase agreement. The lease purchase agreement is payable from all legally available monies of the City, including the general fund, but is subject to annual appropriation by the City.

A revenue bond backed solely by a legally pledgeable revenue source would typically result in higher interest costs over the proposed certificates of participation in a lease purchase agreement. Also, a revenue bond would result in the difficulty of applying a corresponding revenue source, which is legally pledgeable to pay debt service.

A general obligation medium-term bond would not be affordable to the City over the maximum ten year term. The City Hall Project is expected to create additional long-term revenues for the City by increasing economic activity within the City a result of the development/redevelopment of Downtown Las Vegas.

Based on the facts above, it is our recommendation that the City proceed with the proposed lease purchase agreement and related certificate of participation to finance this transaction.

Sincerely,

Andrew A. Artusa
Managing Director

cc: John Swendseid
Scott Shaver
Pat Zamora

* Not to exceed