

Vendido, LLC  
Form 424B2  
December 17, 2013  
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**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities offered</b>	<b>Maximum aggregate offering price</b>	<b>Amount of registration fee</b>
5.250% Senior Notes due 2020 Guarantees of 5.250% Senior Notes due 2020(2)	\$500,000,000	\$64,400(1)

- (1) The filing fee of \$64,400 is calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.
- (2) Pursuant to Rule 457(n), no separate fee is payable for the registration of the guarantees.

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Filed Pursuant to Rule 424(b)(2)  
Registration No. 333-180112

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated March 15, 2012)

**\$500,000,000**

**5.250% Senior Notes due 2020**

We are offering \$500.0 million of 5.250% Senior Notes due 2020 (the "notes"). Interest on the notes will accrue from December 19, 2013 and be payable semi-annually on March 31 and September 30 of each year, commencing on September 30, 2014. The notes will mature on March 31, 2020.

We may redeem all or part of the notes at a redemption price equal to 100% of the principal amount of the notes plus an applicable make-whole premium and accrued and unpaid interest. The notes are subject to redemption requirements imposed by gaming laws and regulations of the State of Nevada and other gaming authorities.

The notes will be guaranteed, jointly and severally, on a senior basis by our subsidiaries that guarantee our senior secured credit facility and our existing notes, except for Nevada Landing Partnership, unless and until we obtain the Illinois gaming approval. The notes will not be guaranteed by our foreign subsidiaries and certain domestic subsidiaries, including MGM Grand Detroit, LLC, which is a co-borrower under our senior secured credit facility, and MGM China Holdings Limited and its subsidiaries (collectively, "MGM China").

The notes will be general senior unsecured obligations of MGM Resorts International and each guarantor, respectively, and will rank equally in right of payment with all existing and future senior indebtedness of MGM Resorts International and each guarantor. The notes and the guarantees will be effectively subordinated to our and the guarantors' existing and future secured obligations, primarily consisting of our senior secured credit facility, to the extent of the value of the assets securing such obligations. The notes will also be effectively junior to all indebtedness of our subsidiaries that do not guarantee the notes, including MGM Grand Detroit, LLC and MGM China. See "Description of Notes - Ranking."

The notes will not be listed on any securities exchange. There are currently no public markets for the notes.

**Investing in the notes involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement to read about certain risks you should consider before investing in the notes.**

	Per Note	Total
Public offering price <sup>1</sup>	100.000%	\$ 500,000,000
Underwriting discounts and commissions	1.250%	\$ 6,250,000

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Proceeds to MGM Resorts International	98.750%	\$ 493,750,000
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1 Plus accrued interest, if any, from December 19, 2013 if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

None of the Nevada Gaming Commission, the Nevada State Gaming Control Board, the Michigan Gaming Control Board, the Mississippi Gaming Commission, the Illinois Gaming Board nor any other gaming authority has passed upon the accuracy or adequacy of this prospectus supplement or the investment merits of the securities offered. Any representation to the contrary is unlawful. The Attorney General of the State of New York has not passed upon or endorsed the merits of this offering. Any representation to the contrary is unlawful.

We expect delivery of the notes to be made to investors on or about December 19, 2013 only in book-entry form through the facilities of The Depository Trust Company.

### *Joint Book-Running Managers*

**Deutsche Bank Securities**

**BofA Merrill Lynch**

**Barclays**

**J.P. Morgan**

*Co-Managers*

**BNP PARIBAS**

**Citigroup**

**Credit Agricole CIB**

**RBS**

**SMBC Nikko**

**Morgan Stanley**

**Scotiabank**

**UBS Investment Bank**

Prospectus Supplement dated December 16, 2013

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement is a supplement to the accompanying base prospectus that is also a part of this document. This prospectus supplement and the accompanying base prospectus are part of a shelf registration statement that we filed with the Securities and Exchange Commission (the Commission). The shelf registration statement was declared effective by the Commission upon filing on March 15, 2012. By using a shelf registration statement, we may sell any combination of the securities described in the base prospectus from time to time in one or more offerings. In this prospectus supplement, we provide you with specific information about the terms of this offering. You should rely only on the information or representations incorporated by reference or provided in this prospectus supplement and the accompanying prospectus or in any free writing prospectus filed by us with the Commission. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference in this prospectus supplement. You may obtain copies of the shelf registration statement, or any document which we have filed as an exhibit to the shelf registration statement or to any other Commission filing, either from the Commission or from the Secretary of MGM Resorts International as described under **Where You Can Find More Information** in the accompanying prospectus. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus supplement and the accompanying base prospectus is accurate as of any date other than the date printed on their respective covers.

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**SUMMARY**

*The following summary highlights information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before investing in the notes. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference, for a more complete understanding of this offer and the notes. In this prospectus supplement, except where the context indicates or unless otherwise indicated, we will collectively refer to MGM Resorts International and our direct and indirect subsidiaries as MGM Resorts International, we, our and us.*

**MGM Resorts International**

We are one of the world's leading global hospitality companies, operating a world-renowned portfolio of destination resort brands. We believe the resorts we own, manage and invest in are among the world's finest casino resorts. We own and operate the following casino resorts in Las Vegas, Nevada: Bellagio, MGM Grand Las Vegas, The Mirage, Mandalay Bay, Luxor, New York-New York, Monte Carlo, Excalibur, and Circus Circus Las Vegas. Operations at MGM Grand Las Vegas include management of The Signature at MGM Grand Las Vegas, a condominium-hotel consisting of three towers. Other Nevada operations include Circus Circus Reno, Gold Strike in Jean, and Railroad Pass in Henderson. We and our local partners own and operate MGM Grand Detroit in Detroit, Michigan. We own and operate two resorts in Mississippi: Beau Rivage in Biloxi and Gold Strike in Tunica. We also own Shadow Creek, an exclusive world-class golf course located approximately ten miles north of our Las Vegas Strip resorts, Primm Valley Golf Club at the California/Nevada state line and Fallen Oak golf course in Saucier, Mississippi. We also own 50% of Silver Legacy, located in Reno, Nevada; and 50% of Grand Victoria, located in Elgin, Illinois.

We own 51% and have a controlling interest in MGM China, which owns MGM Grand Paradise, S.A. (MGM Grand Paradise), the Macau company that owns the MGM Macau resort and casino and the related gaming subconcession and land concession. On October 18, 2012, MGM Grand Paradise formally accepted a land concession contract with the government of Macau to develop a second resort and casino on an approximately 17.8 acre site in Cotai, Macau. The land concession contract became effective on January 9, 2013 when the Macau government published the agreement in the Official Gazette of Macau.

We also own 50% of CityCenter, located between Bellagio and Monte Carlo. The other 50% of CityCenter is owned by Infinity World Development Corp, a wholly owned subsidiary of Dubai World, a Dubai, United Arab Emirates government decree entity. CityCenter consists of Aria, a casino resort; Mandarin Oriental Las Vegas, a non-gaming boutique hotel; Crystals, a retail, dining and entertainment district; and Vdara, a luxury condominium-hotel. In addition, CityCenter features residential units in the Residences at Mandarin Oriental and Veer. We receive a management fee of 2% of revenues for the management of Aria and Vdara, and 5% of EBITDA (as defined in the agreements governing our management of Aria and Vdara). In addition, we receive an annual fee of \$3 million for the management of Crystals.

We formed MGM Hospitality, LLC (MGM Hospitality) to focus on strategic resort development and management opportunities, with an emphasis on international opportunities which we believe offer the greatest opportunity for future growth. We have hired senior personnel with established backgrounds in the development and management of international

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hospitality operations to maximize the profit potential of MGM Hospitality's operations. MGM Hospitality entered into management agreements for hotels in the Middle East, North Africa, India and, through its joint venture with Diaoyutai State Guesthouse, the People's Republic of China. MGM Hospitality opened its first resort, MGM Grand Sanya, on Hainan Island in the People's Republic of China in early 2012.

Our principal executive offices are located at 3600 Las Vegas Boulevard South, Las Vegas, Nevada 89109. The telephone number for our principal executive offices is (702) 693-7120.

### **Recent Developments**

We have been actively pursuing development opportunities in Maryland and Massachusetts. Each state has approved the issuance of a single license to operate a casino in Prince Georges County and Western Massachusetts, respectively.

In Maryland, on October 10, 2013, MGM National Harbor, a subsidiary of the Company, was found qualified for an operation license, as were two other applicants. The Maryland Video Lottery Facility Location Commission (the Maryland Commission) will now determine which of the three applicants will be awarded the license. MGM presented its proposal to build and operate a \$925 million dining, retail and entertainment resort at National Harbor to the Maryland Commission on October 25, 2013. The Maryland Commission has announced that it may select which of the three competing operators will be awarded the license by the end of this year.

In Massachusetts, state investigators recommended to the state gaming commission on December 9, 2013, that the Company be declared suitable to operate a casino. The investigators' recommendation however, is not binding on the commission. The commission is expected to issue a final decision on whether the company is suitable to hold a license this month and announced that it expects to award the license by mid-2014. The Company is the only remaining applicant for the license in Western Massachusetts, one of three zones designated by the legislation.

While MGM Resorts believes that it has presented compelling cases to the Maryland and Massachusetts gaming authorities to award it the new licenses, there can be no assurance that the gaming commissions will find the company suitable or that either or both of the licenses will ultimately be awarded to the Company.

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Our summary consolidated financial and other data presented below as of and for the three years ended December 31, 2012 have been derived from our audited consolidated financial statements. The summary consolidated financial data as of and for the nine months ended September 30, 2012 and 2013 has been derived from our unaudited consolidated financial statements for those periods, which, in the opinion of management, include all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the results of operations and financial position. The data below should be read together with our audited consolidated financial statements and the accompanying notes thereto and other financial data incorporated by reference in this prospectus supplement and the accompanying prospectus. Our results for the nine months ended September 30, 2013 presented below are not necessarily indicative of the results to be expected for the entire year and our historical results presented below are not necessarily indicative of the results to be expected for any future period.

	For the Years Ended December 31,			For the Nine Months Ended	
	2012	2011	2010	September 30, 2013	2012
(In thousands, except per share data)					
<b>Statement of Operations Data:</b>					
Net revenues	\$ 9,160,844	\$ 7,849,312	\$ 6,056,001	\$ 7,296,450	\$ 6,866,333
Operating income (loss)	80,526	4,057,146	(1,158,931)	781,182	505,382
Net income (loss)	(1,616,912)	3,234,944	(1,437,397)	15,625	(428,415)
Net income (loss) attributable to MGM Resorts International	(1,767,691)	3,114,637	(1,437,397)	(118,271)	(543,864)
<b>Net income (loss) per share of common stock attributable to MGM Resorts:</b>					
Basic					
Net income (loss) per share	\$ (3.62)	\$ 6.37	\$ (3.19)	\$ (0.24)	\$ (1.11)
Weighted average number of shares	488,988	488,652	450,449	489,484	488,913
Diluted					
Net income (loss) per share	\$ (3.62)	\$ 5.62	\$ (3.19)	\$ (0.24)	\$ (1.11)
Weighted average number of shares	488,988	560,895	450,449	489,484	488,913
<b>Balance Sheet Data (end of period):</b>					
Total assets	\$ 26,284,738	\$ 27,766,276	\$ 18,951,848	\$ 25,658,835	\$ 27,831,361
Total debt, including capital leases	13,589,907	13,472,263	12,050,437	13,036,722	13,826,326
Stockholders' equity	8,116,016	9,882,222	2,932,162	7,827,171	9,265,503
MGM Resorts stockholders' equity	4,365,548	6,086,578	2,932,162	4,262,357	5,553,270
MGM Resorts stockholders' equity per share	\$ 8.92	\$ 12.45	\$ 6.00	\$ 8.70	\$ 11.36
Number of shares outstanding	489,234	488,835	488,513	489,814	488,956
<b>Other Data:</b>					
Ratio of earnings to fixed charges(1)	(2)	3.69 x	(2)	1.17 x	(2)



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- (1) Earnings consist of income from continuing operations before income taxes and fixed charges, adjusted to exclude capitalized interest. Fixed charges consist of interest, whether expensed or capitalized, amortization of debt discounts, premiums and issuance costs.
- (2) Earnings were inadequate to cover fixed charges by \$1.798 billion and \$1.575 billion for the years ended December 31, 2010 and 2012, respectively. Earnings were inadequate to cover fixed charges by \$325 million for the nine months ended September 30, 2012.

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**The Offering**

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see Description of Notes in this prospectus supplement.

Issuer	MGM Resorts International, a Delaware corporation.
Notes offered	\$500.0 million aggregate principal amount of 5.250% senior notes due 2020.
Maturity	The notes will mature on March 31, 2020.
Interest payment	March 31 and September 30 of each year after the date of issuance of the notes, beginning on September 30, 2014.
Guarantees	The notes will be fully and unconditionally guaranteed, jointly and severally, by each of our subsidiaries that is a guarantor under our existing notes and our senior secured credit facility (each a subsidiary guarantor), other than our Illinois subsidiary, Nevada Landing Partnership, unless and until we obtain Illinois gaming approval. The notes will not be guaranteed by our foreign subsidiaries and certain domestic subsidiaries, which include, among others, MGM Grand Detroit, LLC, which is a co-borrower under our senior secured credit facility, and MGM China. In the event that any subsidiary guarantor is no longer a guarantor under any series of our existing notes, our senior secured credit facility or any of our future capital markets indebtedness (the reference indebtedness), that subsidiary guarantor will be released and relieved of its obligations under its guarantee of the notes, provided that any transaction related to such release is carried out pursuant to and in accordance with all other applicable provisions of the indenture. The indenture will provide that any of our existing or future domestic wholly-owned subsidiaries will be required to become a subsidiary guarantor if such subsidiary grants a guarantee in respect of any reference indebtedness. The indenture, which will contain the guarantees, will contain customary provisions limiting the obligations of each subsidiary guarantor under its guarantee as necessary to prevent such guarantee from constituting a fraudulent conveyance under applicable law. See Description of Notes Subsidiary Guarantees.
Ranking	The notes and guarantees will be general senior unsecured obligations of MGM Resorts International and each guarantor, respectively, and will rank equally in right of payment with all existing and future senior indebtedness of MGM Resorts International and each guarantor, respectively, and effectively subordinated to MGM Resorts International's and the guarantors' existing and future

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secured obligations, primarily consisting of our senior secured credit facility, to the extent of the value of the assets securing such obligations. The notes will also be effectively junior to all indebtedness of our subsidiaries that do not guarantee the notes, including MGM Grand Detroit, LLC and MGM China. See [Description of Notes](#) [Ranking](#).

As of September 30, 2013, on an as adjusted basis after giving effect to this offering, we would have had approximately \$13.5 billion principal amount of indebtedness outstanding, including approximately \$2.9 billion under our senior secured credit facility, and approximately \$1.1 billion of available borrowing capacity under our senior secured credit facility. As of September 30, 2013, on an as adjusted basis after giving effect to this offering, non-guarantor subsidiaries had \$1.0 billion aggregate principal amount of indebtedness outstanding (excluding indebtedness owed to us or any of our subsidiary guarantors).

Optional redemption

We may redeem all or part of the notes at a redemption price equal to 100% of the principal amount of the notes plus an applicable make-whole premium and accrued and unpaid interest.

Special redemption

The notes are subject to redemption requirements imposed by gaming laws and regulations of the State of Nevada and other gaming authorities.

Covenants

The indenture contains covenants that, among other things, will limit our ability and the ability of our subsidiary guarantors to:

incur liens on assets to secure debt (subject to, under certain circumstances, regulatory approvals);

merge or consolidate with another company or sell all or substantially all assets; and

enter into certain sale and lease-back transactions.

These covenants are subject to important exceptions and qualifications as described under [Description of Notes](#) [Additional Covenants of MGM Resorts International](#). In particular, the indenture governing the notes will not provide for restrictions on the ability of our subsidiaries to incur additional indebtedness, make restricted payments, pay dividends or make distributions in respect of capital stock, purchase or redeem capital stock, enter into transactions with affiliates or make advances to, or invest in, other entities (including unaffiliated entities).

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Form and Denomination	The notes will be issued in fully registered form in denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.
DTC Eligibility	The notes will be represented by a global certificate deposited with, or on behalf of, The Depository Trust Company, which we refer to as DTC, or its nominee. See Description of Notes Book-Entry; Delivery and Form.
Use of proceeds	We intend to use the net proceeds from the offering of the notes for general corporate purposes, which may include repaying a portion of our 5.875% senior notes due in February 2014. Pending such use, we may invest the net proceeds in short-term interest-bearing accounts, securities or similar investments as described under Use of Proceeds in this prospectus supplement.
Risk factors	See Risk Factors beginning on page S-8 of this prospectus supplement and the other information included or incorporated by reference in this prospectus supplement for a discussion of the factors you should carefully consider before deciding to invest in the notes.
No Listing of the Notes	We have not applied nor do we intend to apply to list the notes on any securities exchange or to have the notes quoted on any automated quotation system.
Governing Law	The notes and the indenture will be governed by New York law.
Trustee, Registrar and Paying Agent	U.S. Bank National Association.

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**RISK FACTORS**

*Before you decide to invest in the notes, you should be aware that investment in the notes carries various risks, including those described below, that could have a material adverse effect on our business, financial position, results of operations and cash flows. We urge you to carefully consider these risk factors, together with all of the other information included and incorporated by reference in this prospectus supplement and the accompanying prospectus, before you decide to invest in the notes. In addition, we identify other factors that could affect our business in our Form 10-K for the year ended December 31, 2012 and Form 10-Qs for the quarters ended March 31, 2013, June 30, 2013 and September 30, 2013, each incorporated by reference herein.*

**Risks Relating to Our Substantial Indebtedness**

**Our substantial indebtedness and significant financial commitments could adversely affect our operations and financial results and impact our ability to satisfy our obligations.**

As of September 30, 2013, we had approximately \$13.0 billion principal amount of indebtedness outstanding, including \$2.9 billion of borrowings outstanding under our existing senior secured credit facility. We had approximately \$1.1 billion of available borrowing capacity under our existing senior secured credit facility at September 30, 2013. Any increase in the interest rates applicable to our existing or future borrowings would increase the cost of our indebtedness and reduce the cash flow available to fund our other liquidity needs. In addition, as of September 30, 2013, MGM Grand Paradise, the company that owns and operates MGM Macau, had approximately \$553 million of debt outstanding under its credit facility. We do not guarantee MGM Grand Paradise's obligations under its credit agreement and, to the extent MGM Macau were to cease to produce cash flow sufficient to service its indebtedness, our ability to make additional investments into that entity is limited by the negative covenants in our existing debt instruments. See Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 incorporated by reference herein for discussion of our liquidity and financial position. In addition, our substantial indebtedness and significant financial commitments could have important negative consequences, including:

increasing our exposure to general adverse economic and industry conditions;

limiting our flexibility to plan for, or react to, changes in our business and industry;

limiting our ability to borrow additional funds;

making it more difficult for us to make payments on our indebtedness; or

placing us at a competitive disadvantage compared to less-leveraged competitors.

Moreover, our businesses are capital intensive. For our owned and managed resorts to remain attractive and competitive, we must periodically invest significant capital to keep the properties well-maintained, modernized and refurbished. Such investment requires an ongoing supply of cash and, to the extent that we cannot fund expenditures from cash generated by operations, funds must be borrowed or otherwise obtained. Similarly, future development projects and acquisitions could require significant capital commitments, the incurrence of additional debt, guarantees of third-party debt, or the incurrence of contingent liabilities, any or all of which could have an adverse effect on our business, financial condition and results of operations.

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**Current and future economic and credit market conditions could adversely affect our ability to service or refinance our indebtedness and to make planned expenditures.**

Our ability to make payments on, and to refinance, our indebtedness and to fund planned or committed capital expenditures and investments in joint ventures depends on our ability to generate cash flow in the future, our ability to receive distributions from joint ventures and our ability to borrow under our senior secured credit facility to the extent of available borrowings. If adverse regional and national economic conditions persist, worsen, or fail to improve significantly, we could experience decreased revenues from our operations attributable to decreases in consumer spending levels and could fail to generate sufficient cash to fund our liquidity needs or fail to satisfy the financial and other restrictive covenants in our debt instruments. We cannot assure you that our business will generate sufficient cash flow from operations, continue to receive distributions from joint ventures or that future borrowings will be available to us under our senior secured credit facility in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs.

We have a significant amount of indebtedness maturing in 2014 and 2015 and thereafter. Our ability to timely refinance and replace such indebtedness will depend upon the foregoing as well as on continued and sustained improvements in financial markets. If we are unable to refinance our indebtedness on a timely basis, we might be forced to seek alternate forms of financing, dispose of certain assets or minimize capital expenditures and other investments. There is no assurance that any of these alternatives would be available to us, if at all, on satisfactory terms, on terms that would not be disadvantageous to note holders, or on terms that would not require us to breach the terms and conditions of our existing or future debt agreements.

**The agreements governing our senior secured credit facility and other senior indebtedness contain restrictions and limitations that could significantly affect our ability to operate our business, as well as significantly affect our liquidity, and therefore could adversely affect our results of operations.**

Covenants governing our senior secured credit facility and certain of our debt securities restrict, among other things, our ability to:

pay dividends or distributions, repurchase or issue equity, prepay certain debt or make certain investments;

incur additional debt;

incur liens on assets;

sell assets or consolidate with another company or sell all or substantially all assets;

enter into transactions with affiliates;

allow certain subsidiaries to transfer assets; and

enter into sale and lease-back transactions.

Our ability to comply with these provisions may be affected by events beyond our control. The breach of any such covenants or obligations not otherwise waived or cured could result in a default under the applicable debt obligations and could trigger acceleration of those obligations, which in turn could trigger cross defaults under other agreements governing our long-term indebtedness. Any default under the senior secured credit facility or the indentures governing our other debt could adversely affect our growth, our financial condition, our results of operations and our ability to make payments on our debt, and could force us to seek protection under the bankruptcy laws.



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In addition, MGM Grand Paradise and MGM China are co-borrowers under an amended and restated credit facility which contains covenants that restrict their ability to engage in certain transactions. In particular, the MGM China amended and restated credit facility requires MGM China to satisfy various financial covenants, including a maximum consolidated total leverage ratio and minimum interest coverage ratio, and imposes certain operating and financial restrictions on MGM China and its subsidiaries (including MGM Grand Paradise), which include, among other things, limitations on its ability to pay dividends or distributions to us, incur additional debt, make investments or engage in other businesses, merge or consolidate with other companies, or transfer or sell assets.

### **Risks Relating to the Notes**

**The notes and the guarantees will be unsecured and effectively subordinated to our and the guarantors' current and future secured indebtedness and indebtedness of our non-guarantor subsidiaries.**

The notes and the guarantees will be general unsecured obligations ranking effectively junior in right of payment to all of our current and future secured indebtedness and that of the guarantors. The notes and guarantees will also be effectively subordinated as to MGM Grand Paradise's indebtedness in respect of its assets and revenues. As of September 30, 2013, on an as adjusted basis after giving effect to notes offered hereby, we would have had approximately \$13.5 billion principal amount of indebtedness outstanding, including approximately \$2.9 billion under our senior secured credit facility, and approximately \$1.1 billion of available borrowing capacity under our senior secured credit facility. As of September 30, 2013, on an as adjusted basis after giving effect to the notes offered hereby, non-guarantor subsidiaries had \$1.0 billion aggregate principal amount of indebtedness outstanding (excluding indebtedness owed to us or any of our subsidiary guarantors). Additionally, the indenture governing the notes will permit us and the guarantors to incur secured indebtedness in the future. In the event that we or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any secured indebtedness that is effectively senior to the notes and the guarantees will be entitled to be paid in full from our assets or the assets of the guarantor, as applicable, securing such indebtedness before any payment may be made with respect to the notes or the affected guarantees. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets.

**Fraudulent conveyance statutes allow courts, under specific circumstances, to avoid subsidiary guarantees.**

Various fraudulent conveyance and similar laws have been enacted for the protection of creditors and may be utilized by courts to avoid or limit the guarantees of the notes by our subsidiaries. The requirements for establishing a fraudulent conveyance vary depending on the law of the jurisdiction that is being applied. Generally, if in a bankruptcy, reorganization or other judicial proceeding a court were to find that the guarantor received less than reasonably equivalent value or fair consideration for incurring indebtedness evidenced by guarantees, and

was insolvent at the time of the incurrence of such indebtedness;

was rendered insolvent by reason of incurring such indebtedness;

was at such time engaged or about to engage in a business or transaction for which its assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured;



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such court could, with respect to the guarantor, declare void in whole or in part the obligations of such guarantor under the guarantees, as well as any liens granted by a guarantor securing its guarantee or the guaranteed obligations. Any payment by such guarantor pursuant to its guarantee could also be required to be returned to it, or to a fund for the benefit of its creditors. Generally, an entity will be considered insolvent if the sum of its debts is greater than the fair saleable value of all of its property at a fair valuation or if the present fair saleable value of its assets is less than the amount that will be required to pay its probable liability on its existing debts, as they become absolute and mature.

MGM Resorts International has no operations of its own and we derive all of our revenue from our subsidiaries. If a guarantee of the notes by a subsidiary were avoided as a fraudulent transfer, holders of other indebtedness of, and trade creditors of, that subsidiary would generally be entitled to payment of their claims from the assets of the subsidiary before such assets could be made available for distribution to us to satisfy our own obligations such as the notes.

The obligations of each subsidiary guarantor under its subsidiary guarantee will be limited so as not to constitute a fraudulent conveyance under applicable law. This may not be effective to protect the subsidiary guarantee from being voided under fraudulent transfer law, or may eliminate the subsidiary guarantors' obligations or reduce such obligations to an amount that effectively makes the subsidiary guarantee worthless. For instance, in a Florida bankruptcy case, a similar provision was found to be ineffective to protect the guarantees.

**We may require you to dispose of your notes or redeem your notes if any gaming authority finds you unsuitable to hold them.**

We may require you to dispose of your notes or redeem your notes if any gaming authority finds you unsuitable to hold them or in order to otherwise comply with any gaming laws to which we or any of our subsidiaries are or may become subject, as more fully described in Regulation and Licensing and Description of Notes Mandatory Disposition Pursuant to Gaming Laws.

**Until we receive the necessary approval from the Illinois Gaming Board, Nevada Landing Partnership, our Illinois subsidiary, will not be able to guarantee the notes.**

Pursuant to the applicable gaming laws in Illinois, Nevada Landing Partnership, our Illinois subsidiary which owns a 50% joint venture interest in the riverboat, Grand Victoria, will not be permitted to guarantee the notes without the prior approval of the Illinois Gaming Board (the Illinois Gaming Approval). See Regulation and Licensing. Although Nevada Landing Partnership has received approval to guarantee certain of our other senior debt, we cannot assure you that the Illinois Gaming Board will grant us the approval necessary to cause Nevada Landing Partnership to guarantee the notes. Until we receive such approval, which we may not receive, the notes will be effectively subordinated to certain of our other senior debt with respect to the assets of Nevada Landing Partnership.

**Active trading markets for the notes may not develop.**

The notes constitute new issues of securities, for which there is no existing market. We do not intend to apply for listing of the notes on any securities exchange. We cannot assure you trading markets for the notes will develop, or of the ability of holders of the notes to sell their notes or of the prices at which holders may be able to sell their notes. The underwriters have advised us that they currently intend to make a market in the notes. However, the underwriters are not obligated to do so, and any market-making with respect to the notes may be discontinued at any time without notice. If no active trading markets develop, you may be unable to resell the notes at any price or at their fair market value.

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**If trading markets do develop, changes in our ratings or the financial markets could adversely affect the market prices of the notes.**

The market prices of the notes will depend on many factors, including, among others, the following:

ratings on our debt securities assigned by rating agencies;

the prevailing interest rates being paid by other companies similar to us;

our results of operations, financial condition and prospects; and

the condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the notes.

Rating agencies continually review the ratings that they have assigned to companies and debt securities. Negative changes in the ratings assigned to us or our debt securities could have an adverse effect on the market prices of the notes.

### **Risks Related to our Business**

**We face significant competition with respect to destination travel locations generally and with respect to our peers in the industries in which we compete, and failure to compete effectively could materially adversely affect our business, financial condition, results of operations and cash flow.**

The hotel, resort and casino industries are highly competitive. We do not believe that our competition is limited to a particular geographic area, and hotel, resort and gaming operations in other states or countries could attract our customers. To the extent that new casinos enter our markets or hotel room capacity is expanded by others in major destination locations, competition will increase. Major competitors, including new entrants, have either recently expanded their hotel room capacity or are currently expanding their capacity or constructing new resorts in Las Vegas and Macau. Also, the growth of gaming in areas outside Las Vegas, including California, has increased the competition faced by our operations in Las Vegas and elsewhere. In particular, as large scale gaming operations on Native American tribal lands has increased, particularly in California, competition has increased.

In addition, competition could increase if changes in gaming restrictions in the U.S. and elsewhere result in the addition of new gaming establishments located closer to our customers than our casinos, such as has happened in California. For example, while our Macau operations compete to some extent with casinos located elsewhere in or near Asia, including Singapore, Australia and New Zealand, certain countries in the region have legalized casino gaming (including Malaysia, Vietnam, and Cambodia) and others (such as Japan, Taiwan and Thailand) may legalize casino gaming in the future. Furthermore, currently MGM Grand Paradise holds one of only six gaming concessions authorized by the Macau government to operate casinos in Macau. If the Macau government were to allow additional competitors to operate in Macau through the grant of additional concessions, we would face increased competition. In addition to competition with other hotels, resorts and casinos, we compete with destination travel locations outside of the markets in which we operate. Our failure to compete successfully in our various markets and to continue to attract customers could adversely affect our business, financial condition, results of operations and cash flow.

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**Our businesses are subject to extensive regulation and the cost of compliance or failure to comply with such regulations may adversely affect our business and results of operations.**

Our ownership and operation of gaming facilities is subject to extensive regulation by the countries, states and provinces in which we operate. These laws, regulations and ordinances vary from jurisdiction to jurisdiction, but generally concern the responsibility, financial stability and character of the owners and managers of gaming operations as well as persons financially interested or involved in gaming operations. As such, our gaming regulators can require us to disassociate ourselves from suppliers or business partners found unsuitable by the regulators or, alternatively, cease operations in that jurisdiction. In addition, unsuitable activity on our part or on the part of our domestic or foreign unconsolidated affiliates in any jurisdiction could have a negative effect on our ability to continue operating in other jurisdictions. The regulatory environment in any particular jurisdiction may change in the future and any such change could have a material adverse effect on our results of operations. In addition, we are subject to various gaming taxes, which are subject to possible increase at any time by various state and federal legislatures and officials. Increases in gaming taxation could also adversely affect our results. For a summary of gaming and other regulations that affect our business, see Regulation and Licensing.

Further, our directors, officers, key employees and joint venture partners must meet approval standards of certain state and foreign regulatory authorities. If state regulatory authorities were to find such a person or joint venture partner unsuitable, we would be required to sever our relationship with that person or the joint venture partner may be required to dispose of his, her or its interest in the joint venture. State regulatory agencies may conduct investigations into the conduct or associations of our directors, officers, key employees or joint venture partners to ensure compliance with applicable standards. For example, as a result of the New Jersey Division of Gaming Enforcement (the DGE ) investigation of our relationship with our joint venture partner in Macau, we entered into a settlement agreement with the DGE under which we were required to place in trust and sell our 50% ownership interest in Borgata Hotel Casino and Spa and related leased land in Atlantic City. On August 8, 2011, the New Jersey Casino Control Commission (the CCC ) approved an amendment to the settlement agreement, extending the time within which the sale of the trust property was required to occur by 18 months, so that until March 24, 2013 we had the right to direct the trustee to sell the trust property (the divestiture period ); but, if the sale was not concluded by that date, the trustee would have been authorized to sell such interests within the following 12 months (the terminal sale period ). On February 13, 2013, the settlement agreement was further amended to allow us to re-apply to the CCC for licensure in New Jersey and to defer expiration of these periods pending the outcome of the licensure process. If the CCC denies our licensure request, then the divestiture period will immediately end, and the terminal sale period will immediately begin, which will result in our Borgata interest being disposed of by the trustee pursuant to the terms of the settlement agreement. Certain public and private issuances of securities and other transactions also require the approval of certain regulatory authorities.

In Macau, current laws and regulations concerning gaming and gaming concessions are, for the most part, fairly recent and there is little precedent on the interpretation of these laws and regulations. These laws and regulations are complex, and a court or administrative or regulatory body may in the future render an interpretation of these laws and regulations, or issue new or modified regulations, that differ from MGM China's interpretation, which could have a material adverse effect on its business, financial condition and results of operations. In addition, MGM China's activities in Macau are subject to administrative review and approval by various government agencies. We cannot assure you that MGM China will be able to obtain all necessary approvals, and any such failure to do so may materially affect its long-term business strategy and operations. Macau laws permit redress to the courts with respect to administrative actions; however, to date such redress is largely untested in relation to gaming issues.

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In addition to gaming regulations, we are also subject to various federal, state, local and foreign laws and regulations affecting businesses in general. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, smoking, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Any violations of anti-money laundering laws or regulations by any of our properties could have an adverse effect on our financial condition, results of operations or cash flows. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. For example, Illinois has enacted a ban on smoking in nearly all public places, including bars, restaurants, work places, schools and casinos and, in January 2013, casinos in Macau, including MGM China, implemented a smoking ban in which a portion of casino floors are to be designated non-smoking. The likelihood or outcome of similar legislation in other jurisdictions and referendums in the future cannot be predicted, though any smoking ban would be expected to negatively impact our financial performance.

### **Our business is affected by economic and market conditions in the markets in which we operate and in the locations in which our customers reside.**

Our business is particularly sensitive to reductions in discretionary consumer spending and corporate spending on conventions and business development. Economic contraction, economic uncertainty or the perception by our customers of weak or weakening economic conditions may cause a decline in demand for hotels, casino resorts, trade shows and conventions, and for the type of luxury amenities we offer. In addition, changes in discretionary consumer spending or consumer preferences could be driven by factors such as the increased cost of travel, an unstable job market, perceived or actual disposable consumer income and wealth, or fears of war and future acts of terrorism. Aria, Bellagio, MGM Grand Las Vegas, Mandalay Bay and The Mirage in particular may be affected by economic conditions in the Far East, and all of our Nevada resorts are affected by economic conditions in the United States, and California in particular. A recession, economic slowdown or any other significant economic condition affecting consumers or corporations generally is likely to cause a reduction in visitation to our resorts, which would adversely affect our operating results. For example, the recent recession and downturn in consumer and corporate spending has had a negative impact on our results of operations. In addition, the weak housing and real estate market both generally and in Nevada particularly has negatively impacted CityCenter's ability to sell residential units.

In addition, since we expect a significant number of customers to come to MGM Macau from mainland China, general economic and market conditions in China could impact our financial prospects. Any slowdown in economic growth or changes to China's current restrictions on travel and currency movements could disrupt the number of visitors from mainland China to MGM Macau as well as the amounts they are willing to spend in the casino. For example, in May and July 2008, China readjusted its visa policy toward Macau and limited the number of visits that some mainland Chinese citizens may make to Macau in a given time period. In September 2008, it was publicly announced that mainland Chinese citizens with a Hong Kong visa (but not a Macau visa) could no longer enter Macau from Hong Kong. In addition, in May 2009, China also began to restrict the operation of below-cost tour groups involving low up-front payments and compulsory shopping, which were popular among visitors to Macau from mainland China. It is unclear whether these and other measures will continue to be in effect, or become more restrictive, in the future. These developments have had, and any future policy developments that may be implemented may have, the effect of reducing the number of visitors to Macau from mainland China, which could adversely impact tourism and the gaming industry in Macau.

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### **We have agreed not to have any interest or involvement in gaming businesses in China, Macau, Hong Kong and Taiwan, other than through MGM China.**

In connection with the initial public offering of MGM China, the holding company that indirectly owns and operates MGM Macau, we entered into a Deed of Non-Compete Undertakings with MGM China and Ms. Pansy Ho pursuant to which we are restricted from having any interest or involvement in gaming businesses in the People's Republic of China, Macau, Hong Kong and Taiwan, other than through MGM China. While gaming is currently prohibited in China, Hong Kong and Taiwan, if it is legalized in the future our ability to compete with our competitors in these locations could be limited until the earliest of (i) March 31, 2020, (ii) the date MGM China's ordinary shares cease to be listed on The Stock Exchange of Hong Kong Limited or (iii) the date when our ownership of MGM China shares is less than 20% of the then issued share capital of MGM China.

### **The Macau government can terminate MGM Grand Paradise's subconcession under certain circumstances without compensating MGM Grand Paradise, the Macau government can exercise its redemption right with respect to the subconcession in 2017 or the Macau government can refuse to grant MGM Grand Paradise an extension of the subconcession in 2020, any of which would have a material adverse effect on our business, financial condition, results of operations and cash flows.**

The Macau government has the right to unilaterally terminate the subconcession in the event of fundamental non-compliance by MGM Grand Paradise with applicable Macau laws or MGM Grand Paradise's basic obligations under the subconcession contract. MGM Grand Paradise has the opportunity to remedy any such non-compliance with its fundamental obligations under the subconcession contract within a period to be stipulated by the Macau government. Upon such termination, all of MGM Grand Paradise's casino area premises and gaming-related equipment would be transferred automatically to the Macau government without compensation to MGM Grand Paradise, and we would cease to generate any revenues from these operations. We cannot assure you that MGM Grand Paradise will perform all of its obligations under the subconcession contract in a way that satisfies the requirements of the Macau government.

Furthermore, under the subconcession contract, MGM Grand Paradise is obligated to comply with any laws and regulations that the Macau government might promulgate in the future. We cannot assure you that MGM Grand Paradise will be able to comply with these laws and regulations or that these laws and regulations would not adversely affect our ability to construct or operate our Macau businesses. If any disagreement arises between MGM Grand Paradise and the Macau government regarding the interpretation of, or MGM Grand Paradise's compliance with, a provision of the subconcession contract, MGM Grand Paradise will be relying on a consultation and negotiation process with the Macau government. During any consultation or negotiation, MGM Grand Paradise will be obligated to comply with the terms of the subconcession contract as interpreted by the Macau government. Currently, there is no precedent concerning how the Macau government will treat the termination of a concession or subconcession upon the occurrence of any of the circumstances mentioned above. The loss of the subconcession would require us to cease conducting gaming operations in Macau, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, the subconcession contract expires on March 31, 2020. Unless the subconcession is extended, or legislation with regard to reversion of casino premises is amended, all of MGM Grand Paradise's casino premises and gaming-related equipment will

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automatically be transferred to the Macau government on that date without compensation to us, and we will cease to generate any revenues from such gaming operations. Beginning on April 20, 2017, the Macau government may redeem the subconcession contract by providing us at least one year's prior notice. In the event the Macau government exercises this redemption right, MGM Grand Paradise is entitled to fair compensation or indemnity. The amount of such compensation or indemnity will be determined based on the amount of gaming and non-gaming revenue generated by MGM Grand Paradise, excluding the convention and exhibition facilities, during the taxable year prior to the redemption, before deducting interest, depreciation and amortization, multiplied by the number of remaining years before expiration of the subconcession. We cannot assure you that MGM Grand Paradise will be able to renew or extend the subconcession contract on terms favorable to MGM Grand Paradise or at all. We also cannot assure you that if the subconcession is redeemed, the compensation paid to MGM Grand Paradise will be adequate to compensate for the loss of future revenues.

**We are required to build and open our development in Cotai, Macau by January 2018. If we are unable to meet this deadline, and the deadline for the development is not extended, we may lose the land concession, which would prohibit us from operating any facilities developed under such land concession.**

The land concession for the approximately 17.8 acre site on Cotai, Macau was officially gazetted on January 9, 2013. If we are unable to build and open our proposed resort and casino by January 2018, and the deadline is not extended, the Macau government has the right to unilaterally terminate the land concession contract. A loss of the land concession could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**MGM Grand Paradise is dependent upon gaming junket operators for a significant portion of gaming revenues in Macau.**

Junket operators, who promote gaming and draw high-end customers to casinos, are responsible for a significant portion of MGM Grand Paradise's gaming revenues in Macau. With the rise in gaming in Macau, the competition for relationships with junket operators has increased. While MGM Grand Paradise is undertaking initiatives to strengthen relationships with junket operators, there can be no assurance that it will be able to maintain, or grow, relationships with junket operators. If MGM Grand Paradise is unable to maintain or grow relationships with junket operators, or if junket operators are unable to develop or maintain relationships with our high-end customers, MGM Grand Paradise's ability to grow gaming revenues will be hampered.

In addition, the quality of junket operators is important to MGM Grand Paradise's and our reputation and ability to continue to operate in compliance with gaming licenses. While MGM Grand Paradise strives for excellence in associations with junket operators, we cannot assure you that the junket operators with whom MGM Grand Paradise is or becomes associated with will meet the high standards insisted upon. If a junket operator falls below MGM Grand Paradise's standards, MGM Grand Paradise or we may suffer reputational harm or possibly sanctions from gaming regulators with authority over our operations.

**Extreme weather conditions or climate change may cause property damage or interrupt business, which could harm our business and results of operations.**

Certain of our casino properties are located in areas that may be subject to extreme weather conditions, including, but not limited to, hurricanes in the United States and severe typhoons in

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Macau. Such extreme weather conditions may interrupt our operations, damage our properties, and reduce the number of customers who visit our facilities in such areas. Although we maintain both property and business interruption insurance coverage for certain extreme weather conditions, such coverage is subject to deductibles and limits on maximum benefits, including limitation on the coverage period for business interruption, and we cannot assure you that we will be able to fully insure such losses or fully collect, if at all, on claims resulting from such extreme weather conditions. Furthermore, such extreme weather conditions may interrupt or impede access to our affected properties and may cause visits to our affected properties to decrease for an indefinite period, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

### **Because our major gaming resorts are concentrated on the Las Vegas Strip, we are subject to greater risks than a gaming company that is more geographically diversified.**

Given that our major resorts are concentrated on the Las Vegas Strip, our business may be significantly affected by risks common to the Las Vegas tourism industry. For example, the cost and availability of air services and the impact of any events that disrupt air travel to and from Las Vegas can adversely affect our business. We cannot control the number or frequency of flights to or from Las Vegas, but we rely on air traffic for a significant portion of our visitors. Reductions in flights by major airlines as a result of higher fuel prices or lower demand can impact the number of visitors to our resorts. Additionally, there is one principal interstate highway between Las Vegas and Southern California, where a large number of our customers reside. Capacity constraints of that highway or any other traffic disruptions may also affect the number of customers who visit our facilities.

### **We extend credit to a large portion of our customers and we may not be able to collect gaming receivables.**

We conduct a portion of our gaming activities on a credit basis through the issuance of markers which are unsecured instruments. Table games players typically are issued more markers than slot players, and high-end players typically are issued more markers than patrons who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular quarter. We issue markers to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. In addition, MGM Grand Paradise extends credit to certain gaming promoters and those promoters can extend credit to their customers. Uncollectible receivables from high-end customers and gaming promoters could have a significant impact on our results of operations.

While gaming debts evidenced by markers and judgments on gaming debts are enforceable under the current laws of Nevada, and Nevada judgments on gaming debts are enforceable in all states under the Full Faith and Credit Clause of the U.S. Constitution, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations.

Furthermore, we expect that MGM Macau will be able to enforce its gaming debts only in a limited number of jurisdictions, including Macau. To the extent MGM Macau gaming customers and gaming promoters are from other jurisdictions, MGM Macau may not have access to a forum in which it will be able to collect all of its gaming receivables because, among other

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reasons, courts of many jurisdictions do not enforce gaming debts and MGM Macau may encounter forums that will refuse to enforce such debts. Moreover, under applicable law, MGM Macau remains obligated to pay taxes on uncollectible winnings from customers.

Even where gaming debts are enforceable, they may not be collectible. Our inability to collect gaming debts could have a significant negative impact on our operating results.

### **We may incur impairments to goodwill, indefinite-lived intangible assets, or long lived assets which could negatively affect our future profits.**

We review our goodwill, intangible assets and long-lived assets on an annual basis and during interim reporting periods in accordance with the authoritative guidance. Significant negative trends, reduced estimates of future cash flows, disruptions to our business, slower growth rates or lack of growth have resulted in write-downs and impairment charges in the past and, if one or more of such events occurs in the future, additional impairment charges may be required in future periods. If we are required to record additional impairment charges, this could have a material adverse impact on our consolidated results of operations.

### **Leisure and business travel, especially travel by air, are particularly susceptible to global geopolitical events, such as terrorist attacks or acts of war or hostility.**

We are dependent on the willingness of our customers to travel by air. Since most of our customers travel by air to our Las Vegas and Macau properties, any terrorist act, outbreak of hostilities, escalation of war, or any actual or perceived threat to the security of travel by air, could adversely affect our financial condition, results of operations and cash flows. Furthermore, although we have been able to purchase some insurance coverage for certain types of terrorist acts, insurance coverage against loss or business interruption resulting from war and some forms of terrorism continues to be unavailable.

### **Investing through partnerships or joint ventures including CityCenter decreases our ability to manage risk.**

In addition to acquiring or developing hotels and resorts or acquiring companies that complement our business directly, we have from time to time invested, and expect to continue to invest, as a co-venturer. Joint venturers often have shared control over the operation of the joint venture assets. Therefore, the operation of a joint venture is subject to inherent risk due to the shared nature of the enterprise and the need to reach agreements on material matters. In addition, joint venture investments may involve risks such as the possibility that the co-venturer might become bankrupt or not have the financial resources to meet its obligations, or have economic or business interests or goals that are inconsistent with our business interests or goals, or be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives. Consequently, actions by a co-venturer might subject hotels and resorts owned by the joint venture to additional risk. Further, we may be unable to take action without the approval of our joint venture partners. Alternatively, our joint venture partners could take actions binding on the joint venture without our consent. Additionally, should a joint venture partner become bankrupt, we could become liable for our partner's or co-venturer's share of joint venture liabilities.

For instance, CityCenter, which is 50% owned and managed by us, has a significant amount of indebtedness, which could adversely affect its business and its ability to meet its obligations. If CityCenter is unable to meet its financial commitments and we and our partners are unable to support future funding requirements, as necessary, such event could have adverse financial consequences to us. In addition, the agreements governing CityCenter's indebtedness subject



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CityCenter and its subsidiaries to significant financial and other restrictive covenants, including restrictions on its ability to incur additional indebtedness, place liens upon assets, make distributions to us, make certain investments, consummate certain asset sales, enter into transactions with affiliates (including us) and merge or consolidate with any other person or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets. The CityCenter third amended and restated credit facility also includes certain financial covenants that require the Company to maintain a maximum total leverage ratio (as defined in CityCenter's third amended and restated credit facility) for each quarter, commencing on March 31, 2014. We cannot be sure that CityCenter will be able to meet this test or that the lenders will waive any failure to meet the test.

In addition, in accordance with our joint venture agreement and the CityCenter third amended and restated credit facility, we provided a cost overrun guarantee which is secured by our interests in the assets of Circus Circus Las Vegas and certain adjacent undeveloped land.

**Any of our future construction or development projects will be subject to significant development and construction risks, which could have a material adverse impact on related project timetables, costs and our ability to complete the projects.**

Any of our future construction or development projects will be subject to a number of risks, including:

lack of sufficient, or delays in the availability of, financing;

changes to plans and specifications;

engineering problems, including defective plans and specifications;

shortages of, and price increases in, energy, materials and skilled and unskilled labor, and inflation in key supply markets;

delays in obtaining or inability to obtain necessary permits, licenses and approvals;

changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming, leisure, residential, real estate development or construction projects;

labor disputes or work stoppages;

disputes with and defaults by contractors and subcontractors;

personal injuries to workers and other persons;

environmental, health and safety issues, including site accidents and the spread of viruses;

weather interferences or delays;

fires, typhoons and other natural disasters;

geological, construction, excavation, regulatory and equipment problems; and

other unanticipated circumstances or cost increases.

The occurrence of any of these development and construction risks could increase the total costs, delay or prevent the construction, development or opening or otherwise affect the design and features of any future construction projects which we might undertake. We cannot guarantee that our construction costs or total project costs for future projects will not increase beyond amounts initially budgeted.

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**Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer. In addition, our insurance costs may increase and we may not be able to obtain similar insurance coverage in the future.**

Although we have all risk property insurance coverage for our operating properties, which covers damage caused by a casualty loss (such as fire, natural disasters, acts of war, or terrorism), each policy has certain exclusions. In addition, our property insurance coverage is in an amount that may be significantly less than the expected replacement cost of rebuilding the facilities if there was a total loss. Our level of insurance coverage also may not be adequate to cover all losses in the event of a major casualty. In addition, certain casualty events, such as labor strikes, nuclear events, acts of war, loss of income due to cancellation of room reservations or conventions due to fear of terrorism, deterioration or corrosion, insect or animal damage and pollution, may not be covered at all under our policies. Therefore, certain acts could expose us to substantial uninsured losses.

In addition to the damage caused to our properties by a casualty loss, we may suffer business disruption as a result of these events or be subject to claims by third parties that may be injured or harmed. While we carry business interruption insurance and general liability insurance, this insurance may not be adequate to cover all losses in any such event.

We renew our insurance policies (other than our builder's risk insurance) on an annual basis. The cost of coverage may become so high that we may need to further reduce our policy limits, further increase our deductibles, or agree to certain exclusions from our coverage.

**CityCenter has decided to abate the potential for structural collapse of the Harmon in the event of a code-level earthquake by demolishing the building, and we are exposed to risks prior to or in connection with the demolition process.**

After partial construction of the Harmon, CityCenter discovered that in certain elements of the building (known as link beams) the reinforcing steel had been installed incorrectly by CityCenter's general contractor Perini Building Company (Perini) and its subcontractors. After additional structural defects in other areas of the Harmon were discovered, further construction at the Harmon was indefinitely stopped. During the third quarter of 2010, CityCenter determined that the Harmon was unlikely to be completed using the existing partially completed structure as it now stands. A consulting engineer engaged by CityCenter in 2011 to conduct a review requested by the Clark County Building Division (the Building Division) opined, among other things, that "[i]n a code-level earthquake, using either the permitted or current code specified loads, it is likely that critical structural members in the tower will fail and become incapable of supporting gravity loads, leading to a partial or complete collapse of the tower. There is missing or misplaced reinforcing steel in columns, beams, shear walls, and transfer walls throughout the structure of the tower below the twenty-first floor. In response to this opinion, the Building Division required CityCenter to provide a plan of action to abate the potential for structural collapse of the Harmon. After expert consultation, we informed the Building Division that we have decided to abate the potential for structural collapse of the Harmon by demolishing the building, subject to the receipt of court approval. On August 23, 2013, the court granted CityCenter's motion, and CityCenter has commenced planning for demolition of the building. On November 22, 2013 the court granted Perini's motion for reconsideration of the prior order granting CityCenter permission to demolish the building, on the basis that the builder's risk insurer had objected to destruction of the Harmon until completion of the builder's risk insurer's investigation of CityCenter's policy claim regarding the building. The parties submitted another round of briefing on the issue, and a further hearing on the matter has been set for December 20, 2013. A partial or complete collapse of the Harmon prior to demolition, or the demolition

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process itself, could result in property damage or injury, which could have a material adverse effect on CityCenter's and our business and/or cause reputational harm to CityCenter and us.

### **Any failure to protect our trademarks could have a negative impact on the value of our brand names and adversely affect our business.**

The development of intellectual property is part of our overall business strategy, and we regard our intellectual property to be an important element of our success. While our business as a whole is not substantially dependent on any one trademark or combination of several of our trademarks or other intellectual property, we seek to establish and maintain our proprietary rights in our business operations through the use of trademarks. We file applications for, and obtain trademarks in, the United States and in foreign countries where we believe filing for such protection is appropriate. Despite our efforts to protect our proprietary rights, parties may infringe our trademarks and our rights may be invalidated or unenforceable. The laws of some foreign countries do not protect proprietary rights to as great an extent as the laws of the United States. Monitoring the unauthorized use of our intellectual property is difficult. Litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Litigation of this type could result in substantial costs and diversion of resource. We cannot assure you that all of the steps we have taken to protect our trademarks in the United States and foreign countries will be adequate to prevent imitation of our trademarks by others. The unauthorized use or reproduction of our trademarks could diminish the value of our brand and its market acceptance, competitive advantages or goodwill, which could adversely affect our business.

### **Tracinda owns a significant amount of our common stock and may have interests that differ from the interests of other holders of our stock.**

As of September 30, 2013, Tracinda Corporation beneficially owned approximately 19% of our outstanding common stock. As a result, Tracinda may be able to exercise significant influence over us as a result of its significant ownership of our outstanding common stock. For example, actions requiring stockholder approval that may be supported by other stockholders might be effectively blocked by Tracinda Corporation.

### **We are subject to risks associated with doing business outside of the United States.**

Our operations outside of the United States are subject to risks that are inherent in conducting business under non-United States laws, regulations and customs. In particular, the risks associated with the operation of MGM Macau or any future operations in which we may engage in any other foreign territories, include:

changes in laws and policies that govern operations of companies in Macau or other foreign jurisdictions;

changes in non-United States government programs;

possible failure to comply with anti-bribery laws such as the United States Foreign Corrupt Practices Act and similar anti-bribery laws in other jurisdictions;

general economic conditions and policies in China, including restrictions on travel and currency movements;

difficulty in establishing, staffing and managing non-United States operations;

different labor regulations;

changes in environmental, health and safety laws;



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potentially negative consequences from changes in or interpretations of tax laws;

political instability and actual or anticipated military and political conflicts;

economic instability and inflation, recession or interest rate fluctuations; and

uncertainties regarding judicial systems and procedures.

These risks, individually or in the aggregate, could have an adverse effect on our results of operations and financial condition. We are also exposed to a variety of market risks, including the effects of changes in foreign currency exchange rates. If the United States dollar strengthens in relation to the currencies of other countries, our United States dollar reported income from sources where revenue is dominated in the currencies of other such countries will decrease.

**Any violation of the Foreign Corrupt Practices Act or any other similar anti-corruption laws could have a negative impact on us.**

A significant portion of our revenue is derived from operations outside the United States, which exposes us to complex foreign and U.S. regulations inherent in doing cross-border business and in each of the countries in which we transact business. We are subject to compliance with the United States Foreign Corrupt Practices Act ( FCPA ) and other similar anti-corruption laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. While our employees and agents are required to comply with these laws, we cannot be sure that our internal policies and procedures will always protect us from violations of these laws, despite our commitment to legal compliance and corporate ethics. Violations of these laws may result in severe criminal and civil sanctions as well as other penalties, and the Securities and Exchange Commission and U.S. Department of Justice have increased their enforcement activities with respect to the FCPA. The occurrence or allegation of these types of risks may adversely affect our business, performance, prospects, value, financial condition, and results of operations.

**We face risks related to pending claims that have been, or future claims that may be, brought against us.**

Claims have been brought against us and our subsidiaries in various legal proceedings, and additional legal and tax claims arise from time to time. We may not be successful in the defense or prosecution of our current or future legal proceedings, which could result in settlements or damages that could significantly impact our business, financial condition and results of operations. See *Legal Proceedings* in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013.

**A significant portion of our labor force is covered by collective bargaining agreements.**

Work stoppages and other labor problems could negatively affect our business and results of operations. Approximately 30,000 of our employees are covered by collective bargaining agreements. A prolonged dispute with the covered employees or any labor, unrest, strikes or other business interruptions in connection with labor negotiations or others could have an adverse impact on our operations. Also, wage and or benefit increases resulting from new labor agreements may be significant and could also have an adverse impact on our results of operations. In addition, to the extent that our non-union employees join unions, we would have greater exposure to risks associated with labor problems.

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### **Our business is particularly sensitive to energy prices and a rise in energy prices could harm our operating results.**

We are a large consumer of electricity and other energy and, therefore, higher energy prices may have an adverse effect on our results of operations. Accordingly, increases in energy costs may have a negative impact on our operating results. Additionally, higher electricity and gasoline prices that affect our customers may result in reduced visitation to our resorts and a reduction in our revenues.

### **Failure to maintain the integrity of internal customer information could result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data.**

We collect information relating to our guests for various business purposes, including marketing and promotional purposes. The collection and use of personal data are governed by privacy laws and regulations enacted in the United States and other jurisdictions around the world. Privacy regulations continue to evolve and on occasion may be inconsistent from one jurisdiction to another. Compliance with applicable privacy regulations may increase our operating costs and/or adversely impact our ability to market our products, properties and services to our guests. In addition, non-compliance with applicable privacy regulations by us (or in some circumstances non-compliance by third parties engaged by us) or a breach of security on systems storing our data may result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data.

### **We may seek to expand through investments in other businesses and properties or through alliances, and we may also seek to divest some of our properties and other assets, any of which may be unsuccessful.**

We intend to consider strategic and complementary investments in other businesses, properties or other assets. Furthermore, we may pursue these opportunities in alliance with third parties. Investments in businesses, properties or assets, as well as these alliances, are subject to risks that could affect our business, including risks related to:

spending cash and incurring debt;

assuming contingent liabilities;

contributing properties or related assets to hospitality ventures that could result in recognition of losses; or

creating additional expenses.

We cannot assure you that we will be able to identify opportunities or complete transactions on commercially reasonable terms or at all, or that we will actually realize any anticipated benefits from such investments or alliances.

### **If the jurisdictions in which we operate increase gaming taxes and fees, our results could be adversely affected.**

State and local authorities raise a significant amount of revenue through taxes and fees on gaming activities. From time to time, legislators and government officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. Periods of economic downturn or uncertainty and budget deficits may intensify such efforts to raise revenues through increases in gaming taxes. If the jurisdictions in which we operate were to

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increase gaming taxes or fees, depending on the magnitude of the increase and any offsetting factors, our financial condition and results of operations could be materially adversely affected.

**Conflicts of interest may arise because certain of our directors and officers are also directors of MGM China, the holding company for MGM Grand Paradise which owns and operates MGM Macau.**

As a result of the initial public offering of shares of MGM China common stock, MGM China now has stockholders who are not affiliated with us, and we and certain of our officers and directors who also serve as officers and/or directors of MGM China may have conflicting fiduciary obligations to our stockholders and to the minority stockholders of MGM China. Decisions that could have different implications for us and MGM China, including contractual arrangements that we have entered into or may in the future enter into with MGM China, may give rise to the appearance of a potential conflict of interest or an actual conflict of interest.



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**USE OF PROCEEDS**

We estimate that our net proceeds from this offering will be approximately \$492.7 million, after deducting discounts and commissions and estimated offering expenses.

We intend to use the net proceeds from the offering of the notes for general corporate purposes, which may include repaying a portion of our 5.875% senior notes due in February 2014. Pending such use, we may invest the net proceeds in short-term interest-bearing accounts, securities or similar investments.

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**Table of Contents****CAPITALIZATION**

The following table sets forth our cash and cash equivalents and consolidated capitalization as of September 30, 2013:

on a historical basis; and

as adjusted to give effect to the issuance of the notes.

The information presented in the table below should be read in conjunction with Use of Proceeds, and Description of Long-Term Debt as well as the consolidated historical financial statements and notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus.

	At September 30, 2013	
	Actual	As Adjusted
	(in millions)	
Cash and cash equivalents	\$ 1,375.4	\$ 1,868.1
Long-term debt (including current maturities):(1)		
MGM Resorts International:		
Senior Secured Credit Facilities		
Revolving Facility	80.0	80.0
Term Loan	2,779.0	2,779.0
5.875% senior notes due 2014(2)	508.9	508.9
6.625% senior notes due 2015	875.0	875.0
4.25% convertible senior notes due 2015	1,450.0	1,450.0
6.875% senior notes due 2016	242.9	242.9
7.5% senior notes due 2016	732.7	732.7
10% senior notes due 2016	500.0	500.0
7.625% senior notes due 2017	743.0	743.0
11.375% senior notes due 2018	475.0	475.0
8.625% senior notes due 2019	850.0	850.0
6.75% senior notes due 2020	1,000.0	1,000.0
6.625% senior notes due 2021	1,250.0	1,250.0
7.75% senior notes due 2022	1,000.0	1,000.0
5.250% senior notes due 2020 offered hereby		500.0
Mandalay Resort Group:		
7% debentures due 2036	0.6	0.6
6.7% debentures due 2096	4.3	4.3
MGM Grand Paradise credit facility	553.1	553.1
Total face value of long-term-debt	\$ 13,044.5	\$ 13,544.5
Debt premiums and discounts, net	\$ (10.0)	\$ (10.0)
Total long-term debt (including current maturities)	\$ 13,034.5	\$ 13,534.5
Total stockholders' equity	\$ 7,827.2	\$ 7,827.2
Total capitalization	\$ 20,861.7	\$ 21,361.7

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- (1) All of the outstanding long-term debt identified in this table are joint and several obligations of MGM Resorts International and the guarantors, except the MGM Grand Paradise credit facility.
- (2) We intend to use the net proceeds from the offering of the notes for general corporate purposes, which may include repaying a portion of our 5.875% senior notes due in February 2014. Pending such use, we may invest the net proceeds in short-term interest-bearing accounts, securities or similar investments.

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**REGULATION AND LICENSING**

The gaming industry is highly regulated, and we must maintain our licenses and pay gaming taxes to continue our operations. Each of our casinos is subject to extensive regulation under the laws, rules and regulations of the jurisdiction in which it is located. These laws, rules and regulations generally concern the responsibility, financial stability and character of the owners, managers, and persons with financial interest in the gaming operations. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions.

**Nevada Government Regulation**

The ownership and operation of our casino gaming facilities in Nevada are subject to the Nevada Gaming Control Act and the regulations promulgated thereunder (collectively, the Nevada Act ) and various local regulations. Our gaming operations are subject to the licensing and regulatory control of the Nevada Gaming Commission (the Nevada Commission ), the Nevada State Gaming Control Board (the Nevada Board ) and various county and city licensing agencies (the local authorities ). The Nevada Commission, the Nevada Board, and the local authorities are collectively referred to as the Nevada Gaming Authorities.

We, along with Mirage Resorts, Incorporated and Mandalay Resort Group, are required to be registered by the Nevada Commission as publicly traded corporations (collectively, the Nevada registered corporations ) and as such, each of us is required periodically to submit detailed financial and operating reports to the Nevada Commission and furnish any other information that the Nevada Commission may require. No person may become a stockholder or member of, or receive any percentage of profits from Nevada licensed subsidiaries without first obtaining licenses and approvals from the Nevada Gaming Authorities. Additionally, the local authorities have taken the position that they have the authority to approve all persons owning or controlling the stock of any corporation controlling a gaming licensee. The Nevada registered corporations and the Nevada licensed subsidiaries have obtained from the Nevada Gaming Authorities the various registrations, approvals, permits and licenses required in order to engage in gaming activities in Nevada.

Any beneficial holder of our voting securities, regardless of the number of shares owned, may be required to file an application, be investigated, and have his or her suitability as a beneficial holder of the voting securities determined if the Nevada Commission has reason to believe that such ownership would otherwise be inconsistent with the declared policies of the State of Nevada. The applicant must pay all costs of investigation incurred by the Nevada Gaming Authorities in conducting any such investigation.

The Nevada Act requires any person who acquires more than 5% of any class of our voting securities to report the acquisition to the Nevada Commission. The Nevada Act requires that beneficial owners of more than 10% of any class of our voting securities apply to the Nevada Commission for a finding of suitability within thirty days after the Chairman of the Nevada Board mails the written notice requiring such filing. Under certain circumstances, an institutional investor as defined in the Nevada Act, which acquires more than 10% but not more than 25% of any class of our voting securities, may apply to the Nevada Commission for a waiver of such finding of suitability if such institutional investor holds the voting securities for investment purposes only. An institutional investor that has obtained a waiver may, in certain circumstances, own up to 29% of the voting securities of a registered company for a limited period of time and maintain the waiver.

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An institutional investor will be deemed to hold voting securities for investment purposes if it acquires and holds the voting securities in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of our board of directors, any change in our corporate charter, bylaws, management, policies or operations or any of our gaming affiliates, or any other action that the Nevada Commission finds to be inconsistent with holding our voting securities for investment purposes only. Activities that are not deemed to be inconsistent with holding voting securities for investment purposes only include:

voting on all matters voted on by stockholders;

making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and

such other activities as the Nevada Commission may determine to be consistent with such investment intent.

If the beneficial holder of voting securities who must be found suitable is a corporation, partnership or trust, it must submit detailed business and financial information including a list of beneficial owners. The applicant is required to pay all costs of investigation.

Any person who fails or refuses to apply for a finding of suitability or a license within 30 days after being ordered to do so by the Nevada Commission or the Chairman of the Nevada Board, or who refuses or fails to pay the investigative costs incurred by the Nevada Gaming Authorities in connection with investigation of its application may be found unsuitable. The same restrictions apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any stockholder found unsuitable and who holds, directly or indirectly, any beneficial ownership of our common stock beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a criminal offense. We will be subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us or a Nevada licensed subsidiary, we or any of the Nevada licensed subsidiaries:

pays that person any dividend or interest upon any of our voting securities;

allows that person to exercise, directly or indirectly, any voting right conferred through securities held by that person,

pays remuneration in any form to that person for services rendered or otherwise, or

fails to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including if necessary, the immediate purchase of the voting securities for cash at fair market value.

We are required to maintain a current stock ledger in Nevada that may be examined by the Nevada Gaming Authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to the Nevada Gaming Authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. We are also required to render maximum assistance in determining the identity of the beneficial owner. The Nevada Commission has the power to require the Nevada registered corporations' stock certificates to bear a legend indicating that such securities are subject to the Nevada Act. However, to date, the Nevada Commission has not imposed such a requirement on the Nevada registered corporations.

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The Nevada registered corporations may not make a public offering of any securities without the prior approval of the Nevada Commission if the securities or the proceeds therefrom are intended to be used to construct, acquire or finance gaming facilities in Nevada, or to retire or extend obligations incurred for those purposes or for similar purposes. An approval, if given, does not constitute a finding, recommendation or approval by the Nevada Commission or the Nevada Board as to the accuracy or adequacy of the prospectus or the investment merits of the securities. Any representation to the contrary is unlawful.

On July 13, 2011, the Nevada Commission granted the Nevada registered corporations prior approval to make public offerings for a period of three years, subject to certain conditions (the shelf approval). The shelf approval also includes approval for the Nevada registered corporations to place restrictions on the transfer of any equity security issued by the Nevada licensed subsidiaries and to enter into agreements not to encumber such securities, pursuant to any public offering made under the shelf approval. However, the shelf approval may be rescinded for good cause without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Nevada Board. The shelf approval does not constitute a finding, recommendation or approval by the Nevada Commission or the Nevada Board as to the accuracy or adequacy of the prospectus or other disclosure document by which securities are offered or the investment merits of the securities offered.

Changes in control of the Nevada registered corporations through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or any act or conduct by a person whereby he or she obtains control, may not occur without the prior approval of the Nevada Commission.

Entities seeking to acquire control of a registered corporation must satisfy the Nevada Board and the Nevada Commission concerning a variety of stringent standards prior to assuming control of the registered corporation. The Nevada Commission may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control to be investigated and licensed as part of the approval process relating to the transaction.

The Nevada legislature has declared that some corporate acquisitions opposed by management, repurchases of voting securities and corporate defensive tactics affecting Nevada gaming licensees, and registered corporations that are affiliated with those operations, may be injurious to stable and productive corporate gaming. The Nevada Commission has established a regulatory scheme to ameliorate the potentially adverse effects of these business practices upon Nevada's gaming industry and to further Nevada's policy to:

assure the financial stability of corporate gaming operators and their affiliates;

preserve the beneficial aspects of conducting business in the corporate form; and

promote a neutral environment for the orderly governance of corporate affairs.

Approvals are, in certain circumstances, required from the Nevada Commission before we can make exceptional repurchases of voting securities above the current market price and before a corporate acquisition opposed by management can be consummated. The Nevada Act also requires prior approval of a plan of recapitalization proposed by a registered corporation's board of directors in response to a tender offer made directly to the registered corporation's stockholders for the purpose of acquiring control of that corporation.

Our businesses are subject to various federal, state and local laws and regulations in addition to gaming regulations. These laws and regulations include, but are not limited to,

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restrictions and conditions concerning alcoholic beverages, environmental matters, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our operating results.

### **Michigan Government Regulation**

Under rules of the Michigan Gaming Control Board (the Michigan Board), a person or company which intends to acquire shares representing more than a 5% equity interest in a publicly traded company which is the holding company of a Michigan casino licensee must obtain approval of the acquisition from the Michigan Board. Subsequent to the acquisition, the person or company acquiring the shares must be determined by the Michigan Board to be suitable and qualified to own the shares. In addition, if the acquisition is by a company, key persons in the company (generally the officers, directors, managerial employees, and significant owners) must also be determined to be suitable and qualified.

Institutional investors (as that term is defined in the Michigan Gaming Control and Revenue Act) may generally obtain a waiver from these requirements if the institutional investor has less than 15% ownership interest in the publicly traded company. Upon attaining equity ownership of 5% or more, or filing Schedule 13D or 13G with the Commission, the Michigan Board must be notified by the investor. Unless otherwise ordered by the Michigan Board, institutional investors acquiring less than 10% equity ownership in the publicly traded company are entitled to an exemption from the approval requirements, but are required to file an institutional waiver application with the Michigan Board. Institutional investors acquiring 10% or more equity ownership must apply for an institutional waiver, supplying certain information delineated in Rule 504(3). Pursuant to Rule 504(4), institutional investors acquiring more than 15% equity ownership must apply to the Michigan Board for approval of the acquisition within 45 days after it occurs. The institutional investor and its key persons may be subject to suitability and qualification determinations.

The term institutional investor includes financial institutions, insurance companies mutual funds, pension funds, mutual funds, etc. The shares held by the institutional investor must be held for investment purposes only. The following activities are deemed consistent with holding the shares for investment purposes: voting by proxy furnished by the board of directors, on all matters voted on by the holders of the voting securities; serving as a member of a committee of creditors or security holders formed in connection with a debt restructuring; nominating a candidate for election or appointment to the board of directors in connection with a debt restructuring; accepting appointment or election as a member of the board of directors in connection with a debt restructuring and serving in that capacity until the conclusion of the member's term; making financial and other inquiries of management of the type normally made by securities analysts for information purposes and not to cause a change in its management, policies, or operations; and other activities that the board determines to be consistent with the investment intent.

### **Illinois Government Regulation**

The Illinois Board requires that each institutional investor, as that term is defined by the Illinois Board, that, individually or jointly with others, cumulatively acquires, directly or indirectly, 5% or more of any class of voting securities of a publicly-traded licensee or a licensee's publicly-traded parent corporation shall, within no less than ten days after acquiring such securities, notify the Illinois Board of such ownership and shall, upon request, provide

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such additional information as may be required by the Illinois Board. An institutional investor that, individually or jointly with others, cumulatively acquires, directly or indirectly, 10% or more of any class of voting securities of a publicly-traded licensee or a licensee's publicly-traded parent corporation shall file an Institutional Investor Disclosure Form, provided by the Illinois Board, within 45 days after cumulatively acquiring such level of ownership interest, unless such requirement is waived by the Illinois Board. Based upon the current position of the Illinois Board, ownership interest in a licensee's publicly-traded parent corporation is calculated based on the publicly-traded parent corporation's ownership in the licensee. Accordingly, an institutional investor that owns 5% of any class of our voting securities would only be considered a 2.5% owner for the basis of the regulations of the Illinois Board based on our 50% ownership in Grand Victoria. Additionally, we must notify the Illinois Board as soon as possible after we become aware that we are involved in an ownership acquisition by an institutional investor.

**Macau S.A.R. Laws and Regulations**

MGM Grand Paradise is regulated as a gaming operator under applicable Macau law and our ownership interest in MGM Grand Paradise is subject to continuing regulatory scrutiny. We are required to be approved by the Macau government (gaming authorities) to own an interest in a gaming operator. Authorized gaming operators must pay periodic fees and taxes, and gaming rights are not transferable, unless approved by the Macau government. MGM Grand Paradise must periodically submit detailed financial and operating reports to the Macau gaming authorities and furnish any other information that the Macau gaming authorities may require. No person may acquire any rights over the shares or assets of MGM Grand Paradise without first obtaining the approval of the Macau gaming authorities. The transfer or creation of encumbrances over ownership of shares representing the share capital of MGM Grand Paradise or other rights relating to such shares, and any act involving the granting of voting rights or other stockholders' rights to persons or entities other than the original owners, would require the approval of the Macau government and the subsequent report of such acts and transactions to the Macau gaming authorities. The stock of MGM Grand Paradise and its casinos, assets and equipments shall not be subject to any liens or encumbrances, except under authorization by the Macau government.

MGM Grand Paradise's subconcession contract requires approval of the Macau government for transfers of shares, or of any rights over such shares, in any of the direct or indirect stockholders in MGM Grand Paradise, including us, provided that such shares or rights are directly or indirectly equivalent to an amount that is equal to or higher than 5% of the share capital in MGM Grand Paradise. Under the subconcession contract, this approval requirement does not apply to securities that are listed and tradable on a stock market. Since MGM Grand Paradise's securities are not listed and tradable on a stock market this approval requirement applies to transfers of MGM Grand Paradise's shares. In addition, this contract requires that the Macau government be given notice of the creation of any encumbrance or the grant of voting rights or other stockholders' rights to persons other than the original owners on shares in any of the direct or indirect stockholders in MGM Grand Paradise, including us, provided that such shares or rights are indirectly equivalent to an amount that is equal to or higher than 5% of the share capital in MGM Grand Paradise. This notice requirement will not apply, however, to securities listed and tradable on a stock exchange.

MGM Grand Paradise is in no case allowed to delegate the management of gaming operations to a management company, and is in no case allowed to enter into a management contract by which its managing powers are or might be assumed by a third party. Any act or contract by which MGM Grand Paradise assigns, transfers, alienates or creates liens or



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encumbrances on gaming operations to or in favor of a third party is prohibited, unless previously approved by the Macau government.

The Macau gaming authorities may investigate any individual who has a material relationship to, or material involvement with, MGM Grand Paradise to determine whether MGM Grand Paradise's suitability and/or financial capacity is affected by that individual. MGM Grand Paradise shareholders with 5% or more of the share capital and directors must apply for and undergo a finding of suitability process and maintain due qualification during the subconcession term, and accept the persistent and long-term inspection and supervision exercised by the Macau government. MGM Grand Paradise is required to immediately notify the Macau government should MGM Grand Paradise become aware of any fact that may be material to the appropriate qualification of any shareholder who owns 5% or more of the share capital, or any director or key employee. Changes in approved corporate positions must be reported to the Macau gaming authorities. The Macau gaming authorities have jurisdiction to deny an application for a finding of suitability.

Any person who fails or refuses to apply for a finding of suitability after being ordered to do so by the Macau gaming authorities may be found unsuitable. Any stockholder subject to a suitability process who is found unsuitable must transfer their shares to a third party within a term set by the Macau government. If such transfer is not consummated, MGM Grand Paradise must acquire those shares. If any officer, director or key employee is found unsuitable, MGM Grand Paradise must sever all relationships with that person. In case of failure to act in accordance thereof, MGM Grand Paradise would become subject to administrative sanctions and penalties.

The Macau government must give their prior approval to changes in control of MGM Grand Paradise through a merger, consolidation, stock or asset acquisition, management or consulting agreement or any act or conduct by any person whereby he or she obtains control. Entities seeking to acquire control of a registered corporation must satisfy the Macau government concerning a variety of stringent standards prior to assuming control. The Macau gaming authorities may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control, to be considered suitable as part of the approval process of the transaction.

The Macau gaming authorities also have the power to supervise gaming operators in order to assure the financial stability of corporate gaming operators and their affiliates.

The subconcession contract requires the Macau gaming authorities' prior approval of any recapitalization plan, any increase of the capital stock by public subscription, any issue of preferential shares or any creation, issue or transformation of types or series of shares representative of MGM Grand Paradise capital stock, as well as any change in the constituent documents (i.e., articles of association) of MGM Grand Paradise. The Chief Executive of Macau could also require MGM Grand Paradise to increase its share capital if he deemed it necessary.

MGM Macau was constructed and is operated under MGM Grand Paradise's subconcession contract. This subconcession excludes the following gaming activities: mutual bets, gaming activities provided to the public, interactive gaming and games of chance or other gaming, betting or gambling activities on ships or planes. MGM Grand Paradise's subconcession is exclusively governed by Macau law. MGM Grand Paradise is subject to the exclusive jurisdiction of the courts of Macau in case of any potential dispute or conflict relating to our subconcession.

MGM Grand Paradise's subconcession contract expires on March 31, 2020. Unless the subconcession is extended, on that date, all casino operations and related equipment in MGM

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Macau will automatically be transferred to the Macau government without compensation to MGM Grand Paradise and MGM Resorts International will cease to generate any revenues from these operations. Beginning on April 20, 2017, the Macau government may redeem the subconcession by giving MGM Grand Paradise at least one year prior notice and by paying fair compensation or indemnity.

The amount of such compensation or indemnity will be determined based on the amount of revenue generated during the tax year prior to the redemption.

The Macau government also has the right to unilaterally terminate, without compensation to MGM Grand Paradise, the subconcession at any time upon the occurrence of fundamental non-compliance by MGM Grand Paradise with applicable Macau laws or MGM Grand Paradise's basic obligations under the subconcession contract. If the default is curable, the Macau gaming authorities are required to give MGM Grand Paradise prior notice to cure the default, though no specific cure period for that purpose is provided.

The subconcession contract contains various general covenants and obligations and other provisions, the compliance with which is subjective. MGM Grand Paradise has the following obligations under the subconcession contract:

ensure the proper operation and conduct of casino games;

employ people with appropriate qualifications;

operate and conduct casino games of chance in a fair and honest manner without the influence of criminal activities; and

safeguard and ensure Macau's interests in tax revenue from the operation of casinos and other gaming areas.

The subconcession contract requires MGM Grand Paradise to maintain a certain minimum level of insurance which is in place.

MGM Grand Paradise is also subject to certain reporting requirements to the Macau gaming authorities.

Under the subconcession, MGM Grand Paradise is obligated to pay to the Macau S.A.R. government an annual premium with a fixed portion and a variable portion based on the number and type of gaming tables employed and gaming machines operated. The fixed portion of the premium is equal to 30 million patacas (approximately \$3.8 million, based on exchange rates at October 31, 2013). The variable portion is equal to 300,000 patacas per gaming table reserved exclusively for certain kinds of games or players, 150,000 patacas per gaming table not so reserved and 1,000 patacas per electrical or mechanical gaming machine, including slot machines (approximately \$37,500, \$18,800 and \$125, respectively, based on exchange rates at October 31, 2013), subject to a minimum of 45 million patacas (approximately \$5.6 million, based on exchange rates at October 31, 2013). MGM Grand Paradise also has to pay a special gaming tax of 35% of gross gaming revenues and applicable withholding taxes. It must also contribute 1.6% and 2.4% (a portion of which must be used for promotion of tourism in Macau) of its gross gaming revenue to a public foundation designated by the Macau S.A.R. government and to the Macau S.A.R. government, respectively, as special levy.

Currently, the gaming tax in Macau is calculated as a percentage of gross gaming revenue. However, gross gaming revenue does not include deductions for credit losses. As a result, if MGM Grand Paradise issues markers to its customers in Macau and is unable to collect on the

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related receivables from them, it has to pay taxes on its winnings from these customers even though it was unable to collect the related receivables.

MGM Grand Paradise has received a concession from the Macau government to use a 10.67 acre parcel of land for MGM Macau (the MGM Macau Land Contract ). The land concession will expire on April 6, 2031 and is renewable.

The MGM Macau Land Contract requires MGM Grand Paradise to pay a premium which was paid in full before the opening of MGM Macau. In addition, MGM Grand Paradise is also obligated to pay rent annually for the term of the MGM Macau Land Contract. The rent amount may be revised every five years by the Macau government, according to the provisions of the Macau Land law.

In addition, on October 18, 2012, MGM Grand Paradise formally accepted a land concession contract with the government of Macau to develop a second resort and casino on an approximately 17.8 acre site in Cotai Macau (the Cotai Land Contract ). The land concession contract became effective on January 9, 2013 when the Macau government published it in the Official Gazette of Macau, and has an initial term of 25 years. The land premium payable to the Macau government for the land concession contract is \$161 million and is composed of a down payment and eight additional semi-annual payments. As of September 30, 2013, MGM China had paid \$71 million of the contract premium. Including interest on the seven remaining semi-annual payments, MGM China has \$103 million remaining payable for the land concession contract. In addition, MGM Grand Paradise is required to pay the Macau government \$269,000 per year in rent during the course of development of the land and \$681,000 per year in rent once the development is completed. The annual rent is subject to review by the Macau government every five years.

MGM Grand Paradise received an exemption from Macau's corporate income tax on profits generated by the operation of casino games of chance for a period of five-years starting at January 1, 2007. In October 2011, MGM Grand Paradise was granted an extension of this exemption for an additional five years. The exemption runs through December 31, 2016.

### **Mississippi Government Regulation**

We conduct our Mississippi gaming operations through two indirect subsidiaries, Beau Rivage Resorts, Inc., which owns and operates Beau Rivage in Biloxi, Mississippi, and MGM Resorts Mississippi, Inc., which owns and operates the Gold Strike Casino in Tunica County, Mississippi (collectively, the casino licensees ). The current licenses of the casino licensees were renewed on June 23, 2012 and are effective through June 22, 2015.

Substantially all loans, leases, sales of securities and similar financing transactions by the casino licensees must be reported to or approved by the Mississippi Gaming Commission. The licensed subsidiaries may not make a public offering of their securities, but may pledge or mortgage casino facilities with the prior approval of the Mississippi Gaming Commission. We may not make a public offering of our securities without the prior approval of the Mississippi Gaming Commission if any part of the proceeds of the offering is to be used to finance the construction, acquisition or operation of gaming facilities in Mississippi or to retire or extend obligations incurred for those purposes. The approval, if given, does not constitute a recommendation or approval of the accuracy or adequacy of the prospectus or the investment merits of the securities subject to the offering. Effective June 23, 2012, the Mississippi Gaming Commission granted us a waiver of the prior approval requirement for our securities offerings for a period of three years, subject to certain conditions. The waiver may be rescinded for good

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cause without prior notice upon the issuance of an interlocutory stop order by the Executive Director of the Mississippi Gaming Commission.

Under the regulations of the Mississippi Gaming Commission, the casino licensees may not guarantee a security issued by us pursuant to a public offering, or pledge their assets to secure payment or performance of the obligations evidenced by such a security issued by us, without the prior approval of the Mississippi Gaming Commission. Similarly, we may not pledge the stock or other ownership interests of the casino licensees, nor may the pledgee of such ownership interests foreclose on such a pledge, without the prior approval of the Mississippi Gaming Commission. Moreover, restrictions on the transfer of an equity security issued by us and agreements not to encumber such securities granted by us are ineffective without the prior approval of the Mississippi Gaming Commission. The waiver of the prior approval requirement for our securities offerings received from the Mississippi Gaming Commission effective June 23, 2012 includes a waiver of the prior approval requirement for such guarantees, pledges and restrictions of the casino licensees, subject to certain conditions.

The Mississippi Gaming Commission has generally exercised its discretion to require a finding of suitability of any beneficial owner of more than 5% of a registered public or private company's voting securities. However, the Mississippi Gaming Commission has adopted a regulation that permits certain institutional investors to own beneficially up to 15% and, under certain circumstances, up to 19%, of a registered or licensed company's voting securities without a finding of suitability. Under the regulations, an institutional investor, as defined therein, may apply to the Executive Director of the Mississippi Gaming Commission for a waiver of a finding of suitability if such institutional investor (i) beneficially owns up to 15% (or, in certain circumstances, up to 19%) of the voting securities of a registered or licensed company, and (ii) holds the voting securities for investment purposes only. An institutional investor shall not be deemed to hold voting securities for investment purposes unless the voting securities were acquired and are held in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of the board of directors of the registered or licensed company, any change in the registered or licensed company's corporate charter, bylaws, management, policies or operations of the registered public or private company or any of its gaming affiliates, or any other action which the Mississippi Gaming

Commission finds to be inconsistent with holding the registered or licensed company's voting securities for investment purposes only.

Activities that are not deemed to be inconsistent with holding voting securities for investment purposes only include:

voting, directly or indirectly through the delivery of a proxy furnished by the board of directors, on all matters voted upon by the holders of such voting securities;

serving as a member of any committee of creditors or security holders formed in connection with a debt restructuring;

nominating any candidate for election or appointment to the board of directors in connection with a debt restructuring;

accepting appointment or election (or having a representative accept appointment or election) as a member of the board of directors in connection with a debt restructuring and serving in that capacity until the conclusion of the member's term;

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making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in management, policies or operations; and

such other activities as the Mississippi Gaming Commission may determine to be consistent with such investment intent.

A more detailed description of the regulations to which we are subject is contained in Exhibit 99.2 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 which is incorporated by reference herein.

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**Table of Contents****DESCRIPTION OF LONG-TERM DEBT****Senior Secured Credit Facilities**

At September 30, 2013, the Company's senior secured credit facility consisted of \$1.2 billion of commitments under a revolving facility, a \$1.04 billion term loan A facility and a \$1.74 billion term loan B facility. The revolving and term loan A facilities bear interest at LIBOR plus an applicable rate determined by the Company's credit rating (2.75% as of September 30, 2013). The term loan B facility was re-priced in May 2013 and bears interest at LIBOR plus 2.50%, with a LIBOR floor of 1.00%, a 75 basis-point reduction compared to the prior rate. The revolving and term loan A facilities mature in December 2017 and the term loan B facility matures in December 2019. The term loan A and term loan B facilities are subject to scheduled amortization payments on the last day of each calendar quarter from and after March 31, 2013 in an amount equal to 0.25% of the original principal balance. The Company permanently repaid \$7 million and \$21 million in the three and nine months ended September 30, 2013, respectively, in accordance with the scheduled amortization. The Company had \$1.09 billion of available borrowing capacity under its senior secured credit facility at September 30, 2013. At September 30, 2013, the interest rate on the term loan A was 2.93%, the interest rate on the term loan B was 3.50%, and the interest rate on the revolving loans was 2.89%.

The land and substantially all of the assets of MGM Grand Las Vegas, Bellagio and The Mirage secure up to \$3.35 billion of obligations outstanding under the senior secured credit facility. In addition, the land and substantially all of the assets of New York-New York and Gold Strike Tunica secure the entire amount of the senior secured credit facility and the land and substantially all of the assets of MGM Grand Detroit secure its \$450 million of obligations as a co-borrower under the senior secured credit facility. In addition, the senior secured credit facility is secured by a pledge of the equity or limited liability company interests of the subsidiaries that own the pledged properties.

The senior secured credit facility contains customary representations and warranties and customary affirmative and negative covenants. In addition, the senior secured credit facility requires the Company and its restricted subsidiaries to maintain a minimum trailing four-quarter EBITDA and limits the ability of the Company and its restricted subsidiaries to make capital expenditures. As of September 30, 2013, the Company and its restricted subsidiaries are required to maintain a minimum EBITDA (as defined in the senior secured credit facility) of \$1.05 billion. The minimum EBITDA increases to \$1.10 billion for March 31, 2014 and June 30, 2014, with periodic increases thereafter. EBITDA for the trailing twelve months ended September 30, 2013 calculated in accordance with the terms of the senior secured credit facility was \$1.26 billion. The Company and its restricted subsidiaries are expected to be within the limit of \$500 million of capital expenditures for the calendar year 2013.

The senior secured credit facility provides for customary events of default, including, without limitation, (i) payment defaults, (ii) covenant defaults, (iii) cross-defaults to certain other indebtedness in excess of specified amounts, (iv) certain events of bankruptcy and insolvency, (v) judgment defaults in excess of specified amounts, (vi) the failure of any loan document by a significant party to be in full force and effect and such circumstance, in the reasonable judgment of the required lenders, is materially adverse to the lenders, or (vii) the security documents cease to create a valid and perfected first priority lien on any material portion of the collateral. In addition, the senior secured credit facility provides that a cessation of business due to revocation, suspension or loss of any gaming license affecting a specified amount of its revenues or assets, will constitute an event of default.

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**Debt Securities**

In addition to our existing senior secured credit facility, we had outstanding, as of September 30, 2013, the following notes issued by us:

\$508.9 million of 5.875% senior notes, due 2014;

\$875 million of 6.625% senior notes, due 2015;

\$1,450 million of 4.25% convertible senior notes, due 2015;

\$242.9 million of 6.875% senior notes, due 2016;

\$732.7 million of 7.50% senior notes, due 2016;

\$500 million of 10% senior notes, due 2016;

\$743 million of 7.625% senior notes, due 2017;

\$475 million of 11.375% senior notes, due 2018;

\$850 million of 8.625% senior notes, due 2019;

\$1,000 million of 6.75% senior notes, due 2020;

\$1,250 million 6.625% senior notes, due 2021; and

\$1,000 million of 7.75% senior notes, due 2022.

The net proceeds of the notes offered hereby will be used to repay the 5.875% senior notes due 2014 at maturity.

In connection with the acquisition of Mandalay Resort Group, all of the outstanding senior notes and debentures and senior subordinated notes and debentures issued by Mandalay Resort Group became our obligations. The notes and debentures issued by Mandalay Resort Group are as follows:

\$0.6 million of 7% debentures due 2036; and

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\$4.3 million of 6.7% debentures due 2096.

We and each of our material subsidiaries, other than MGM Grand Detroit, LLC, our foreign subsidiaries (including MGM China and MGM Grand Paradise, and their respective subsidiaries) and our insurance subsidiaries, are directly liable for or unconditionally guarantee the senior secured credit facility and all of our principal debt arrangements on the senior notes including notes issued hereby.

MGM Grand Detroit, LLC is a co-borrower under the senior secured credit facility and is directly liable for the senior secured credit facility, but only to the extent that MGM Grand Detroit, LLC borrows under such facility.

### **MGM Grand Paradise Credit Facility**

The outstanding balance of MGM Grand Paradise's credit facility at September 30, 2013 was \$553 million and was comprised solely of term loans. MGM Grand Paradise's credit facility agreement was amended and restated in October 2012 and is comprised of approximately \$550 million in term loans and a \$1.45 billion revolving credit facility. Under the amended and restated credit facility agreement, MGM China has become a joint and several co-borrower with MGM Grand Paradise. The material subsidiaries of MGM China continue to guarantee the

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facilities, and MGM China, MGM Grand Paradise and their guarantor subsidiaries have granted security on substantially all of their assets to secure the amended facilities. None of MGM Resorts International or any guarantors of its indebtedness, including the notes offered hereby, are obligors or guarantors under the MGM Grand Paradise credit facility.

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**DESCRIPTION OF NOTES**

You can find the definitions of certain terms used in this description under the heading **Certain Definitions**. In this description, the words **MGM Resorts International**, **we**, **us** and **our** refer only to the single corporation MGM Resorts International, a Delaware corporation, and not to any of its Subsidiaries.

MGM Resorts International will issue the 5.250% senior notes due 2020, which we refer to as the **Notes**, pursuant to this prospectus supplement. The Notes will be issued under an Indenture dated as of March 22, 2012 (the **Base Indenture**), as supplemented by a third supplemental indenture to be dated as of December 19, 2013 among MGM Resorts International, the Subsidiary Guarantors (as defined below) and U.S. Bank National Association, as trustee (the **Trustee**); the Base Indenture as so supplemented, the **Indenture**. The terms of the Notes include those provisions contained in the Indenture and certain provisions of the Trust Indenture Act of 1939, as amended (the **TIA**), incorporated by the terms of the Indenture.

The following description is a summary of the material provisions of the Indenture. This summary does not restate the Indenture in its entirety. We urge you to read the Indenture because the Indenture, and not this description, defines your rights as a holder of the Notes. Copies of the Indenture may be obtained from MGM Resorts International.

**Ranking**

The Notes will be:

general senior unsecured obligations of MGM Resorts International, pari passu or senior in right of payment to all existing and future Indebtedness of MGM Resorts International;

guaranteed on a senior basis by each of the Subsidiary Guarantors (as defined below) (other than Nevada Landing Partnership, unless and until regulatory approval for its Subsidiary Guarantee (as defined below) is obtained), with each such Subsidiary Guarantee being unsecured;

senior in right of payment to future Indebtedness that may be subordinated to the Notes and the Subsidiary Guarantees;

effectively junior to our secured Indebtedness, including (a) Indebtedness under the Credit Facility and the related guarantees, which is secured by (1) the principal properties of Bellagio, LLC, The Mirage Casino-Hotel and MGM Grand Hotel, LLC, currently subject to certain caps, and (2) other collateral, including the assets of MGM Resorts Mississippi, Inc. and New York-New York Hotel & Casino, LLC securing the respective guarantees of such Subsidiaries and (b) any future secured Indebtedness permitted to be incurred in accordance with the terms of the Notes;

effectively junior to MGM Resorts International's obligations under a completion guaranty granted in favor of CityCenter Holdings, LLC and its lenders, which obligations are secured by a security interest in certain assets of Circus Circus Casinos, Inc., Vintage Land Holdings, LLC and Mandalay Resort Group, to the extent of the assets securing such completion guaranty;

effectively junior to any future secured Indebtedness to the extent of the value of the assets securing such Indebtedness; and

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effectively subordinated to all Indebtedness and other obligations of the non-guarantor Subsidiaries, including (a) all borrowings of MGM Grand Detroit under our Credit Facility, (b) until regulatory approval for its Subsidiary Guarantee is obtained, all Indebtedness of Nevada Landing Partnership and (c) all Indebtedness of MGM China and MGM Grand Paradise and their respective Subsidiaries. As of September 30, 2013, non-guarantor Subsidiaries had \$1.0 billion aggregate principal amount of Indebtedness outstanding (excluding Indebtedness owed to MGM Resorts International or any Subsidiary Guarantor). As of September 30, 2013, Nevada Landing Partnership had no Indebtedness other than its guarantees of the existing senior secured credit facility and the Existing Senior Notes.

The Indenture does not contain any limitation on the amount of Indebtedness of MGM Resorts International or its Subsidiaries, but limits liens securing Indebtedness of MGM Resorts International and the Subsidiary Guarantors as set forth below under **Additional Covenants of MGM Resorts International** **Limitation on Liens** and **Exempted Liens and Sale and Leaseback Transactions**.

Except as described under **Merger, Consolidation or Sale of Assets** or **Additional Covenants of MGM Resorts International** below, the Indenture does not contain any provisions that would afford holders of the Notes protection in the event of (i) a highly leveraged or similar transaction involving MGM Resorts International or any of its Subsidiaries, or (ii) a reorganization, restructuring, merger or similar transaction involving MGM Resorts International or any of its Subsidiaries that may adversely affect the holders of the Notes. In addition, subject to the limitations set forth under **Merger, Consolidation or Sale of Assets** and **Additional Covenants of MGM Resorts International** below and certain restrictions under instruments governing our Credit Facility, MGM Resorts International or any of its Subsidiaries may, in the future, enter into certain transactions that would increase the amount of Indebtedness of MGM Resorts International or its Subsidiaries or substantially reduce or eliminate the assets of MGM Resorts International or its Subsidiaries, which may have an adverse effect on MGM Resorts International's ability to service its Indebtedness, including the Notes.

**Principal, Maturity and Interest**

The Notes will be \$500.0 million in aggregate principal amount. In addition, we may issue an unlimited amount of additional notes under the indenture from time to time after this offering. We may create and issue additional notes with the same terms as the Notes offered hereby so that the additional notes will form a single class with the Notes offered hereby. MGM Resorts International will issue the Notes in denominations of \$2,000 and integral multiples of \$1,000. The Notes will mature on March 31, 2020.

Interest on the Notes will accrue at the rate of 5.250% per annum. Interest will be payable semiannually in arrears on March 31 and September 30 of each year until maturity, beginning on September 30, 2014. Interest on the Notes will accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid. MGM Resorts International will make each interest payment to the holders of record of the Notes on the immediately preceding March 15 and September 15. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, premium, if any, and interest on the Notes will be payable at the office or agency of MGM Resorts International maintained for such purpose within the City and State of New York or, at the option of MGM Resorts International, payment of interest may be made by

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check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders; *provided* that all payments of principal, premium, if any, and interest with respect to the Notes represented by one or more global notes registered in the name of or held by DTC (as defined below) or its nominee will be made by wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof. Until otherwise designated by MGM Resorts International, MGM Resorts International's office or agency in New York will be the office of the Trustee maintained for such purpose.

### **Subsidiary Guarantees**

MGM Resorts International's payment Obligations under the Notes will be jointly and severally guaranteed (the *Subsidiary Guarantees*) by each of the Subsidiaries that is a guarantor under any series of our Existing Senior Notes, the Credit Facility (the *Subsidiary Guarantors*). In the event that any Subsidiary Guarantor is no longer designated as a guarantor under any series of the Existing Senior Notes, the Credit Facility or any of our future capital markets Indebtedness (the *Reference Indebtedness*), that Subsidiary Guarantor will be released and relieved of its obligations under its Subsidiary Guarantee of the Notes; *provided* that any transaction related to such release is carried out pursuant to and in accordance with all other applicable provisions of the Indenture.

As of the Issue Date, the Subsidiary Guarantors will include, among others, MGM Grand Hotel, LLC (which owns the MGM Grand Las Vegas), Mirage Resorts, Incorporated (which indirectly owns, among other properties, Bellagio and The Mirage), New York-New York Hotel & Casino, LLC (which owns New York-New York), MGM Grand Detroit, Inc. (which owns 97% of MGM Grand Detroit, which in turn owns the MGM Grand Detroit casino), Beau Rivage Resorts, Inc. (which owns the Beau Rivage resort in Biloxi, Mississippi) and Mandalay Resort Group (which indirectly owns, among other properties, Mandalay Bay, Luxor and Excalibur).

Our Subsidiaries that are not guarantors under our Existing Senior Notes or Credit Facility will not guarantee the Notes. The non-guarantor Subsidiaries include all of our non-U.S. Subsidiaries and their U.S. holding companies, including, among others, MGM Grand (International) Pte Ltd., MGM Resorts International Marketing, LTD, MGM Hospitality Holdings, LLC, MGM Hospitality Development, LLC, MGM MIRAGE Hospitality Development, LLC, MGM Hospitality International Holdings, Ltd., MGM Resorts China Holdings Ltd., MGM Grand Paradise, S.A., MGM (Beijing) Hospitality Services, LTD, MGM Hospitality India Private, LTD, MGM Resorts International Holdings, Ltd., MGM Resorts Club Holdings, Ltd., MGM Resorts Macau, Ltd. and MGM Macau, Ltd., and each of their respective Subsidiaries. The non-guarantor Subsidiaries will also include, among others, MGM Grand Detroit, LLC, certain domestic Subsidiaries that do not guarantee the Reference Indebtedness, the Insurance Subsidiaries, and, until such time when we have received approval from the Illinois Gaming Board, Nevada Landing Partnership (which owns 50% of Grand Victoria). MGM Grand Detroit is a co-borrower under our Credit Facility but its obligations under our Credit Facility are limited to that portion of the loans under our Credit Facility that are actually borrowed, or the proceeds of which are actually received by, MGM Grand Detroit.

The Subsidiary Guarantee of each Subsidiary Guarantor will be

senior in right of payment to the guarantees of, or obligations under future Indebtedness of the Subsidiary Guarantor that may be subordinated to its Subsidiary Guarantee of the Notes;

effectively junior to our secured Indebtedness, including (a) Indebtedness under the Credit Facility and the related guarantees, which is (1) secured by the principal properties of Bellagio, LLC, The Mirage Casino-Hotel and MGM Grand Hotel, LLC,

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currently subject to certain caps, and (2) other collateral, including the assets of MGM Resorts Mississippi, Inc. and New York-New York Hotel & Casino, LLC securing the respective guarantees of such Subsidiaries and (b) any future secured Indebtedness permitted to be incurred in accordance with the terms of the Notes;

effectively junior to the extent of the value of certain assets pledged by Circus Casinos, Inc., Vintage Land Holdings, LLC and Mandalay Resort Group to secure MGM Resorts International's obligations under a completion guaranty granted in favor of CityCenter Holdings, LLC and its lenders;

effectively junior to any future secured Indebtedness of such Subsidiary Guarantor to the extent of the value of the assets securing such Indebtedness; and

effectively subordinated to all Indebtedness and other obligations of the non-guarantor Subsidiaries, including (a) all borrowings of MGM Grand Detroit, LLC under our Credit Facility, (b) until regulatory approval for its Subsidiary Guarantee is obtained, Nevada Landing Partnership and (c) all indebtedness of MGM China and MGM Grand Paradise and their respective Subsidiaries. Until such time as we have obtained such approval from the Illinois Gaming Board, which approval may not be obtained at all, Nevada Landing Partnership is prohibited from issuing a guarantee of the Notes. The Indenture will provide that we will use commercially reasonable efforts to obtain such approval. See Regulation and Licensing.

The obligations of each Subsidiary Guarantor under its Subsidiary Guarantee will be limited so as not to constitute a fraudulent conveyance under applicable law. This may not be effective to protect the Subsidiary Guarantee from being voided under fraudulent transfer law, or may eliminate the Subsidiary Guarantor's obligations or reduce such obligations to an amount that effectively makes the Subsidiary Guarantee worthless. In a Florida bankruptcy case, a similar provision was found to be ineffective to protect the guarantees.

No Subsidiary Guarantor will be permitted to consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person) another corporation or other Person, whether or not affiliated with such Subsidiary Guarantor unless:

subject to the provisions of the following paragraph, the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) assumes all the obligations of such Subsidiary Guarantor under the Subsidiary Guarantee and the Indenture pursuant to a supplemental indenture in form and substance reasonably satisfactory to the trustee; and

immediately after giving effect to such transaction, no Default or Event of Default exists.

The Indenture will provide that in the event of (a) a sale or other disposition of all of the assets of any Subsidiary Guarantor, by way of merger, consolidation or otherwise or (b) a sale or other disposition of all of the capital stock of any Subsidiary Guarantor, then the Subsidiary Guarantor (in the event of a sale or other disposition, by way of such a merger, consolidation or otherwise, of all of the capital stock of such Subsidiary Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all of the assets of the Subsidiary Guarantor) will be released and relieved of any obligations under its Subsidiary Guarantee, except in the event of a sale or other disposition to MGM Resorts International or any other Subsidiary Guarantor. Notwithstanding the foregoing, any Subsidiary Guarantor will automatically be released from all obligations under its Subsidiary Guarantee, and such Subsidiary Guarantee shall thereupon terminate and be discharged and of no further force and effect, upon the merger or consolidation of any Subsidiary Guarantor with and into MGM

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Resorts International or another Subsidiary Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation or dissolution of such Subsidiary Guarantor following the transfer of all of its assets to MGM Resorts International or another Subsidiary Guarantor.

**Optional Redemption**

The Notes are redeemable at our election, in whole or in part at any time at a redemption price equal to the greater of:

100% of the principal amount of the Notes to be redeemed; or

as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 50 basis points, plus, in either of the above cases, accrued and unpaid interest to the date of redemption on the Notes to be redeemed.

*Adjusted Treasury Rate* means, with respect to any redemption date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life (as defined below), yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Adjusted Treasury Rate shall be calculated on the third Business Day preceding the redemption date or, in the case of a satisfaction and discharge or a defeasance, on the third Business Day prior to the date on which MGM Resorts International deposits the amount required under the Indenture most nearly equal to the period from the redemption date to the maturity date.

*Comparable Treasury Issue* means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such securities ( Remaining Life ).

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*Comparable Treasury Price* means (1) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

*Independent Investment Banker* means one of the Reference Treasury Dealers appointed by us.

*Reference Treasury Dealer* means any primary U.S. Government securities dealer in New York City selected by us.

*Reference Treasury Dealer Quotations* means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

We will mail a notice of redemption at least 30 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed. If we elect to partially redeem the Notes, the trustee will select the Notes to be redeemed consistent with the procedures of DTC (as defined below).

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portion thereof called for redemption.

**Mandatory Redemption**

MGM Resorts International will not be required to make any mandatory redemption or sinking fund payments in respect of the Notes.

**Mandatory Disposition Pursuant to Gaming Laws**

Each holder, by accepting a Note, shall be deemed to have agreed that if the gaming authority of any jurisdiction in which MGM Resorts International or any of its Subsidiaries conducts or proposes to conduct gaming requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable gaming laws, such holder or beneficial owner, as the case may be, shall apply for a license, qualification or a finding of suitability within the required time period. If such Person fails to apply or become licensed or qualified or is found unsuitable, MGM Resorts International shall have the right, at its option:

to require such Person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of MGM Resorts International's election or such earlier date as may be requested or prescribed by such gaming authority; or

to redeem such Notes, which redemption may be less than 30 days following the notice of redemption if so requested or prescribed by the applicable gaming authority, at a redemption price equal to:

- (1) the lesser of:
  - (a) the Person's cost, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; and

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- (b) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; or

- (2) such other amount as may be required by applicable law or order of the applicable gaming authority.

MGM Resorts International shall notify the trustee in writing of any such redemption as soon as practicable. MGM Resorts International shall not be responsible for any costs or expenses any holder of Notes may incur in connection with its application for a license, qualification or a finding of suitability.

**Additional Covenants of MGM Resorts International**

*Limitation on Liens*

Other than as provided below under Exempted Liens and Sale and Lease-Back Transactions, neither MGM Resorts International nor any of the Subsidiary Guarantors may issue, assume or guarantee any Indebtedness secured by a Lien upon any Principal Property or on any evidences of Indebtedness or shares of capital stock of, or other ownership interests in, any Subsidiaries (regardless of whether the Principal Property, Indebtedness, capital stock or ownership interests were acquired before or after the date of the Indenture) without effectively providing that the Notes shall be secured equally and ratably with (or prior to) such Indebtedness so long as such Indebtedness shall be so secured, except that this restriction will not apply to:

- (a) Liens existing on the Issue Date;
- (b) Liens affecting property of a corporation or other entity existing at the time it becomes a Subsidiary Guarantor or at the time it is merged into or consolidated with MGM Resorts International or a Subsidiary Guarantor (provided that such Liens are not incurred in connection with, or in contemplation of, such entity becoming a Subsidiary Guarantor or such merger or consolidation and do not extend to or cover property of MGM Resorts International or any Subsidiary Guarantor other than property of the entity so acquired or which becomes a Subsidiary Guarantor);
- (c) Liens (including purchase money Liens) existing at the time of acquisition thereof on property acquired after the date hereof or to secure Indebtedness Incurred prior to, at the time of, or within 24 months after the acquisition for the purpose of financing all or part of the purchase price of property acquired after the date hereof (provided that such Liens do not extend to or cover any property of MGM Resorts International or any Subsidiary Guarantor other than the property so acquired);
- (d) Liens on any property to secure all or part of the cost of improvements or construction thereon or Indebtedness Incurred to provide funds for such purpose in a principal amount not exceeding the cost of such improvements or construction;
- (e) Liens which secure Indebtedness of a Subsidiary of MGM Resorts International to MGM Resorts International or to a Subsidiary Guarantor or which secure Indebtedness of MGM Resorts International to a Subsidiary Guarantor;
- (f) Liens on the stock, partnership or other equity interest of MGM Resorts International or Subsidiary Guarantor in any Joint Venture or any Subsidiary that owns an equity interest in such Joint Venture to secure Indebtedness, provided the amount of such Indebtedness is contributed and/or advanced solely to such Joint Venture;



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- (g) Liens to government entities, including pollution control or industrial revenue bond financing;
- (h) Liens required by any contract or statute in order to permit MGM Resorts International or a Subsidiary of MGM Resorts International to perform any contract or subcontract made by it with or at the request of a governmental entity;
- (i) mechanic s, materialman s, carrier s or other like Liens, arising in the ordinary course of business;
- (j) Liens for taxes or assessments and similar charges;
- (k) zoning restrictions, easements, licenses, covenants, reservations, restrictions on the use of real property and certain other minor irregularities of title; and
- (l) any extension, renewal, replacement or refinancing of any Indebtedness secured by a Lien permitted by any of the foregoing clauses (a) through (f).

Notwithstanding the foregoing,

- (a) if any of the Existing Senior Notes are hereafter secured by any Liens on any of the assets of MGM Resorts International or any Subsidiary Guarantor (the Initial Liens ), then MGM Resorts International and each Subsidiary Guarantor shall, substantially concurrently with the granting of any such Liens, subject to all necessary gaming regulatory approvals, grant perfected Liens in the same collateral to secure the Notes, equally, ratably and on a pari passu basis (the Pari Passu Liens ). The Pari Passu Liens granted pursuant to this provision shall be (i) granted concurrently with the granting of any such Initial Liens, and (ii) granted pursuant to instruments, documents and agreements which are no less favorable to the trustee and the holders of the Notes than those granted to secure the Existing Senior Notes. In connection with the granting of any such Pari Passu Liens, MGM Resorts International and each Subsidiary Guarantor shall provide to the trustee (y) policies of title insurance on customary terms and conditions, to the extent that policies of title insurance on the corresponding property are provided to the holders of the Existing Senior Notes or their trustee (and in an insured amount that bears the same proportion to the principal amount of the outstanding Notes as the insured amount in the policies provided to the holders of the Existing Senior Notes bears to the aggregate outstanding amount thereof), and (z) legal opinions and other assurances as the trustee may reasonably request; and
- (b) if MGM Resorts International and the Subsidiary Guarantors become entitled to the release of all of such Initial Liens securing the Existing Senior Notes and Subsidiary guarantees related thereto, and provided that no default or event of default has then occurred and remains continuing, MGM Resorts International and the Subsidiary Guarantors may in their sole discretion request that the collateral agent release any such Initial Liens securing the Notes and the Existing Senior Notes, and in such circumstances the collateral agent shall so release such Initial Liens.

*Limitation on Sale and Lease-Back Transactions*

Other than as provided below under Exempted Liens and Sale and Lease-Back Transactions, neither MGM Resorts International nor any Subsidiary Guarantor will enter into any Sale and Lease-Back Transaction unless either:

- (i) MGM Resorts International or such Subsidiary Guarantor would be entitled, pursuant to the provisions described in clauses (a) through (l) under Limitation on Liens above, to create, assume or suffer to exist a Lien on the property to be leased without equally and ratably securing the Notes; or



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- (ii) an amount equal to the greater of the net cash proceeds of such sale or the fair market value of such property (in the good faith opinion of MGM Resorts International's board of directors) is applied within 120 days to the retirement or other discharge of its Funded Debt.

*Exempted Liens and Sale and Lease-Back Transactions*

Notwithstanding the restrictions set forth in *Limitation on Liens* and *Limitation on Sale and Lease-Back Transactions* above, MGM Resorts International or any Subsidiary Guarantor may create, assume or suffer to exist Liens or enter into Sale and Lease-Back Transactions not otherwise permitted as described above, provided that at the time of such event, and after giving effect thereto, the sum of outstanding Indebtedness secured by such Liens (not including Liens permitted under *Limitation on Liens* above) plus all Attributable Debt in respect of such Sale and Lease-Back Transactions entered into (not including Sale and Lease-Back Transactions permitted under *Limitation on Sale and Lease-Back Transactions* above), measured, in each case, at the time any such Lien is incurred or any such Sale and Lease-Back Transaction is entered into, by MGM Resorts International and the Subsidiary Guarantors does not exceed 15% of Consolidated Net Tangible Assets and Liens securing Indebtedness in excess of such amount to the extent such Lien is incurred in connection with an extension, renewal, replacement or refinancing of Indebtedness (not to exceed the principal amount of such extended, renewed, replaced or refinanced Indebtedness plus fees, expenses and premium payable thereon) secured by a Lien incurred pursuant to the provisions of this *Exempted Liens and Sale Leaseback Transactions* paragraph or any previous extension, renewal, replacement or refinancing of any such Indebtedness (which extended, renewed, replaced or refinanced Indebtedness shall, for the avoidance of doubt, thereafter be included in the calculation of such amount), provided that the foregoing shall not apply to any Liens that may at any time secure any of the Existing Senior Notes.

*Merger, Consolidation or Sale of Assets*

The Indenture does not allow us to consolidate or merge with or into, or sell, assign, convey, transfer or lease our properties and assets, substantially in their entirety, as computed on a consolidated basis, to another corporation, person or entity unless:

either we are the surviving person, in the case of a merger or consolidation, or the successor or transferee is a corporation organized under the laws of the United States, or any state thereof or the District of Columbia and the successor or transferee corporation expressly assumes, by supplemental indenture, all of our obligations under the Indenture, including under the Notes; and

no default or event of default exists immediately after such transaction.

*Subsidiary Guarantees*

The Indenture will provide that any of our existing and future domestic Subsidiaries that are wholly owned, directly or indirectly, by us will be required to become a Subsidiary Guarantor if such Subsidiary grants a guarantee in respect of any Reference Indebtedness.

*Events of Default*

Events of default means any of the following:

default in the payment of any interest upon any Notes when it becomes due and payable, and continuance of such default for a period of 30 days;

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default in the payment of principal of or premium, if any, on any Notes when due;

the acceleration of the maturity of any Indebtedness of MGM Resorts International or any Subsidiary Guarantor (other than Non-recourse Indebtedness), at any one time, in an amount in excess of the greater of (a) \$25 million and (b) 5% of Consolidated Net Tangible Assets, if such acceleration is not annulled within 30 days after written notice as provided in the Indenture;

entry of final judgments against MGM Resorts International or any Subsidiary Guarantor which remain undischarged for a period of 60 days, provided that the aggregate of all such judgments exceeds \$25 million and judgments exceeding \$25 million remain undischarged for 60 days after notice as provided in the Indenture;

default in the performance, or breach, of any covenants or warranties in the Indenture if the default continues uncured for a period of 60 days after written notice to us by the trustee or to us and the trustee by the holders of at least 25% in principal amount of the outstanding Notes as provided in the Indenture; and

certain events of bankruptcy, insolvency or reorganization.

If an event of default occurs and continues, then the trustee or the holders of not less than 25% in principal amount of the outstanding Notes may, by a notice in writing to us, and to the trustee if given by the holders, declare to be due and payable immediately the principal of the outstanding Notes.

At any time after a declaration of acceleration with respect to Notes has been made, but before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in principal amount of the outstanding Notes may, subject to our having paid or deposited with the trustee a sum sufficient to pay overdue interest and principal which has become due other than by acceleration and certain other conditions, rescind and annul such acceleration if all events of default, other than the nonpayment of accelerated principal and premium, if any, with respect to the Notes have been cured or waived as provided in the Indenture. For information as to waiver of defaults see the discussion set forth below under Modification and Waiver.

The Indenture provides that the trustee is not obligated to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless the trustee receives indemnity satisfactory to it against any loss, liability or expense. Subject to certain rights of the trustee and applicable law, the holders of a majority in principal amount of the outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to such Notes.

No holder of any Notes will have any right to institute any proceeding, judicial or otherwise with respect to the Indenture or for the appointment of a receiver or trustee, or for any remedy under the Indenture, unless such holder shall have previously given to the trustee written notice of a continuing event of default with respect to the Notes and the holders of at least 25% in principal amount of the outstanding Notes shall have made written request and offered reasonable indemnity to the trustee to institute such proceeding as trustee, and the trustee shall not have received from the holders of a majority in principal amount of the outstanding Notes direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. However, the holder of any Notes will have an absolute and unconditional right to receive payment of the principal of, premium, if any, and any interest on such Notes on or after the due dates expressed in such Notes and to institute suit for the enforcement of any such payment.

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We are required by the Indenture, within 120 days after the end of each fiscal year, to furnish to the trustee a statement as to compliance with the Indenture. The Indenture provides that the trustee may withhold notice to the holders of Notes of any default or event of default (except a default in payment on Notes) with respect to Notes if and so long as a committee of its trust officers, in good faith, determines that withholding such notice is in the interest of the holders of Notes.

### **Modification and Waiver**

We and the trustee, at any time and from time to time, may modify the Indenture without prior notice to or consent of any holder of the Notes for any of the following purposes:

to permit a successor corporation to assume our covenants and obligations under the Indenture and in the Notes in accordance with the terms of the Indenture;

to add to our covenants for the benefit of the holders of the Notes;

to surrender any of our rights or powers conferred in the Indenture;

to add any additional events of default;

to supplement any of the provisions of the Indenture to the extent needed to permit or facilitate the defeasance and discharge of the Notes in a manner that will not adversely affect the interests of the holders of the Notes in any material respect;

to provide for the acceptance of appointment by a successor trustee and to add to or change any of the provisions of the Indenture as is necessary to provide for the administration of the trust by more than one trustee;

to comply with the requirements of the Commission in connection with qualification of the Indenture under the TIA;

to cure any ambiguity;

to correct or supplement any provision in the Indenture which may be defective or inconsistent with any other provision in the Indenture;

to conform the text of the Indenture or the Notes to the Description of Notes set forth in this prospectus supplement to the extent that such provision in the Description of Notes was intended to be a verbatim, or substantially verbatim, recitation of a provision of the Indenture or the Notes;

to eliminate any conflict between the terms of the Indenture and the Notes and the TIA; or

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to make any other provisions with respect to matters or questions arising under the Indenture which will not be inconsistent with any provision of the Indenture as long as the new provisions do not adversely affect in any material respect the interests of the holders of the Notes.

We may also modify the Indenture for any other purpose if we receive the written consent of the holders of not less than a majority in principal amount of the outstanding Notes. However, we may not, without the consent of the holder of each Note effected thereby:

change the stated maturity or reduce the principal amount or the rate of interest, or extend the time for payment of interest of the Notes or any premium payable upon the redemption of the Notes, or impair the right to institute suit for the enforcement of any payment on or after the due date thereof (including, in the case of redemption, on or

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after the redemption date), or alter any redemption provisions in a manner adverse to the holders of the Notes or release any Subsidiary Guarantor under any Subsidiary Guarantee (except in accordance with the terms of the Indenture or the Subsidiary Guarantee) or collateral, if any, securing the Notes (except in accordance with the terms of the Indenture or the documents governing such collateral, if any);

reduce the percentage in principal amount of the Notes where the consent of the holder is required for any such amendment, supplemental indenture or waiver which is provided for in the Indenture; or

modify any of the waiver provisions, except to increase any required percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each outstanding Note which would be affected.

The Indenture provides that the holders of not less than a majority in aggregate principal amount of the Notes, by notice to the trustee, may on behalf of the holders of the Notes waive any default and its consequences under the Indenture, except (1) a continuing default in the payment of interest on, premium, if any, or the principal of, any Note held by a nonconsenting holder or (2) a default in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the holder of each Note.

**Defeasance of Notes or Certain Covenants in Certain Circumstances**

*Legal Defeasance and Discharge.* The Indenture provides that we may be discharged from any and all obligations under the Notes other than: