

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**AMENDMENT NO. 1**  
to  
**FORM S-1**  
**REGISTRATION STATEMENT**  
Under  
**THE SECURITIES ACT OF 1933**

**Wynn Resorts, Limited**

(Exact name of Registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction  
of incorporation or organization)

**7990**  
(Primary Standard Industrial  
Classification Code Number)

**46-0484987**  
(I.R.S. Employer  
Identification Number)

**3145 Las Vegas Boulevard South**  
**Las Vegas, Nevada 89109**  
**(702) 733-4444**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

**Ronald J. Kramer**  
**President**  
**3145 Las Vegas Boulevard South**  
**Las Vegas, Nevada 89109**  
**(702) 733-4444**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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**Approximate date of commencement of proposed sale to the public:**  
**As soon as practicable after this registration statement becomes effective.**

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434 under the Securities Act, check the following box.

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Number of Shares to be Registered(1)</b>	<b>Proposed Maximum Offering Price Per Share(2)</b>	<b>Proposed Maximum Aggregate Offering Price(1)(2)</b>	<b>Amount of Registration Fee(3)</b>
Common stock, par value \$0.01 per share			\$454,250,000	\$41,791

(1) Includes \_\_\_\_\_ shares of common stock that may be sold pursuant to the underwriters' over-allotment options.  
(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.  
(3) Includes \$4,232 paid with the filing of this Amendment No. 1 and \$37,559 previously paid with the Registrant's June 17, 2002 filing on Form S-1.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

**Subject to Completion, Dated August 20, 2002**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

# Wynn Resorts, Limited

## Shares

### Common Stock

This is the initial public offering of Wynn Resorts, Limited. We are offering \_\_\_\_\_ shares of our common stock. We anticipate that the initial public offering price will be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share. We have filed an application to have our common stock approved for quotation on The Nasdaq National Market under the symbol "WYNN."

Concurrent with this offering, our wholly owned subsidiaries, Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp., are jointly offering \$350 million in aggregate principal amount of second mortgage notes.

**Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 9.**

**None of the Securities and Exchange Commission or any state securities commission, the Nevada State Gaming Control Board, the Nevada Gaming Commission or any state gaming commission or any other gaming regulatory authority has approved or disapproved of these securities, passed on the investment merits of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	Per Share	Total
Public offering price	\$ _____	\$ _____
Underwriting discounts and commissions	\$ _____	\$ _____
Proceeds, before expenses, to Wynn Resorts, Limited	\$ _____	\$ _____

We have granted to the underwriters the right to purchase up to \_\_\_\_\_ additional shares of common stock to cover over-allotments.

\_\_\_\_\_  
*Joint Book-Running Managers*

**Deutsche Bank Securities   Bear, Stearns & Co. Inc.   Banc of America Securities LLC**

\_\_\_\_\_  
**JPMorgan   Dresdner Kleinwort Wasserstein**

The date of this prospectus is \_\_\_\_\_ 2002.

### DESCRIPTION OF ARTWORK

[artist's renderings of Le Rêve]

### PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. We urge you to read this entire prospectus carefully, including the financial data and related notes and the "Risk Factors" section beginning on page 9 before making an investment decision.*

*Wynn Resorts, Limited was recently organized as a Nevada corporation in preparation for this offering. Our assets and operations are currently held by and conducted through Valvino Lamore, LLC, a Nevada limited liability company, and its subsidiaries. Before the closing of this offering, all of the members of Valvino Lamore, LLC will contribute their membership interests in Valvino Lamore, LLC to Wynn Resorts, Limited in exchange for 40,000,000 shares of the common stock of Wynn Resorts, Limited, and Valvino Lamore, LLC will become a wholly owned subsidiary of Wynn Resorts, Limited.*

*Unless otherwise indicated, information in this prospectus gives effect to the contribution of membership interests in Valvino Lamore, LLC to Wynn Resorts, Limited in exchange for shares of common stock of Wynn Resorts, Limited. Unless the context otherwise requires, the terms "we," "our" and "us," as used in this prospectus, mean Wynn Resorts, Limited and its consolidated subsidiaries, after giving effect to the contribution of membership interests in Valvino Lamore, LLC to Wynn Resorts, Limited. References to Wynn Resorts mean Wynn Resorts, Limited, excluding any subsidiaries, references to Valvino mean Valvino Lamore, LLC, excluding any subsidiaries, references to Wynn Las Vegas mean Wynn Las Vegas, LLC, references to Wynn Capital mean Wynn Las Vegas Capital Corp., references to Wynn Golf Course mean Wynn Resorts Holdings, LLC, and references to Wynn Macau mean Wynn Resorts (Macau), S.A. Certain statements in this prospectus, including in this summary, constitute "forward-looking statements." See "Forward-Looking Statements."*

## Overview

We are constructing and will own and operate Le Rêve, which we have designed to be the preeminent luxury hotel and destination casino resort in Las Vegas. Le Rêve will be situated on approximately 192 acres at the site of the former Desert Inn Resort & Casino on the Las Vegas Strip in Las Vegas, Nevada. We expect Le Rêve to cost approximately \$2.4 billion to design and construct, including the cost of the land, capitalized interest, pre-opening expenses and all financing fees. We expect Le Rêve to feature approximately 2,700 luxurious guest rooms, a casually elegant 111,500 square foot casino, 18 distinctive dining establishments, an exclusive on-site 18-hole championship golf course and a new water-based entertainment production. We have scheduled groundbreaking to occur in September 2002, with an opening to the general public scheduled for March 2005.

Le Rêve is the concept of Stephen A. Wynn, one of Wynn Resorts' principal stockholders and its Chairman of the Board and Chief Executive Officer. Mr. Wynn was previously Chairman of the Board, President and Chief Executive Officer of Mirage Resorts, Incorporated and its predecessor from 1973 to 2000. In that role, he was responsible for the development of Bellagio, The Mirage, Treasure Island at The Mirage and the Golden Nugget—Las Vegas in Las Vegas, Nevada, as well as the Atlantic City Golden Nugget in New Jersey and Beau Rivage in Biloxi, Mississippi. We intend for Le Rêve to set a new standard of luxury and elegance for destination casino resorts in Las Vegas.

In addition, Wynn Macau, a majority-owned indirect subsidiary of Wynn Resorts, recently entered into a 20-year concession agreement with the government of the Macau Special Administrative Region of the People's Republic of China. The concession agreement permits Wynn Macau to construct and operate one or more casino gaming properties in Macau,

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including, at a minimum, one full-service casino resort. Macau has been an established gaming market for at least 40 years and, according to the U.S. & Foreign Commercial Service American Consulate General, Hong Kong, generated approximately US \$2.1 billion in gaming revenue in 2000. Wynn Macau currently is one of three concessionaires permitted to operate a casino gaming business in Macau. The concession agreement into which Wynn Macau has entered with the Macau government obligates Wynn Macau to open its first permanent casino resort by the end of December 2006 and invest not less than a total of 4 billion patacas (approximately \$500 million at the August 11, 2002 exchange rate of approximately eight Macau patacas to one U.S. dollar) on Macau-related projects by June 26, 2009. Wynn Macau may begin casino operations in Macau prior to the opening of Le Rêve. Wynn Macau has not yet decided how many casinos to build or the construction budget or schedule for the Macau opportunity and there remain a number of objectives to be met by Wynn Macau and the Macau government before Wynn Macau can pursue the Macau opportunity. Moreover, Wynn Macau would need to obtain financing for these projects.

## Company Strategy

- *Showcase the "Wynn Brand."* We believe that Mr. Wynn is widely viewed as the premier designer, developer and operator of destination casino resorts in Las Vegas. We believe that Le Rêve will represent a natural extension of the concepts Mr. Wynn has utilized in developing other major destination casino resorts.
- *Develop Le Rêve as the Preeminent Luxury Hotel and Destination Casino Resort in Las Vegas.* Our business strategy for Le Rêve is to offer guests a luxurious experience at a premier destination casino resort in Las Vegas. We believe that the quality of our hotel, the gaming experience that we intend to offer and the restaurants, retail outlets, entertainment offerings, golf course and other amenities at Le Rêve will enable us to create a first-class environment of elegance, sophistication and luxury.
- *Pursue the Opportunity to be One of Three Casino Operators in Macau.* Currently, Wynn Macau is one of only three concessionaires permitted to operate casinos in Macau, an established gaming market with access to gaming patrons principally from Hong Kong and mainland China. Wynn Macau is in the preliminary stages of formulating its strategy to capitalize on this opportunity while managing the risks of developing and operating gaming facilities in Macau.
- *Explore Opportunities for Future Growth.* Our site in Las Vegas includes a parcel of approximately 20 acres fronting Las Vegas Boulevard next to the Le Rêve site and an approximately 137-acre plot located behind the hotel on which the new golf course will be built. If, after commencing operations at Le Rêve, the 20-acre parcel and/or the golf course parcel are released from the liens under our indebtedness, those parcels would provide the opportunity to expand our business in Las Vegas and the potential for future projects, including a possible second hotel casino as a Phase II development on the 20-acre parcel. In addition, we continue to explore opportunities to develop additional gaming or related businesses in Las Vegas or other markets, whether through acquisition, investment or development. Any such development would require us to obtain additional financing.
- *Capitalize on Our Experienced Management Team.* The members of our management team have extensive experience in the development, construction and operation of major destination casino resorts, such as Bellagio, The Mirage and Treasure Island at The Mirage. Mr. Wynn, together with Wynn Design & Development, LLC, a wholly owned indirect subsidiary of Wynn Resorts, is designing Le Rêve. Wynn Design &

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Development will supervise construction of the resort. Many of the people on the Wynn Design & Development team worked with Mr. Wynn at Mirage Resorts to develop Bellagio.

## Le Rêve Strategy

- *Create a "Must-Visit" Destination Casino Resort on the Las Vegas Strip.* Rather than focusing on a highly themed experience like many other hotel casino resorts on the Las Vegas Strip, Le Rêve will offer richly furnished, spacious guest rooms, fine dining, premier retail

shopping, distinctive entertainment and other high-quality non-gaming amenities in a luxurious environment having a sophisticated, casually elegant ambience. In this manner, we believe that the property, rather than a theme, will be the attraction and, therefore, will have greater lasting appeal to customers.

- *Open the First New Major Hotel Casino Resort on the Las Vegas Strip in Almost Five Years.* We believe that, at the time of Le Rêve's planned opening in March 2005, it will have been almost five years since a major new hotel casino resort opened on the Las Vegas Strip. As a result, we expect that there will be a high level of customer anticipation for Le Rêve.
- *Provide an Experience at Le Rêve of the Highest Standard of Luxury in an Atmosphere of Casual Elegance.* We will seek to attract a range of customers to Le Rêve, including middle market customers and high roller and premium gaming patrons, by providing guests with a premium level of luxury, amenities and service, such as:
  - approximately 2,700 richly furnished, spacious guest rooms and suites;
  - a casually elegant casino featuring an estimated 136 table games and 2,000 slot machines, a distinctive baccarat salon and private high-limit gaming rooms;
  - an intimate environment for our guests with an approximately eight story, manmade "mountain" enclosing an approximately three-acre lake in front of the hotel, and 18 dining outlets, including six fine-dining restaurants, one of which will feature cuisine by Daniel Boulud of New York's DANIEL and Café Boulud restaurants;
  - an exclusive 18-hole championship golf course on the premises of Le Rêve;
  - a new water-based entertainment production developed by Franco Dragone, the creative force behind Bellagio's production of "O" and Treasure Island at The Mirage's production of "Mystère;"
  - an on-site, full-service Ferrari and Maserati dealership; and
  - an art gallery displaying works from the private art collection of Mr. Wynn and his wife, Elaine Wynn.
- *Generate Substantial Revenue from Le Rêve's Non-Gaming Facilities.* We expect Le Rêve's superior non-gaming amenities outlined above to provide a substantial portion of its overall revenue.
- *Capitalize on the Attractive Location of Le Rêve.* Le Rêve will be located on the Las Vegas Strip at the northeast corner of the intersection of Las Vegas Boulevard and Sands Avenue. Le Rêve will have approximately 1,350 feet of frontage on the Las Vegas Strip and will be located near some of the most visited hotel casino resorts

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and attractions on the Las Vegas Strip, including Bellagio, Caesars Palace, The Mirage, Treasure Island at The Mirage and The Venetian. In addition, Le Rêve will be adjacent to the Las Vegas Convention Center and the Sands Expo and Convention Center, two of the largest trade show and convention facilities in the United States. We intend to offer free shuttle service to and from the Las Vegas Convention Center. We expect trade show and convention visitors to be an important source of room demand for Le Rêve. Le Rêve will also be located directly across from the Fashion Show Mall, which is currently undergoing substantial renovation and expansion, and we anticipate that Le Rêve will be connected to the mall by a pedestrian bridge.

- *Carefully Manage Construction Costs and Risks.* Marnell Corrao Associates, Inc., referred to as Marnell Corrao, will be the builder and general contractor for most of Le Rêve, excluding the parking garage and the golf course. Marnell Corrao has extensive experience in building large Las Vegas destination casino resorts, including Bellagio, The Mirage, Treasure Island at The Mirage and New York-New York Hotel and Casino. We expect the total development cost of Le Rêve to be approximately \$2.4 billion, including the cost of the land, capitalized interest, pre-opening expenses and all financing fees. Of that amount, we estimate that the design and construction costs will be approximately \$1.4 billion. We have entered into a guaranteed maximum price construction contract with Marnell Corrao covering approximately \$919 million of the budgeted cost to construct Le Rêve. The guaranteed maximum price is subject to increases because of, among other items, scope changes to the project. We plan to implement specific mechanisms that are intended to mitigate the risk of construction cost overruns and delays, including:
  - a \$150 million contractor performance and payment bond;
  - a guaranty by Marnell Corrao's parent company, Austi, Inc., of Marnell Corrao's full performance under the construction contract until final payment under that contract;
  - a \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes by a special purpose subsidiary of Wynn Las Vegas to secure completion of the construction and opening of Le Rêve, secured by \$50 million of the proceeds of this offering;
  - a liquidity reserve account of Wynn Las Vegas holding \$30 million of the proceeds of this offering;
  - an owner's contingency of approximately \$34.3 million included in the design and construction budget; and
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anticipated remaining availability of approximately \$49 million under our subsidiaries' revolving credit facility.

A disbursement agreement will require our subsidiaries to satisfy specified conditions before we may use the proceeds of the credit facilities, the second mortgage notes, a furniture, fixtures and equipment, or FF&E, facility and certain of the sources described below to fund construction costs.

### **Other Financing Transactions**

Concurrent with this offering, Wynn Resorts' wholly owned indirect subsidiaries, Wynn Las Vegas, which will own and operate Le Rêve, and Wynn Capital, are jointly offering

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\$350 million in aggregate principal amount of second mortgage notes. To develop and construct Le Rêve, we intend to use the net proceeds of the contemplated offering of the second mortgage notes, borrowings of approximately \$701.4 million under a \$750 million revolving credit facility and \$250 million under a delay draw term loan facility, facilities for which our subsidiaries have obtained commitments, and \$178.5 million under an FF&E facility, which is currently being syndicated, together with that portion of our existing cash and net proceeds of this offering that are necessary to fund Le Rêve project costs. We sometimes refer to the revolving credit facility and the delay draw term loan facility as the credit facilities. Consummation of this offering is conditioned on consummation of the offering of the second mortgage notes and on Wynn Las Vegas entering into the agreements governing the credit facilities and FF&E facility.

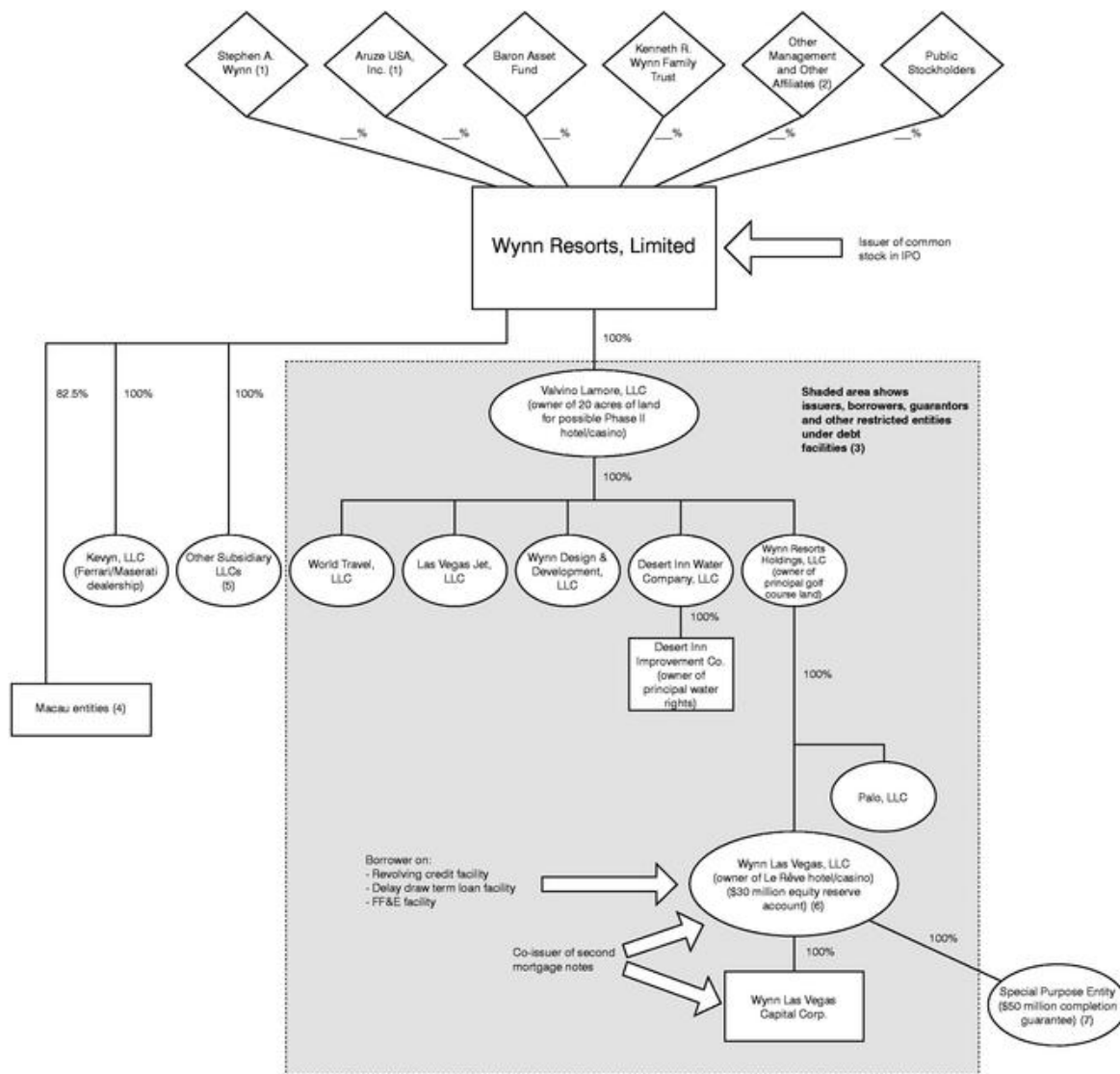
### **Corporate Structure**

The following chart illustrates the organizational structure of our principal operations as they will stand upon the consummation of this offering and the contemplated offering of second mortgage notes, including giving effect to the contribution of the Valvino membership interests to Wynn Resorts. This chart depicts the relationships between our various operations and our ownership interests in them. It does not contain all of our subsidiaries and, in some cases, we have combined separate entities for presentation purposes. We have also indicated which principal entities initially will be borrowers, issuers and restricted entities under the indenture governing the second mortgage notes and the credit facilities. All other entities, including Wynn Resorts and the Macau-related subsidiaries, will not be guarantors and will not be subject to the covenants in the indenture governing the second mortgage notes, the credit facilities or the FF&E facility, except that Wynn Resorts will become a guarantor under these debt instruments, but not subject to their covenants, if it incurs, or becomes a guarantor on, other indebtedness.

Wynn Macau has committed to allow certain minority partners to invest in the Macau-related entities, after which we expect that Wynn Resorts will indirectly own an approximately 82.5% economic interest in Wynn Macau before giving effect to any future financing related to the Macau opportunity. A more detailed corporate chart relating to the Macau-related entities appears under the heading "Business—The Macau Opportunity—Ownership Structure of the Macau-Related Entities."

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- (1) Stephen A. Wynn and Aruze USA, Inc. have agreed to vote their shares of Wynn Resorts' common stock for a slate of directors, a majority of which will be designated by Mr. Wynn, of which at least two will be independent directors, and the remaining members of which will be designated by Aruze USA. As a result of this voting arrangement, Mr. Wynn may control Wynn Resorts' board of directors. See "Certain Relationships and Related Party Transactions—Stockholders Agreement."
- (2) Following the completion of this offering, Wynn Resorts intends to grant awards of restricted stock initially to six employees and to Mr. Franco Dragone, the creator of the new entertainment production at Le Réve. The restricted stock will be subject to Wynn Resorts' repurchase right for a period of time.
- (3) The shaded area shows the entities that will be issuers or other restricted entities with respect to the second mortgage notes and borrowers or other restricted entities with respect to the revolving credit facility, delay draw term loan facility and FF&E facility. These entities will also be the guarantors under these debt facilities. Wynn Resorts' subsidiaries which will develop the Macau opportunity will not be issuers, borrowers, guarantors or restricted entities with respect to the financing of Le Réve.
- (4) Includes a number of wholly owned and partially owned entities. Once certain minority investors acquire interests in Wynn Resorts' Macau-related entities, Wynn Resorts will indirectly own an approximately 82.5% economic interest and will effectively control approximately 90% of the vote of Wynn Macau indirectly through various subsidiaries. For additional information regarding these entities, see "Business—The Macau Opportunity—Ownership Structure of Macau-Related Entities."
- (5) Includes a number of wholly owned subsidiary limited liability companies. These entities include Rambas Marketing Co., LLC, Toasty, LLC, and WorldWide Wynn, LLC.

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- (6) We will contribute \$30 million of the net proceeds of this offering to Wynn Las Vegas to be held in a liquidity reserve account to support Wynn Las Vegas's obligation to complete the project. See "Use of Proceeds."
- (7) We will contribute \$50 million of the net proceeds of this offering to a special purpose subsidiary of Wynn Las Vegas, which will provide a \$50 million completion guarantee in connection with the construction and opening of Le Réve. See "Use of Proceeds." This special purpose subsidiary will be an unrestricted entity and will not be subject to the covenants in the credit facilities, the FF&E facility or the second mortgage notes. Similarly, it will not be a guarantor with respect to any of these debt facilities.

### Issuer Information

Wynn Resorts, Limited is a Nevada corporation. Before the closing of this offering, all of the members of Valvino Lamore, LLC, a Nevada limited liability company, will contribute their membership interests in Valvino to Wynn Resorts in exchange for shares of the common stock of Wynn Resorts. As a result, Valvino will become a wholly owned subsidiary of Wynn Resorts. Wynn Resorts' principal executive offices are located at 3145 Las Vegas Boulevard South, Las Vegas, Nevada 89109. Wynn Resorts' telephone number is (702) 733-4444.

### The Offering

Common stock offered by Wynn Resorts	shares
Common stock to be outstanding after this offering	shares
Use of proceeds	We intend to use existing cash and net proceeds from this offering, along with the borrowings under the credit facilities and the FF&E facility and the net

proceeds from the offering of the second mortgage notes, to design, construct, develop, equip and open Le Rêve, a destination casino resort on the Las Vegas Strip which is expected to open in March 2005. As described below, \$50 million of the proceeds from this offering will be contributed to a special purpose subsidiary of Wynn Las Vegas and \$30 million of the proceeds from this offering will be contributed to Wynn Las Vegas to be held in a liquidity reserve account, in each case, pledged to the lenders under the credit facilities and the second mortgage note holders to secure our subsidiaries' obligations to complete the project.

If the underwriters exercise their over-allotment option in this offering, we may use the additional net proceeds to provide additional liquidity for our construction and debt service expenses relating to Le Rêve, for expenditures related to the Macau opportunity, for our working capital needs or for general corporate purposes.

Listing

We have filed an application to have Wynn Resorts' common stock approved for quotation on The Nasdaq National Market under the symbol "WYNN."

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Unless otherwise indicated, all share information in this prospectus is based on the number of shares outstanding as of \_\_\_\_\_, 2002 and excludes:

- 8,600,000 shares of Wynn Resorts' common stock available for future issuance under our stock incentive plan; and
- the possible issuance of up to \_\_\_\_\_ additional shares of Wynn Resorts' common stock that the underwriters have the option to purchase from Wynn Resorts to cover over-allotments.

A special purpose subsidiary of Wynn Las Vegas, formed with the intention of being bankruptcy-remote, will be providing a \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes to secure completion in full of the construction and opening of Le Rêve, including all furniture, fixtures and equipment, the parking structure, the golf course and the availability of initial working capital. Wynn Resorts will contribute \$50 million of the net proceeds of this offering to that subsidiary to support that subsidiary's obligations under the completion guarantee. These funds will be deposited into a collateral account to be held in cash or short-term highly-rated securities, and pledged to the senior lenders under the credit facilities and the holders of the second mortgage notes as security for the completion guarantee. Pursuant to the disbursement agreement that will govern the disbursement of funds from our debt facilities to fund Le Rêve project costs, these funds will become available to us on a gradual basis to apply to the costs of the project only after fifty percent of the Le Rêve construction work has been completed. Upon the occurrence of an event of default under our subsidiaries' credit facilities or the indenture governing the second mortgage notes, the lenders under our subsidiaries' credit facilities or, if no amounts are outstanding under the credit facilities, the holders of the second mortgage notes, will be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective documents. Upon the completion and opening of Le Rêve, any amounts remaining in this account will be released to Wynn Resorts.

In addition, we will contribute \$30 million of the net proceeds of this offering to Wynn Las Vegas to be held in a liquidity reserve account pledged to the lenders under the credit facilities and second mortgage note holders to secure Wynn Las Vegas' obligation to complete the project. Until the completion and opening of Le Rêve, these funds may be applied to the costs to develop and construct Le Rêve in accordance with the disbursement agreement. Following the completion and opening of Le Rêve, these funds will be available to meet our debt service needs in connection with the operation of Le Rêve. At such time as Wynn Las Vegas has met prescribed cash flow tests for a period of four consecutive fiscal quarters after the opening of Le Rêve, any remaining funds will be used to reduce the outstanding balance on the revolving credit facility, but without reducing the revolving credit facility commitment.

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## RISK FACTORS

*Investing in Wynn Resorts will be subject to significant risks. You should carefully consider the risks described below, together with all of the other information included in this prospectus, before deciding to purchase Wynn Resorts' common stock. If any of the following risks and uncertainties actually occur, our business, financial condition or operating results could be harmed substantially. This could cause the trading price of Wynn Resorts' common stock to decline, perhaps significantly, and you may lose all or part of your investment in Wynn Resorts' common stock.*

*Certain statements in "Risk Factors" constitute "forward-looking statements." Actual results could differ substantially from those projected in the forward-looking statements as a result of certain factors and uncertainties set forth below and elsewhere in this prospectus. See "Forward-Looking Statements."*

### Risks Associated with Our Construction of Le Rêve

**There are significant conditions to the funding of the financing for the Le Rêve project.**

Concurrent with the closing of this offering and our subsidiaries' offering of second mortgage notes, Wynn Las Vegas will enter into agreements to govern the credit facilities and the FF&E facility. The closings of this offering, our subsidiaries' second mortgage notes offering, the credit facilities and the FF&E facility will be conditioned on each other.

Wynn Las Vegas intends to deposit all of the net proceeds from the offering of the second mortgage notes in a secured account pledged to the second mortgage note holders pursuant to an agreement with the trustee for the second mortgage note holders.

Pursuant to the disbursement agreement, we are required to first use the net cash proceeds that Wynn Resorts contributes to Wynn Las Vegas from its initial public offering and a portion of our existing cash to fund the development, construction and pre-opening costs of Le Rêve. When those funds are depleted, we will be required to use the proceeds of the second mortgage notes, followed by proceeds of borrowings under the credit facilities and the FF&E facility. We do not expect to request a disbursement of the second mortgage note proceeds from the secured account or to borrow under the credit facilities or the FF&E facility until approximately ten to twelve months after the closing of this offering. Our ability to, from time to time, obtain a disbursement of the proceeds of the second mortgage notes or borrow under the credit facilities and the FF&E facility to fund the development, construction and pre-opening costs of Le Rêve will be subject to various conditions precedent. As such, we cannot assure you that we will be able to obtain a disbursement of the proceeds of the second mortgage notes or draw upon the credit facilities and FF&E facility after we have applied the proceeds of this offering toward the development, construction and pre-opening costs of Le Rêve. In addition to other customary conditions to funding for these types of facilities, our ability to obtain a disbursement of the proceeds of the second mortgage notes or draw on the credit facilities and the FF&E facility will be subject to the following conditions:

- there must be no default under the credit facilities, the FF&E facility or the indenture governing the second mortgage notes;
- the construction of Le Rêve must be "in balance," meaning that the undisbursed portions of the second mortgage note proceeds, the credit facilities and the FF&E facility, together with certain other funds available to us, must equal or exceed the remaining costs to complete Le Rêve's construction plus a required contingency;

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- Le Rêve's construction must be in substantial conformity with the plans and specifications for the project as amended from time to time in accordance with the terms of the disbursement agreement;
  - we must certify that the Le Rêve project will be completed no later than August 31, 2005, subject to limited permitted extensions due to force majeure events;
  - there must not have occurred any event that has caused or resulted in, or could reasonably be expected to cause or result in, a material adverse effect to the Le Rêve project, Wynn Las Vegas or its affiliates;
  - all conditions set forth in the disbursement agreement for the disbursement of funds must be satisfied;
  - arrangements reasonably satisfactory to the lenders under the credit facilities and the FF&E facility must have been entered into and must be in full force and effect to ensure that a gaming license for the Le Rêve project will be obtainable in the event that one of our major stockholders is unable to qualify for such license;
  - our subsidiaries must have obtained, if available on commercially reasonable terms, taking into account the state of the insurance market at such time and the then current practices of comparable projects, terrorism insurance in size and substance satisfactory to the lenders under the credit facilities; and
  - the lenders under the credit facilities must be satisfied with the subcontractor bids received by our general contractor in respect of a specified percentage of the guaranteed maximum price under the construction contract, which percentage is to be mutually agreed upon by us and the lenders under the credit facilities.

We cannot assure you that we will be able to satisfy the conditions to funding at the time disbursements or drawdowns are required to make payments of our construction costs. Satisfaction of various conditions is subject to the discretion of the lenders under the credit facilities and their consultants and is therefore beyond our control.

Any failure to satisfy the conditions to the release of the second mortgage note proceeds or drawdowns under the credit facilities or the FF&E facility could severely impact our ability to complete Le Rêve and could arise before or after some or all of the proceeds of this offering have been expended on the project. If we fail to obtain the release of the second mortgage note proceeds or fail to obtain and maintain the ability to drawdown funds under the credit facilities or the FF&E facility, we may not have access to alternative sources of funds necessary to complete Le Rêve on satisfactory terms or at all. Even if we are able to procure alternative sources of funds, the terms and conditions of those funds could materially impair our competitive position and reduce our future cash flows. Moreover, if we decide to seek additional equity capital as a funding alternative, the interests of Wynn Resorts' stockholders could be diluted.

**Development costs of Le Rêve are estimates only and actual development costs may be higher than expected.**

We expect the total development cost of Le Rêve to be approximately \$2.4 billion, including the budgeted design and construction costs, cost of the land, capitalized interest, pre-opening expenses and all financing fees. The required cash interest payments and commitment fees on the credit facilities, FF&E facility, second mortgage notes and any other indebtedness and obligations of ours which will become due through the estimated

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commencement date of operations of Le Rêve have been included in our estimate of the total development cost.

Of the estimated \$2.4 billion total development cost for Le Rêve, the design and construction costs are budgeted to be approximately \$1.4 billion, including the cost of constructing the new golf course and principal parking garage. The \$1.4 billion of budgeted design and construction costs does not include costs such as:

- pre-opening costs,
- entertainment production costs,



- site acquisition costs,
- construction period interest,
- financing fees, or
- costs related to certain furniture, fixtures and equipment, such as slot machines, computer equipment and kitchen and dining supplies.

While we believe that the overall budget for the development costs for Le Rêve is reasonable, these development costs are estimates and the actual development costs may be higher than expected. For example, a delay in the commencement of construction beyond the scheduled commencement date may increase the overall budget for Le Rêve and under certain circumstances we may be responsible for the increased costs. Although we have a \$34.3 million contingency to cover cost overruns, this contingency may not be sufficient to cover the full amount of such overruns. Moreover, the disbursement agreement imposes conditions on the use of this contingency. If we are unable to use this contingency or if this contingency is not sufficient to cover these costs, we may not have access to the funds required to pay the excess costs. Our inability to pay development costs as they are incurred will negatively affect our ability to complete Le Rêve and thus may significantly impair our business operations and prospects.

**Not all of the construction costs of Le Rêve are covered by our guaranteed maximum price construction contract and we will be responsible for any cost overruns of these excluded items.**

We have entered into a guaranteed maximum price construction contract with Marnell Corrao covering approximately \$919 million of the budgeted \$1.4 billion design and construction costs for Le Rêve. The approximately \$919 million guaranteed maximum price is subject to increases because of, among other items, scope changes, to the project. We are responsible for cost overruns with respect to the remaining approximately \$485 million of the \$1.4 billion budgeted design and construction cost expenditures that are not part of the guaranteed maximum price contract, such as:

- owner-managed interior design and related furniture, fixtures and equipment, construction of restaurant and retail spaces, including tenant allowances, signage and electronic systems, site work and exterior features at a budgeted cost of approximately \$303.0 million;
- construction of the new golf course at a budgeted cost of approximately \$21.5 million, excluding the cost of the land; we expect to solicit competitive bids in late summer 2002 for construction of the new golf course and to award the construction contract in the fourth quarter of 2002;

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- construction of the principal parking garage at a budgeted cost of approximately \$11.5 million;
  - estimated design and engineering professional fees of approximately \$66.1 million;
  - costs of obtaining required governmental approvals and permits and utility service connection fees of approximately \$13.8 million;
  - costs of miscellaneous capital projects, including demolition and mock-up costs, of approximately \$23.8 million;
  - utilities and security costs during construction of approximately \$6.3 million;
  - estimated insurance costs of approximately \$12.6 million for builder's risk insurance, fees and reserves under the owner-controlled insurance program, umbrella and excess liability insurance and design professional liability insurance; and
  - contingency of approximately \$26.7 million of the total owner's contingency of \$34.3 million.

Neither the guaranteed maximum price nor the other provisions relating to cost overruns in the construction contract with Marnell Corrao will provide any safeguards against increased costs related to items not covered by that construction contract. While we may in the future enter into other agreements that may seek to limit our exposure to construction cost increases, the actual costs for these items may exceed budgeted costs.

If the cost of the items described above exceeds the \$485 million budget for those items, we may need to raise additional funding, which may not be available on satisfactory terms or at all, or we may choose to reduce the scope of the work and design components to reduce the costs of constructing the project. Any such reduction in scope, however, would be subject, under specified circumstances, to obtaining the consent of the lenders under the credit facilities, the FF&E facility and the second mortgage note holders as required under the disbursement agreement. Any such budget overruns could significantly impair our ability to complete Le Rêve.

**We may have to provide allowances for improvements to retail tenants in excess of our budgeted amounts.**

We expect to lease approximately eight of the retail shops at Le Rêve to third parties and intend to provide some of our retail tenants an allowance for improvements as part of the lease arrangements. We will own and operate the remaining approximately 18 retail shops at Le Rêve and will be responsible for constructing any improvements. These construction costs and allowances are included in our design and construction budget for Le Rêve. Design and/or construction costs in excess of an allowance are intended to be the responsibility of the particular retail tenant. Nevertheless, if we are unable to successfully negotiate leases consistent with our design and construction budget, we may have to fund or construct, at our cost, additional improvements in connection with the leases relating to the space.

**Not all plans and specifications regarding the design of Le Rêve are finalized.**

Although we have determined the overall scope and general design of Le Rêve, not all of the detailed plans and specifications have been finalized. Specifically, as of the date of this

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prospectus, and with regard to the portion of the construction budget covered by the approximately \$919 million Marnell Corrao construction contract:

- we have prepared and received bids on final construction drawings and specifications for approximately 3 million square feet of high rise hotel, convention center, central plant, meeting rooms and warehouse space, which represent approximately \$388 million of the construction components covered by the construction contract;
- approximately \$493.5 million represents construction components for which final plans have not yet been completed;
- approximately \$32.3 million of the approximately \$493.5 million of construction components consists of allowances for additional items of the construction work that are in the earliest concept stages, such as construction of the "mountain." If the actual cost of these items exceeds the allowances, we will be responsible for these excess amounts; and
- drawings for the interior work on the project have not been finalized. If the cost to complete the interior work exceeds budgeted amounts, the excess will not be covered by the guaranteed maximum price contract and, accordingly, we will be responsible for these excess costs.

With respect to the construction components for which plans and specifications have not been finalized, the guaranteed maximum price contract is based on master concept plans and agreed upon design and other premises and assumptions for the detailed plans to be created. Construction will commence before completion of all drawings and specifications. Delays in completing the drawings and specifications could cause delays in the substantial completion of the work and, under specified circumstances, could defer the contractor's obligation to deliver the completed project by the scheduled completion date.

Inconsistencies between the completed drawings and specifications and the premises and assumptions on which the approximately \$919 million guaranteed maximum price was based, could, under specific circumstances, cause us to be responsible for costs in excess of the guaranteed maximum price. For example, if the initial drawings, when finalized, are inconsistent with the premises and assumptions, we will be responsible for the increase, if any, in the cost to construct the work covered by those drawings over the previously agreed upon amounts designated for such work in the guaranteed maximum price. Furthermore, the premises and assumptions may not be sufficiently specific to determine, as between the contractor and us, who is responsible for cost overruns in specific situations. We may not have access to sufficient funds to pay for any of these increases in the guaranteed maximum price and, therefore, these increases could severely impair our ability to complete Le Rêve.

Due to the lack of final plans for substantial portions of the project, the construction contract does not require Marnell Corrao to adhere to specific cost limits on a line item basis. Rather, it only obligates Marnell Corrao to complete the construction within an overall guaranteed maximum price subject to certain general balancing and other requirements. Therefore, there is a risk that the funds earmarked for the guaranteed maximum price could be exhausted before substantial completion of the project should Marnell Corrao spend greater amounts on certain line items in the earlier stages of construction. The construction contract addresses this risk by requiring Marnell Corrao to demonstrate that it has sufficient funds to complete the work if it reasonably appears, at any stage of the construction work, that the cost to complete the work will exceed the guaranteed maximum price. If Marnell Corrao is unable to provide this evidence, then we may not be able to demonstrate to the disbursement agent and the construction consultant as required by the disbursement

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agreement that we have sufficient funds available to cover all remaining construction costs, plus required contingency, in accordance with our construction budget. Accordingly, if Marnell Corrao is unable to demonstrate that it has sufficient funds to complete the work, we may be denied further access to the proceeds of the second mortgage notes, the credit facilities and the FF&E facility.

With respect to the costs of the components that are not covered by the Marnell Corrao construction contract, we have spent approximately 8.4% to date. Plans relating to many of these components have not been finalized. While we have received bids with respect to items comprising another 36.6% of these remaining budgeted costs, we have not accepted these bids and therefore the bids are subject to change. Accordingly, we have not yet spent or received bids for a total of approximately 55% of these remaining budgeted costs.

When we finalize plans or specifications in the future, we may discover that we need to obtain additional funding, which may not be available on satisfactory terms or at all, or we may choose to reduce the scope of the work and design components to reduce the costs of constructing the project. Any such reduction in scope, however, would be subject, under specified circumstances, to obtaining the consent of the lenders under the credit facilities and the FF&E facility and the second mortgage note holders as required under the disbursement agreement. We cannot assure you that we would obtain these consents.

**The guaranteed maximum price under the Marnell Corrao construction contract may increase, and we would be responsible for the amount of any increase.**

*Increases in the guaranteed maximum price due to changes in the scope of work.*

Although we have a guaranteed maximum price contract, the construction contract with Marnell Corrao provides that the guaranteed maximum price will be appropriately increased, and the deadline for completion of construction will be appropriately adjusted, on account of, among other things:

- changes in the design documents prepared by the architect or deficiencies in the design documents;
- changes requested or directed by us in the scope of the work to be performed pursuant to the construction contract;
- changes in legal requirements;
- natural disasters, unavoidable casualties, industry-wide labor disputes affecting the general Las Vegas area and not limited to the project, and other force majeure events that are unforeseeable and beyond the reasonable control of Marnell Corrao; and
- delays caused by us.

The guaranteed maximum price provides for an owner contingency of approximately \$7.6 million to cover several items, including owner-created delays and owner-originated changes in the scope of work. We cannot assure you that the amount of the owner-contingency will be sufficient to cover any or all delays or changes in the scope of work. The guaranteed maximum price also reflects a credit of \$18 million for the anticipated savings derived from the owner controlled insurance program on contractor and subcontractor

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insurance costs. While we have taken a conservative approach with respect to anticipating cost savings, we cannot be certain of the precise savings until the final audit is complete.

Cost overruns could cause our subsidiaries to be out of "balance" under the second mortgage notes, credit facilities and FF&E facility and, consequently, prevent them from obtaining funds from the second mortgage note proceeds secured account or, after those funds are exhausted, to draw down under the credit facilities and the FF&E facility. If we cannot obtain these funds, we will not be able to open Le Rêve to the general public on schedule or at all, which would have a significant negative impact on our financial condition and results of operations.

**The liquidated damages provision in our guaranteed maximum price construction contract will likely not be sufficient to protect us against exposure to actual damages we may suffer for delay in completion of the project.**

Under the construction contract with Marnell Corrao, the guaranteed date of substantial completion is 910 calendar days from the date we direct Marnell Corrao by written notice to commence construction. The contract provides for liquidated damages in the amount of \$300,000 per day to be imposed on Marnell Corrao on a daily basis, up to a maximum of 30 days, for a maximum amount of \$9 million, if all work required by the construction contract is not substantially completed by the deadline, following a five-day grace period and subject to force majeure and other permitted extensions. We cannot assure you that construction will be completed on schedule and, if completion of the construction is delayed beyond the grace period, our actual damages will likely exceed \$300,000 per day.

The disbursement agreement requires our subsidiaries to obtain delay liquidated damages insurance to supplement the delay damages payable by Marnell Corrao. We cannot assure you that our subsidiaries will be able to obtain a liquidated damages insurance policy. If they do not obtain this insurance policy, we will not be able to obtain funds from the second mortgage note proceeds secured account or to draw down under the credit facilities. Moreover, even if our subsidiaries are able to obtain liquidated damages insurance, we cannot assure you that they will be able to obtain the insurance proceeds on a timely basis to pay our costs as they are incurred. In addition, if the contractor defaults under the construction contract, we may be unable to complete Le Rêve on schedule or within the amount budgeted. Failure to complete construction on schedule may have a significant negative impact on our operations and financial condition.

**The financial resources of our contractor may be insufficient to fund cost overruns or liquidated damages for which it is responsible under the guaranteed maximum price contract.**

Under the terms of the construction contract with Marnell Corrao, Marnell Corrao is, subject to specific conditions and limitations, responsible for all construction costs covered by the construction contract that exceed the approximately \$919 million guaranteed maximum price contained in the contract.

As noted above, the contract also provides for liquidated damages in the amount of \$300,000 per day to be imposed on the contractor on a daily basis if the work required by the construction contract is not substantially completed by the deadline, following a five-day grace period and subject to force majeure and other permitted extensions. The liquidated damages for delay in the completion of construction are limited to a maximum amount of \$9 million.

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Austi, the parent company of the contractor, which is a private company controlled by the Anthony A. Marnell II family, has agreed to provide a continuing guaranty by which Austi guarantees Marnell Corrao's full performance under the construction contract until final payment under that contract. In addition, Marnell Corrao is obligated to obtain and provide a \$150 million contractor performance and payment bond.

We cannot assure you that Marnell Corrao and Austi will have sufficient financial resources to fund any cost overruns or liquidated damages for which Marnell Corrao is responsible under the guaranteed maximum price contract. Furthermore, neither Marnell Corrao nor Austi is contractually obligated to maintain their financial resources to cover cost overruns. If Marnell Corrao and Austi do not have the resources to meet their obligations and we are unable to obtain funds under the performance and payment bond in a timely manner, or if the performance and payment bond is insufficient to cover any shortfall, we may need to pay these excess costs in order to complete construction of Le Rêve. This may require us to raise additional funding, which may not be available on satisfactory terms or at all. If we seek additional equity capital as a funding alternative, the interests of Wynn Resorts' stockholders could be diluted. If the opening of Le Rêve is delayed because we cannot fund cost overruns, it could have a substantial negative effect on our financial condition and results of operations.

**Certain provisions in the construction contract with Marnell Corrao for construction of Le Rêve may be unenforceable.**

Recently enacted Nevada statutes have substantially impaired, and in some cases eliminated, an owner's ability to withhold funds from a contractor or subcontractor, even when there may be defective work or a dispute about amounts owed. The new laws also limit an owner's ability to terminate, suspend or interrupt the construction, and in several circumstances, entitle the contractor and subcontractor to payment of their full unearned fee, following a brief notice period, if the owner suspends, terminates or interrupts the construction or fails to make payment or withholds amounts claimed to be due. The construction contract with Marnell Corrao contains provisions that provide us with rights and protections that in some circumstances may be inconsistent with these new laws. While it appears that some of the new laws can be waived, others expressly prohibit waiver. The effect of the new laws on the provisions of the construction contract is not completely clear. Therefore, while we have negotiated with Marnell Corrao for specific rights and obligations, including with respect to damages, termination and suspension of construction, those provisions of the construction contract may not be enforceable to the extent they conflict with non-waivable provisions of applicable laws. If the provisions of the construction contract are not enforceable, delays or suspensions in the work initiated by the owner or other events may expose us to increased costs. We cannot assure you that we will have sufficient funds to pay these increased costs.

**There are significant risks associated with major construction projects that may prevent completion of Le Rêve on budget and on schedule.**

Major construction projects of the scope and scale of Le Rêve entail significant risks, including:

- shortages of materials or skilled labor;
- unforeseen engineering, environmental and/or geological problems;
- work stoppages;
- weather interference;

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- unanticipated cost increases; and
  - unavailability of construction equipment.

Construction, equipment or staffing problems or difficulties in obtaining any of the requisite licenses, permits, allocations and authorizations from regulatory authorities could increase the total cost, delay or prevent the construction or opening or otherwise affect the design and features of Le Rêve.

We anticipate that only some of the subcontractors engaged by the contractor to perform work and/or supply materials in connection with the construction of Le Rêve will post bonds guaranteeing timely completion of a subcontractor's work and payment for all of that subcontractor's labor and materials. We cannot assure you that these bonds will be adequate to ensure completion of the work.

We cannot assure you that Le Rêve will commence operations on schedule or that construction costs for Le Rêve will not exceed budgeted amounts. Failure to complete Le Rêve on budget or on schedule may have a significant negative effect on us.

**Simultaneous construction of Le Rêve and the Macau casino(s) may tax management time and resources.**

Because Le Rêve is scheduled to open in March 2005 and the Macau concession contract requires Wynn Macau to open a permanent casino resort in Macau by December 2006, we anticipate that there will be a period of time when we will be building Le Rêve at the same time as Wynn Macau will be building its casino(s) in Macau. If both projects are being built simultaneously, members of our senior management will be involved in planning and developing both projects. Major construction projects like Le Rêve will require certain members of management to devote a significant amount of time, attention and resources to the projects, including to manage costs, review budget issues, review design plans, address construction, equipment or staffing problems, pursue the licenses, permits, allocations and authorizations from regulatory authorities that we will need to obtain, hire and train employees and implement marketing strategies. Developing the Macau opportunity simultaneously with Le Rêve may divert management resources from the construction and/or opening of either project. Management's inability to devote sufficient time and attention to either project may delay the construction or opening of the projects. This type of delay could have a negative effect on our business and operations.

**Risks Related to Our Substantial Indebtedness**

**We are highly leveraged and future cash flow may not be sufficient for our subsidiaries to meet their obligations, and we might have difficulty obtaining more financing.**

As we progress toward the completion of the construction of Le Rêve, we will have a substantial amount of consolidated debt in relation to our equity, which debt will increase during the construction period. Concurrent with the closing of this offering, we expect that Wynn Las Vegas, our indirect subsidiary, will enter into two credit facilities, a revolving credit facility in a maximum principal amount of \$750 million and a delay draw term loan facility in a maximum principal amount of \$250 million. We also expect that Wynn Las Vegas and Wynn Capital will jointly issue an aggregate principal amount of approximately \$350 million of second mortgage notes, and that Wynn Las Vegas will enter into an agreement for an FF&E facility in a maximum principal amount of \$178.5 million. The FF&E facility will provide financing for furniture, fixtures and equipment for Le Rêve and include a provision for an intercompany loan to World Travel, LLC, the owner of our corporate jet. We anticipate that we will draw down approximately \$701.4 million under the revolving credit facility and the full

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amount of the delay draw term loan facility to fund the construction, development, equipping and opening of Le Rêve and, therefore, by the time Le Rêve is complete, we expect to have total outstanding indebtedness in an aggregate principal amount of approximately \$1.5 billion.

Our substantial indebtedness could have important consequences for you. For example:

- If we are unable to meet conditions to disbursements of the second mortgage note proceeds or, after exhaustion thereof, to drawing down amounts under the credit facilities or the FF&E facility, our subsidiaries may not have sufficient funds to continue or complete construction of Le Rêve or to satisfy their construction, debt service and other obligations with respect to the credit facilities, FF&E facility and second mortgage notes;
- Wynn Las Vegas' ability to satisfy its obligations with respect to the credit facilities and the FF&E facility, and the ability of Wynn Las Vegas and Wynn Capital to satisfy their obligations with respect to the second mortgage notes, may be limited, and, if Wynn Las Vegas and Wynn Capital fail to meet their payment obligations or breach the financial and restrictive covenants contained in the agreements governing the indebtedness, they may be in default under those agreements. If a default is not cured or waived, we may not be able to obtain additional borrowings, including borrowings needed to continue or complete construction of Le Rêve, and the lenders under our credit facilities and the FF&E facility and, subject to the

intercreditor agreements, the holders of the second mortgage notes will have the right to accelerate the indebtedness and exercise other rights and remedies against Wynn Las Vegas, Wynn Capital and the guarantors of the indebtedness. These rights and remedies include the rights to:

- repossess and foreclose upon the assets that serve as collateral,
- initiate judicial foreclosure against Wynn Las Vegas, Wynn Capital and the guarantors,
- petition a court to appoint a receiver for Wynn Las Vegas, Wynn Capital and the guarantors or for substantially all of their assets, and
- if they are insolvent, to initiate involuntary bankruptcy proceedings against Wynn Las Vegas, Wynn Capital and the guarantors,

in each case, subject to procedural restraints and limitations applicable to secured creditors generally and procedural restraints and limitations imposed by applicable gaming laws, rules and regulations and the rules and regulations of the Public Utilities Commission of Nevada;

- Subject to limited permitted extensions due to force majeure events, if we do not complete construction of Le Rêve by August 31, 2005, Wynn Las Vegas will be in default under the credit facilities and the FF&E facility and Wynn Las Vegas and Wynn Capital will be in default under the indenture governing the second mortgage notes, and the lenders under the credit facilities and FF&E facility and, subject to the intercreditor agreements, the second mortgage note holders, will have the right to accelerate the indebtedness and exercise other rights and remedies against Wynn Las Vegas, Wynn Capital and the guarantors of the indebtedness, including the rights and remedies described above;
- If Wynn Resorts incurs or guarantees other indebtedness, it will become a guarantor of the indebtedness under the credit facilities and the second mortgage notes and, as a result, Wynn Resorts will be obligated to make payments to the lenders and the holders of the second mortgage notes if Wynn Las Vegas, Wynn Capital and the guarantors of

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the indebtedness fail to satisfy their obligations under the credit facilities, the FF&E facility or the second mortgage notes;

- Upon commencement of operations at Le Rêve, we will generate significant gaming receivables as a result of extending credit to our credit customers. Payments on these receivables likely will be delayed, which will reduce our cash flow until the payment cycle is established;
- Once Le Rêve is operating, we will be required to use a substantial portion of our cash flow from operations to service our subsidiaries' indebtedness, which will reduce the available cash flow to fund working capital, capital expenditures and other general corporate purposes;
- We may have a limited ability to respond to changing business and economic conditions and to withstand competitive pressures, which may affect our financial condition;
- We may have a limited ability to obtain additional financing, if needed, to fund Le Rêve's design and construction costs, working capital requirements, capital expenditures, debt service, general corporate or other obligations;
- Under the credit facilities and the FF&E facility, a substantial portion of the interest rates Wynn Las Vegas pays will fluctuate with the current market rates and, accordingly, our interest expense will increase if market interest rates increase;
- Our subsidiaries will have increased vulnerability to general adverse economic and industry conditions; and
- We may be placed at a competitive disadvantage to our competitors who are not as highly leveraged.

**We have the right to incur additional indebtedness, which may exacerbate the risks described above.**

In addition to the undrawn amounts under the revolving facility, the terms of the credit facilities, the FF&E facility and the indenture governing the second mortgage notes will permit our subsidiaries to incur additional indebtedness, subject to the limitations imposed by the covenants in those documents. If our existing and contemplated levels of indebtedness increase, the related risks will increase correspondingly. Furthermore, Wynn Resorts will not be subject to the covenants in the credit facilities and second mortgage notes and therefore could incur additional indebtedness. In addition, some of Wynn Resorts' foreign and domestic Macau-related subsidiaries will need additional financing, which could take the form of indebtedness, to fund the development, design and construction costs related to the Macau opportunity. We cannot predict the terms and conditions that might apply to that indebtedness.

**We may not generate sufficient cash flow to meet our substantial debt service and other obligations.**

Before the opening of Le Rêve, which is expected to occur in March 2005, and the possible opening of one or more casinos in Macau, we and our subsidiaries will have no material operations or earnings. Consequently, we will be dependent on the proceeds of this offering, borrowings under the credit facilities and the FF&E facility and the proceeds of the second mortgage note offering to meet all of our construction, debt service and other obligations.

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After Le Rêve opens, our ability to make interest payments under the credit facilities, the FF&E facility, the second mortgage notes and other indebtedness will depend on our ability to generate sufficient cash flow from operations. We cannot assure you that we will begin operations by the scheduled opening date or at all, or that we will be able to generate sufficient cash flow to meet our expenses, including our subsidiaries' debt service requirements. Our ability to generate cash flow will depend upon many factors, including:

- our future operating performance;
- the demand for services that we provide;
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general economic conditions and economic conditions affecting Nevada or the casino industry in particular;

- our ability to hire and retain employees at a reasonable cost;
- competition; and
- legislative and regulatory factors affecting our operations and business.

Some of these factors are beyond our control. In addition, the financing documents for each of the Le Rêve project and the Macau opportunity may contain restrictions or prohibitions on the distribution to Wynn Resorts of any cash flow generated by these projects. Thus, any cash flow generated by the Macau casinos operated by Wynn Macau may not be available to service the debt of the subsidiaries developing the Le Rêve project. Similarly, any cash flow generated by the Le Rêve project may not be available to service the debt of the subsidiaries developing the Macau opportunity.

If we fail to generate sufficient cash flow from future operations to meet our subsidiaries' debt service obligations, we may need to refinance all or a portion of the indebtedness or obtain additional financing in order to meet obligations with respect to the indebtedness. We cannot assure you that we will be able to refinance any of the indebtedness or obtain additional financing on satisfactory terms or at all, particularly because of our anticipated high levels of consolidated debt and the debt and lien incurrence restrictions imposed by the agreements governing the debt. See "—General Risks Associated with Our Business—We have no operating history." If our subsidiaries fail to meet their debt service obligations, they will be in default under the indebtedness and the lenders and the second mortgage note holders will have the right to accelerate the indebtedness and exercise other rights and remedies against our subsidiaries, including the rights and remedies described above.

**Our subsidiaries' indebtedness will be secured by a substantial portion of their assets.**

Subject to applicable laws, including gaming laws, and certain agreed upon exceptions, we expect that the credit facilities and second mortgage notes will be secured by liens on substantially all of the assets of our subsidiaries that are necessary for the development, construction or operation of Le Rêve. We expect that the FF&E facility will be secured by a first priority security interest in specific assets financed by that facility, including our corporate aircraft, gaming and other equipment, furnishings, fixtures and devices such as elevators, escalators, our electrical substation, heating, vacuum and air conditioning equipment and slot machines. The credit facilities, the FF&E facility and the second mortgage notes will not be secured by any assets related to Wynn Macau's planned operations in Macau.

In the event of a default by any of our subsidiaries under the financing documents, or if certain of our subsidiaries experience insolvency, liquidation, dissolution or reorganization, the holders of indebtedness under the credit facilities, the FF&E facility, the indenture governing the second mortgage notes and any other secured debt instruments would be entitled to

payment from their collateral security, and holders of the unsecured debt of both us and our subsidiaries, if any, would then be entitled to payment in full from our remaining assets before distributions, if any, were made to Wynn Resorts' stockholders.

**The credit facilities, the FF&E facility and the indenture governing the second mortgage notes will contain covenants that will restrict our specified affiliates' ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions.**

The credit facilities, the FF&E facility and the indenture governing the second mortgage notes will impose operating and financial restrictions on Wynn Golf Course, Wynn Las Vegas and specified affiliates designated as restricted entities under the credit documentation and the indenture governing the second mortgage notes. The restrictions that will be imposed under the credit facilities, the FF&E facility and/or the indenture will include, among other things, limitations on the restricted entities' ability to:

- pay dividends or distributions on their capital stock or repurchase their capital stock;
- incur additional debt;
- enter into transactions with affiliates;
- issue stock of subsidiaries;
- enter into sale-leaseback transactions;
- engage in other businesses;
- merge or consolidate with another company;
- transfer and sell assets;
- issue preferred stock;
- create dividend and other payment restrictions affecting subsidiaries;
- designate restricted and unrestricted subsidiaries; and
- issue and sell equity interest in wholly-owned subsidiaries.

The credit facilities will require the restricted entities to satisfy various financial covenants, including maximum total leverage, minimum fixed charge coverage, minimum earnings before interest, tax, depreciation and amortization and minimum net worth requirements. Future indebtedness or other contracts could contain financial or other covenants more restrictive than those applicable to the credit facilities, the FF&E facility and the second mortgage notes.

The restricted entities' ability to comply with these provisions may be affected by general economic conditions, industry conditions, other events beyond our control and delayed completion of Le Rêve. As a result, we cannot assure you that the restricted entities will be able to comply with these covenants. Failure by the restricted entities to comply with the covenants contained in the credit facilities, the FF&E facility or the indenture governing the second mortgage notes, including failure as a result of events beyond our control, could result in an event of default which could materially and adversely affect our operating results and our financial condition. If the restricted entities fail to comply with a financial covenant or other restriction contained in the credit facilities, the FF&E facility, the indenture governing the second mortgage notes or any future financing agreements, an event of default could occur.

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If there were an event of default under one of our subsidiaries' debt instruments, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. We cannot assure you that our assets or cash flow would be sufficient to fully repay borrowings under our outstanding debt instruments, either upon maturity or if accelerated upon an event of default, or that we would be able to refinance or restructure the payments on those debt securities. Further, if our subsidiaries are unable to repay, refinance or restructure their indebtedness under the credit facilities, the FF&E facility and the second mortgage notes, the lenders under those facilities and the second mortgage note holders could proceed against the collateral securing that indebtedness. In addition, any event of default or declaration of acceleration under one debt instrument could result in an event of default or declaration of acceleration under one or more of our subsidiaries' other debt instruments.

### **General Risks Associated with Our Business**

#### **We have no operating history.**

We were formed principally to develop and operate Le Rêve in Las Vegas and to pursue the Macau opportunity. Le Rêve and the Macau opportunity will be new developments with no history of operations. We cannot assure you that we will be able to attract a sufficient number of hotel guests, gaming customers and other visitors to Le Rêve or the Macau casino(s) to make their operations profitable, either independently in Las Vegas or Macau or as a whole.

Our operations will be subject to the significant business, economic, regulatory and competitive uncertainties and contingencies frequently encountered by new businesses in competitive environments, many of which are beyond our control. Because we have no operating history, it may be more difficult for us to prepare for and respond to these types of risks and the risks described elsewhere in this prospectus than for a company with an established business and operating cash flow. If we are not able to manage these risks successfully, it could negatively impact our operations.

We intend to lease approximately eight of the retail spaces and will own and operate the remaining approximately 18 retail spaces. We have entered into one restaurant management agreement and we may enter into others with respect to one or more of the restaurants in Le Rêve. We have not yet entered into binding agreements with any retail tenants or other restaurant operators, and we may not be able to obtain the number or quality of retail tenants or restaurant operators for the retail and restaurant portions of Le Rêve that currently are planned. If we do not obtain tenants and operators in sufficient number or of sufficient quality, it could impair the competitive position of Le Rêve and affect our operating performance.

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The opening and operation of Le Rêve will be contingent upon the receipt of all regulatory licenses, permits, approvals, registrations, findings of suitability, orders and authorizations from the Nevada gaming and other governmental authorities, including findings of suitability with regard to our direct and indirect principal stockholders. In addition, the opening and operation of Wynn Macau's casino(s) will be subject to the Macau government finding all necessary parties suitable to conduct or be associated with a gaming business in Macau. See "—General Risks Associated with Our Business—Le Rêve and Wynn Macau's casino(s) will be subject to extensive state and local regulation, and licensing and gaming authorities have significant control over their operations, which could have a negative effect on our business." The scope of approvals required to open Le Rêve is extensive and failure to obtain or maintain such approvals could prevent or delay the completion or opening of all or part of Le Rêve, or otherwise affect the design and features of Le Rêve, and could materially and adversely affect our financial position and results of operations.

#### **The loss of management and other key personnel could significantly harm our business.**

Our ability to maintain our competitive position is dependent to a large degree on the efforts and skills of our senior management team, including Stephen A. Wynn, the Chairman of the Board and Chief Executive Officer and one of the principal stockholders of Wynn Resorts. We have entered into employment agreements with several of our senior executives, and we plan to enter into additional employment agreements with some of our other senior executives, including Stephen A. Wynn. However, we cannot guarantee that these individuals will remain with us. If we lose the services of any members of our management team or other key personnel, or if they are unable to devote sufficient attention to our operations, our business may be significantly impaired. We cannot assure you that we will be able to retain our existing senior management personnel or to attract additional qualified senior management personnel. See "Management."

In addition, our officers, directors and certain key employees also will be required to file applications with the Nevada gaming authorities and may be required to be licensed or found suitable by the Nevada gaming authorities. In Macau, officers, directors and key employees of concession holders are also subject to suitability requirements in terms of background, business experience, associations and reputation. If the Nevada gaming authorities or the Macau government were to find an officer, director or key employee unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever all relationships with that person. Furthermore, the Nevada Gaming Commission or the Macau government may require us to terminate the employment of any person who refuses to file appropriate applications. Either result could adversely affect our gaming operations.

Until construction of Le Rêve is close to completion, we do not believe that we will require extensive operational management. Accordingly, we have kept and intend to keep our permanent staff at relatively low levels. We will be required to undertake a major recruiting and training program before Le Rêve opens. However, the pool of experienced gaming and other personnel is limited and competition to recruit and retain gaming and other personnel is likely to intensify as

more hotel casinos are opened. We cannot assure you that we will be able to attract and retain a sufficient number of qualified individuals to operate Le Rêve on acceptable terms.

**The casino, hotel, convention, retail and other facilities at Le Rêve will face intense competition.**

*Las Vegas Casino/Hotel Competition.* The casino/hotel industry is highly competitive. Resorts located on or near the Las Vegas Strip compete with other Las Vegas Strip hotels and with other hotel casinos in Las Vegas on the basis of overall atmosphere, range of amenities,

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level of service, price, location, entertainment, theme and size. Le Rêve also will compete with a large number of other hotels and motels located in and near Las Vegas, as well as other resort destinations. Many of our competitors have established gaming operations, are subsidiaries or divisions of large public companies and may have greater financial and other resources than we do.

According to the Las Vegas Convention and Visitors Authority, there were approximately 94,277 hotel rooms on or around the Las Vegas Strip as of December 31, 2001. Competitors of Le Rêve will include resorts on the Las Vegas Strip, among which are Bally's Las Vegas, Bellagio, Caesars Palace, Harrah's Las Vegas Hotel and Casino, Luxor Hotel and Casino, Mandalay Bay Resort & Casino, MGM Grand Hotel and Casino, The Mirage, Monte Carlo Hotel and Casino, New York-New York Hotel and Casino, Paris Las Vegas, Treasure Island at The Mirage and The Venetian, and resorts off the Las Vegas Strip, such as Las Vegas Hilton and Rio All-Suite Hotel & Casino. The Venetian has begun an expansion anticipated to consist of an approximately 1,000-room hotel tower on top of the resort's existing parking garage and approximately 150,000 square feet of additional meeting and conference space. The Venetian's expansion is expected to be completed by June 2003. In addition, Mandalay Bay Resort & Casino has announced that it will begin construction of a 1,122-room, all-suite tower connected to the current hotel casino resort in September 2002, with an expected opening date of October 2003. Mandalay Bay Resort & Casino also is expected to open a new convention and meeting complex in January 2003, and Caesars Palace is currently constructing an approximately 4,000-seat performing arts "Colosseum," which is scheduled to be completed in the first quarter of 2003.

The construction and expansion of these properties during the time that Le Rêve is being constructed may affect the availability of construction labor and supplies, resulting in increased costs. We cannot assure you that the Las Vegas market will continue to grow or that hotel casino resorts will continue to be popular. A decline or leveling off of the growth or popularity of hotel casino resorts or the appeal of the features offered by Le Rêve would impair our financial condition and future results of operations.

As noted elsewhere in this prospectus, Le Rêve will be different from many other Las Vegas resorts in that it will not focus on a highly themed experience. Instead, Le Rêve will offer an environment having a sophisticated, casually elegant ambience. Le Rêve's environment may not appeal to customers. In addition, customer preferences and trends can change, often without warning, and we may not be able to predict or respond to changes in customer preferences in time to adapt Le Rêve and the attractions and amenities it offers to address new trends.

*Las Vegas Retail Competition.* Retail shops in Le Rêve will compete with retail malls in or near Las Vegas, including the Fashion Show Mall, which currently is undergoing a substantial remodeling and expansion, retail stores at Bellagio, The Forum Shops at Caesars Palace, which is expected to complete a 200,000 square foot expansion in 2004, The Grand Canal Shoppes at The Venetian, the Desert Passage at Aladdin Resort & Casino and other retailers in resorts on the Las Vegas Strip, all of which may attract customers away from Le Rêve's retail shops.

*Other Competition for Le Rêve.* Le Rêve will also compete, to some extent, with other hotel/casino facilities in Nevada and in Atlantic City, with riverboat gaming facilities in other states, with hotel/casino facilities elsewhere in the world, with state lotteries and with Internet gaming. In addition, certain states recently have legalized, and others may or are likely to legalize, casino gaming in specific areas. Passage of the Tribal Government Gaming and Economic Self-Sufficiency Act in 1988 has led to rapid increases in Native American gaming

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operations. Also, in March 2000, California voters approved an amendment to the California Constitution allowing federally recognized Native American tribes to conduct and operate slot machines, lottery games and banked and percentage card games on Native American land in California. As a result, casino-style gaming on tribal lands is growing and could become a significant competitive force. The proliferation of Native American gaming in California could have a negative impact on our operations. The proliferation of gaming activities in other areas could significantly harm our business as well. In particular, the legalization of casino gaming in or near metropolitan areas, such as New York, Los Angeles, San Francisco and Boston, from which we intend to attract customers, could have a substantial negative effect on our business. In addition, new or renovated casinos in Macau or elsewhere in Asia could draw Asian gaming customers, including high-rollers, away from Las Vegas. See "Business—The Macau Opportunity—Competition within Macau and from Regional Markets."

**Because we may be entirely dependent upon a limited number of properties for all of our cash flow, we will be subject to greater risks than a gaming company that is more geographically or otherwise diversified.**

We do not expect to have material assets or operations other than Le Rêve and Wynn Macau's casino(s) for the foreseeable future. As a result, we likely will be entirely dependent upon Le Rêve and the Macau casino(s) for all of our cash flow. In addition, the financing documents for each of the Le Rêve project and the Macau opportunity may contain restrictions or prohibitions on the distribution to Wynn Resorts of any cash flow generated by these projects. See "—Risks Related to Our Substantial Indebtedness—We may not generate sufficient cash flow to meet our substantial debt service and other obligations."

Although we own a parcel of approximately 20 acres of land located next to Le Rêve along Las Vegas Boulevard and the Le Rêve golf course land that will be available for future development should they be released from the liens under the credit facilities and second mortgage notes upon satisfaction of prescribed cash flow tests after commencing operations at Le Rêve, we currently have no plans to develop these parcels. In addition, because our operations will only focus on Las Vegas and Macau, we will be subject to greater degrees of risk than a gaming company that is more geographically or otherwise diverse. The risks to which we will have a greater degree of exposure include the following:



local economic and competitive conditions;

- inaccessibility due to inclement weather, road construction or closure of primary access routes;
- changes in local and state governmental laws and regulations, including gaming laws and regulations;
- natural and other disasters;
- an increase in the cost of electrical power for Le Rêve as a result of, among other things, power shortages in California or other western states with which Nevada shares a single regional power grid;
- a decline in the number of visitors to Las Vegas or Macau;
- currency fluctuations; and
- a decrease in gaming and non-gaming activities at Le Rêve or Wynn Macau's casino(s).

Any of the factors outlined above could negatively affect our ability to generate sufficient cash flow to make payments on the second mortgage notes pursuant to the indenture, on

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borrowings under the credit facilities or the FF&E facility or with respect to our other debt. See "—Risks Associated with the Macau Opportunity."

**Terrorism and the uncertainty of war, as well as other factors affecting discretionary consumer spending, may harm our operating results.**

The strength and profitability of our business will depend on consumer demand for hotel casino resorts in general and for the type of luxury amenities Le Rêve will offer. Changes in consumer preferences or discretionary consumer spending could harm our business. The terrorist attacks of September 11, 2001, and ongoing terrorist and war activities in the United States and elsewhere, have had a negative impact on travel and leisure expenditures, including lodging, gaming and tourism. We cannot predict the extent to which the events of September 11 may continue to affect us, directly or indirectly, in the future. An extended period of reduced discretionary spending and/or disruptions or declines in airline travel and business conventions could significantly harm our operations. In particular, because we expect that our business will rely heavily upon high-end credit customers, particularly international customers, factors resulting in a decreased propensity to travel internationally, like the terrorist attacks of September 11, could have a negative impact on our operations.

In addition to fears of war and future acts of terrorism, other factors affecting discretionary consumer spending, including general economic conditions, disposable consumer income, fears of recession and consumer confidence in the economy, may negatively impact our business. Negative changes in factors affecting discretionary spending could reduce customer demand for the products and services we will offer, thus imposing practical limits on pricing and harming our operations.

Also, the terrorist attacks of September 11 have substantially affected the availability of insurance coverage for certain types of damages or occurrences. We do not have insurance coverage for occurrences of terrorist acts with respect to our Le Rêve project and any losses that could result from these acts. The lack of sufficient insurance for these types of acts could expose us to heavy losses in the event that any damages occur, directly or indirectly, as a result of terrorist attacks and have a significant negative impact on our operations.

**Our insurance costs may increase and we may not be able to obtain full insurance coverage in the future.**

The cost of new insurance policies are higher as a result of general increases in premium levels. The cost of coverage may become so high that we will need to reduce our policy limits or agree to certain exclusions from coverage, and we may not be able to purchase or renew insurance policies on favorable terms or at all. If we are forced to reduce, or prevented from obtaining or renewing, insurance coverage with respect to the occurrence of certain casualties, we could be exposed to heavy losses in the event that any damages result from such an occurrence.

**Le Rêve and Wynn Macau's casino(s) will be subject to extensive state and local regulation, and licensing and gaming authorities have significant control over their operations, which could have a negative effect on our business.**

The opening and operation of Le Rêve and Wynn Macau's casino(s) will be contingent upon our receipt and maintenance of all regulatory licenses, permits, approvals, registrations, findings of suitability, orders and authorizations. The laws, regulations and ordinances requiring these licenses, permits and other approvals generally relate to 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. The scope of the approvals required to open and operate a facility are extensive. Failure to obtain or maintain the

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necessary approvals could prevent or delay the completion or opening of all or part of the facility or otherwise affect the design and features of Le Rêve or the Macau casino(s). We do not currently hold any state and local licenses and related approvals necessary to conduct our planned gaming operations in Nevada and we cannot be certain that we will obtain at all, or on a timely basis, all required approvals and licenses. Failure to obtain or maintain any of the required gaming approvals and licenses could significantly impair our financial position and results of operations.

The Nevada Gaming Commission may, in its discretion, require the holder of any securities we issue, including the common stock sold pursuant to this prospectus, to file applications, be investigated and be found suitable to own Wynn Resorts' securities if it has reason to believe that the security ownership would be inconsistent with the declared policies of the State of Nevada.

In Macau, concessionaires are subject to ongoing suitability requirements in terms of background, business experience, associations and reputation, as are stockholders of 5% or more of the concessionaire's equity securities, officers, directors and key employees. The government of Macau also evaluates concessionaires in terms of financial capability to sustain a gaming business in Macau. Failure to maintain the government's requirements to own or operate a gaming concession could prevent Wynn Macau from opening or continuing to operate casinos in Macau. By the time this offering closes, all current stockholders holding 5% or more of the capital stock of Wynn Macau will have been found suitable or submitted applications for a finding of suitability with the Macau government.

Nevada regulatory authorities have broad powers to request detailed financial and other information, to limit, condition, suspend or revoke a registration, gaming license or related approval and to approve changes in our operations. Substantial fines or forfeiture of assets for violations of gaming laws or regulations may be levied. The suspension or revocation of any license which may be granted to us or the levy of substantial fines or forfeiture of assets could significantly harm our business, financial condition and results of operations. Furthermore, compliance costs associated with gaming laws, regulations and licenses are significant. Any change in the laws, regulations or licenses applicable to our business or a violation of any current or future laws or regulations applicable to our business or gaming license could require us to make substantial expenditures or could otherwise negatively affect our gaming operations.

Wynn Resorts' articles of incorporation will provide that, to the extent a gaming authority makes a determination of unsuitability or to the extent deemed necessary or advisable by the board of directors, Wynn Resorts may redeem shares of its capital stock that are owned or controlled by an unsuitable person or its affiliates. The redemption price may be paid in cash, by promissory note, or both, as required, and pursuant to the terms established by, the applicable gaming authority and, if not, as Wynn Resorts elects. See "—Risks Related to the Offering—We may redeem your shares due to regulatory considerations, either as required by gaming authorities or in our discretion.

### **The Nevada Gaming Commission may impose unanticipated requirements regarding the licensing of owners of Wynn Resorts.**

Kazuo Okada is the owner of a controlling interest in Aruze Corp., the parent company of Aruze USA, Inc., referred to as Aruze USA, which, immediately before the closing of this offering, will own approximately 47.4% of Wynn Resorts' common stock. Under Nevada gaming regulations, any beneficial owner of more than 10% of Aruze Corp.'s voting securities must be licensed or found suitable, including Kazuo Okada and his son, Tomohiro Okada. Kazuo Okada is currently licensed by the Nevada Gaming Commission to own the shares of

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Universal Distributing of Nevada, Inc., referred to as Universal Distributing, a gaming machine manufacturer and distributor. Kazuo Okada and his son previously sought approval from the Nevada Gaming Commission in connection with the proposed transfer of Universal Distributing to Aruze Corp. In connection with this application, the Nevada State Gaming Control Board raised certain concerns, including transactions which were then the subject of a pending tax case in Japan which involved Universal Distributing, Aruze Corp. and other related parties. The pursuit of this proposed transfer of Universal Distributing was deferred pending resolution of the Japanese tax case. The lower court in the Japanese tax case ruled in Aruze Corp.'s favor, but the Japanese tax authority has filed an appeal. It is unclear whether or how these events will affect the Nevada Gaming Commission's consideration of suitability with respect to Aruze USA's ownership of Wynn Resorts' stock.

Aruze Corp. has informed us that there are a number of outstanding issues in the investigation of the proposed transfer of Universal Distributing including issues relating to the transactions involved in the above-described tax proceeding. These issues, if not satisfactorily resolved, could result in the denial of the application. No formal action of any kind has been taken by the Nevada State Gaming Control Board or the Nevada Gaming Commission in connection with these issues. If either of these bodies were to act adversely with respect to the pending proceeding involving Universal Distributing, that decision could adversely affect an application filed by Aruze USA, Aruze Corp., Kazuo Okada or Tomohiro Okada in respect of Wynn Resorts.

Mr. Wynn, Kazuo Okada, Aruze USA, Aruze Corp. and Wynn Resorts have entered into arrangements which provide that if any gaming application of Aruze USA, Aruze Corp. or Kazuo Okada concerning Aruze USA's ownership of Wynn Resorts' stock is denied by Nevada gaming authorities or requested to be withdrawn or is not filed within 90 days after the filing of Wynn Resorts' application, Mr. Wynn may elect to purchase the shares owned by Aruze USA in Wynn Resorts. Mr. Wynn may pay this purchase price with a promissory note. If Mr. Wynn chooses not to exercise his right to purchase the shares, Wynn Resorts has the right to require him to purchase the shares, including with a promissory note. The prior buy-out arrangements under the Valvino operating agreement and under the stockholders agreement between Mr. Wynn, Aruze USA and Baron Asset Fund were terminated upon the effectiveness of the new agreement. See "Certain Relationships and Related Party Transactions—Stockholders Agreement" and "—Buy-Out of Aruze USA Stock."

As described above, if Wynn Resorts, pursuant to its articles of incorporation, or Mr. Wynn, pursuant to the buy-out agreement described above, purchases the shares of Wynn Resorts' stock held by an unsuitable person or its affiliate, including Aruze USA, Wynn Resorts and/or Mr. Wynn may, in lieu of immediate payment of the purchase price, issue a promissory note. However, if the Nevada Gaming Commission were to find the unsuitable person or its affiliate unsuitable to own the voting securities of Wynn Resorts, it could also determine that the person is unsuitable to hold a promissory note for the purchase of such voting securities by Wynn Resorts or Mr. Wynn, and could determine not to approve the issuance of the promissory note to the unsuitable person or its affiliate. In such event, the Nevada Gaming Commission could order the unsuitable person or its affiliate to dispose of its voting securities within a prescribed period of time that may or may not be a sufficient period of time to dispose of the securities in an orderly manner. Depending upon the period of time for disposition required by the Nevada Gaming Commission, this could have a negative effect on the price of the stock of Wynn Resorts. In the event that the unsuitable person or its affiliate is unable or fails to dispose of its voting securities within the prescribed period of time, or if Wynn Resorts fails to pursue all lawful efforts to require the unsuitable person or its affiliate to relinquish its voting securities, including, if necessary, the immediate purchase of the

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voting securities for cash at fair market value, the Nevada Gaming Commission could determine that Wynn Resorts was unsuitable or could take disciplinary action against Wynn Resorts. Disciplinary action could result in the limitation, conditioning, suspension or revocation of any approvals or gaming licenses held by Wynn Resorts and/or the imposition of a significant monetary fine against Wynn Resorts. Any such disciplinary action could significantly impair our operations.

**Our Las Vegas business will rely on high-end, international customers to whom we may extend credit, and we may not be able to collect gaming receivables from our credit players.**

We expect that a significant portion of our table game revenue at Le Rêve will be attributable to the play of a limited number of international customers. The loss or a reduction in the play of the most significant of these customers could have a substantial negative effect on our future operating results. A downturn in economic conditions in the countries in which these customers reside could cause a reduction in the frequency of visits and revenue generated by these customers.

We will conduct our gaming activities at Le Rêve on a credit as well as a cash basis. This credit will be unsecured. Table games players typically will be extended more credit than slot players, and high-stakes players typically will be extended more credit 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 positive or negative impact on cash flow and earnings in a particular quarter.

In addition, the collectibility of receivables from international customers could be negatively affected by future business or economic trends or by significant events in the countries in which these customers reside. We will extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit.

While gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," and judgments on gaming debts are enforceable under the current laws of Nevada, and judgments on gaming debts are enforceable in all states under the Full Faith and Credit Clause of the United States Constitution, other jurisdictions may determine that direct enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the United States 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. We cannot assure you that we will be able to collect the full amount of gaming debts owed to us, even in jurisdictions that enforce gaming debts. Our inability to collect gaming debts could have a significant negative impact on our operating results.

**Because we own real property, we are subject to extensive environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities.**

We have incurred costs and expended funds to comply with environmental requirements, such as those relating to discharges to air, water and land, the handling and disposal of solid and hazardous waste and the cleanup of properties affected by hazardous substances. Under these and other environmental requirements, we, as the owner of the property on which Le Rêve is situated, may be required to investigate and clean up hazardous or toxic substances or chemical releases at that property. As an owner or operator, we could also be held responsible to a governmental entity or third parties for property damage, personal injury and investigation and cleanup costs incurred by them in connection with the contamination.

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These laws typically impose cleanup responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. The liability under those laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of the responsibility. The costs of investigation, remediation or removal of those substances may be substantial, and the presence of those substances, or the failure to remediate a property properly, may impair our ability to rent or otherwise use our property.

We have conducted a Phase I Environmental Assessment. The Phase I report, as updated in August 2002, identified two areas where further sampling is recommended. Based on our prior work at the site and the other information in the Phase I report, we believe that, if any sampling indicates that remediation is required, the remediation will not be material, although we can provide no assurance with respect to the outcome. Otherwise, we believe that we have remediated all material environmental risks of which we are currently aware at the Le Rêve hotel site and on the existing golf course. However, in connection with constructing the new golf course, which will require significant grading, we may discover unforeseen environmental risks which we will need to incur costs to remediate. In addition, we will incur costs associated with asbestos removal from an existing office building in the event we decide to develop the 20-acre parcel of land located north of Le Rêve along Las Vegas Boulevard that will be available for future development should it be released from the liens under the credit facilities and the second mortgage notes. We may be required to incur costs to remediate these or other environmental hazards or to mitigate environmental risks.

Wynn Macau will be subject to environmental laws and regulations in Macau including laws and regulations relating to the prevention and control of noise during construction. Costs expended by Wynn Macau to comply with these Macau environmental laws and regulations, such as to implement control procedures to prevent unlawful noise levels, may have a significantly negative effect on the operating results of Wynn Macau. In addition, if the government of Macau holds Wynn Macau accountable and assesses penalties or imposes restrictions on Wynn Macau for non-compliance with environmental laws or regulations, Wynn Macau's results of operations could be negatively impacted or it could lose flexibility to adapt to changes affecting the operation of its business.

**If we fail to successfully register our Le Rêve service marks with respect to casino or hotel services or if a third party successfully challenges those marks, our business or results of operations could be harmed.**

We have applied to register the "LE RÊVE" service mark with the United States Patent and Trademark Office, referred to as the PTO, for casino and hotel services, as well as for other ancillary uses. Our application for the hotel services mark has cleared the PTO examination process, meaning that "LE RÊVE" will be registered for hotel and other related services if no member of the public objects by a published deadline. Our application for the casino services mark remains pending and, we expect it to be published for opposition soon.

Even if we are able to obtain registration of the "LE RÊVE" mark for the above described applications, such federal registration is not completely dispositive of the right to such trademarks. Third parties with prior rights with respect to marks similar to "LE RÊVE," including to the English translation "THE DREAM," may nonetheless challenge our use of "LE RÊVE" and seek to overcome the presumptions afforded by the registration. They also could attempt to prevent our use of "LE RÊVE" and/or seek monetary damages as a result of our use. Any such failure to register or successful challenge by a third party could have a material impact on our business with results of operations.

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**Our subsidiaries will need to recruit a substantial number of new employees before Le Rêve or Wynn Macau's Macau project(s) open and these employees may seek unionization.**

Our subsidiaries will need to recruit a substantial number of new employees before Le Rêve or Wynn Macau's casino(s) open and the employees in Las Vegas and Macau may seek union representation. We cannot be certain that our subsidiaries will be able to recruit a sufficient number of qualified employees. Currently, Valvino is a party to collective bargaining agreements with several different unions, which it assumed in connection with the acquisition of the Desert Inn Resort & Casino. All of these agreements will expire before the scheduled opening of Le Rêve. However, the unions may seek to organize the workers at Le Rêve or claim that the agreements assumed in connection with Valvino's acquisition of the Desert Inn Resort & Casino obligate Wynn Las Vegas to enter into negotiations with one or more of the unions to represent the workers at Le Rêve. In addition, any employees that Wynn Resorts' Macau subsidiaries might employ could also seek to collectively negotiate the terms and conditions of their employment with Wynn Resorts' Macau subsidiaries. Unionization, pressure to unionize or other forms of collective bargaining could increase our subsidiaries' labor costs.

**We will be subject to regulatory control by the Public Utilities Commission of Nevada.**

Desert Inn Improvement Co., a direct subsidiary of Desert Inn Water Company and an indirect subsidiary of Wynn Resorts, provides water service to the existing office building on the site of the former Desert Inn Resort & Casino and the remaining homes around the Desert Inn golf course. As a result, Desert Inn Improvement Co. is a public utility under Nevada law. The public utility status of Desert Inn Improvement Co. imposes regulatory restrictions on us. For example, if we decide to make changes to our ownership structure, such as in a merger or acquisition transaction or a significant stock issuance, or a sale of Aruze USA's shares of Wynn Resorts' common stock in the event that Aruze USA is found to be unsuitable to own such stock, we will likely be required to obtain the prior approval of the Public Utilities Commission of Nevada. Each of such actions requires the approval of the Public Utilities Commission of Nevada. We cannot assure you that such approval will be obtained. Further, with respect to any other transactions which we may enter into in the future, we cannot assure you that these regulatory requirements will not delay or prevent us from entering into transactions or operating our business in a manner that might be beneficial to our stockholders.

**The Le Rêve golf course land may be subject to restrictions which could prevent us from constructing the new golf course in accordance with our current plans and may inhibit future development of that land.**

We intend to construct the new golf course on an approximately 137-acre parcel of land located behind the hotel. Valvino acquired a portion of this parcel in connection with its purchase of the Desert Inn Resort & Casino and acquired the remainder when it purchased the residential lots located in the interior of, and some, but not all, of the lots around the former Desert Inn golf course. The residential lots, previously known as the Desert Inn Country Club Estates, were subject to various conditions, covenants and restrictions recorded against the lots in 1956 and amended from time to time since then. We believe that these conditions, covenants and restrictions were terminated in accordance with Nevada law in June 2001. However, some of the remaining homeowners have brought a lawsuit against Valvino challenging, among other things, the termination of the covenants, conditions and restrictions. If the plaintiffs prevail on their claims and the conditions, covenants and restrictions remain in effect, we may have to adjust our current plans for the construction of the golf course by redesigning some of the holes located on the periphery of the course.

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In addition, at least two of the homeowners have alleged the existence of an equitable implied restriction prohibiting any alternative commercial development of the golf course. If the plaintiffs prevail on this claim, any future development of the golf course parcel for an alternative use may be restricted. Valvino is vigorously contesting the homeowners' claims and will continue to do so. See "Business—Legal Proceedings."

**We explore opportunities to develop additional gaming or related businesses that could have an adverse impact on our business if unsuccessful.**

We continue to explore opportunities to develop additional gaming or related businesses in Las Vegas or other markets, whether through acquisition, investment or development. Any acquisition, investment or development would have the potential to be expensive, disrupt our ongoing business, distract our management and employees and/or adversely affect our financial results. In addition, any expansion of our business through acquisition, investment or development would likely require us to obtain additional financing and/or consent from the lenders under the credit facilities and the holders of the second mortgage notes. Acquisitions also may present other risks, such as exposing our company to potential unknown liabilities associated with acquired businesses. Any acquisition or development may not be successful in achieving our desired strategic objectives, which would also cause our business to suffer.

**A downturn in general economic conditions may adversely affect our results of operations.**

Our business operations will be affected by international, national and local economic conditions. A recession or downturn in the general economy, or in a region constituting a significant source of customers for our property, could result in fewer customers visiting our property, which would adversely affect our revenues.

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**Risks Associated with the Macau Opportunity**

The currency used in the concession agreement is the Macau pataca. The Macau pataca, which is not a freely convertible currency, is linked to the Hong Kong dollar, which itself is linked to the U.S. dollar. We have converted all pataca references into U.S. dollars using an exchange rate of approximately eight patacas to one U.S. dollar, the exchange rate as of August 11, 2002. While the rate of exchange may fluctuate over the term of the concession agreement, the rate of exchange between the U.S. dollar and the Hong Kong dollar and, in turn, the Macau pataca, has remained relatively stable over the past several years. Wynn Resorts' indirect economic ownership interest in Wynn Macau is expected to be approximately 82.5% prior to any financing for the Macau opportunity.

**Wynn Macau may not be able to develop the Macau opportunity.**

Wynn Macau has entered into a concession agreement with the Macau government that obligates it to construct and operate at least one casino resort in Macau. According to the concession agreement, Wynn Macau must invest no less than a total of 4 billion patacas (currently approximately \$500 million) on one or more casino projects by June 26, 2009, and to commence operations of its first permanent casino resort no later than December 2006. If Wynn Macau does not invest 4 billion patacas by June 26, 2009, it is obligated to invest the remaining amount on projects related to its gaming operations in Macau that the Macau

government approves, or on projects of public interest designated by the Macau government. Before Wynn Macau can construct and operate these casino(s), it must, among other things:

- acquire the rights to use suitable parcels of land on satisfactory terms and in acceptable locations in Macau on which to build casino(s), although Wynn Macau has an agreement in principle relating to the location of its first proposed casino;
- attract a sufficient number of qualified management, key personnel and employees to operate the casino(s); and
- obtain the necessary debt or equity financing to fund the development, design and construction of any casino or casinos in Macau.

We cannot assure you that Wynn Macau or Wynn Resorts' other Macau-related subsidiaries would be able to accomplish any of the above and, if they fail to do so, Wynn Macau may not be able to develop the Macau opportunity.

**If Wynn Macau builds and operates one or more casinos in Macau, it will be subject to considerable risks, including risks related to Macau's untested regulatory framework.**

*Untested Foreign Regulatory Framework.* If Wynn Macau opens one or more casinos in Macau, its operations will be subject to unique risks, including risks related to Macau's untested regulatory framework. In light of the untested regulatory framework, Wynn Macau may need to develop operating procedures which are different from those used in domestic casinos. Failure to adapt to the regulatory and gaming environment in Macau could result in the revocation of Wynn Macau's concession or otherwise negatively affect its operations there. Moreover, Wynn Resorts would be subject to the risk that Macau's gaming regulatory framework will not develop in a way that would permit Wynn Resorts, as the parent entity of a United States gaming operator, to have its affiliates conduct operations in Macau in a manner consistent with the way in which Wynn Resorts intends, or the Nevada gaming authorities require Wynn Resorts, to conduct its operations in the United States.

*Political and Economic Conditions.* The success of Wynn Macau's operations in Macau would also depend on political and economic conditions in Macau. In December 1999, after 450 years of Portuguese control, Portugal returned Macau to Chinese administration. The

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People's Republic of China re-established Macau as a special administrative region. As a result of this change in control, Macau's legislative, regulatory, legal, economic and cultural institutions are in a period of transition. We cannot predict how these systems and cultural institutions will develop or how developments would affect any gaming business Wynn Macau would conduct in Macau.

If Wynn Macau constructs and operates one or more casinos in Macau, its operations will be subject to significant political, economic and social risks inherent in doing business in an emerging market such as China. For example, fiscal decline and civil, domestic or international unrest in Macau, China or the surrounding region could significantly harm Wynn Macau's business, not only by reducing customer demand for casino resorts of the kind it would operate in Macau, but also by increasing the risk of imposition of taxes and exchange controls or other governmental restrictions that might impede its ability to repatriate funds. Some of the other risks involved in operating a business in Macau include:

- the possible taking of Wynn Macau's property without payment of fair compensation;
- the possible impositions of restrictions on foreign partnerships and alliances, foreign ownership and/or possible discrimination against foreign-owned business;
- the ability to implement effective controls against infiltration by persons associated with, and effective methods to protect Wynn Resorts' Macau subsidiaries from unknowingly doing business with, reputed criminal organizations;
- potential economic slowdowns in Hong Kong or China, on which Macau heavily relies for tourism and patronage of its existing casinos;
- potential conflicts between local and national governments;
- obtaining the ability, through legislative and regulatory changes, to extend credit to gaming customers and enforce gaming debts in Macau;
- competitive disadvantage due to the ownership of substantially all of the water ferry services and the helicopter shuttle service that link Macau and Hong Kong and Kowloon, as well as the ferry terminal in Hong Kong, by Stanley Ho, who controls Sociedade de Jogos de Macau, the existing casino concession holder and operator in Macau and one of Wynn Macau's competitors;
- obtaining relief, through legislative actions, from the complementary income tax and the withholding tax on dividends imposed in Macau; and
- the risks inherent in construction projects.

Wynn Macau may not proceed with the construction of casino(s) in Macau if, in the judgment of its management, such conditions and risks cannot be adequately resolved, or if these conditions and risks would adversely affect Wynn Resorts' ability to conduct gaming and hotel operations outside Macau, including at Le Rêve. However, the concession agreement does not contain provisions permitting Wynn Macau to terminate the concession agreement unilaterally, or permitting Wynn Macau to cease the development of casino(s) in Macau, for any of the reasons described above. The obligations under the Macau concession agreement are those of Wynn Resorts' indirect subsidiary, Wynn Macau. Accordingly, unless a court rules that Wynn Resorts and the intermediate Macau-related entities are not entitled to limited liability protection with respect to Wynn Macau's obligations under the concession agreement, or unless Wynn Resorts guarantees the performance of Wynn Macau's obligations thereunder, Wynn Resorts' exposure to the government of Macau would be no more than Wynn Macau's assets.

Any potential investment in Macau could be jeopardized by future developments, and we cannot assure you that activities Wynn Macau may plan in Macau will be permitted or feasible.

*Collection of Gaming Receivables.* Currently, Macau law does not permit casinos to extend credit or to enforce gaming debts. However, if the law in Macau is changed to permit casino operators to extend credit to gaming customers, Wynn Macau may not be able to collect all of its gaming receivables from its credit players. Furthermore, we expect that if Wynn Macau obtains the right to extend credit to its gaming customers, it will be able to enforce these obligations only in a limited number of jurisdictions, including Macau. To the extent that gaming customers of Wynn Macau are expected to be visitors from other countries, Wynn Macau may not have access to a forum in which it will be able to collect all of its gaming receivables and because, among other reasons, courts of many countries do not enforce gaming debts, Wynn Macau may encounter forums that will refuse to enforce such debts. Wynn Macau's inability to collect gaming debts could have a significant negative impact on its operating results.

*Necessity of Expanding Transportation.* Because of additional casino projects which may be developed in the future, the hydrofoil ferry and helicopter services which provide transportation to and from Hong Kong may need to be expanded to service the increased visitation of Macau. If transportation facilities to and from Macau are inadequate to meet the demands of increased volumes of gaming customers visiting Macau, the desirability of Macau as a gaming destination, as well as the results of operations of Wynn Macau's casino resort(s) in Macau, could be negatively impacted.

*Extreme Weather Conditions.* Macau's subtropical climate and location on the South China Sea are subject to extreme weather conditions including typhoons and heavy rainstorms. Unfavorable weather conditions could negatively affect the profitability of Wynn Macau's casino resort(s) by disrupting its ability to timely construct its casino project(s) and by preventing guests from traveling to Macau.

*Potential Taxation of Investment in Macau.* Wynn Resorts' potential investment in Macau would be made through a number of wholly owned and partially owned domestic and foreign entities. Although we believe that transfers to these entities of the assets and stock of Wynn Macau can be accomplished on a tax-free basis, there is a risk that the Internal Revenue Service could assert that any appreciation in the transferred assets or its stock is currently taxable.

*Currency Exchange Controls and Currency Export Restrictions.* Currency exchange controls and restrictions on the export of currency by certain countries may negatively impact the success of Wynn Macau. For example, there are currently existing currency exchange controls and restrictions on the export of the renminbi, the currency of China. Restrictions on the exportation of the renminbi may impede the flow of gaming customers from China to Macau, inhibit the growth of gaming in Macau and negatively impact Wynn Macau's gaming operations.

*Foreign Corrupt Practices Act.* Wynn Resorts is subject to regulations imposed by the Foreign Corrupt Practices Act, or the FCPA, which generally prohibits U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. Any determination that Wynn Resorts has violated the FCPA could have a material adverse effect on us.

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**If Wynn Macau builds and operates one or more casinos in Macau, certain Nevada gaming laws would apply to its planned gaming activities and associations in Macau.**

Certain Nevada gaming laws also apply to gaming activities and associations in jurisdictions outside the State of Nevada. As Wynn Macau develops its opportunity in Macau, Wynn Resorts and its subsidiaries that are licensed to conduct gaming operations in Nevada will be required to comply with certain reporting requirements concerning gaming activities and associations in Macau proposed to be conducted by Wynn Resorts' Macau-related subsidiaries. Wynn Resorts and its licensed Nevada subsidiaries also will be subject to disciplinary action by the Nevada Gaming Commission if Wynn Resorts' Macau-related subsidiaries:

- knowingly violate any Macau laws relating to their Macau gaming operation;
- fail to conduct the Macau operations in accordance with the standards of honesty and integrity required of Nevada gaming operations;
- engage in any activity or enter into any association that is unsuitable for us because it poses an unreasonable threat to the control of gaming in Nevada, reflects or tends to reflect discredit or disrepute upon the State of Nevada or gaming in Nevada, or is contrary to Nevada gaming policies;
- engage in any activity or enter into any association that interferes with the ability of the State of Nevada to collect gaming taxes and fees; or
- employ, contract with or associate with any person in the foreign gaming operation who has been denied a license or a finding of suitability in Nevada on the ground of unsuitability, or who has been found guilty of cheating at gambling.

Such disciplinary action could include suspension, conditioning, limitation or revocation of the registration, licenses or approvals held by Wynn Resorts and its licensed Nevada subsidiaries, including Wynn Las Vegas, and the imposition of substantial fines.

In addition, if the Nevada State Gaming Control Board determines that any actual or intended activities or associations of Wynn Resorts' Macau-related subsidiaries may be prohibited pursuant to one or more of the standards described above, the Nevada State Gaming Control Board can require Wynn Resorts and its licensed Nevada subsidiaries to file an application with the Nevada Gaming Commission for a finding of suitability of the activity or association. If the Nevada Gaming Commission finds that the activity or association in Macau is unsuitable or prohibited, Wynn Resorts' Macau-related subsidiaries will either be required to terminate the activity or association, or will be prohibited from undertaking the activity or association. Consequently, should the Nevada Gaming Commission find that Wynn Resorts' Macau-related subsidiaries' gaming activities or associations in Macau are unsuitable, those subsidiaries may be prohibited from undertaking their planned gaming activities or associations in Macau, or be required to divest their investment in Macau, possibly on unfavorable terms.

The concession agreement into which Wynn Macau has entered with the government of Macau requires Wynn Macau to inform the government in the event that a stockholder owning 5% or more of the stock of Wynn Macau is subject to an investigation by a gaming authority outside of Macau that could lead to the suspension or revocation of any gaming license. The concession agreement also requires Wynn Macau to inform the government of Macau in the event that a stockholder owning 5% or more of the stock of Wynn Macau loses a gaming license.

### **Macau casinos would face intense competition.**

The Macau government has granted concessions to operate casinos to three companies. Sociedade de Jogos de Macau, referred to as SJM, has been granted one of the concessions. SJM is controlled by Stanley Ho, who through another entity had controlled the monopoly concession to conduct the only gaming operations in Macau for approximately 40 years. SJM has the benefit of being the established gaming enterprise already in existence at eleven locations in Macau. SJM's casinos at the Hotel Lisboa and at the converted Jai Alai fronton are the largest casino facilities in Macau. Galaxy Casino Company Limited, referred to as Galaxy, also has been awarded a concession to operate casinos in Macau. Galaxy is a joint venture between an affiliate of the operators of The Venetian in Las Vegas and a group of Hong Kong investors, which, according to news reports, has plans to build a major casino on Taipa, the island where Macau's international airport is located, and possibly other casinos. Wynn Macau was awarded the third concession. Although Wynn Macau's gaming business initially would compete with businesses to be operated by the two other casino concessionaires in Macau, the concession agreement into which Wynn Macau has entered with the Macau government permits the government to grant additional concessions for the operation of casinos after April 1, 2009. If the government of Macau awards additional concessions, Wynn Macau will face increased competition from local casino operators in Macau.

New or renovated casinos in Macau operated by the other concessionaires would present increased competition and could negatively impact Wynn Macau's gaming business. SJM's concession permits it to renovate its existing casinos, as well as to develop new casinos. Currently, SJM is reported to be planning a major remodeling of the Hotel Lisboa and, through a related entity, a new Fisherman's Wharf development, which will include a casino, in the area of the Macau ferry terminal.

Stanley Ho, who controls SJM, also controls, through affiliates, substantially all of the water ferry and the helicopter shuttle services that link Macau and Hong Kong, as well as the Macau ferry terminal in Hong Kong. In addition, affiliates of Stanley Ho control certain real estate and other assets, such as the Mandarin Oriental Hotel in Macau. Such businesses and assets could provide a competitive advantage for SJM.

Wynn Macau's gaming business would face significant regional competition from casinos located in Asia, as well as other major casino destinations around the world. For example, Genting Highlands Resort, an entertainment complex just outside of Kuala Lumpur, Malaysia, which currently has five hotels, a casino, theme park, golf and country club and other amenities, would compete with Wynn Resorts' casinos in Macau for travelers deciding among gaming destinations in Asia. In the event that new casino projects in Asia are completed, such as the proposed large-scale casino and entertainment complex to be built in Manila, fewer gaming customers might visit Macau and the results of operations of Wynn Macau's casinos could be negatively affected.

For additional information about the competition that Wynn Macau's casino(s) will face, see "Business—The Macau Opportunity—Competition within Macau and from Regional Markets."

### **There are significant risks associated with construction projects that may prevent completion of Wynn Macau's casino(s) on budget and on schedule.**

The construction of one or more casinos in Macau by Wynn Macau would entail significant risks associated with construction projects. These risks are similar to the risks we face in constructing Le Rêve. For examples of the construction risks that may apply to the

Macau opportunity, see "—Risks Associated with Our Construction of Le Rêve—There are significant risks associated with major construction projects that may prevent completion of Le Rêve on budget and on schedule." We cannot assure you that Wynn Macau's casino(s) will commence operations on schedule or that construction costs for the Macau casino(s) will not exceed budgeted amounts. Failure to complete Wynn Macau's casino(s) on budget or on schedule could have a significant negative effect on us.

### **The summary of the concession agreement between Wynn Macau and the Macau government set forth in this prospectus is based on English translations of Chinese and Portuguese versions of the concession agreement.**

The concession agreement between Wynn Macau and the government of Macau was prepared in Chinese and Portuguese, and each of these versions of the concession agreement is an official document of equal authority. The summary of the concession agreement set forth in the section of this prospectus entitled "Concession Agreement with the Government of Macau" is based on unofficial English translations of both of the official Chinese and Portuguese versions of the agreement. We believe that the summary of the concession agreement set forth in this prospectus accurately reflects the key terms of the concession agreement in all material regards. However, because of the difficulties inherent in translation due to context, word order and the multiple meanings of words, English may not precisely convey the nuances of the concession agreement, and the English translations of the concession agreement may imply meanings different from those embodied by the official documents. Moreover, the concession agreement provides that all issues of interpretation will be subject to the exclusive jurisdiction of the Macau courts, and summarization of the key terms of the concession agreement is complicated by the difficulties in ascertaining how a Macau court will interpret the concession agreement.

### **If Wynn Macau fails to abide by the terms of the concession agreement, it will face substantial penalties.**

The concession agreement provides for the imposition of substantial penalties if Wynn Macau violates certain terms of the concession agreement. The concession agreement prohibits Wynn Macau from ceding, transferring, alienating or in any way burdening its concession to conduct a gaming business in whole or in part without the approval of the government of Macau. The concession agreement provides that Wynn Macau will be liable to the government of Macau for 1 billion patacas (approximately US \$125 million based on the August 11, 2002 exchange rate) if it assigns the whole concession without government approval, and 500 million patacas (approximately US \$62.5 million based on the August 11, 2002 exchange rate) if it assigns part of the concession without government approval. If Wynn Macau encumbers the concession, in whole or in part, to conduct gaming activities in violation of the agreement, the concession agreement provides that it will be liable to the government of Macau for 300 million patacas (currently approximately US \$37.5 million). Wynn Macau does not intend to assign or encumber all or part of the concession without government approval.

In addition, the concession agreement prohibits Wynn Macau from granting without government approval a sub-concession to conduct gaming in Macau. If Wynn Macau violates this provision by granting a sub-concession of the whole agreement without governmental approval, the concession agreement provides

that it will be liable to the government of Macau for 500 million patacas (approximately US \$62.5 million based on the August 11, 2002 exchange rate), and if Wynn Macau grants a sub-concession of part of the agreement without governmental approval, the concession agreement provides that it will be liable to the government of Macau for 300 million patacas (approximately US \$37.5 million based on the

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August 11, 2002 exchange rate). Wynn Macau does not intend to grant any sub-concession without government approval.

**If Wynn Macau builds one or more casinos in Macau, the value of Wynn Resorts' investment will vary depending on fluctuations, if any, in the currency exchange rate between the U.S. dollar and foreign currencies, including the Hong Kong dollar and the Macau pataca.**

Although the Macau pataca is not a freely convertible currency, the Macau pataca and the Hong Kong dollar are linked to each other, and in many cases are used interchangeably in Macau. If Wynn Macau builds and/or operates one or more casinos in Macau, Wynn Resorts will be subject to foreign exchange risk with respect to the foreign currency exchange rates between the Hong Kong dollar and the U.S. dollar. We expect that most of the revenue for any casino that Wynn Macau operates in Macau will be in Hong Kong dollars. We expect that some of the revenue will be in Macau patacas, and we intend that substantially all expenses for such casino operations will be paid in Macau patacas first, and then in Hong Kong dollars. The exchange rate between the U.S. dollar and the Hong Kong dollar is linked and has remained relatively stable over the past several years. However, the exchange linkages of the Hong Kong dollar and the Macau pataca, and the Hong Kong dollar and the U.S. dollar, are subject to potential changes due to, among other things, changes in Chinese governmental policies and international and economic and political developments. Also, if Wynn Resorts' Macau-related entities incur debt denominated in U.S. dollars, fluctuations in the exchange rates of the Macau pataca or the Hong Kong dollar, in relation to the U.S. dollar, could have an adverse effect on Wynn Macau's ability to service its debt and its results of operations and financial condition. In addition, Wynn Macau's payment and expenditure obligations under the concession agreement would increase in the case of unfavorable currency rate changes. Wynn Resorts has not yet determined whether it will engage in hedging activities to protect against foreign currency risk.

### **Risks Related to the Offering**

**The price of our common stock after this offering may be lower than the offering price you pay and may be volatile.**

Before this offering, our common stock has not been sold in a public market. After this offering, an active trading market in our common stock might not develop. If an active trading market develops, it may not continue. Moreover, if an active market develops, the trading price of our common stock may fluctuate widely as a result of a number of factors, many of which are outside of our control. Moreover, as construction of Le Rêve progresses, developments in construction may cause fluctuation in the price of our common stock. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market prices of many companies. These broad market fluctuations could negatively affect the market price of our common stock. A significant decline in our stock price could result in substantial losses for individual stockholders and could lead to costly and disruptive securities litigation. If you purchase shares of our common stock in this offering, you will pay a price that was not established in a competitive market. Rather, you will pay a price that was negotiated with the representatives of the underwriters based upon a number of factors. The price of our common stock that will prevail in the market after this offering may be higher or lower than the offering price.

**Substantial amounts of our common stock could be sold in the near future, which could depress our stock price.**

Before this offering, there has been no public market for our common stock. We cannot predict the effect, if any, that market sales of shares of common stock or the availability of

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shares of common stock for sale will have on the market price of our common stock prevailing from time to time. In addition, if Wynn Resorts is required by the Nevada gaming regulators to purchase securities owned or controlled by an unsuitable person or its affiliate, including Aruze USA, we may fund this purchase by the resale of all or some of these securities in a secondary offering. Immediately following the completion of this offering, Aruze USA will hold % of our issued and outstanding common stock. A sale of all or some of Aruze USA's shares in a secondary offering could significantly reduce the market price of the common stock.

All of the outstanding shares of common stock belonging to officers, directors and other stockholders are currently "restricted securities" under the Securities Act. We expect that up to shares of these restricted securities will be eligible for sale in the public market pursuant to Rule 144 under the Securities Act, or otherwise, beginning in August 2003. Sales of a significant number of these shares of common stock in the public market could reduce the market price of our common stock.

**Wynn Resorts has never paid dividends, does not intend to pay dividends in the foreseeable future and may not pay dividends to any unsuitable person or its affiliates.**

Wynn Resorts has never paid dividends and does not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain our earnings, if any, to use in our growth and ongoing operations. In addition, Wynn Resorts is a holding company and, as a result, its ability to pay dividends is dependent on its subsidiaries' ability to provide funds to it. However, the terms of the credit facilities, the FF&E facility and the indenture governing the second mortgage notes will restrict Wynn Resorts' subsidiaries' ability to provide funds to it for the payment of dividends. See "Description of Certain Indebtedness." Our board of directors has the authority to issue one or more series of preferred stock without action of the stockholders. The issuance of preferred stock could have the effect of limiting dividends on the common stock. Wynn Resorts' articles of incorporation also will prohibit the payment of dividends to anyone who is an unsuitable person or any affiliate of an unsuitable person. See "Description of Capital Stock—Preferred Stock and Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration."

**The officers, directors and substantial stockholders of Wynn Resorts may be able to exert significant control over its future direction.**



After this offering, Mr. Wynn and Aruze USA will own approximately % and %, respectively, of Wynn Resorts' outstanding common stock. As a result, Mr. Wynn and Aruze USA, to the extent they vote their shares in a similar manner, effectively will be able to control all matters requiring Wynn Resorts' stockholders' approval, including the approval of significant corporate transactions.

In addition, Mr. Wynn and Aruze USA, together with Baron Asset Fund, have entered into a stockholders agreement. Under the stockholders agreement, Mr. Wynn and Aruze USA have agreed to vote their shares of Wynn Resorts' common stock for a slate of directors, a majority of which will be designated by Mr. Wynn, of which at least two will be independent directors, and the remaining members of which will be designated by Aruze USA.

As a result of this voting arrangement, Mr. Wynn may, as a practical matter, control Wynn Resorts' board of directors. The stockholders agreement will continue to be in effect after the completion of this offering. The concentration of ownership and representation on Wynn Resorts' board of directors may delay, prevent or deter a change in control, could deprive Wynn Resorts' stockholders of an opportunity to receive a premium for their common stock

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as part of a sale of Wynn Resorts or its assets and might reduce the market price of Wynn Resorts' common stock. For more information about the stockholders agreement between Mr. Wynn, Aruze USA and Baron Asset Fund, see "Certain Relationships and Related Party Transactions—Stockholders Agreement" and "Ownership of Capital Stock."

**Investors will incur immediate and substantial dilution in the book value of their investment, and may incur further dilution depending on how we decide to finance Wynn Macau's opportunity in Macau.**

We expect the initial public offering price to be substantially higher than the net tangible book value per share of the outstanding common stock. If you purchase shares of our common stock, you will incur immediate and substantial dilution in the amount of \$ per share, based on an assumed initial public offering price of \$ per share, which is the mid-point of the initial public offering price range set forth on the cover of this prospectus. This means that if we were to be liquidated immediately after the offering, there may be no assets available for distribution to you after satisfaction of all of our obligations to creditors.

Wynn Macau's plans relating to the financing of the Macau opportunity are in preliminary stages. Wynn Macau is considering different financing alternatives, including equity financing at the Wynn Macau level or at the level of one of Wynn Macau's intermediary holding companies, such as Wynn Resorts (Macau), Limited, and debt financing at the Wynn Macau level. If additional equity is raised at the Wynn Macau or intermediary holding company level, you would indirectly hold a smaller interest in Wynn Macau as the minority interest in the Macau-related entities increases. If Wynn Resorts decides to raise equity at the Wynn Resorts level to fund the Macau opportunity, you would suffer dilution of your interest in Wynn Resorts.

**Our anti-takeover provisions or provisions of Nevada law could prevent or delay a change in control of Wynn Resorts, even if a change of control would benefit our stockholders.**

Provisions of our articles of incorporation and bylaws, as they will be in effect at the completion of this offering, as well as provisions of Nevada law, could discourage, delay or prevent a merger, acquisition or other change in control of Wynn Resorts, even if a change in control would benefit our stockholders. These provisions will:

- classify our board of directors so that only one-third of the directors are elected each year;
- authorize our board of directors to issue "blank check" preferred stock to increase the number of outstanding shares and thwart a takeover attempt;
- eliminate the ability of holders of our common stock to call special meetings of stockholders;
- prohibit stockholder action by written consent and require that all stockholder actions be taken at a meeting of our stockholders;
- establish advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;
- require a super-majority stockholders' vote to approve mergers, conversions or share exchanges or sales of all or substantially all of our assets; and
- require a super-majority directors' approval of the sale of all or substantially all of our assets.

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In addition, the Nevada Revised Statutes contain provisions governing the acquisition of a controlling interest in certain publicly held Nevada corporations. These laws provide generally that any person that acquires 20% or more of the outstanding voting shares of certain publicly held Nevada corporations, which we expect will include Wynn Resorts, in the secondary public or private market must follow certain formalities before such acquisition or they may be denied voting rights, unless a majority of the disinterested stockholders of the corporation elects to restore such voting rights in whole or in part. These laws provide that a person acquires a "controlling interest" whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the Nevada Revised Statutes, would enable that person to exercise (1) one-fifth or more, but less than one-third, (2) one-third or more, but less than a majority or (3) a majority or more, of all of the voting power of the corporation in the election of directors. See "Description of Capital Stock—Nevada Anti-Takeover Law and Certain Charter and Bylaw Provisions—Nevada Control Share Laws."

After we become a registered company under Nevada's gaming laws, approval of the Nevada Gaming Commission must be obtained with respect to changes in control. A person that seeks to acquire control of a registered company must satisfy the Nevada gaming authorities before assuming control of a registered company. The Nevada gaming authorities may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with a person proposing to acquire control to be investigated and licensed as part of the approval process relating to the transaction. See "Regulation and Licensing—Approval of Changes in Control."

Nevada law also provides that directors may resist a change or potential change in control if the directors determine that the change is opposed to, or not in the best interest of, the corporation. See "Description of Capital Stock—Redemption of Securities Owned or Controlled by an Unsuitable Person or an Affiliate."

**We may redeem your shares due to regulatory considerations, either as required by gaming authorities or in our discretion.**

Wynn Resorts' articles of incorporation, which will be adopted prior to the consummation of this offering, will provide that, to the extent a gaming authority makes a determination of unsuitability or to the extent deemed necessary or advisable by the board of directors, Wynn Resorts may redeem shares of its capital stock that are owned or controlled by an unsuitable person or its affiliates. The redemption price will be the amount, if any, required by the gaming authority or, if the gaming authority does not determine the price, the sum deemed to be the fair value by the board of directors. If Wynn Resorts determines the redemption price, the redemption price will be capped at the closing price of the shares on the principal national securities exchange on which the shares are listed on the trading date on the day before the redemption notice is given. If the shares are not listed on a national securities exchange, the redemption price will be capped at the closing sale price of the shares as quoted on The Nasdaq National Market or SmallCap Market, or if the closing price is not reported, the mean between the bid and asked prices, as quoted by any other generally recognized reporting system. The redemption price may be paid in cash, by promissory note, or both, as required, and pursuant to the terms established by, the applicable gaming authority and, if not, as Wynn Resorts elects. However, if the Nevada Gaming Commission were to find the unsuitable person or its affiliate unsuitable to own the voting securities of Wynn Resorts, it could also determine that the person is unsuitable to hold a promissory note for the purchase of such voting securities by Wynn Resorts, and could determine not to approve the issuance of the promissory note to the unsuitable person or its affiliate. See "Risk Factors—General Risks Associated with Our Business—The Nevada Gaming Commission may impose unanticipated requirements regarding the licensing of owners of Wynn Resorts" and "Regulation and Licensing—Redemption of Securities Owned by an Unsuitable Person."

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### FORWARD-LOOKING STATEMENTS

Some of the statements under "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus constitute forward-looking statements. These statements involve risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "estimate," "intend," "plan," "continue" or the negative of these terms or other comparable terminology.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. If one or more of the assumptions underlying our forward-looking statements proves incorrect, then actual results, levels of activity, performance or achievements could differ significantly from those expressed in, or implied by, the forward-looking statements contained in this prospectus. Therefore, we caution you not to place undue reliance on our forward-looking statements. Except as required by law, we do not intend to update or revise any of the forward-looking statements after the date of this prospectus to conform these statements to actual results. All forward-looking statements attributable to us are expressly qualified by these cautionary statements. Our forward-looking statements in this prospectus include, but are not limited to, statements relating to:

- statements relating to our business strategy;
- statements relating to our development, construction and operation of Le Rêve;
- expectations concerning future operations, margins, profitability, liquidity and capital resources; and
- our current and future plans, including with respect to Wynn Macau's opportunity to develop one or more casinos in Macau.

These forward-looking statements are subject to risks, uncertainties, and assumptions about us and our operations that are subject to change based on various important factors, some of which are beyond our control. The following factors, among others, could cause our financial performance to differ significantly from the goals, plans, objectives, intentions and expectations expressed in our forward-looking statements:

- risks associated with entering into a new venture and new construction, including our ability to construct and open Le Rêve and Wynn Macau's casino(s) on time and on budget;
- competition and other planned construction in Las Vegas and Macau;
- uncertainty of casino spending and vacationing in hotel casino resorts in Las Vegas and Macau;
- occupancy rates and average room rates in Las Vegas and Macau;
- demand for high-end, entertainment-related hotel and destination casino resorts in Las Vegas and Macau and changing resort preferences among high-end customers;
- domestic and global economic, credit and capital market conditions;
- leverage and debt service obligations, including sensitivity to fluctuations in interest rates;

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- our dependence on existing management;
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applications for licenses and approvals under applicable laws and regulations, including gaming laws and regulations;

- changes in gaming laws or regulations, including the legalization or expansion of gaming in certain jurisdictions;
- adverse outcomes of pending litigation or the possibility of new litigation;
- risks associated with Macau's new gaming regulatory framework;
- risks of doing business in foreign countries, such as Macau;
- changes in federal or state tax laws or the administration of these laws;
- regulatory or judicial proceedings;
- the consequences of any future security alerts and/or terrorist attacks such as the attacks that occurred on September 11, 2001; and
- a broad downturn in the economy in general.

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## USE OF PROCEEDS

We expect to receive approximately \$363.5 million in net proceeds from the sale of shares of our common stock in this offering based on the sale of million shares at an assumed initial public offering price of \$ per share, the mid-point of the initial public offering price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses. If the underwriters exercise their over-allotment option in full, we expect our net proceeds to be approximately \$418.5 million.

Concurrently with the consummation of this offering:

- (1) Our wholly owned subsidiaries, Wynn Las Vegas and Wynn Capital, will jointly consummate an offering of second mortgage notes. We expect Wynn Las Vegas and Wynn Capital to receive approximately \$335.7 million in net proceeds from the second mortgage note offering, after deducting underwriting discounts and commissions and estimated offering expenses.
- (2) Our subsidiaries will enter into a \$750.0 million revolving credit facility, a \$250.0 million delay draw term loan facility and a \$178.5 million FF&E facility. We have received commitments for the credit facility and the delay draw term loan. We have entered into an engagement letter with respect to the FF&E facility, which facility is currently being syndicated. See "Description of Certain Indebtedness."

We intend to use net proceeds from this offering and our existing cash on hand that are contributed to Wynn Las Vegas, net proceeds from the second mortgage notes offering, borrowings under the revolving credit facility, delay draw term loan facility and FF&E facility to design, develop, construct, equip and open Le Rêve. None of the proceeds of this offering, except possibly from the underwriters' exercise, if it occurs, of the over-allotment option, will be used to fund the construction and development of Wynn Macau's casinos in Macau. The disbursement agreement will require that project costs be funded first from contributions we made to Wynn Las Vegas, then from the net proceeds of the second mortgage notes offering and then from the other debt facilities.

We expect that the funds provided by these sources and available cash will be sufficient to design, develop, construct, equip and open Le Rêve and to pay interest on borrowings under the credit facilities, the FF&E facility and the second mortgage notes until the scheduled opening of Le Rêve, assuming there are no significant delay costs or construction cost overruns for which we are responsible. We believe that the construction budget for Le Rêve is reasonable, but given the risks inherent in the construction process, it is possible that the costs of developing and constructing Le Rêve could be significantly higher. See "Risk Factors—Risks Associated with Our Construction," "Risks Related to Our Substantial Indebtedness," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the accompanying notes.

If the underwriters exercise their over-allotment option in this offering, we may use the additional net proceeds to provide additional liquidity for our construction and debt service expenses relating to Le Rêve, to make expenditures related to the Macau opportunity, to fund our working capital needs or for general corporate purposes. We may, but are not obligated to, contribute these funds to Wynn Las Vegas. Pending application of the net proceeds as described above, we intend to invest the net proceeds in short-term highly-rated securities.

A special purpose subsidiary of Wynn Las Vegas, formed with the intention of being bankruptcy-remote, will be providing a \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes to secure completion in full of the construction and opening of Le Rêve, including all furniture, fixtures

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and equipment, the parking structure, the golf course and the availability of initial working capital. Wynn Resorts will contribute \$50 million of the net proceeds of this offering to that subsidiary to support that subsidiary's obligations under the completion guarantee. These funds will be deposited into a collateral account to be held in cash or short-term highly rated securities, and pledged to the senior lenders under the credit facilities and the holders of the second mortgage notes as security for the completion guarantee. Pursuant to the disbursement agreement that will govern the disbursement of funds from our debt facilities to fund Le Rêve project costs, these funds will become available to us on a gradual basis to apply to the costs of the project only after fifty percent of the Le Rêve construction work has been completed. Upon the occurrence of an event of default under our subsidiaries' credit facilities or the indenture governing the second mortgage notes, the lenders under our subsidiaries' credit facilities or, if no amounts are outstanding under the credit facilities, the holders of the second mortgage notes, will be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective documents. Upon the completion and opening of Le Rêve, any amounts remaining in this account will be released to Wynn Resorts.

In addition, we will contribute \$30 million of the net proceeds of this offering to Wynn Las Vegas to be held in a liquidity reserve account and pledged to the lenders under the credit facilities and the second mortgage note holders to secure Wynn Las Vegas' obligation to complete the project. Until the opening of Le Rêve, these funds may be applied to the costs to develop and construct Le Rêve in accordance with the disbursement agreement. Following the completion and opening of Le Rêve, these funds will be available to meet our subsidiaries' debt service needs in connection with Le Rêve. Once Wynn Las Vegas has met prescribed cash flow tests for a period of four consecutive fiscal quarters after the completion and opening of Le Rêve, any remaining funds will be used to reduce the outstanding balance on the revolving credit facility, but without reducing the revolving credit facility commitment.

The remaining net proceeds from this offering will be used, along with our existing cash on hand, to fund the development and construction of Le Rêve, including pre-opening and debt service payments. We expect that these remaining net proceeds will be used to fund the initial phases of construction, including contractor monthly payment applications, design fees and operational payroll.

The following table sets forth estimated sources and uses of funds to design, construct, develop, equip and open Le Rêve and for other operations related primarily to the Le Rêve project. The table assumes that the financing transactions, including this offering, close on September 30, 2002. For purposes of calculating total construction costs, the revolving credit facility balance and interest and commitment fees, this table also includes certain final construction cost payments that we assume will be made after the opening of Le Rêve. The

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table does not include amounts necessary to finance the design, construction, development, equipping and opening of casino(s) in Macau.

Sources (in millions)		Uses (in millions)	
Revolving credit facility (1)	\$ 701.4	Construction costs:	
Delay draw term loan facility (1)	250.0	Marnell Corrao contract (7)	\$ 919.3
FF&E facility (2)	178.5	Interior design, related FF&E, signage and electronic systems	303.0
Second mortgage notes (3)	350.0	Design and engineering fees	66.1
Equity contributions (4)	981.1	Golf course	21.5
Interest Income (5)	30.5	Parking garage	11.5
Other Income (6)	4.4	Government approvals & permits	13.8
		Insurance (8)	12.6
		Miscellaneous capital projects	23.8
		Construction period utilities & security	6.3
		Additional contingency (9)	26.7
		<b>Total construction costs</b>	<b>\$ 1,404.6</b>
		Land and buildings (10)	318.5
		Owner-acquired FF&E	122.9
		Entertainment production costs (11)	24.4
		Pre-opening costs	142.7
		Other expenditures (12)	10.6
		Aircraft acquisition and loan repayment (13)	38.7
		Interest and commitment fees (14)	215.4
		Working capital needs at opening (15)	35.5
		Construction completion guarantee (16)	50.0
		Liquidity reserve (17)	30.0
		Transaction fees and expenses (18)	78.8
		Investment in Macau (19)	23.8
<b>Total Sources</b>	<b>\$ 2,495.9</b>	<b>Total Uses</b>	<b>\$ 2,495.9</b>

(1) Wynn Las Vegas, Wynn Golf Course and Valvino have entered into a commitment letter with Deutsche Bank Securities Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc. and certain of their affiliates for a \$750.0 million revolving credit facility and a \$250.0 million delay draw term loan facility. See "Description of Certain Indebtedness." These facilities will close concurrently with the closing of this offering. We expect to begin to borrow under these facilities, subject to satisfaction of the conditions in the disbursement agreement, approximately 16-19 months after the consummation of this offering and after expending all of the net proceeds of this offering. We anticipate that we will borrow approximately \$701.4 million of the \$750.0 million available under the revolving credit facility and the full \$250.0 million available under the term loan facility to fund design, development, construction, equipping and opening of Le Rêve, assuming that Le Rêve opens within budget and on schedule.

(2) Wynn Las Vegas has entered into an engagement letter with Bank of America, N.A., Banc of America Leasing & Capital LLC and Deutsche Bank Securities Inc. for a \$178.5 million FF&E facility, which is currently being syndicated. This facility will close concurrently with the closing of this offering. Wynn Las Vegas intends to use approximately \$28.5 million of borrowings under the FF&E facility to refinance a loan made by Bank of America, N.A. to World Travel, LLC, a wholly-owned subsidiary of Valvino. The Bank of America loan is secured by an aircraft mortgage on World Travel's Bombardier Global Express aircraft and calls for 47 monthly principal payments of \$158,333 commencing March 1, 2003 and the payment of the approximately \$21.1 million remaining principal on March 1, 2007. See "Certain Relationships and Related Party Transactions—Aircraft Arrangements." World Travel intends to issue to Wynn Las Vegas an intercompany note in the amount of the funds received by World Travel to repay the Bank of America loan.

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(3) We expect to begin to request disbursements of the second mortgage note proceeds, subject to satisfaction of the conditions in the disbursement agreement, approximately ten to twelve months after the consummation of this offering and after expending all of the net proceeds of this offering.

- (4) Includes (a) Valvino member net contributions of approximately \$586.1 million, and (b) the anticipated gross proceeds from this offering of approximately \$395.0 million.
- (5) Represents interest earned at the estimated LIBOR rate on our estimated cash balance through the scheduled opening of Le Rêve. Estimates of the LIBOR rate are based on current market projections of the LIBOR rate ranging from 2% to 4%. Interest income shown has not been adjusted for taxes that will be payable on those amounts. Depending on the extent to which our expenses must be capitalized into the construction project rather than deducted currently, we may owe corporate income tax on our interest income. In addition, because of the large percentage of Wynn Resorts' outstanding stock that will be owned directly or indirectly by a small number of individuals, our interest income may also be subject to federal personal holding company taxes during the period before Le Rêve commences operations. Any such taxes that become payable would increase the usage of the revolving credit facility.
- (6) Consists of net income from incidental operations, including operation of the Desert Inn Resort & Casino by Valvino before the casino was closed, operation of the golf course on the site of the former Desert Inn Resort & Casino through June 30, 2002 and the collection of accounts receivable following the acquisition of the previous facility at the site.
- (7) Represents the guaranteed maximum price of construction of Le Rêve under the construction contract and includes an owner's contingency of approximately \$7.6 million. The construction contract contains financial incentives for Marnell Corrao to complete Le Rêve before the deadline set forth in the construction contract, as well as liquidated damages payable to us for certain unexcused delays. See "Construction Contracts for Le Rêve—Construction of the Hotel/Casino—Early or Late Completion." The guaranteed maximum price under the construction contract is subject to adjustment under various circumstances which could increase our costs. See "Risk Factors—Risks Associated with Our Construction."
- (8) Represents estimated insurance costs for builder's risk insurance, fees and reserves related to our insurance program, umbrella and excess liability insurance and design professional liability insurance. We may need to incur additional insurance costs in the future.
- (9) Represents the owner's contingency with respect to the portions of the project not covered by the construction contract. This amount does not include the owner's contingency of approximately \$7.6 million under the construction contract.
- (10) Represents amounts previously expended to acquire land for the project, including the golf course land, buildings and water rights.
- (11) Represents the cost of creating, designing and producing the Franco Dragone water show.
- (12) Consists primarily of operating costs of the previous facility at the site before closure of that facility and facility closure expenditures.
- (13) Represents (a) a purchase price of \$38.2 million for our corporate aircraft, of which approximately \$9.7 million was paid in cash at the time of purchase and \$28.5 million was represented by a loan from Bank of America, N.A (see footnote (2) above) and (b) approximately \$0.5 million in principal repayments on the Bank of America loan anticipated to be made prior to the closing of this offering. Borrowings under the FF&E facility, but not proceeds from this offering, will be used to repay the outstanding balance of this loan.
- (14) Includes interest expense on the second mortgage notes, and expected interest expense and commitment fees on the revolving credit facility, the term loan facility and FF&E facility through the scheduled opening date. Interest on the revolving credit facility, the term loan facility and FF&E facility has been computed assuming a LIBOR rate ranging from 2% to 4%, plus the applicable margin, which is a 4% margin for the revolving credit facility and the FF&E facility and a 4.25% margin for the delay draw term loan facility.
- (15) Represents the operating cash needed to open Le Rêve, including purchasing the initial retail inventory and food and beverage inventory.
- (16) Wynn Resorts will contribute \$50.0 million of the net proceeds of this offering to a special purpose entity formed with the intention of being bankruptcy-remote. This special purpose subsidiary will use these funds to provide a \$50.0 million completion guarantee in favor of the lenders under the credit facilities and the second mortgage note holders in connection with the construction and opening of Le Rêve.

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- (17) Wynn Resorts will contribute \$30.0 million of the net proceeds of this offering to Wynn Las Vegas, which will be placed in a liquidity reserve account to be used in case there are not sufficient funds to complete Le Rêve. The liquidity reserve account will be pledged to the lenders under the credit facilities and the second mortgage note holders.
- (18) Includes fees and expenses related to (a) this offering, (b) the second mortgage note offering and (c) the revolving credit facility, the term loan facility and the FF&E facility.
- (19) Represents expenditures in connection with negotiation of the Macau concession agreement, including Wynn Macau's share of a capital contribution required by Macau law. Does not include amounts necessary to finance the design, construction, development, equipping and opening of casino(s) in Macau.

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## DIVIDEND POLICY

Wynn Resorts has never declared or paid cash dividends on its capital stock. We currently intend to retain all available funds and any future earnings to fund the design, construction development, equipping and opening of Le Rêve and to otherwise fund the development and growth of our business and, therefore, Wynn Resorts does not anticipate paying any cash dividends on its shares of common stock in the foreseeable future. Wynn Resorts is a holding company and, as a result, its ability to pay dividends is dependent on its subsidiaries' ability to provide funds to it. Since we expect the credit facilities, the FF&E facility and the indenture governing the second mortgage notes to restrict our subsidiaries' ability to provide funds to Wynn Resorts, funds from subsidiaries of Wynn Resorts are not expected to be available to Wynn Resorts for the payment of dividends. Wynn Resorts' future dividend policy will also depend on the requirements of any future financing agreements to which it may be a party and other factors considered relevant by its board of directors, including the provisions of the Nevada Revised Statutes which govern corporations. The Nevada Revised Statutes generally provide that distributions may not be made if after any distribution Wynn Resorts would not be able to pay its debts as they become due in the usual course of business or its total assets would be less than the sum of its total liabilities plus any amounts needed to satisfy the preferential rights of stockholders if it were dissolved at the time of the distribution. Wynn Resorts' board of directors has the authority to issue one or more series of preferred stock without actions of the stockholders. The issuance of preferred stock could have the effect of limiting dividends on the common stock. Upon the consummation of this offering, Wynn Resorts' articles of incorporation will also prohibit the payment of dividends to anyone who is an unsuitable person or any affiliate of an unsuitable person. See "Description of Capital Stock—Preferred Stock, and Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration."

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## CAPITALIZATION

The following table sets forth Wynn Resorts' capitalization as of June 30, 2002:

- on an actual basis;
- on a pro forma basis to give effect on the closing date of this offering to the sale of \_\_\_\_\_ shares of Wynn Resorts' common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the mid-point of the initial public offering price range set forth on the cover of this prospectus, the expected concurrent sale of \$350 million in aggregate principal amount of the second mortgage notes and the intended application of the net proceeds of both offerings, net of underwriting discounts and commissions and estimated expenses;
- on a pro forma, as adjusted basis once all of the funding under the revolving credit facility, the delay draw term loan, the second mortgage note offering and the FF&E facility expected to be necessary for the construction of Le Rêve has occurred. See "Use of Proceeds." We have assumed that approximately \$701.4 million of the \$750 million revolving credit facility will be drawn for the construction of Le Rêve; and
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in each case, without giving effect to any financing necessary to develop the Macau opportunity.

You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the accompanying notes.

	As of June 30, 2002 (in millions)		
	Actual	Pro Forma for the Common Stock and Second Mortgage Note Offerings	Pro Forma, as Adjusted to Reflect All Borrowings Expected to be Necessary to Construct Le Réve
<b>Long-Term Debt:</b>			
Revolving credit facility(1)	—	—	\$ 701.4
Delay draw term loan facility(1)	—	—	250.0
FF&E facility(2)	—	—	178.5
Second mortgage notes(3)	—	\$ 350.0	350.0
Other long-term debt(4)	\$ 28.8	28.8	0.3
<b>Total Long-Term Debt</b>	<b>28.8</b>	<b>378.8</b>	<b>1,480.2</b>
Members' Equity	545.3	908.8	908.8
<b>Total Capitalization</b>	<b>\$ 574.1</b>	<b>\$ 1,287.6</b>	<b>\$ 2,389.0</b>

(1) Wynn Las Vegas, Wynn Golf Course and Valvino have entered into a commitment letter with Deutsche Bank Securities Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc. and certain of their affiliates for a \$750.0 million revolving credit facility and a \$250.0 million delay draw term loan facility. See "Description of Certain Indebtedness." These facilities will close concurrently with the closing of this offering. We expect to begin to borrow under these facilities, subject to satisfaction of the conditions in the disbursement agreement, approximately 16-19 months after the consummation of this offering and after expending all of the net proceeds of this offering. We anticipate that we will borrow approximately \$701.4 million of the \$750.0 million available under the revolving credit facility and the full \$250.0 million available under the term loan facility to fund design, development, construction, equipping and opening of Le Réve, assuming that Le Réve opens within budget and on schedule.

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(2) Wynn Las Vegas has entered into an engagement letter with Bank of America, N.A., Banc of America Leasing & Capital LLC and Deutsche Bank Securities Inc. for a \$178.5 million FF&E facility, which is currently syndicated. This facility will close concurrently with the closing of this offering. Wynn Las Vegas intends to use approximately \$28.5 million of borrowings under the FF&E facility to refinance a loan made by Bank of America, N.A. to World Travel, LLC, a wholly-owned subsidiary of Valvino. The Bank of America loan is secured by an aircraft mortgage on World Travel's Bombardier Global Express aircraft and calls for 47 monthly principal payments of \$158,333 commencing March 1, 2003 and the payment of the approximately \$21.1 million remaining principal on March 1, 2007. See "Certain Relationships and Related Party Transactions—Aircraft Arrangements." World Travel intends to issue Wynn Las Vegas an intercompany note in the amount of the funds received by World Travel to repay the Bank of America loan.

(3) We expect to begin to request disbursements of the second mortgage note proceeds, subject to satisfaction of the conditions in the disbursement agreement, approximately ten to twelve months after the consummation of this offering and after expending all of the net proceeds of this offering.

(4) Includes a \$28.5 million loan outstanding to Bank of America, N.A., with respect to the aircraft. See footnote (2). Also includes the amount owing pursuant to an annuity issued by ITT Sheraton in connection with the acquisition of a parcel of land in 1994. The annuity bears interest at an annual rate of 8% and requires payment of \$5,000 per month until February 2009. Valvino assumed the obligations under the annuity in connection with its acquisition of the Desert Inn Resort & Casino.

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## DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of common stock upon completion of this offering.

The net tangible book value of our common stock on June 30, 2002 was \$ \_\_\_\_\_ million, or approximately \$ \_\_\_\_\_ per share. Net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the number of shares of common stock outstanding. Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the net tangible book value per share of our common stock immediately afterwards. After giving effect to the sale of shares in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the mid-point of the initial public offering price range set forth on the cover of this prospectus, and after deducting estimated underwriting discounts and commissions and offering expenses payable by us, our net tangible book value at \_\_\_\_\_, 2002 would have been approximately \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share. This represents an immediate increase in net tangible book value of \$ \_\_\_\_\_ per share to existing stockholders and an immediate dilution in net tangible book value of \$ \_\_\_\_\_ per share to new investors purchasing shares of common stock in this offering. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share	\$
Net tangible book value per share at _____, 2002	\$
Increase per share attributable to this offering	\$
Pro forma net tangible book value per share after this offering	\$
Dilution in pro forma net tangible book value per share to new investors	\$

The following table summarizes, on a pro forma basis to reflect the issuance of shares in this offering as of June 30, 2002, the total number of shares of Wynn Resorts' common stock, the total consideration paid and the average price per share paid by existing stockholders and by the new investors in this offering, calculated before deducting the estimated underwriting discounts and commissions and offering expenses:

(in millions)

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders					(1)
New investors					
Total					

(1) Includes the contribution by Mr. Wynn in April 2002 of his interest in Wynn Macau, which was valued at approximately \$56 million by the parties in the negotiation of the contribution of Mr. Wynn's interest. See "Management's Discussion & Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Material Transactions Affecting Liquidity and Capital Resources."

The preceding discussion and tables assume no exercise by the underwriters of their over-allotment option. 8,600,000 shares are reserved for issuance under our stock incentive plan. To the extent the over-allotment option is exercised, or any shares under the stock incentive plan are issued, there may be further dilution to new investors.

## PRINCIPAL STOCKHOLDERS

**Stephen A. Wynn.** From 1973 until 2000, Mr. Wynn served as the Chairman of the Board, President and Chief Executive Officer of Mirage Resorts and its predecessor. Mr. Wynn has more than thirty years of experience in the gaming, hotel and tourism industries as a designer, developer and operator of hotel casino resorts. During his tenure, he led the design and development of the following five hotel casino resorts properties: Bellagio, The Mirage, Treasure Island at The Mirage, Atlantic City Golden Nugget and Beau Rivage in Biloxi, Mississippi. Mr. Wynn also worked to redesign and expand several other hotel casino resort properties, such as the Golden Nugget—Las Vegas and the Golden Nugget—Laughlin. The public filings and press releases of Mirage Resorts and MGM Mirage report that in fiscal year 1999, the last full year of Mr. Wynn's tenure with Mirage Resorts, the company had grown to own and operate eight hotel casino resort properties totaling 630,000 square feet of casino gaming space and 16,577 hotel rooms that generated approximately \$2.4 billion in revenue, \$573 million in earnings before depreciation, interest, taxes and pre-opening costs and \$110.4 million in net income.

The hotel casino resorts created by Mirage Resorts during Mr. Wynn's tenure are each marked by unique features. In 1989, Mr. Wynn oversaw the creation of the first mega-resort in Las Vegas with the introduction of The Mirage. The Mirage is based on a South Seas theme and features a fifty-four foot "active" volcano, a dolphin habitat and an illusionist show performed by Siegfried and Roy. The Caribbean-inspired Treasure Island at The Mirage, built in 1993, features a pirate village with full-scale replicas of a pirate ship and British frigate, which engage in a special effects battle. Bellagio, a European-style luxury resort completed in 1998, is marked by its eight-acre lake of dancing fountains inspired by Lake Como of Northern Italy, as well as the show "O" produced and performed by the Cirque du Soleil organization.

Under Mr. Wynn, Mirage Resorts was ranked as the second most admired company in the United States in the March 3, 1997 issue of *Fortune* magazine. In that issue, *Fortune* magazine also ranked Mirage Resorts as the fourth best company in the United States in quality of management. During Mr. Wynn's tenure, Mirage Resorts was successful in attracting and retaining top quality employees; Mirage Resorts grew to approximately 30,000 employees by 2000. In 2000, Mirage Resorts was sold to MGM Grand, Inc. for approximately \$6.4 billion.

**Aruze USA.** Aruze USA, a Nevada corporation, is a wholly owned subsidiary of Aruze Corp., a Japanese manufacturer of pachislot and pachinko machines and video game software. As of August 16, 2002, Aruze Corp. had a market capitalization of approximately ¥221 billion, or approximately \$1.9 billion. Kazuo Okada, who founded Aruze Corp. in 1969, now holds a controlling interest in Aruze Corp. and serves as its president. Aruze Corp. is a Japanese corporation traded on the JASDAQ system (NASDAQ Japan). After beginning his career in the juke box and pachinko machine businesses, Mr. Okada continued his business pursuits in the gaming machine manufacturing industry and is credited with creating the pachislot machine. Unlike a typical slot machine, where the reels stop on their own after the player pulls the machine's "arm" to start the rotation of the reels, a pachislot machine player stops each individual reel by pushing a button in front of that reel. The pachislot machine has grown to be very popular in Japan. To date, Aruze Corp. has sold more than 1 million pachislot machine units. Aruze Corp. is now the largest manufacturer of pachislot machines in Japan and holds a significant share of Japan's pachislot machine market in terms of annual sales.

**Baron Asset Fund.** Baron Asset Fund, a Massachusetts business trust, is comprised of four fund series, each of which is a publicly traded registered mutual fund managed by BAMCO, Inc., a New York corporation. Together, these fund series hold total assets equal to almost \$5 billion. Baron Asset Fund holds shares of Wynn Resorts on behalf of two of the fund series: the Baron Asset Fund Series and the Baron Growth Fund Series. Ron Baron is the Chairman and Chief Executive Officer of Baron Asset Fund and BAMCO.

## SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data regarding Valvino and its subsidiaries should be read together with Valvino's consolidated financial statements and notes thereto, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other information contained in this prospectus.(1) The selected data presented below as of December 31, 2001 and 2000, and for the year ended December 31, 2001 and the period from inception (April 21, 2000) to December 31, 2000, is derived from the consolidated financial statements of Valvino and its subsidiaries (a development stage company), which have been audited by Deloitte & Touche LLP, independent auditors. The consolidated financial statements as of December 31, 2001 and 2000 and the year ended December 31, 2001 and the period from inception to December 31, 2000, and the independent auditors' report thereon, are included elsewhere in this prospectus. The selected data presented below as of June 30, 2002 and for the six months ended June 30, 2002 and 2001, respectively, and the period from inception to June 30, 2002, is derived from the unaudited consolidated financial statements of Valvino and its subsidiaries, which are included elsewhere in this prospectus.

	Inception to December 31, 2000	Year Ended December 31, 2001	Six Months Ended June 30, 2001	Six Months Ended June 30, 2002	Inception to June 30, 2002
(In thousands, except per share amounts)					
<b>Consolidated Statement of Operations Data:</b>					
Revenues	\$ —	\$ 918	\$ 342	\$ 288	\$ 1,206
Operating Loss	(10,572)	(19,233)	(9,471)	(15,627)	(45,432)
Net Loss Accumulated During the Development Stage	(9,155)	(16,899)	(7,935)	(14,693)	(40,747)
Net Loss Per Share	\$ (45.78)	\$ (82.24)	\$ (39.04)	\$ (70.37)	\$ (199.27)
	December 31, 2000	December 31, 2001	June 30, 2002		
(In thousands)					

<b>Consolidated Balance Sheet Data:</b>					
Total Assets	\$ 388,467	\$ 390,788	\$ 586,407		
Total Long-Term Obligations(2)	358	326	28,810		
Members' Equity	383,417	386,518	545,319		

(1) As of June 30, 2002, Wynn Resorts had no assets, liabilities or operations. Until the contribution of the Valvino membership interests to Wynn Resorts, Wynn Resorts will not have any financial transactions reflected in its financial statements other than the initial issuance of one share of common stock and, therefore, financial statements of Wynn Resorts are not included herein.

(2) Includes the current portion of long-term debt.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with, and is qualified in its entirety by, the historical financial statements and related notes included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategies for our business, includes forward-looking statements that involve risk and uncertainties. You should review the "Risk Factors" set forth elsewhere in this prospectus for a discussion of important factors which could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained herein. See "Forward-Looking Statements."

### Development Activities

Valvino was organized in April 2000. Wynn Resorts was formed in June 2002, and before the consummation of this offering, Mr. Wynn, Aruze USA, Baron Asset Fund and the Kenneth R. Wynn Family Trust will contribute their Valvino membership interests to Wynn Resorts in exchange for all of the issued and outstanding shares of Wynn Resorts. Since Valvino's formation, our activities have been limited principally to arranging the design, construction and financing of Le Rêve and applying for certain permits, licenses and approvals necessary for the development and operation of Le Rêve. Wynn Resorts plans to develop, construct and operate Le Rêve as part of a world-class destination casino resort which, together with the new golf course located behind the hotel, will occupy approximately 192 acres of a 212-acre parcel of land at a premier location on the Las Vegas Strip in Las Vegas, Nevada. The site is the former location of the Desert Inn Resort & Casino. We expect Le Rêve to commence operations in March 2005.

Wynn Macau also has spent considerable time preparing and presenting to the Macau government a proposal to obtain a provisional concession to engage in gaming activities in Macau and negotiating the concession agreement and land concession. On June 24, 2002, Wynn Macau entered into a 20-year concession agreement with the government of Macau permitting Wynn Macau to construct and operate one or more casinos in Macau. The concession agreement obligates Wynn Macau to invest 4 billion patacas (currently approximately \$500 million) on Macau-related projects by June 26, 2009 and to commence operations of its first permanent casino resort no later than December 2006. Wynn Macau, the entity which will own and operate Wynn Resorts' Macau operations, is majority-owned by Wynn Resorts through a series of wholly owned and partially owned domestic and foreign subsidiaries, none of which are guarantors of the second mortgage notes or the other debt facilities related to Le Rêve.

### Financial Statements Included in the Registration Statement

Wynn Resorts was recently formed with Stephen A. Wynn owning one share of common stock of the corporation. As of June 30, 2002, Wynn Resorts had no assets, liabilities or operations. Until the contribution of the Valvino membership interests to Wynn Resorts occurs and Valvino becomes a wholly owned subsidiary, Wynn Resorts will not have any financial transactions reflected in its financial statements other than the initial issuance of one share of common stock and therefore financial statements of Wynn Resorts are not included herein. Upon the contribution, approximately 189.7 shares of Wynn Resorts' common stock, rounded to the nearest share, will be issued in exchange for each common share of Valvino membership interests. Upon the contribution of membership interests, Wynn Resorts'

consolidated financial statements will reflect the financial position and results of operations of Valvino and its subsidiaries.

The exchange of Wynn Resorts shares for contributed Valvino membership interests will be a tax-free contribution under the Internal Revenue Code and will be accounted for as a reorganization of entities under common control. Accordingly, Wynn Resorts will recognize the assets and liabilities transferred at their carrying value in the books and records of Valvino at the time of contribution. The financial statements of Wynn Resorts will report the results of operations for the period in which the transfer occurs as if the contribution of equity interests had occurred at the beginning of the period. Financial information for prior periods



will be restated to furnish comparative information. Upon the contribution, management does not expect the consolidated financial statements of Wynn Resorts to differ from the consolidated financial statements of Valvino and its subsidiaries included herein.

The separate financial statements of Wynn Macau, acquired by Valvino in April 2002, are not included in this registration statement as none of the significant subsidiary tests as provided for in the applicable regulations of the Securities and Exchange Commission are met.

The historical financial statements of Desert Inn Resort & Casino are not included herein because management acquired the assets of the former Desert Inn Resort & Casino with the intent to construct a new business rather than acquiring an ongoing business with a continuing revenue stream.

### Significant Accounting Policies and Estimates

The consolidated financial statements of Valvino and its subsidiaries were prepared in conformity with accounting principles generally accepted in the United States. Certain of our accounting policies, including the estimated lives of our depreciable assets, the evaluation of assets for impairment and the purchase price allocations made in connection with acquisitions, require that management apply significant judgment in defining the appropriate assumptions integral to financial estimates. Judgments are based on historical experience, terms of existing contracts, industry trends, and information available from outside sources, as appropriate. However, by their nature, judgments are subject to an inherent degree of uncertainty and therefore actual results could differ from our estimates.

### Results of Operations

We have had no significant operations to date. In June 2000, we acquired the Desert Inn Resort & Casino assets from Starwood Hotels & Resorts Worldwide, Inc. We ceased operating the Desert Inn Resort & Casino after approximately ten weeks. We have demolished some of the buildings constituting the former Desert Inn Resort & Casino hotel in anticipation of the construction of Le Rêve. The remaining structures have been and will continue to be utilized as offices at least through the completion of Le Rêve. Since we ceased operating the Desert Inn Resort & Casino, our efforts have been devoted principally to the development activities described above with respect to Le Rêve and Wynn Macau's opportunity in Macau. In addition, we continue to operate an art gallery displaying works from The Wynn Collection, which consists of artwork from the personal art collection of Stephen and Elaine Wynn, and, until summer 2002, the golf course located on the site of the former Desert Inn Resort & Casino. Our historical operating results will not be indicative of future operating results.

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#### *Results of operations for the year ended December 31, 2001 compared to the period from inception to December 31, 2000*

As a result of increased development activities, Valvino recognized a net loss accumulated during the development stage of approximately \$16.9 million for the year ended December 31, 2001, an approximate increase of 85% from the loss incurred during the period from inception (April 21, 2000) to December 2000 of approximately \$9.2 million.

Total revenues for the year ended December 31, 2001 increased approximately \$920,000 from the period from inception to December 31, 2000 primarily as a result of Kevyn, LLC, which Valvino acquired in April 2001, leasing its aircraft to Las Vegas Jet, LLC, then an unconsolidated affiliate, for approximately \$840,000 for the year ended December 31, 2001. In addition, revenues of approximately \$80,000 were recognized for the year ended December 31, 2001, primarily as a result of the art gallery and retail shop opening in November 2001.

Total expenses for the year ended December 31, 2001 increased approximately \$9.6 million as compared to the period from inception to December 31, 2000 primarily as a result of increased pre-opening costs and depreciation and amortization expenses which were partially offset by lower facility closure expense and losses from incidental operations. This resulted in an increase in net operating losses of approximately \$8.7 million for the year ended December 31, 2001 as compared to the period from inception to December 31, 2000.

Pre-opening costs for the year ended December 31, 2001 increased approximately \$6.5 million, as compared to the period from inception to December 31, 2000 primarily as a result of increased pre-opening activities and approximately four additional months of costs being recognized during the year ended December 31, 2001 than in the period from inception to December 31, 2000. Similarly, depreciation and amortization recognized for the year ended December 31, 2001 reflects 12 months of expenses as compared to approximately eight months of expenses recognized in the period from inception to December 31, 2000. This resulted in increased depreciation and amortization expenses for the year ended December 31, 2001 of approximately \$4.3 million.

Facility closure expenses were approximately \$830,000 less for the year ended December 31, 2001, as compared to the period from inception to December 31, 2000, primarily because a majority of the costs incurred for the period from inception to December 31, 2000 related to the closing of the Desert Inn Resort & Casino, which was completed in August 2000. During the period from inception to December 31, 2000, Valvino recognized a net loss from incidental operations of approximately \$1.2 million as compared to no recognized net loss for the year ended December 31, 2001. The net loss in 2000 was attributable to the incidental casino and hotel operations incurred prior to its closing in August 2000.

Other income—net increased approximately \$920,000 from the year ended December 31, 2001 as compared to the period from inception to December 31, 2000 primarily as a result of an approximate \$930,000 increase in interest income in 2001. Interest income for the year ended December 31, 2001 reflects interest earned for the 12-month period whereas interest income for the period from inception to December 31, 2000 reflects interest earned for approximately eight months.

#### *Results of operations for the six months ended June 30, 2002 compared to the six months ended June 30, 2001*

Continued development activities resulted in a net loss during the development stage for the six months ended June 30, 2002. The net loss for the six months ended June 30, 2002

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was approximately \$14.7 million as compared to an approximate \$7.9 million net loss accumulated during the development stage for the six months ended June 2001.

Total revenues for the six months ended June 30, 2002 decreased approximately \$54,000 from the six months ended June 30, 2001 as a result of decreased airplane lease revenue recognized in the 2002 period than the 2001 period. Airplane lease revenues decreased primarily as a result of the sale of the aircraft at the end of March 2002. This decrease in revenues was partially offset by revenues from the art gallery and the retail shop, which were opened in November 2001.

Total expenses for the six months ended June 30, 2002 increased approximately \$6.1 million as compared to the same period in 2001 primarily due to an approximate \$4.2 million increase in pre-opening costs and the recognition of approximately \$2.1 million of losses on the acquisition of affiliates during the six months ended June 30, 2002. The increase in pre-opening costs is directly attributable to an increase in pre-opening activities as compared to the same period in the prior year. Management expects pre-opening costs to continue to increase as development of Le Rêve progresses. During the six months ended June 30, 2002, Valvino acquired an affiliate, Las Vegas Jet, and forgave amounts receivable from Las Vegas Jet, which resulted in the recognition of a loss on the acquisition.

Other income—net for the six months ended June 30, 2002 decreased approximately \$880,000 from the six months ended June 30, 2001, primarily as a result of an approximate \$770,000 decrease in interest income from 2002 to 2001. This reduction in interest income is mainly attributable to lower interest rates during the six months ended June 30, 2002 as compared to the six months ended June 30, 2001.

#### *Certain trends that may affect results of operations*

The strength and profitability of our business will depend on consumer demand for hotel casino resorts in general and for the type of luxury amenities that Le Rêve will offer. Adverse changes in consumer preferences or discretionary income could harm our business. In particular, the terrorist attacks of September 11, 2001, and ongoing terrorist and war activities in the United States and elsewhere, have had a negative impact on travel and leisure expenditures, including lodging, gaming and tourism. In addition to fears of war and future acts of terrorism, other factors affecting discretionary consumer spending, including general economic conditions, disposable consumer income, fears of recession and consumer confidence in the economy, could reduce customer demand for the products and services we will offer, thus imposing practical limits on pricing and harming our operations.

While we believe that a nominal decline in the strength of the U.S. economy and the amount of an individual's disposable income would not have a material effect on our results of operations, a material decline in the strength of the U.S. economy and the amount of an individual's disposable income could have a significant impact on our results of operations.

## **Liquidity and Capital Resources**

### *Material Transactions Affecting Liquidity and Capital Resources*

Since Valvino's inception on April 21, 2000, there have been a number of transactions that have had a significant impact on Valvino's liquidity. Our operations have required substantial capital investment for the acquisition of the land on which Le Rêve will be located and development of the project.

Mr. Stephen A. Wynn organized Valvino and, initially, Mr. Wynn was the sole member of Valvino. Between April of 2000 and September of 2000, Mr. Wynn made equity contributions

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to Valvino in an aggregate amount of approximately \$220.7 million. On June 15, 2000, Mr. Wynn loaned Valvino \$100 million at an interest rate of 7.875% per year.

On June 22, 2000, Valvino acquired the former Desert Inn Resort & Casino in Las Vegas, Nevada from Starwood Hotels & Resorts Worldwide, Inc., including the Desert Inn Resort & Casino golf course and some, but not all, of the residential lots located in the interior of and around the former Desert Inn golf course, for approximately \$270 million in cash. In connection with that transaction, Valvino and its subsidiaries also acquired approximately 985 acre-feet of certificated water rights. In addition to acquiring the assets of the Desert Inn Resort & Casino, Valvino assumed all of its liabilities, and, to the extent assignable, all of its contracts. Valvino later acquired all of the remaining lots located in the interior of, and some of the remaining lots around, the former Desert Inn golf course for a total of \$47.8 million, bringing the size of the parcel to approximately 212 acres. On August 28, 2000, Valvino closed the hotel and casino at the Desert Inn Resort & Casino site and has since been engaged primarily in the development of a new resort hotel and casino on the site.

On July 11, 2000, Valvino used proceeds from a \$125 million loan agreement it entered into with Deutsche Bank Securities Inc., as lead arranger, and Bankers Trust Company, as administrative agent, to make an approximately \$110.5 million equity distribution to Mr. Wynn. At the time of this distribution, Mr. Wynn was the only member of Valvino.

On October 3, 2000, Aruze USA made a contribution of \$260 million in cash (\$250 million net of finders' fee) to Valvino in exchange for 50% of the membership interests in Valvino and was admitted as a member of Valvino. Mr. Wynn was designated as, and remains, the managing member of Valvino. On October 10, 2000, the Deutsche Bank loan was repaid in full and \$70 million of Mr. Wynn's loan was repaid out of the proceeds of this capital contribution. The remaining approximately \$32.3 million balance of Mr. Wynn's loan, including accrued interest, was converted to equity as a member contribution.

On April 16, 2001, Baron Asset Fund, a Massachusetts business trust, made a contribution of \$20.8 million in cash (\$20 million net of fees) to Valvino in exchange for approximately 3.7% of the membership interests in Valvino and was admitted as a member of Valvino. Immediately following the admission of Baron Asset Fund, Mr. Wynn and Aruze USA each owned approximately 48.2% of the membership interests in Valvino.

In April 2002, Mr. Wynn, Aruze USA and Baron Asset Fund each made the following further capital contributions to Valvino:

- Mr. Wynn contributed approximately \$32 million in cash plus his interest in Wynn Macau, which in June 2002 entered into a concession agreement with the government of Macau permitting the construction and operation of one or more casinos in Macau. Mr. Wynn was not obligated to contribute his interest in Wynn Macau to Valvino. This interest was valued at approximately \$56 million by the parties in the negotiation of Mr. Wynn's contribution of his interest, after reimbursement to Mr. Wynn of approximately \$825,000 advanced by him to Wynn Macau in connection with the negotiation of the concession agreement and other development activities in Macau. Similar advances by Valvino to Wynn Macau of approximately \$458,000 were treated as capital contributions by Valvino upon its acquisition of the Macau interest;

Aruze USA contributed an additional \$120 million in cash; and

- Baron Asset Fund contributed an additional approximately \$20.3 million in cash.

Immediately following these additional capital contributions, Mr. Wynn and Aruze USA each owned 47.5% of the membership interests and Baron Asset Fund owned 5% of the

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membership interests in Valvino. The percentage of membership interests held by Baron Asset Fund are held by it on behalf of two series of Baron Asset Fund: (1) the Baron Asset Fund Series, on whose behalf approximately 3.7% of the membership interests in Valvino are held, and (2) the Baron Growth Fund Series, on whose behalf approximately 1.4% of the membership interests in Valvino are held. Neither Mr. Wynn nor Aruze USA received additional shares in connection with the April 2002 capital contributions.

On June 24, 2002, the Kenneth R. Wynn Family Trust contributed \$1.2 million in cash to Valvino in exchange for 0.146% of the outstanding membership interests in Valvino.

The following table sets forth the total contributions (net of equity distributions) to Valvino of Wynn Resorts' principal stockholders as of June 24, 2002, the date of the most recent capital contribution to Valvino:

**Equity Contributions  
(in thousands)**

Name	Net Cash Invested	Net Value of Non-Cash Contributions	Allocation of Net Asset Appreciation(1)	Capital Account(2)
Stephen A. Wynn	\$ 174,572	\$ 55,659(3)	\$ 160,169	\$ 390,400
Aruze USA, Inc.	\$ 380,000	\$ 0	\$ 10,400	\$ 390,400
Baron Asset Fund	\$ 41,095	\$ 0	\$ 0	\$ 41,095
Kenneth R. Wynn Family Trust	\$ 1,200	\$ 0	\$ 0	\$ 1,200

(1) As determined by arm's-length agreement, these amounts reflect the allocation of appreciation of the assets held by Valvino.

(2) These amounts reflect the book capital accounts as determined under federal partnership tax principles.

(3) As described above, Mr. Wynn's interest in Wynn Macau was valued at approximately \$55,659,000 by the parties in the negotiation of Mr. Wynn's contribution of such interest to Valvino in April 2002, prior to Wynn Macau's entry into a concession agreement with the government of Macau permitting the construction and operation of one or more casinos in Macau.

At June 30, 2002, Valvino had approximately \$187.9 million of cash and cash equivalents, with all of its cash equivalents comprised of investments in overnight money market funds.

*Overview of Expected Capital Resources and Commercial Commitments*

As of June 30, 2002, approximately \$399.3 million of the total Le Rêve project cost of approximately \$2.4 billion (including the cost of the land, capitalized interest, pre-opening expenses and all financing fees) had been expended or incurred to fund the development of Le Rêve. The remaining approximately \$2 billion of the estimated development costs for Le Rêve is expected to be funded from a combination of:

- borrowings of approximately \$701.4 million of the available \$750 million under the revolving credit facility;
- borrowings of \$250 million under the delay draw term loan facility;
- borrowings of \$178.5 million under the FF&E facility;
- anticipated interest income of approximately \$30.5 million;
- gross proceeds from the expected offering of second mortgage notes of approximately \$350 million;
- gross proceeds from Wynn Resorts' initial public offering of approximately \$395 million; and
- approximately \$45 million of our cash on hand.

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The following table summarizes certain information regarding our subsidiaries' expected long-term indebtedness and commercial commitments at the completion of Le Rêve. All time periods in these tables are measured from the closing of this offering and are based upon our best estimate at this time of our expected long-term indebtedness and commercial commitments.

**Payments Due By Period**

Long-Term Indebtedness	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
(in millions)					
Revolving credit facility(1)	\$ 701.4	—(1)	—(1)	—(1)	\$ 701.4(1)

Delay draw term loan facility(2)	250.0	—	—	—	250.0
FF&E facility(3)	178.5	—	—	—	178.5
Second mortgage notes	350.0	—	—	—	350.0
Other long-term obligations(4)	0.3	\$ —	\$ 0.1	\$ 0.1	0.1
Total long-term indebtedness	\$ 1,480.2	\$ —	\$ 0.1	\$ 0.1	\$ 1,480.0

Other Commercial Commitments	Amount of Commitment Expiration Per Period				
	Total Amounts Committed	Less than 1 Year	1-3 Years	4-5 Years	Over 5 Years
	(in millions)				
Construction contracts(5)	\$ 929.2	\$ 257.5	\$ 671.7		
Standby letter of credit(6)	2.3	2.3	—	—	—
Macau concession agreement(7)	500.0	—(7)	—(7)	—(7)	\$ 500.0(7)
Total commercial commitments	\$ 1,431.5	\$ 259.8	\$ 671.7	—	\$ 500.0

- (1) We anticipate that we will draw down approximately \$701.4 million under the revolving credit facility to fund the design, construction, development, equipping and opening of Le Rêve, assuming that Le Rêve is completed on schedule. At such time as the total extensions of credit under the revolving credit facility equal or exceed \$200 million, two of the three lead agents under that facility will have the right to convert between \$100 million and \$400 million of the outstanding revolving loans into term loans on the same terms and conditions as the term loans under the delay draw term loan facility or on such other terms as we and the administrative agent and syndication agent can agree. In addition, the revolving credit facility will provide for a cash flow sweep each year that will reduce the commitment under that facility by the amount of the cash flow swept.
- (2) Term loans under this facility will be repayable in quarterly installments in amounts to be determined from the opening of Le Rêve until the seventh anniversary of the closing.
- (3) Wynn Las Vegas has entered into an engagement letter with Bank of America, N.A., Banc of America Leasing & Capital LLC and Deutsche Bank Securities Inc. for a \$178.5 million FF&E facility, which is currently syndicated. This facility will close concurrently with the closing of this offering. Wynn Las Vegas intends to use approximately \$28.5 million of borrowings under the FF&E facility to refinance a loan made by Bank of America, N.A. to World Travel, LLC, a wholly-owned subsidiary of Valvino. The Bank of America loan is secured by an aircraft mortgage on World Travel's Bombardier Global Express aircraft and calls for 47 monthly principal payments of \$158,333 commencing March 1, 2003 and the payment of the approximately \$21.1 million remaining principal on March 1, 2007. See "Certain Relationships and Related Party Transactions—Aircraft Arrangements." World Travel intends to issue Wynn Las Vegas an intercompany note in the amount of the funds received by World Travel to repay the Bank of America loan.
- (4) Includes the amount owing pursuant to an annuity issued by ITT Sheraton in connection with the acquisition of a parcel of land in 1994. The annuity bears interest at an annual rate of 8% and requires payment of \$5,000 per month until February 2009. Valvino assumed the obligations under the annuity in connection with its acquisition of the Desert Inn Resort & Casino.
- (5) Represents obligations under our signed construction contracts with Marnell Corrao and Bomel Construction Company, Inc. We expect to sign additional contracts for the construction of Le Rêve. We expect to satisfy some of the payment obligations under these contracts using amounts borrowed under the long-term indebtedness shown above.

- (6) Standby letter of credit for our owner-controlled insurance program.
- (7) The Macau concession agreement requires Wynn Macau to invest approximately \$500 million (using the exchange rate as of August 11, 2002) on one or more Macau projects over a seven year period. Wynn Macau is obligated to open to the public its first casino in Macau by December 2006. Wynn Macau has not yet determined how many casinos it will build, the timing of the project(s), or whether it will begin construction and operations in separate phases at the first permanent casino resort site or open one or more temporary casinos during the construction of a permanent casino resort. Accordingly, the full contractual commitment is shown as having to be made after five years, but the timing of the expenditures is subject to change.

### Credit Facilities

Wynn Las Vegas, Wynn Golf Course and Valvino have entered into a commitment letter with Deutsche Bank Securities Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc. and certain of their affiliates for a revolving credit facility of \$750 million and a delay draw term loan facility of \$250 million as part of the financing of Le Rêve. These lenders or their affiliates are also serving as the joint book-running managers of this offering. The revolving credit facility will mature on the sixth anniversary of the closing of the credit facilities. Borrowings under the delay draw term loan facility will be available until the second anniversary of the closing of the credit facilities and will be repayable in quarterly installments in amounts to be determined from the opening of Le Rêve until the seventh anniversary of the closing of the credit facilities. The credit facilities are expected to close concurrently with the closing of this offering. All amounts outstanding under the credit facilities will bear interest, at our option (subject to certain limitations), at either (1) a base rate equal to the greater of the administrative agent's prime lending rate and 0.5% in excess of the federal funds rate or (2) the Eurodollar rate, as determined by the administrative agent, in both cases plus certain margins. For each year after Le Rêve commences operations, our subsidiaries will be required to prepay our borrowings under the credit facilities with a percentage of our excess cash flow (as it will be defined in the credit facilities), initially 75%, reducing to 50% and then to 0% as we meet certain leverage ratios. The availability of financing under the credit facilities is subject to certain conditions, including the negotiation and execution of definitive agreements, the progress of the construction and other customary funding conditions for facilities of this kind.

Subject to applicable laws, including gaming laws and certain agreed upon exceptions, we expect that the credit facilities will be secured by liens on substantially all of the assets of our subsidiaries that are necessary for the development, construction or operation of Le Rêve, including the real property underlying Le Rêve and the golf course and the 20-acre parcel fronting Las Vegas Boulevard adjacent to the site of Le Rêve. For a description of the terms of the credit facilities, see "Description of Certain Indebtedness—Credit Facilities."

### FF&E Facility

Wynn Las Vegas has entered into an engagement letter with Bank of America, N.A., Banc of America Leasing & Capital LLC and Deutsche Bank Securities Inc., referred to as the FF&E agents, for a \$178.5 million FF&E facility. The engagement letter provides that the FF&E agents have agreed on a best efforts basis to syndicate the FF&E facility. Wynn Las Vegas and the FF&E agents are currently in the process of syndicating the FF&E facility and negotiating the terms of the FF&E facility with proposed lenders. The facility will provide financing or refinancing for furniture, fixtures and equipment to be used at Le Rêve. Wynn Las Vegas intends to use approximately \$28.5 million of the FF&E facility to refinance a loan made by Bank of America, N.A. to World Travel by

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Travel holds 100% of the beneficial interests. Valvino acquired World Travel from Mr. Wynn and has guaranteed the Bank of America loan. Wynn Las Vegas may use additional proceeds of the FF&E facility to finance or refinance other furniture, fixtures or equipment purchased with proceeds of this offering or other funds. Obtaining the FF&E facility will be a condition to the consummation of this offering. For more information, see "Use of Proceeds," "Certain Relationships and Related Party Transactions—Aircraft Arrangements" and "Description of Certain Indebtedness."

#### *Second Mortgage Notes*

Concurrent with this offering, Wynn Las Vegas and Wynn Capital, our indirect subsidiaries, are jointly offering \$350 million in aggregate principal amount of second mortgage notes as part of the financing for Le Rêve. We expect that the second mortgage notes will be secured by first priority liens on the account holding the proceeds of the second mortgage notes, by second priority liens on the assets that secure the credit facilities and by third priority liens on the assets that secure the FF&E facility. For additional information about the terms of the second mortgage notes, see "Description of Certain Indebtedness—Second Mortgage Notes."

Wynn Resorts and its domestic and foreign subsidiaries related to the Macau opportunity will not be guarantors and will not be subject to the covenants in the second mortgage notes and the credit facilities. However, Wynn Resorts itself will become a guarantor, but will not be bound by the covenants, under the second mortgage notes or the credit facilities if Wynn Resorts incurs, or becomes a guarantor on, other indebtedness, subject to certain limited exceptions. If Wynn Resorts pledges assets to secure guarantees of other specified indebtedness prior to meeting prescribed leverage ratio and debt rating tests, then the second mortgage notes may be secured by second priority liens on the same Wynn Resorts' assets. The security interests in these assets may be released if certain tests are met.

#### *Release of Certain Collateral*

The representatives for the lenders under the credit facilities and the trustee for the second mortgage notes may release the liens on the approximately 137-acre golf course parcel and related collateral. The credit facility and the indenture will provide that the liens will be released after the third anniversary of commencing operations at Le Rêve and once we have achieved a total debt to earnings before interest, tax, depreciation and amortization ratio of 3.0 to 1.0 or less and if the credit facilities are rated BB+ or higher by Standard & Poor's and Ba1 or higher by Moody's Investors Service immediately after giving effect to the release.

Separately, under the credit facilities, certain portions of the golf course parcel will be released from the liens to permit residential or other non-gaming related development if we satisfy certain earnings before interest, taxes, depreciation and amortization targets for a period of four consecutive calendar quarters after Le Rêve opens, so long as the development or construction will not interfere with the use of the golf course and otherwise could not reasonably be expected to materially impair the overall value of Le Rêve. In addition, the credit facilities will provide that two acres of the golf course parcel will be released from the liens to permit the construction of a home for Mr. Wynn, so long as the construction will not interfere with the use of the golf course and otherwise could not reasonably be expected to materially impair the overall value of Le Rêve and Mr. Wynn pays us fair market value for the property. Upon release by the representative for the lenders under the credit facilities of these portions of the golf course, the trustee for the second mortgage note holders will automatically release their second priority liens on that property as well.

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Finally, the credit facilities will provide that the liens on the 20-acre parcel fronting Las Vegas Boulevard adjacent to the site of Le Rêve will be released by representatives for the lenders under the credit facilities if we meet certain earnings before interest, taxes, depreciation and amortization targets for four consecutive calendar quarters after the commencement of operations at Le Rêve. In addition, the representatives of the lenders, by action of a specified percentage of the lenders, may release the liens on the 20-acre parcel if we meet certain earnings before interest, taxes, depreciation and amortization targets for two consecutive calendar quarters after the commencement of operations at Le Rêve. Upon such release by the representatives for the lenders, the trustee for the noteholders will automatically release their second priority liens on the 20-acre parcel. Upon release by the trustee and bank agent, the golf course parcel, or portions of such parcel, and the 20-acre parcel will not be available as security for the second mortgage notes or the indebtedness under the credit facilities. See "Risk Factors—Risks Related to Our Substantial Indebtedness—Our subsidiaries' indebtedness will be secured by a substantial portion of their assets."

If these assets are released from the liens under our subsidiaries' indebtedness, then those parcels provide a basis for future development of our business in Las Vegas, including a possible second hotel casino as a phase II development on the 20-acre parcel.

#### *Restrictions on Disbursements*

We intend to deposit all of the net proceeds from the offering of the second mortgage notes in a secured account pledged to the second mortgage note holders pursuant to an agreement with the trustee for the second mortgage note holders. Pursuant to the terms of the disbursement agreement, we are required to use a substantial portion of the cash equity contributed to Wynn Las Vegas before accessing the proceeds from the offering of the second mortgage notes or borrowing under the credit facilities or the FF&E facility. We do not expect to request disbursements of the second mortgage note proceeds or to borrow under the credit facilities or the FF&E facility until approximately ten to twelve months after the closing of this offering.

Our ability to receive disbursements from time to time of the second mortgage note proceeds from the secured account and to borrow under the credit facilities and the FF&E facility will be, in addition to other customary conditions to funding for these types of facilities, subject to various conditions, including the following:

- there must be no default under the credit facilities, the FF&E facility or the indenture governing second mortgage notes;
- the construction of Le Rêve must be "in balance," meaning that the undisbursed portions of the second mortgage note proceeds, the credit facilities and the FF&E facility, together with certain other funds available to us, must equal or exceed the remaining costs to complete Le Rêve's

construction plus the required contingency;

- Le Rêve's construction must be in substantial conformity with the plans and specifications for the project as amended from time to time in accordance with the terms of the disbursement agreement;
- we must certify that the Le Rêve project will be completed no later than August 31, 2005, subject to limited permitted extensions due to force majeure events;
- there must not have occurred any event that has caused or resulted in or could reasonably be expected to cause or result in a material adverse effect to the Le Rêve project, Wynn Las Vegas or Wynn Las Vegas and certain of its affiliates;

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- all conditions set forth in the disbursement agreement for the disbursement of funds must be satisfied;
  - arrangements reasonably satisfactory to the lenders under the credit facilities and the FF&E facility shall have been entered into and shall be in full force and effect to ensure that a gaming license for the Le Rêve project will be obtainable in the event that one of our major stockholders is unable to qualify for such license;
  - our subsidiaries must have obtained, if available on commercially reasonable terms, taking into account the state of the insurance market at such time and the then current practices of comparable projects, terrorism insurance in size and substance satisfactory to the lenders under the credit facilities; and
  - the lenders under the credit facilities must be satisfied with the subcontractor bids received by our general contractor in respect of a specified percentage of the guaranteed maximum price under the construction contract, which percentage is to be mutually agreed upon by us and the lenders under the credit facilities.

See "Risk Factors—Risks Associated with Our Construction—There are significant conditions to the funding of the financing for the Le Rêve project." We expect that the funds provided by the sources described above and available cash will be sufficient to develop, construct and commence operations of Le Rêve and to pay interest on borrowings under the credit facilities, the FF&E facility and the second mortgage notes until the scheduled opening of Le Rêve, assuming there are no significant delay costs or construction cost overruns for which we are responsible. See "Risk Factors—Risks Associated with Our Construction—Development costs of Le Rêve are estimates only and actual costs may be higher than expected." The disbursement agreement will contain conditions precedent to our entering into scope change orders that will increase the anticipated costs of the project. These conditions will require us to fund equity into an account subject to a security interest in favor of the lenders under the credit facilities and the holders of the second mortgage notes in an amount equal to the anticipated incremental cost of the change orders. In addition, if we do not complete construction of Le Rêve by August 31, 2005, subject to limited permitted extensions due to force majeure events, our subsidiaries will be in default under the credit facilities, the indenture governing the second mortgage notes and the FF&E facility, and the holders of the indebtedness will have the right to accelerate the indebtedness and exercise other rights and remedies against our subsidiaries, and against Wynn Resorts if Wynn Resorts becomes a guarantor of the indebtedness under the credit facilities and the second mortgage notes, or if liens on assets of Wynn Resorts secure the credit facilities or second mortgage notes. See "Risk Factors—Risks Related to Our Substantial Indebtedness—We are highly leveraged and future cash flow may not be sufficient for our subsidiaries to meet their obligations, and we might have difficulty obtaining more financing."

#### *Other Liquidity Matters*

Following the completion of Le Rêve, we expect to fund our operations and capital requirements from operating cash flow, and borrowings under the revolving credit facility. Assuming that Le Rêve opens in March 2005, we expect that the aggregate principal amount outstanding under the credit facilities, the FF&E facility and the second mortgage notes will be approximately \$1.5 billion. If completion of the project is delayed, then our subsidiaries' debt service obligations accruing prior to the actual opening of Le Rêve will increase correspondingly. We cannot assure you, however, that our business will generate sufficient cash flow from operations or that future borrowings available to us under the credit facilities will be sufficient to enable our subsidiaries to service and repay their indebtedness and to

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fund our other liquidity needs. We may need to refinance all or a portion of our subsidiaries' indebtedness on or before maturity and, if Wynn Resorts incurs debt to do this, it may become a guarantor under the second mortgage notes and the credit facilities, subject to certain limited exceptions. Similarly, if Wynn Resorts pledges assets to secure guarantees of other specified indebtedness prior to meeting prescribed leverage ratio and debt rating tests, then the credit facilities and second mortgage notes may be secured by liens on the Wynn Resorts' assets. We cannot assure you that we will be able to refinance any of the indebtedness, including the credit facilities, the FF&E facility or the second mortgage notes on acceptable terms or at all. See "Risk Factors—Risks Related to Our Substantial Indebtedness—We may not generate sufficient cash flow to meet our substantial debt service obligations and other obligations."

A special purpose subsidiary of Wynn Las Vegas, formed with the intention of being bankruptcy-remote, will be providing a \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes to secure completion in full of the construction and opening of Le Rêve, including all furniture, fixtures and equipment, the parking structure, the golf course and the availability of initial working capital. Wynn Resorts will contribute \$50 million of the net proceeds of this offering to that subsidiary to support that subsidiary's obligations under the completion guarantee. These funds will be deposited into a collateral account to be held in cash or short-term highly-rated securities, and pledged to the senior lenders under the credit facilities and the holders of the second mortgage notes as security for the completion guarantee. Pursuant to the disbursement agreement, these funds will become available to us on a gradual basis to apply to the costs of the project only after fifty percent of the Le Rêve construction work has been completed. Upon the occurrence of an event of default under the credit facilities or the indenture governing the second mortgage notes, the lenders under the credit facilities or, if no amounts are outstanding under the credit facilities, the holders of the second mortgage notes, will be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective documents. Upon the completion and opening of Le Rêve, any amounts remaining in this account will be released to Wynn Resorts.

In addition, we will contribute \$30 million of the net proceeds of this offering to Wynn Las Vegas to be held in a liquidity reserve account and pledged to the lenders under the credit facilities and second mortgage note holders to secure Wynn Las Vegas' obligation to complete Le Rêve. Until the opening of Le Rêve,

these funds may be applied to the costs to develop and construct Le Rêve in accordance with the disbursement agreement. Upon the occurrence of an event of default under the credit facilities or the indenture governing the second mortgage notes, the lenders under the credit facilities or, if no amounts are outstanding under the credit facilities, the holders of the second mortgage notes, will be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective documents. Following the completion and opening of Le Rêve, these funds will be available to meet our debt service needs in connection with the operation of Le Rêve. At such time as Wynn Las Vegas has met prescribed earnings before interest, taxes, depreciation and amortization targets for a period of four consecutive fiscal quarters after the opening of Le Rêve, any remaining funds will be used to reduce the outstanding balance on our revolving credit facility, but without reducing the revolving credit facility commitment.

As noted above, we operate an art gallery displaying works from The Wynn Collection on the former premises of the Desert Inn Resort & Casino. We expect the art gallery to remain open during the construction of Le Rêve. We currently lease The Wynn Collection from Mr. and Mrs. Wynn at a monthly rate equal to the gross revenue received by the gallery each month, less direct expenses, subject to a monthly cap. Our lease agreement with Mr. and

Mrs. Wynn did not require any such lease payments through June 30, 2002. However, had we been required to make such payments, no amounts would have been due under the lease payment formula because, to date, our expenses in operating the art gallery have exceeded the revenue generated from such operations. Prior to opening Le Rêve, we do not expect to make any material payments under this lease. The only financial exposure that we have under this lease is the cost of operating the art gallery, including insurance, which is not material. After specified notice periods, we or Mr. and Mrs. Wynn may terminate this lease.

New business developments or other unforeseen events may occur, resulting in the need to raise additional funds. For example, we explore opportunities to develop additional gaming or related businesses in Las Vegas or other markets, whether through acquisition, investment or development. Any such development would require us to obtain additional financing. We may also decide to conduct any such development through Wynn Resorts or through a line of subsidiaries separate from the Le Rêve entities. In addition, Wynn Resorts' articles of incorporation will provide that Wynn Resorts may redeem shares of its capital stock, including its common stock, that are owned or controlled by an unsuitable person or its affiliates to the extent a gaming authority makes a determination of unsuitability and orders the redemption, or to the extent deemed necessary or advisable by the board of directors. The redemption price may be paid in cash, by promissory note or both, as required by the applicable gaming authority and, if not, as Wynn Resorts elects. Any promissory note that Wynn Resorts issues to an unsuitable person or its affiliate in exchange for its shares may increase our debt to equity ratio and will increase our leverage ratio.

#### *Financing for the Macau Opportunity*

Wynn Macau has entered into a 20-year concession agreement with the government of Macau permitting it to construct and operate one or more casinos in Macau. The concession agreement obligates Wynn Macau to invest no less than a total of 4 billion patacas (currently approximately \$500 million) on one or more projects by June 26, 2009 and to commence operations of its first permanent casino resort no later than December 2006. If Wynn Macau does not invest 4 billion patacas by June 26, 2009, it is obligated to invest the remaining amount on projects related to its gaming operations in Macau that the Macau government approves, or on projects of public interest designated by the Macau government. While Wynn Macau is still formulating its plans for the development of its operations in Macau, it is expected that significant additional financing will be needed to fund the development and construction of any Wynn Macau project in Macau. We do not expect financing for any such project to be provided by or through any of the issuers or guarantors (except for possibly Wynn Resorts, if it becomes a guarantor) of the second mortgage notes or any other financing relating to the Le Rêve project. Wynn Resorts' indirect economic ownership interest in Wynn Macau is expected to be approximately 82.5% prior to any such financing.

Wynn Macau's plans relating to the financing of the Macau opportunity are at the preliminary stages. Wynn Macau is considering different financing alternatives, including equity financing at the Wynn Macau level or at the level of one of Wynn Macau's intermediary holding companies, such as Wynn Resorts (Macau), Limited, and debt financing at the Wynn Macau level. If Wynn Resorts decides to raise equity at the Wynn Resorts level or at the Wynn Macau or intermediary holding company level to fund the Macau opportunity, its stockholders would suffer direct or indirect dilution of their interests. Wynn Macau has no commitments relating to such financing and we cannot assure you that Wynn Macau will be able to obtain such financing on acceptable terms or at all.

## **Quantitative and Qualitative Disclosures about Market Risk**

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk will be interest rate risk associated with our revolving credit facility, delay draw term loan facility and FF&E facility, each of which will bear interest based on floating rates. We will attempt to manage our interest rate risk by managing the mix of our long-term fixed rate borrowings and variable rate borrowings. We are required to obtain interest rate protection through interest rate swap arrangements with respect to 50% of our term loans (including any revolving loans that may be converted into term loans). However, we cannot assure you that these risk management strategies will have the desired effect and interest rate fluctuations could have a negative impact on our results of operations.

We do not use derivative financial instruments, other financial instruments or derivative commodity instruments for trading or speculative purposes.

## **Inflation and Foreign Currency Risk**

We believe that our results of operations do not depend upon moderate changes in the inflation rate.

Although the Macau pataca is not a freely convertible currency, the Macau pataca and the Hong Kong dollar are linked to each other, and in many cases are used interchangeably in Macau. If Wynn Macau builds and/or operates one or more casinos in Macau, Wynn Resorts will be subject to foreign exchange risk with respect to the foreign currency exchange rates between the Hong Kong dollar and the U.S. dollar. We expect that most of the revenue for any casino that Wynn Macau operates in Macau will be in Hong Kong dollars. We expect that some of the revenue will be in Macau patacas, and we intend that substantially all expenses for such casino operations will be paid in Macau patacas first, and then in Hong Kong dollars. The exchange rate between the U.S. dollar and the Hong Kong dollar is linked and has remained relatively stable over the past several years. However, the exchange linkages of the Hong Kong dollar and the Macau pataca, and the Hong Kong dollar and the U.S. dollar, are subject to potential changes due to, among other things, changes in Chinese governmental policies and international and economic and political developments. Also, if Wynn Resorts' Macau-related entities incur debt denominated in U.S. dollars, fluctuations in the

exchange rates of the Macau pataca or the Hong Kong dollar, in relation to the U.S. dollar, could have an adverse effect on Wynn Macau's ability to service its debt and its results of operations and financial condition. In addition, Wynn Macau's payment and expenditure obligations under the concession agreement would increase in the case of unfavorable currency rate changes. Wynn Resorts has not yet determined whether it will engage in hedging activities to protect against foreign currency risk.

## Transactions with Related Parties

The financial statements of Valvino and its subsidiaries reflect certain transactions with related parties. Transactions with related parties, by their nature, may involve terms or aspects that differ from those that would have resulted from negotiations with independent third parties. See "Certain Relationships and Related Party Transactions."

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## BUSINESS

### Overview

**Le Rêve.** We are constructing and will own and operate Le Rêve, which we have designed to be the preeminent luxury hotel and destination casino resort in Las Vegas. Le Rêve will be located on the Las Vegas Strip on the site of the former Desert Inn Resort & Casino, at the northeast corner of the intersection of Las Vegas Boulevard and Sands Avenue, one-half block north of The Venetian and Treasure Island at The Mirage and across Las Vegas Boulevard from the Fashion Show Mall. We expect Le Rêve to feature approximately 2,700 luxurious guest rooms, a casually elegant 111,500 square foot casino, 18 distinctive dining outlets, an exclusive on-site 18-hole championship golf course and a new water-based entertainment production.

Le Rêve is the concept of Stephen A. Wynn, one of Wynn Resorts' principal stockholders and its Chairman of the Board and Chief Executive Officer. Mr. Wynn previously was Chairman of the Board, President and Chief Executive Officer of Mirage Resorts and its predecessor from 1973 to 2000. In that role he was responsible for the development of some of the most successful, well-known casino-based entertainment resorts in the world, including Bellagio, The Mirage, Treasure Island at The Mirage and the Golden Nugget—Las Vegas in Las Vegas, Nevada, as well as the Atlantic City Golden Nugget in New Jersey and the Beau Rivage in Biloxi, Mississippi. At the time each of these resorts was completed, we believe that it was widely regarded as a significant major new attraction in its jurisdiction.

We expect Le Rêve, including the new golf course construction, to cost approximately \$2.4 billion to design, construct, develop, equip and open, including the cost of the land, capitalized interest, pre-opening expenses and all financing fees. We have scheduled ground-breaking to occur in September 2002, with an opening to the general public scheduled for March 2005.

**The Macau Opportunity.** In addition to our planned operations in Las Vegas, Wynn Macau, which is a majority-owned indirect subsidiary of Wynn Resorts, recently entered into a 20-year concession agreement with the government of the Macau Special Administrative Region of the People's Republic of China permitting Wynn Macau to construct and operate one or more casino gaming properties in Macau. Macau has been an established gaming market for at least 40 years and according to the U.S. & Foreign Commercial Service American Consulate General, Hong Kong, generated approximately US \$2.1 billion in gaming revenue in 2000. Wynn Macau is obligated to invest no less than a total of 4 billion patacas (currently approximately US \$500 million) in one or more casino projects by June 26, 2009, and to commence operations of its first permanent casino resort no later than December 2006. If Wynn Macau does not invest 4 billion patacas by June 26, 2009, it is obligated to invest the remaining amount on projects related to its gaming operations in Macau that the Macau government approves, or projects of public interest designated by the Macau government. There remain a number of objectives to be met by Wynn Macau and the government of Macau before Wynn Macau can pursue this opportunity. Currently, Wynn Macau is in the preliminary stages of formulating the strategy for its Macau operations. For example, in connection with the development and construction of the permanent Macau casino resort(s), Wynn Macau may decide to begin operations in separate phases at the first permanent Macau casino resort site or open one or more temporary casinos in Macau in locations other than the permanent site. Wynn Macau may begin casino operations in Macau prior to the opening of Le Rêve. See "Concession Agreement with the Government of Macau."

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### Company Strategy

#### *Showcase the "Wynn Brand."*

We believe that Mr. Wynn's involvement with Le Rêve and the Macau opportunity provides a distinct advantage over other gaming enterprises in Las Vegas and Macau. We believe that Mr. Wynn is widely viewed as the premier designer, developer and operator of destination casino resorts in Las Vegas and, as such, has in effect developed a "brand name" status in the gaming industry.

While Mr. Wynn was Chairman of the Board of Mirage Resorts, he conceived of and oversaw the development and operation of some of the most successful, well-known casino-based entertainment resorts in the world, including Bellagio, The Mirage, Treasure Island at The Mirage, the Golden Nugget—Las Vegas in Las Vegas, Nevada, as well as the Atlantic City Golden Nugget in New Jersey and the Beau Rivage in Biloxi, Mississippi. Mr. Wynn served as Chairman of the Board, President and Chief Executive Officer of Mirage Resorts and its predecessor for 27 years, until 2000, when MGM Grand acquired Mirage Resorts for approximately \$6.4 billion. The public filings and press releases of Mirage Resorts and MGM Mirage report that in fiscal year 1999, the last full year of Mr. Wynn's tenure with Mirage Resorts, the company had grown to own and operate eight hotel casino resort properties totaling 630,000 square feet of casino gaming space and 16,577 hotel rooms that generated approximately \$2.4 billion in revenue, \$573 million in earnings before depreciation, interest, taxes and pre-opening costs and \$110.4 million in net income.

In the major hotel destination casino resorts he has previously developed, Mr. Wynn has successfully employed a formula which integrates luxurious surroundings, upscale design, distinctive entertainment and superior amenities, including fine dining and high-end retail offerings, to create resorts that appeal to a variety of customers, especially high-end customers. We believe that Le Rêve will be Mr. Wynn's most innovative work to date.

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We believe that Le Rêve will set a new standard of luxury and elegance for destination casino resorts in Las Vegas, much as Bellagio, and before it, The Mirage, did when they were built by Mirage Resorts under the guidance of Mr. Wynn. The following chart compares certain features of The Mirage and Bellagio with the features and amenities that we anticipate Le Rêve will offer.

	<u>The Mirage(1)</u>	<u>Bellagio(1)</u>	<u>Le Rêve</u>
Year of Opening	1989(2)	1998(2)	March 2005
Approx. Property Acreage	83(3)	90	192(4)
Total Hotel Rooms (#)	3,044	3,005	2,701
Approx. Total Casino Sq. Ft.	107,200	155,000	111,500
Table Games (#)	120	141	136
Slot Machines (#)	2,294	2,433	2,000
Restaurants (#)	14(5)	17(6)	18
Approx. Retail Sq. Ft.	35,000(2)	92,160(6)	77,500
Approx. Convention Sq. Ft. (Gross)(7)	170,000(8)	125,000(6)	223,000
Approx. Show Rooms Seating (#)	2,769(8)	1,800(6)	2,080

Entertainment/Attractions	<ul style="list-style-type: none"> <li>• 54 ft. erupting volcano</li> <li>• Dolphin habitat</li> <li>• 100 ft. atrium with tropical garden</li> <li>• Siegfried &amp; Roy show</li> <li>• Shadow Creek golf course(9)</li> <li>• Danny Gans Show</li> </ul>	<ul style="list-style-type: none"> <li>• Dancing fountains</li> <li>• "O" (Cirque du Soleil)</li> <li>• Botanical conservatory</li> <li>• Art gallery</li> </ul>	<ul style="list-style-type: none"> <li>• Art gallery(10)</li> <li>• Franco Dragone's water-based entertainment production</li> <li>• Adjacent championship golf course</li> <li>• Atrium garden feature</li> <li>• Mountain/lake setting</li> <li>• Ferrari/Maserati dealership</li> </ul>
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(1) Unless otherwise indicated, the information provided for The Mirage and Bellagio is contained in the Annual Report on Form 10-K for the fiscal year ended December 31, 2001 filed by MGM Mirage.  
(2) As reported in the Annual Report on Form 10-K for the fiscal year ended December 31, 1998 filed by Mirage Resorts.  
(3) As reported in the Annual Report on Form 10-K for the fiscal year ended December 31, 1992 filed by Mirage Resorts. This number does not include Shadow Creek, an off-site golf course.  
(4) Le Rêve is located on an approximately 55-acre parcel of the property. The golf course will occupy approximately 137 acres of the property. This number does not include our parcel of approximately 20 acres currently used for our corporate offices, pre-opening activities, recruiting and employment purposes and employee parking.  
(5) Based on information provided by The Mirage on May 23, 2002.  
(6) Based on information provided by Bellagio on May 23, 2002.  
(7) Includes circulation (corridors) and patio space.  
(8) Based on information located at [www.mirage.com](http://www.mirage.com) as of May 23, 2002.  
(9) Shadow Creek golf course is located off-site approximately twelve miles from The Mirage.  
(10) Featuring works from The Wynn Collection.

**Develop Le Rêve as the Preeminent Luxury Hotel and Destination Casino Resort in Las Vegas.** Our business strategy for Le Rêve is to offer guests a luxurious experience at a premier destination casino resort in Las Vegas. We believe that the quality of our hotel, the gaming experience that we intend to offer and the restaurants, retail outlets, entertainment offerings, golf course and other amenities at Le Rêve will enable us to create a first-class environment of elegance, sophistication and luxury.

**Pursue the Opportunity to be One of Three Casino Operators in Macau.** Currently, Wynn Macau is one of only three concessionaires permitted to operate casinos in an established gaming market with access to gaming patrons principally from Hong Kong and mainland China. The concession agreement into which Wynn Macau has entered with the Macau government obligates Wynn Macau to invest not less than 4 billion patacas (currently approximately \$500 million) on one or more casino projects by June 26, 2009 and to commence operations of its first permanent casino resort by the end of December 2006. If Wynn Macau does not invest 4 billion patacas by June 26, 2009, it is obligated to invest the remaining amount on projects related to its gaming operations in Macau that the Macau government approves, or on projects of public interest designated by the Macau government. Wynn Macau is in the preliminary stages of formulating its strategy to capitalize on this opportunity while managing the risks of developing and operating gaming facilities in Macau. See "Business—The Macau Opportunity."

**Explore Opportunities for Future Growth.** We currently own approximately 212 acres of land, comprised of an approximately 55-acre plot on which Le Rêve is being constructed, an approximately 137-acre plot located behind the hotel on which the new golf course will be built, and an additional parcel of approximately 20 acres fronting Las Vegas Boulevard next to the Le Rêve site. We will use the 20-acre parcel while we are constructing Le Rêve for our corporate offices, pre-opening activities, recruiting and employment purposes and employee parking. If we meet prescribed cash flow tests for four consecutive calendar quarters after commencement of operations at Le Rêve, the 20-acre parcel will be released from the liens under the credit facilities and second mortgage notes and, in that event, we may decide to develop the parcel in the future, either on our own or through a joint venture. For example, in the future, we may decide to develop a second hotel casino as a Phase II development on the parcel to take advantage of the substantial infrastructure and amenities planned for Le Rêve. The Le Rêve design will include a major access corridor that could be used to connect a Phase II development to Le Rêve.

Similarly, three years after commencement of operations at Le Rêve and upon our satisfaction of prescribed maximum leverage ratio and minimum credit rating requirements, the land underlying the golf course, which is owned by Wynn Golf Course, a wholly owned indirect subsidiary of Wynn Resorts, will be released from the liens under the credit facilities and the indenture governing the second mortgage notes and could be transferred by Wynn Golf Course to Wynn Resorts or another entity. Should the land be released from the liens, the golf course parcel and our related property rights present further opportunities for future development by Wynn Resorts. In addition, portions of the golf course land may be released from the liens to permit residential or other non-gaming development if we satisfy prescribed cash flow tests for a full fiscal year after Le Rêve commences operation and the development does not interfere with the use of the golf course and otherwise could not reasonably be expected to materially impair the overall value of Le Rêve.

In addition, we continue to explore opportunities to develop additional gaming or related businesses in Las Vegas or other markets, whether through acquisition, investment or development. Any such development would require us to obtain additional financing. We may

also decide to conduct any such development through Wynn Resorts or through a line of subsidiaries separate from the Le Rêve entities.

### ***Capitalize on Our Experienced Management Team***

The members of our management team have extensive experience in developing and operating large scale hotels and casinos, and many of them worked with Mr. Wynn at Mirage Resorts to develop Bellagio. In addition to our executive officers, each of whose backgrounds is described in "Management," Wynn Resorts' management team includes:

- Rob Oseland, who is Chief Operating Officer of Wynn Las Vegas and previously served as Vice President of Slot Operations of Bellagio;
- Linda Chen who is Executive Vice President of Wynn Las Vegas and previously served as Executive Vice President of Far East Marketing of MGM Grand;
- Doreen Whennen who is Vice President—Hotel Operations of Wynn Las Vegas and previously served as Vice President of Hotel Operations of The Mirage Casino-Hotel;
- Kevin Stuessi who is Vice President—Food & Beverage of Wynn Las Vegas and previously served as Vice President of Food Service Planning of Mirage Resorts;
- Karen Bozich who is Vice President—Chief Information Officer of Wynn Las Vegas and oversaw the information systems requirements for the design, building and opening of Bellagio and Beau Rivage;
- Pete Lexis who is Vice President—Customer Development of Wynn Las Vegas and previously served as Vice President of Casino Marketing of the Desert Inn; and
- Allen McNearly who is Vice President—Retail Operations of Wynn Las Vegas and was previously a principal at Dembart-McNearly Group, a brand development consultancy and held management positions at several Fortune 500 brand marketing companies.

We believe that the experience, talent and commitment of the members of our management team provide a substantial competitive advantage.

### **Le Rêve Strategy**

***Create a "Must-Visit" Destination Casino Resort on the Las Vegas Strip.*** We believe that Le Rêve will represent a natural extension of the concepts Mr. Wynn has utilized in developing other major destination casino resorts. Following Mr. Wynn's formula, we plan to draw customers to Le Rêve by offering high-quality, non-gaming amenities such as fine dining, premier retail shopping and distinctive entertainment in intimate, luxurious surroundings. Le Rêve will have a sophisticated, casually elegant ambience rather than being focused on a highly themed experience like many other hotel casino resorts on the Las Vegas Strip. We believe that, over time, Le Rêve's more generally themed casually elegant environment, together with its high-quality amenities, superior level of service and distinctive attractions, will have greater lasting appeal to customers than a resort with a particular theme and numerous attractions based on that theme.

We will seek to differentiate Le Rêve from other major Las Vegas resorts by concentrating on our fundamental elements of design, atmosphere, personal service and level of luxury. Le Rêve will offer our guests lush landscaping and tiered waterfalls, an approximately three-acre lake in front of the hotel that guests can view only after entering the property and an arc-shaped hotel tower instead of the three-pointed "Y" and four-pointed "X" configurations that have become commonplace among Las Vegas hotel casino resorts. We believe that the

elegance of Le Rêve, and its convenient location on the Las Vegas Strip, will appeal to a variety of market segments, including high-end, casino, convention, leisure and tour and travel customers.

***Open the First New Major Hotel Casino Resort on the Las Vegas Strip in Almost Five Years.*** Although a number of hotel casino resorts have announced or begun construction of expansion projects that will add to the number of hotel rooms on the Las Vegas Strip, we are not aware of any other major new hotel casino resort that plans to open on the Las Vegas Strip before Le Rêve. Therefore, at the time of Le Rêve's planned opening in March 2005, we believe that it will have been almost five years since a major new hotel casino resort opened on the Las Vegas Strip. As a result, we expect that there will be a high level of anticipation for Le Rêve. We intend to capitalize on this high level of anticipation, as well as the tendency of customers in the Las Vegas market to gravitate toward new attractions and locations. When Bellagio opened in 1998 there was widespread publicity in newspapers, radio and other media outlets. We anticipate that publicity regarding Le Rêve's opening will be comparable.

***Provide an Experience of the Highest Standard of Luxury in an Atmosphere of Casual Elegance.*** We are designing Le Rêve to appeal to upscale clientele looking for a first-class environment of elegance, sophistication and luxury. We will seek to attract a range of customers, including middle market customers and high-roller and premium gaming patrons, by providing guests with a premium level of luxury, amenities and service.

We believe that the key elements of our approach include:

- Providing hotel guests with what we believe will be the most luxurious hotel resort environment on the Las Vegas Strip, including richly furnished standard guest rooms consisting of approximately 620 square feet, which we believe are larger than standard rooms generally available on the Las Vegas Strip, elegantly appointed suites beginning at approximately 1,250 square feet, fairway lanai suites beginning at approximately 2,200 square

feet and six large villas averaging approximately 7,000 square feet;

- Offering a casually elegant casino featuring an estimated 2,000 slot machines and 136 table games with gaming limits to accommodate a full range of casino customers;
- Providing an intimate setting by minimizing walking distances throughout the hotel with a well-designed, organized floor plan intended to facilitate guest orientation and familiarity with the property;
- Featuring a tree-lined, manmade "mountain" approximately eight stories tall along Las Vegas Boulevard enclosing the area in front of the hotel, including an approximately three-acre manmade lake, to create an intimate environment for our guests;
- Offering extensive recreational facilities and amenities for guests, such as a newly constructed Tom Fazio/Steve Wynn-designed, exclusive 18-hole championship golf course on the premises which will only be open to hotel guests;
- Offering 18 dining outlets, including six fine-dining restaurants, one of which will feature cuisine by Daniel Boulud of New York's DANIEL and Café Boulud restaurants;
- Featuring at Le Rêve's approximately 2,080-seat showroom a new water-based entertainment production developed by Franco Dragone, the creative force behind Bellagio's production of "O," Treasure Island at The Mirage's production of "Mystère" and Celine Dion's new production at Caesars Palace's "Colosseum," which is expected to open in the first quarter of 2003;
- Offering an on-site, full-service Ferrari and Maserati dealership;

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- Offering an art gallery displaying works from The Wynn Collection, which at various times has included works by such masters as Paul Cézanne, Paul Gauguin, Édouard Manet, Henri Matisse, Amedeo Modigliani, Claude Monet, Pablo Picasso and Vincent Van Gogh;
  - Providing a high level of guest service at Le Rêve that we believe will surpass that offered at any other destination casino hotel in Las Vegas; and
  - Offering our guests easy access to premium shopping either at Le Rêve or across the street at the newly expanded and renovated Fashion Show Mall.

**Appeal to "High-Roller" and Premium Gaming Patrons.** We believe that the premium level of luxury, sophistication and service we intend to offer at Le Rêve, together with Mr. Wynn's experience and reputation in building and operating premier Las Vegas destination casino resorts, will appeal to high-roller international and domestic gaming patrons. In addition to the main casino, Le Rêve will offer a baccarat salon and private high-limit gaming rooms designed to create a sense of comfort and exclusivity for high-end gaming customers. In addition to standard hotel guest rooms, Le Rêve will offer approximately 290 suites and six villas, all elegantly decorated and furnished.

We also expect to capitalize on the substantial network of international and domestic high-roller and premium customers who are familiar with Mr. Wynn from his tenure at Mirage Resorts. We believe that in operating some of the signature properties in Las Vegas, Mr. Wynn has developed a high degree of customer recognition and guest loyalty and therefore believe that Le Rêve will attract wealthy international and domestic gaming customers. We believe that Mr. Wynn's reputation will attract experienced, high-level international and domestic casino marketing executives. We plan to have marketing executives located in local offices in Tokyo, Hong Kong, Singapore, Taiwan, Europe, New York and southern California, as well as independent marketing representatives in major U.S. and foreign cities. Mr. Wynn is not bound by any non-competition or non-solicitation agreements with MGM Mirage arising out of the acquisition of MGM Grand's acquisition of Mirage Resorts.

**Generate Substantial Revenue from Le Rêve's Non-Gaming Facilities.** We have planned Le Rêve as a luxury destination resort with amenities designed to generate substantial non-gaming revenue. We expect that Le Rêve's superior non-gaming amenities outlined above will account for a substantial portion of our overall revenue.

#### **Capitalize on the Attractive Location of Le Rêve.**

**Extensive Frontage on the Las Vegas Strip.** Le Rêve will be located on the Las Vegas Strip at the site of the former Desert Inn Resort & Casino on the northeast corner of the intersection of Las Vegas Boulevard and Sands Avenue. Le Rêve will have approximately 1,350 feet of frontage on the Las Vegas Strip and will be located near some of the most visited hotel casino resorts and attractions on the Las Vegas Strip, including Bellagio, Caesars Palace, The Mirage, Treasure Island at The Mirage and The Venetian.

The Le Rêve site consists of approximately 55 acres of land, where the hotel complex will be built, and approximately 137 acres of land behind the hotel site on which the new golf course will sit. In addition, the site includes a 20-acre parcel fronting Las Vegas Boulevard adjacent to Le Rêve. In total, the Le Rêve site consists of 212 acres. The back of the Le Rêve property runs along Paradise Road, a major artery in the resort corridor that leads directly to and from McCarran International Airport. Le Rêve will be conveniently accessible in an average of approximately four minutes from the Spring Mountain Road exit off of Interstate 15, and in an average of approximately ten minutes from McCarran International Airport.

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**Proximity to the Las Vegas Convention Center and the Sands Expo and Convention Center.** According to Tradeshow Week 200, Las Vegas was the most popular trade show destination in the United States in terms of net square footage and number of Tradeshow Week 200 shows in 2001, and one of the most popular convention destinations in the United States. Le Rêve will be across the street from two of the nation's largest convention centers, the Las Vegas Convention Center and the Sands Expo and Convention Center.

The Las Vegas Convention Center contains approximately 3.2 million square feet of space. According to the Las Vegas Convention and Visitors Authority, approximately 1.3 million visitors attended trade shows and conventions at the Las Vegas Convention Center during 2001. We anticipate that Le Rêve will be

connected to the Las Vegas Convention Center by a pedestrian bridge over Paradise Road, and that the Las Vegas monorail at the intersection of Desert Inn Road and Paradise Road will meet the anticipated pedestrian bridge. In addition, we anticipate that our free shuttle service will transport convention and trade show attendees and other Le Rêve visitors to and from the Las Vegas Convention Center in approximately four minutes. The shuttle service will run along the north perimeter of the golf course and will be able to move several thousand people per hour. We believe that this will be attractive to convention and trade show visitors who will not need to wait in long lines for taxicabs and can avoid traffic congestion around the Las Vegas Convention Center in travelling to or from Le Rêve.

To the south, Le Rêve will be directly across Sands Avenue from the approximately 1.2 million square foot Sands Expo and Convention Center. This complex will be within a short walking distance from Le Rêve's Sands Avenue entrance and we anticipate that Le Rêve will be connected to the Sands Expo and Convention Center by a pedestrian bridge which we understand Clark County plans to build. According to the public filings of Las Vegas Sands, Inc., an affiliate of the owner of the Sands Expo and Convention Center, approximately 1 million visitors attended trade shows and conventions at the Sands Expo and Convention Center during 2001.

We believe that our proximity to these trade show and convention facilities will make Le Rêve particularly attractive to business customers who attend trade shows and conventions. We expect these customers to be a source of room demand for Le Rêve during mid-week periods when room demand by leisure travelers is typically lower. Because of this source of room demand, we believe that we will be able to charge higher mid-week room rates than those of other Las Vegas Strip hotels.

*Proximity to the Fashion Show Mall.* Le Rêve will be directly across Las Vegas Boulevard from The Rouse Company's Fashion Show Mall. We anticipate that Le Rêve will be connected to the mall by a pedestrian bridge which we understand Clark County plans to build. The Fashion Show Mall contains premium retail stores and anchor tenants such as Neiman Marcus, Saks Fifth Avenue and Macy's and is currently undergoing a substantial remodeling and expansion program, which is expected to be completed by October 2003. When the remodeling and expansion are completed, the Fashion Show Mall is expected to house a number of new stores, including Nordstrom, Lord & Taylor and Bloomingdale's Home & Furniture. We anticipate that the proximity of the Fashion Show Mall to our retail shops will draw significantly more shoppers to the area.

### **Carefully Manage Construction Costs and Risks**

Wynn Design & Development, a wholly owned indirect subsidiary of Wynn Resorts, is responsible for managing construction costs and risks associated with the project. Marnell Corrao will be the builder and general contractor for Le Rêve. Marnell Corrao has extensive

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experience in building large Las Vegas destination resorts, including Bellagio, The Mirage, Treasure Island at The Mirage and New York-New York Hotel and Casino. We expect the total development cost of Le Rêve to be approximately \$2.4 billion, including the cost of the land, capitalized interest, pre-opening expenses and all financing fees. Of that amount, the design and construction costs are estimated to be approximately \$1.4 billion. We have entered into a guaranteed maximum price construction contract covering approximately \$919 million of the budgeted construction cost. The guaranteed maximum price is subject to increases based on scope changes and other exceptions, to construct the Le Rêve hotel and casino. Plans for a substantial portion of the budget for this contract have not been finalized. We plan to implement specific mechanisms that are intended to reduce the risk of construction cost overruns and delays, including:

- a \$34.3 million owner's contingency that we may use, subject to the limitations set forth in the disbursement agreement, to cover owner-created delays and owner-originated changes in the scope of the work and other cost overruns;
- a liquidated damages provision requiring Marnell Corrao to pay us \$300,000 for each day the completion of construction is delayed, following a five-day grace period and subject to force majeure and other permitted extensions, up to a maximum amount of \$9 million;
- a \$150 million contractor performance and payment bond securing Marnell Corrao's obligations under the construction contract;
- a guaranty by Marnell Corrao's parent company, Austi, of Marnell Corrao's full performance under the construction contract until final payment under that contract;
- a \$50 million completion guarantee in favor of the lenders under the credit facilities and second mortgage note holders by a special purpose subsidiary of Wynn Las Vegas, which capital commitment will be secured by \$50 million of the proceeds of this offering contributed to the subsidiary and deposited in a collateral account and pledged to the lenders under the credit facilities and second mortgage note holders, to be applied to the costs of the project in accordance with disbursement agreement;
- a separate liquidity reserve account to be held by Wynn Las Vegas into which we will deposit \$30 million of the net proceeds of this offering pledged to the lenders under the credit facilities and second mortgage note holders to secure Wynn Las Vegas' obligation to complete the project and to be applied to the costs of the project in accordance with the disbursement agreement; and
- anticipated availability under our subsidiaries' revolving credit facility to fund interest and commitment fees on our subsidiaries' debt obligations through the fourth month after our scheduled opening, if the opening is delayed.

We have entered into a separate design/build contract with Bomel Construction Company, Inc. for the design and construction of the parking structure. Bomel has extensive experience constructing parking structures, including garages at Paris Las Vegas, Green Valley Ranch Station and The Palms Casino Resort. We expect to solicit competitive bids in late summer 2002 for construction of the new golf course and to award the contract in the fourth quarter of 2002. We expect that the newly constructed golf course will be available for play when Le Rêve opens.

## **The Le Rêve Resort**

### **Features of the Le Rêve Project**

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**The Hotel.** We have designed Le Rêve's hotel tower to contain 45 floors of hotel rooms and suites on top of a three-story low-rise building housing restaurants, retail outlets and the casino. The building will have a total area of approximately 5.2 million square feet. The high-rise building is configured in the shape of a gentle arc with the focal point of the tower being the Le Rêve lake, an approximately three-acre manmade lake situated in front of the hotel, and the manmade "mountain" in front of the lake along the Las Vegas Strip. We are designing the Le Rêve lake and "mountain" to provide special effects intended to entertain our guests and the pedestrians who come to our hotel and casino.

The Le Rêve hotel guest main arrival area will feature an atrium garden adjacent to the registration desk with a view of Le Rêve lake below. We are designing Le Rêve to provide an intimate setting by minimizing walking distances throughout the hotel with a well-designed, organized floor plan to facilitate guest orientation and familiarity with the property. On average, walking distances from the registration hosts to the guest elevators will be only 460 feet. Comparative distances at The Venetian, Bellagio and The Mirage are approximately 530 feet, approximately 545 feet and approximately 570 feet, respectively. Once the guests arrive on their floor, the maximum walking distance to the most remote guest room will be approximately 240 feet, as compared to similar hotels such as Bellagio, The Mirage, Treasure Island at The Mirage and The Venetian at approximately 360 feet.

**The Guest Rooms.** We intend to decorate our approximately 2,400 standard guest rooms with sophisticated interior design elements and materials. The standard guest rooms have been designed to have a floor layout of approximately 620 square feet, which is approximately 100 to 125 square feet more than the industry standard for a standard guest room. The arc-shaped design of our high-rise building will provide rooms with a view of the golf course, lake and "mountain" setting or the surrounding mountains and has enabled us to design these rooms with widened entryways consisting of six-foot wide marble foyers. All standard rooms will have views of either the golf course or Las Vegas Boulevard and will also have large working desks equipped with convenient and accessible electrical outlets. Additionally, we expect that each guest room will have a dedicated high-speed Internet connection utilizing state-of-the-art broadband connections that, for a fee, can be upgraded for in-room wireless Internet access with an adapter. Generally, this type of broadband connection is not currently available in the guest rooms of other hotels in Las Vegas. Standard room bathrooms will have an oversized countertop, double sinks, a makeup area and television, a glass shower enclosure, a separate toilet compartment and a bathtub for two.

We also plan for Le Rêve to provide single and multiple bedroom luxury suites with superior amenities and furnishings designed to accommodate high-end hotel guests. Le Rêve will offer 270 parlor and salon suites (beginning at approximately 1,250 square feet) located in the tower of the hotel high-rise building and 21 one- and two-bedroom fairway lanai suites (beginning at approximately 2,200 square feet) located on the east side of the low-rise complex overlooking the golf course. The high-rise suite area will be separated from the standard guest rooms on each floor by a glass door, effectively creating a separate but adjoining "suite tower" accessible only to suite occupants. Occupants of the suites can also make use of a special hotel garden entrance to the hotel, located off of the south porte cochere VIP arrival area, as well as an exclusive elevator for the suites. The suites will be conveniently located near the casino and some of the fine-dining restaurants.

We believe that we have designed these elegant and spacious suites to satisfy the expectations of the highly sought-after international gaming customer. The salon suites' living rooms and bedrooms are designed to have views overlooking the Las Vegas Strip or Las Vegas' surrounding geography. We plan for each salon suite to feature a luxurious lounge

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area with a media center, adjacent dining or conference area, wet bar and oversized bathroom.

We believe that the location of our lanai suites on the golf course fairway will be especially attractive to our VIP gaming customers and hotel guests who desire the peace and privacy of staying in more secluded living quarters detached from the main hotel complex. The 21 fairway lanai suites will be situated in a three-story structure with seven suites on each floor and will be conveniently located near our four swimming pools. Each of our fairway lanai suites will have its own private patio overlooking the golf course and will include programmable guestroom controls to accommodate many of the native languages of our hotel guests. We believe that each of our suites will be decorated and furnished to satisfy the most discriminating tastes and clientele.

We also will offer four two-bedroom and two four-bedroom villas located in the low-rise structure of our hotel. Our villas will average approximately 7,000 square feet. Our villas will be accessible via a private entry located off of the south porte cochere VIP arrival area and will be conveniently located close to our retail stores and fine-dining restaurants.

**The Casino.** We expect Le Rêve to have an approximately 111,500 square foot casino located in the center of the first level of the low-rise building. Le Rêve's casino will be designed with a feeling of casual elegance and color palettes that complement Le Rêve's resort setting. We have planned the casino to have a well-organized floor plan and well-defined pathways that will allow our patrons easy access to the casino. The casino's main gaming area will contain an estimated 136 table games and 2,000 slot machines, a race and sports book, poker room and keno lounge. Our gaming limits will accommodate a full range of casino customers. In addition, Le Rêve will have a baccarat salon and private gaming rooms with direct access from the "suite tower." Each private gaming room will be elegantly appointed with its own private dining room and patio terrace overlooking Le Rêve's pools. We will market the casino directly to gaming customers using database marketing techniques, slot clubs and traditional incentives, such as reduced room rates and complimentary meals and suites. We will offer high-roller gaming customers premium suites and special hotel services.

**The Golf Course.** We plan to construct a world-class, 18-hole championship golf course at the site of the former Desert Inn golf course. Based on current publicly available plans, when Le Rêve opens, we believe this golf course will be the only golf course on the site of a hotel casino resort on the Las Vegas Strip. Tom Fazio and Mr. Wynn, the designers of the Shadow Creek golf course owned by MGM Mirage, have designed our course. The Le Rêve golf course will be accessible only to hotel guests of Le Rêve. We expect that the course will feature three lakes and a series of meandering streams that will carve their way from the west to east end of the property. We have designed the golf course with dramatic elevation changes and plan to include water on almost every hole. Unlike other courses available to Las Vegas visitors, our golf course will be adjacent to the hotel and will be visible from the windows of many of Le Rêve's meeting and convention rooms. We expect that Le Rêve's golf course will be available for play when Le Rêve opens.

**Restaurants, Lounges, Bars and Nightclub.** We plan to offer 18 food and beverage outlets, including six fine-dining restaurants and an approximately 600-seat buffet. We plan to follow the approach Mr. Wynn utilized at Mirage Resorts in seeking to persuade signature chefs to either move to Las Vegas or open second versions of restaurants that are well-known in other cities. In July 2002, Wynn Las Vegas entered into a restaurant management agreement with Dinex Management, LLC to provide the cuisine and services of Daniel Boulud, who was named "Chef of the Year" by *Bon Appetit Magazine*, and is known for his New York restaurants, DANIEL and Café Boulud. DANIEL has been awarded four stars by the New York

Times, rated one of the ten best restaurants in the world by *The International Herald Tribune* and received *Gourmet Magazine's* "Top Table" award.

We plan to engage a number of well-known interior designers to decorate and stylize Le Rêve's numerous restaurants. We expect Le Rêve to offer a full complement of lounges and bars and a nightclub. We have planned for several of our restaurants to overlook the Le Rêve lake and will offer outdoor lounges and/or dining areas.

**The Showroom.** Le Rêve's showroom will be customized to accommodate the unveiling of Franco Dragone's new water-based entertainment production. Mr. Dragone is the creative force behind Bellagio's production of "O" and Treasure Island at The Mirage's production of "Mystère," as well as Celine Dion's new production at the approximately 4,000-seat performing arts "Colosseum" currently being constructed by Caesars Palace and scheduled for completion in the first quarter of 2003. "O" and "Mystère" have been consistently sold out since opening.

The showroom will seat approximately 2,080 guests and will feature an approximately 1,000,000 gallon performance pool. The seating for the showroom is designed to extend around the performance area a full 360 degrees and to be suspended over the performance pool with no seat farther than approximately 42 feet from the performance area.

**The Art Gallery.** Le Rêve will also offer an art gallery displaying rare paintings from The Wynn Collection. The Wynn Collection consists of works from 19<sup>th</sup> and 20<sup>th</sup> century European and American masters, and at various times has included works by Paul Cézanne, Paul Gauguin, Édouard Manet, Henri Matisse, Amedeo Modigliani, Claude Monet, Pablo Picasso and Vincent Van Gogh. Several of these paintings were on display at Bellagio before MGM Grand's acquisition of Mirage Resorts. Subject to certain notice restrictions, Mr. and Mrs. Wynn will retain the right to remove or replace any or all of the works of art that will be displayed in the art gallery. We currently operate an art gallery in our office building on the 20-acre parcel and pay for the insurance on the works of art and will continue to do so after Le Rêve opens. We lease The Wynn Collection from Mr. and Mrs. Wynn at a monthly rate equal to the gross revenue received by the gallery each month, less direct expenses, subject to a monthly cap. Prior to opening Le Rêve, we do not expect to make any material payments under this lease. The only financial exposure that we have under this lease is the cost of operating the art gallery, including insurance, which is not material. After specified notice periods, we or Mr. and Mrs. Wynn may terminate this lease.

**The Ferrari and Maserati Dealership.** We have entered into letters of intent with Ferrari North America, Inc. and Maserati North America, Inc. to open an authorized on-site, full-service Ferrari and Maserati dealership. We expect that our franchises will include a service and maintenance facility, as well as a café and retail store. Currently, there are only 29 Ferrari dealerships in the United States and we expect ours to be the first in Nevada. The dealership will be located near the main entrance to the hotel.

The letters of intent require us to submit designs and plans for the dealership to Ferrari North America and Maserati North America for approval and to satisfy certain financing and other conditions, including minimum working capital and net worth requirements. The letters of intent also require us to provide quarterly updates as to the status of construction of Le Rêve and to continuously meet all capital, facility, personnel, customer satisfaction and operational standards of Ferrari North America and Maserati North America. If we are approved to operate the franchises, Ferrari North America and Maserati North America will have first and senior priority security interests in their respective franchises. Under the letters of intent, no changes in the proportional equity interests in Wynn Resorts held by Mr. Wynn,

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Aruze USA, Baron Asset Fund and our public stockholders as a group upon consummation of this offering can be made without the approval of Ferrari North America and Maserati North America.

**Retail Space.** Le Rêve will contain approximately 77,500 square feet dedicated to retail shops. We expect to lease approximately eight of the shops to tenants operating boutiques, including brand name and high-end boutiques. We plan to operate the remaining approximately 18 stores, including a golf shop and other shops selling, among other things, men's clothing, women's apparel and accessories, art, watches, sundries and proprietary Le Rêve products.

**The Spa, Salon and Fitness Complex.** We will own and operate a world-class spa, salon and fitness complex offering high-end spa treatments and fitness equipment and custom label and branded skin and body treatment products, as well as clothing, accessories, and athletic wear. The 38,000 square foot spa and salon complex will be directly accessible from the main guestrooms, the suites and villas, and pool deck elevators.

**Swimming Pools.** Le Rêve will offer its guests four outdoor swimming pools and two whirlpool spas. One swimming pool and one whirlpool spa will be dedicated for the exclusive use of our suite guests. The pool areas will feature private cabanas and lush landscaping.

**Convention, Meeting and Reception Facilities.** Le Rêve will feature approximately 223,000 square feet of convention, meeting and reception space (including corridors and patio space), including a grand ballroom, a junior ballroom and meeting rooms with outdoor patios overlooking either the pool area or the golf course, as well as boardrooms and a business center. Covered patios off of the meeting rooms are available as pre-function or break-out areas.

**The Wedding Chapels.** Le Rêve will include two intimate wedding chapels that we expect will accommodate 60 guests each.

**Parking.** Our north parking garage, which will have easy access to our hotel, will provide approximately 1,840 parking spaces for our guests and other visitors. The second level of the north parking garage will connect to a retail promenade that will lead to our casino. We will have two levels of valet parking under the hotel and a separate parking area for employees located on the 20-acre parcel next to the Le Rêve. In total, there will be approximately 4,050 parking spaces available to guests and employees of Le Rêve.

#### **Design and Construction Team**

Wynn Resorts' indirect subsidiary, Wynn Design & Development, together with Stephen A. Wynn, is designing Le Rêve. Wynn Design & Development, which will supervise construction of Le Rêve, is comprised of a highly qualified team of specialists with an impressive track record in designing, constructing and completing major hotel casino resorts. The Wynn Design & Development team includes:

*Kenneth R. Wynn, President.* Kenneth R. Wynn will be supervising the construction, architectural and interior design and purchasing for Le Rêve. Kenneth R. Wynn previously served as President of Atlandia Design & Furnishings, Inc., then a wholly owned subsidiary of Mirage Resorts, where he directly supervised the construction, architecture, interior design and purchasing departments, as well as outside contractors and consultants, for all of Mirage Resorts' new construction and remodel projects, including Bellagio, The Mirage, Treasure Island at The Mirage and Golden Nugget—Las Vegas.

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- *W. Todd Nisbet, Executive Vice President—Project Director.* Mr. Nisbet will be supervising the construction of Le Rêve. Mr. Nisbet has over 15 years of experience in the construction industry through his employment by Marnell Corrao, where he had direct supervisory capacity over the construction of Bellagio, Treasure Island at The Mirage, projects at The Mirage, such as the expansion of the convention center, the volcano upgrade and the high limit slot area, and the expansion of the north casino at Caesars Palace.
- *DeRuyter O. Butler, Executive Vice President—Architecture.* Mr. Butler has been employed by Atlandia Design & Furnishings or Wynn Design & Development for nearly 20 years. Mr. Butler directly supervised the architectural design of major hotel casino resorts such as Bellagio, The Mirage, Treasure Island at The Mirage and the Golden Nugget—Las Vegas.
- *Roger P. Thomas, Executive Vice President—Design.* Mr. Thomas, who served as the Vice President—Design for Atlandia Design & Furnishings for over 15 years, was responsible for the interior design of The Mirage, including the standard rooms, suites and villas, the spa and salon, the Siegfried & Roy and Danny Gans showrooms and the expansion of the convention center. In addition, Mr. Thomas supervised the interior design of Bellagio, Treasure Island at The Mirage and the Golden Nugget—Las Vegas.
- *Janellen Sachs Radoff, Vice President—Design.* Ms. Radoff held the position of Executive Designer at Atlandia Design & Furnishings for almost 15 years and has over 25 years of experience in interior design. Ms. Radoff worked with Mr. Thomas to create the interior design of major hotel casino resorts projects such as Bellagio, The Mirage and the Golden Nugget—Las Vegas.

### **Construction Schedule and Budget**

We have scheduled groundbreaking for Le Rêve to occur in September 2002, with an opening to the general public scheduled for March 2005.

Wynn Design & Development, an indirect wholly owned subsidiary of Wynn Resorts, is responsible for the design and architecture of Le Rêve (except for the showroom, the golf course and the parking garage) and for managing construction costs and risks associated with the Le Rêve project. Nevada law requires that a firm licensed as a professional architectural organization certify architectural plans. These architectural services for the Le Rêve project will be provided by the firm of Butler/Ashworth Architects, Ltd., LLC. The principals of the Butler/Ashworth firm are DeRuyter O. Butler and Glen Ashworth, both of whom are employees of Wynn Design & Development. Mr. Butler is Executive Vice President of Wynn Design & Development. Wynn Design & Development is the only client of the Butler/Ashworth firm and pays the salaries and benefits of Messrs. Butler and Ashworth. Neither we nor Mr. Wynn has an ownership interest in Butler/Ashworth.

We expect the total development cost of Le Rêve to be approximately \$2.4 billion, including the budgeted design and construction costs, cost of the land, capitalized interest, pre-opening expenses and all financing fees. The required cash interest payments and commitment fees on the credit facilities, the FF&E facility, the second mortgage notes and any other indebtedness and obligations of ours which will be due before the estimated commencement date of operations of Le Rêve have been included in our estimate of the total development cost.

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Of the estimated \$2.4 billion total development cost for Le Rêve, the design and construction costs are budgeted to be approximately \$1.4 billion, including the cost of constructing the golf course and principal parking garage, but excluding costs such as pre-opening costs, entertainment production costs, site acquisition costs, construction period interest, financing fees and certain furniture, fixtures and equipment, such as slot machines, computer equipment and kitchen and dining supplies.

In an effort to manage our construction risk, we have entered into a guaranteed maximum price construction contract with Marnell Corrao covering approximately \$919 million of the budgeted \$1.4 billion design and construction cost. The \$919 million guaranteed maximum price is subject to increases based on scope changes and other exceptions. Although we have determined the overall scope and design of Le Rêve, not all of the plans and specifications for the construction components that are the subject of the guaranteed maximum price contract have been finalized and, under certain circumstances, we will be responsible for excess costs with respect to these components. See "Construction Contracts for Le Rêve" and "Risk Factors—Risks Associated with Our Construction of Le Rêve."

Approximately \$485 million of the \$1.4 billion budgeted design and construction cost expenditures are not part of the Marnell Corrao guaranteed maximum price contract. These budgeted costs include:

- owner-managed interior design and related furniture, fixtures and equipment, construction of restaurant and retail spaces, including tenant allowances, signage and electronic systems, site work and exterior features at a budgeted cost of approximately \$303.0 million;
- construction of the new golf course at a budgeted cost of approximately \$21.5 million; we expect to solicit competitive bids in late summer 2002 for construction of the new golf course and to award the construction contract in the fourth quarter of 2002;
- construction of the principal parking garage at a budgeted cost of approximately \$11.5 million;
- estimated design and engineering professional fees of approximately \$66.1 million;
- costs of obtaining required governmental approvals and permits and utility service connection fees of approximately \$13.8 million;
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costs of miscellaneous capital projects, including demolition and mock-up costs, of approximately \$23.8 million;

- utilities and security costs during construction of approximately \$6.3 million;
- estimated insurance costs of approximately \$12.6 million for builder's risk insurance, fees and reserves under the owner-controlled insurance program, umbrella and excess liability insurance and design professional liability insurance during the construction period; and
- contingency of approximately \$26.7 million of the total owner's contingency of \$34.3 million.

We are responsible for these components of the budget, including any cost overruns with respect to these components. Of this remaining \$485 million of budgeted design and construction costs, we have spent approximately 8.4% to date. We have received bids with respect to items comprising another 36.6% of these remaining budgeted costs (though we have not accepted these bids and therefore the bids are subject to change). Accordingly, we

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have spent money or received non-binding bids for a total of approximately 45% of these remaining budgeted costs.

We have entered into a design/build contract with Bomel for the design and construction of the principal parking garage for a lump sum of \$9.9 million, subject to certain exceptions, including any changes in the scope of work, force majeure or owner delays. Design work for the construction is substantially complete. We expect that construction will commence in October 2002. We expect to solicit competitive bids in late summer 2002 for the construction of the golf course and to award the contract in the fourth quarter of 2002. We expect that the newly constructed golf course will be available for play when Le Rêve opens.

We expect to lease approximately eight of the retail shops at Le Rêve to third parties and intend to provide some of our retail tenants an allowance for improvements as part of the lease arrangements. We will own and operate the remaining approximately eighteen retail shops at Le Rêve and will be responsible for constructing any improvements. These construction costs and allowances are included in our design and construction budget for Le Rêve. Design and/or construction costs in excess of an allowance are intended to be the responsibility of the particular retail tenant. Nevertheless, if we are unable to successfully negotiate leases consistent with our design and construction budget, we may have to fund or construct, at our cost, additional improvements in connection with the leases relating to the space.

We intend to operate most of the restaurants at Le Rêve. We plan to construct the improvements for all of the restaurants, whether managed by us or by third parties, and the costs of those improvements are included in our design and construction budget.

We believe that the overall design and construction budget of \$1.4 billion is reasonable. In addition to the guaranteed maximum price provisions of the construction contract, we plan to implement specific mechanisms that are intended to reduce the risk of construction cost overruns and delays, including:

- a \$34.3 million owner's contingency that we may use, subject to the limitations set forth in the disbursement agreement, to cover owner-created delays and owner-originated changes in the scope of the work and other cost overruns;
- a liquidated damages provision requiring Marnell Corrao to pay us \$300,000 for each day the completion of construction is delayed, following a five-day grace period and subject to force majeure and other permitted extensions, up to a maximum amount of \$9 million;
- a \$150 million contractor performance and payment bond securing Marnell Corrao's obligations under the construction contract;
- a guaranty by Marnell Corrao's parent company, Austi, of Marnell Corrao's full performance under the construction contract until final payment under that contract;
- a \$50 million completion guarantee in favor of the lenders under the credit facilities and the second mortgage note holders by a special purpose subsidiary of Wynn Las Vegas, which will be secured by \$50 million of the proceeds of this offering contributed to the subsidiary and deposited in a collateral account and pledged to the lenders under the credit facilities and the second mortgage note holders, to be applied to the costs of the project in accordance with the disbursement agreement;
- a liquidity reserve account to be held by Wynn Las Vegas into which we will deposit \$30 million of the net proceeds of this offering pledged to the lenders under the credit facilities and second mortgage note holders to secure Wynn Las Vegas' obligation to

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complete the project and to be applied to the costs of the project in accordance with the disbursement agreement; and

- anticipated remaining availability of approximately \$49 million under our subsidiaries' revolving credit facility.

Despite these protections, design and construction costs may be significantly higher than expected. Furthermore, if we do not complete construction of Le Rêve by August 31, 2005, subject to limited permitted extensions due to force majeure events, our subsidiaries will be in default under the credit facilities and the second mortgage notes and the holders of the indebtedness will have the right to accelerate the indebtedness and exercise other rights and remedies against our subsidiaries. See "Risk Factors—Risks Related to Our Substantial Indebtedness—We are highly leveraged and future cash flow may not be sufficient for our subsidiaries to meet their obligations, and we might have difficulty obtaining more financing." We do not expect to be able to obtain insurance for delayed opening of Le Rêve, loss of use of the project or loss due to force majeure events. See "Risk Factors—Risks Associated with Our Construction."

#### **Water Show Entertainment Production Agreement**

We have entered into an agreement with Calitri Services and Licensing Limited Liability Company under which Calitri will create, develop and produce the show to be presented in the Le Rêve showroom. This agreement is in the process of being amended. We expect that, under the agreement, as it will be amended,



Calitri will be required to employ Franco Dragone as the principal creator of the production. The concept of the production, which involves a water-based show in Le Rêve's showroom, has already been approved by Mr. Wynn and is under development and pre-production. Wynn Las Vegas will pay Calitri a \$2 million creation fee, \$1 million of which has been paid, and fund parts of the development and production budgets. Wynn Las Vegas will pay the remaining \$1 million of this fee upon the completion of this offering. In addition, Calitri will receive 10% of the revenue and one-half of the profits of the production. We also anticipate that Calitri and Wynn Las Vegas will have joint and equal ownership rights to the production and any related intellectual property rights and that the initial term of the agreement will be ten years. However, it is also currently contemplated that, if the production fails to satisfy certain revenue requirements, Wynn Las Vegas will be able to terminate the agreement prior to the end of its term. In addition, it is contemplated that the agreement, as amended, will provide Wynn Las Vegas with an option to renew the agreement for an additional five-year term.

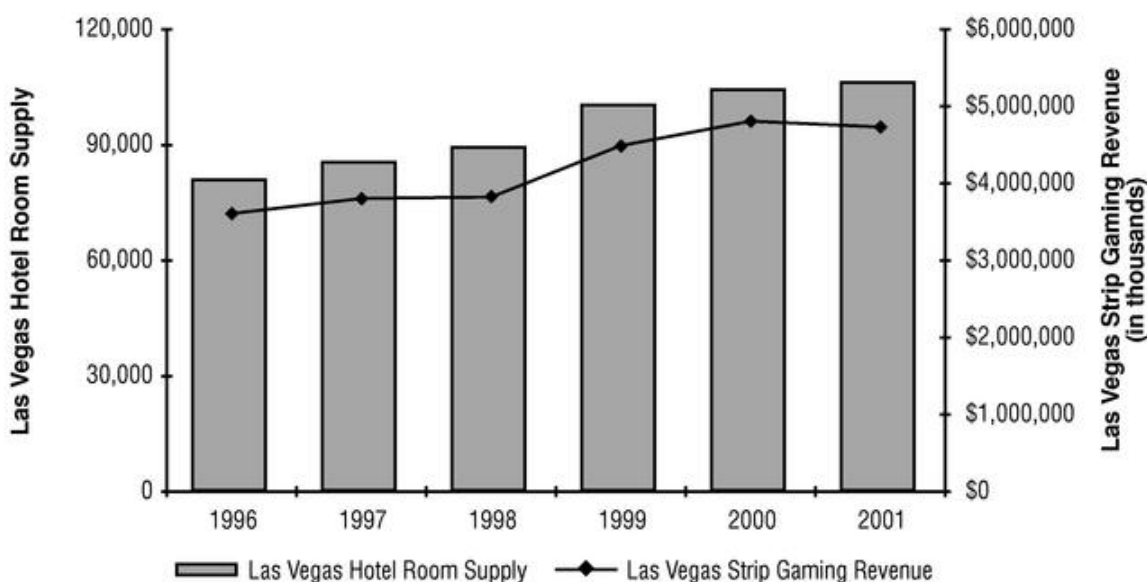
We have also paid Calitri \$1 million for an option with respect to a second production for Le Rêve or for another project. We anticipate that we or one of our subsidiaries will be required to pay an additional \$1 million if we exercise the option.

Following the completion of this offering, Wynn Resorts plans to grant Mr. Dragone an award of \_\_\_\_\_ shares of restricted stock. The restricted stock will be subject to Wynn Resorts' repurchase right, which will lapse in June 2006. This restricted stock award is intended to be part of the compensation paid to Mr. Dragone for his role as principal creator of the production. Although the form of the restricted stock grant has not been finalized, management believes that compensation expense, based on the fair value of the stock grant at the measurement date, will be recognized and that such compensation expense will be capitalized as part of the cost of constructing the entertainment production. Because the price of the stock at the measurement date is presently unknown and the form of the agreement has yet to be finalized, management is unable to estimate the amount of compensation expense expected to be associated with the restricted stock grant at this time.

### Las Vegas Market

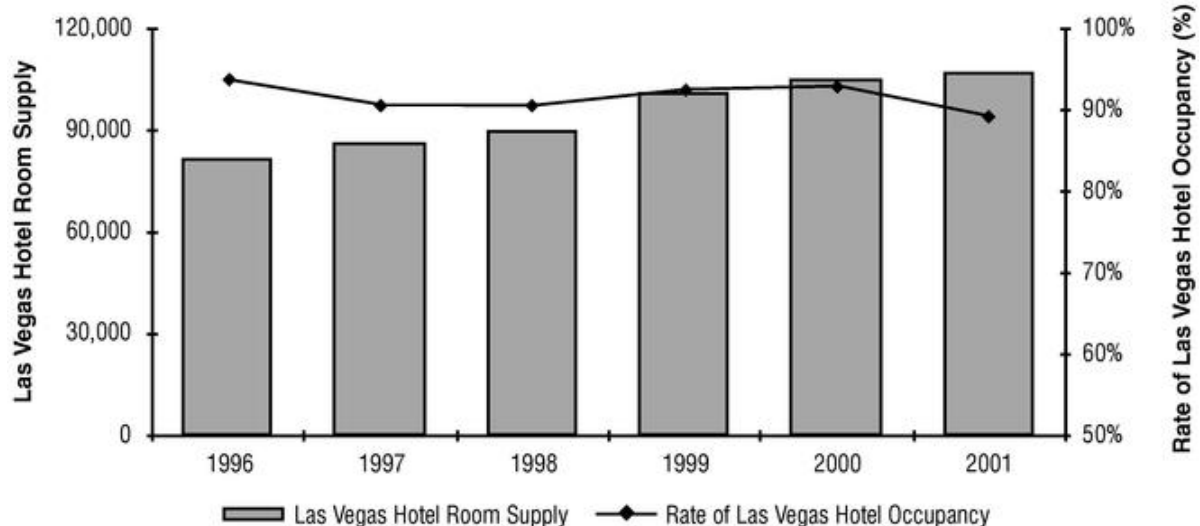
**Overview.** Las Vegas is one of the fastest growing leisure, lodging and entertainment markets in the country. Las Vegas hotel occupancy rates are among the highest of any major market in the United States. According to the Las Vegas Convention and Visitors Authority, the number of visitors traveling to Las Vegas has continued to increase at a steady and significant rate. The number of visitors increased from approximately 29.6 million in 1996 to approximately 35.0 million visitors in 2001, a compound annual growth rate of 3.3%. Aggregate expenditures by these visitors increased at a compound annual growth rate of 7.5%, from approximately \$22.5 billion in 1996 to approximately \$31.6 billion in 2001. The number of residents in Clark County, the greater Las Vegas area, has increased from 1,115,940 residents in 1996 to 1,425,723 residents in 2000, a compound annual growth rate of 6.6%.

**Expanding Hotel and Gaming Market.** Las Vegas has one of the strongest and most resilient hotel markets in the country and, according to the American Gaming Association, has the highest casino gaming revenue in the United States. Major properties on the Las Vegas Strip that have opened over the past ten years include Bellagio, Mandalay Bay Resort & Casino, New York-New York Hotel and Casino, Paris Las Vegas, Aladdin Resort & Casino and The Venetian. In addition, a number of existing properties on the Las Vegas Strip embarked on expansions during this period including MGM Grand Hotel and Casino, Luxor Hotel and Casino, Circus Circus Hotel, Casino and Theme Park, Mandalay Bay Resort & Casino and Caesars Palace. Despite this significant increase in the supply of hotel rooms in Las Vegas, hotel total occupancy rates for all days exceeded on average 90.6% for the years 1990 to 1999, averaged 92.5% in 2000 and 88.9% in 2001.



According to the Las Vegas Convention and Visitors Authority, Clark County gross gaming revenue has increased by 31%, from approximately \$5.8 billion in 1996 to approximately \$7.6 billion in 2001. As a result of the increased popularity of gaming, Las Vegas has sought

to increase its popularity as an overall vacation resort destination. The number of hotel rooms in Las Vegas has increased by 30.6% from 80,952 in 1996 to 105,702 in 2001.



We believe that the growth in the Las Vegas market has been enhanced as a result of a dedicated program by both the Las Vegas Convention and Visitors Authority and major Las Vegas hotels to promote Las Vegas as a major vacation and convention site and the increased capacity of McCarran International Airport.

**Growth of Las Vegas Retail Sector and Non-Gaming Revenue Expenditures.** The Las Vegas market continues to evolve from its historical gaming focus to broader entertainment and leisure offerings. In addition to the traditional attractiveness of gaming, the market is continuing to expand to include retail, fine dining, sporting activities, major concerts and other forms of entertainment. This diversification has contributed to the growth of the market and broadened the universe of individuals who would consider Las Vegas as a vacation destination. The more diversified entertainment and leisure offerings present significant growth opportunities. In particular, the newer, large theme-destination resorts have been designed to capitalize on this development by providing better quality hotel rooms at higher rates and by providing expanded shopping, dining and entertainment opportunities to their patrons, in addition to gaming.

**Las Vegas as a Convention Center Attraction.** According to Tradeshow Week 200, an annual publication that analyzes the 200 largest trade shows in the United States, Las Vegas was the most popular trade show destination in the United States with a 28.4% market share of the Tradeshow Week 200 shows in terms of net square footage and one of the most popular convention destinations in the United States in 2001. In 1996, approximately 3.3 million persons attended conventions in Las Vegas, providing approximately \$3.9 billion in non-gaming trade show and convention revenue. By 2001, the number of convention attendees increased to more than 4 million, providing approximately \$4.8 billion in non-gaming and trade show and convention revenue.

Trade shows are held for the purpose of getting sellers and buyers of products or services together in order to conduct business. Trade shows differ from conventions in that trade shows typically require substantial amounts of space for exhibition purposes and participant circulation. Conventions generally are gatherings of companies or groups that require less space for breakout meetings and general meetings of the overall group. Las Vegas offers

trade shows and conventions a unique infrastructure for handling the world's largest shows. This includes a concentration of approximately 72,000 hotel rooms located on the Las Vegas Strip, two of the largest convention centers in the United States—the Las Vegas Convention Center and the Sands Expo and Convention Center—with a total of over 4 million square feet of convention and exhibition space, convenient air service from major cities throughout the United States and other countries and significant entertainment attractions. In addition to the Sands Expo and Convention Center and the Las Vegas Convention Center, the MGM Grand Hotel and Casino has constructed a conference and meeting facility of approximately 380,000 gross square feet. The Mirage has recently added approximately 90,000 gross square feet of meeting space, and Mandalay Bay Resort & Casino has begun construction of an approximately 1.8 million square foot convention center with an estimated completion date in early 2003. We believe that Las Vegas will continue to evolve as one of the country's preferred trade show and convention destinations.

**Statistics on the Las Vegas Gaming Industry.** The following table sets forth certain information derived from published reports of the Las Vegas Convention and Visitors Authority and the Nevada State Gaming Control Board concerning Las Vegas Strip gaming revenue and visitor volume and hotel data for the years 1996 to 2001. As shown in the table, the Las Vegas market has achieved significant growth in visitor volume and tourist revenue.

**Historical Data for Las Vegas Gaming Industry(1)**

	1996	1997	1998	1999	2000	2001	Compounded Annual Growth Rate
Las Vegas Visitor Volume	29,636,361	30,464,635	30,605,128	33,809,134	35,849,691	35,017,317	3.4%
Total Visitor Expenditures(2) \$	22,533,258	24,952,189	24,577,469	28,695,178	31,462,337	31,555,924	7.0%
Las Vegas Strip Gaming Revenue(2) \$	3,579,269	3,809,354	3,812,408	4,490,330	4,805,572	4,703,692	5.6%
Las Vegas Convention Attendance	3,305,507	3,519,424	3,301,705	3,772,726	3,853,363	4,049,095	4.1%
Las Vegas Hotel Occupancy Rate for All Days	93.4%	90.3%	90.3%	92.1%	92.5%	88.9%	N/A
Las Vegas Hotel/Motel Room Supply	99,072	105,347	109,365	120,294	124,270	126,610	5.0%

(1) Sources: Las Vegas Convention and Visitors Authority and Nevada State Gaming Control Board for the fiscal years ended December 31.

(2) Dollars in thousands.

## Le Rêve Competition

**Hotel/Casino Competition.** The casino/hotel industry is highly competitive. Le Rêve, which will be located on the Las Vegas Strip, will compete with other high-quality resorts and hotel casinos in Las Vegas on the basis of overall atmosphere, range of amenities, level of service, price, location, entertainment offered, theme and size. Le Rêve will compete with hotels on the Las Vegas Strip and in downtown Las Vegas, as well as a large number of hotels and motels in and near Las Vegas.

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In June 2003, The Venetian expects to complete a 1,000-room hotel tower on top of the resort's existing parking garage. Also, Mandalay Bay Resort & Casino has announced that it expects to begin construction of a 1,122-room, all-suite tower connected to the current hotel casino resort in September 2002, with an expected opening date in October 2003. Other than the expansions of The Venetian and Mandalay Bay Resort & Casino, we are not aware of any significant additions of hotel rooms to major hotel casino resort properties in Las Vegas or any developments of new major hotel casino resort properties in Las Vegas in the near future.

Many competing properties, such as the Bellagio, Caesars Palace, Luxor Hotel and Casino, Mandalay Bay Resort & Casino, the MGM Grand Hotel and Casino, The Mirage, Monte Carlo Hotel and Casino, New York-New York Hotel and Casino, Paris Las Vegas, Rio All-Suite Hotel & Casino, Treasure Island at The Mirage and The Venetian, have themes and attractions which draw a significant number of visitors and will directly compete with our operations. Some of these facilities are operated by companies that have more than one operating facility and may have greater name recognition and financial and marketing resources than us and target the same demographic group as we will. We will seek to differentiate Le Rêve from other major Las Vegas resorts by concentrating on our fundamental elements of design, atmosphere, personal service and level of luxury.

Las Vegas casinos also compete, to some extent, with other hotel/casino facilities in Nevada and in Atlantic City, riverboat gaming facilities in other states, hotel/casino facilities elsewhere in the world, state lotteries, Internet gaming and other forms of gaming. In addition, certain states recently have legalized, and others may or are likely to legalize, casino gaming in specific areas. Passage of the Tribal Government Gaming and Economic Self-Sufficiency Act in 1988 has led to rapid increases in Native American gaming operations. Also, in March 2000, California voters approved an amendment to the California Constitution allowing federally recognized Native American tribes to conduct and operate slot machines, lottery games and banked and percentage card games on Native American land in California. As a result, casino-style gaming on tribal lands is growing and could become a significant competitive force. The proliferation of Native American gaming in California could have a negative impact on our operations. The proliferation of gaming activities in other areas could significantly harm our business as well. In particular, the legalization of casino gaming in or near metropolitan areas, such as New York, Los Angeles, San Francisco and Boston, from which we intend to attract customers, could have a substantial negative effect on our business. In addition, new or renovated casinos in Macau or elsewhere in Asia could draw Asian gaming customers, including high-rollers, away from Las Vegas. See "—The Macau Opportunity—Competition within Macau and from Regional Markets."

Our casino will also compete, to some extent, with other forms of gaming on both a local and national level, including state-sponsored lotteries, on- and off-track wagering and card parlors. The expansion of legalized gaming to new jurisdictions throughout the United States will also increase competition we face and will continue to do so in the future. Additionally, if gaming is legalized in jurisdictions near our property or our target markets where it currently is not permitted, we will face additional competition.

**Retail Competition.** Le Rêve's retail stores will operate in a highly competitive environment. Le Rêve's retail stores will compete with other retail stores located in other Las Vegas hotel casino resorts and shopping districts. Among these Las Vegas shopping locations, Le Rêve will face significant competition from the retail stores at Bellagio, the Forum Shops at Caesars Palace, which is expected to complete a 200,000 square foot expansion in 2004, The Grand Canal Shoppes at The Venetian and Desert Passage at Aladdin Resort & Casino. In particular, Le Rêve's retail stores will face competition from the premium retail stores of the Fashion Show Mall, which is owned by The Rouse Company, a publicly traded company. The

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Fashion Show Mall, which is situated across the Las Vegas Strip from Le Rêve, is currently undergoing an extensive remodeling and expansion program, reportedly increasing its size from approximately 773,000 square feet to nearly 2 million square feet. Beginning in November 2002, the Fashion Show Mall is expected to contain an approximately 180,000 square foot Nordstrom and a flagship store of Bloomingdale's Home & Furniture. The expansion of the Fashion Show Mall is expected to be completed in October 2003 with a new Lord & Taylor and is expected to include a total of approximately 300 shops. In addition, Le Rêve's retail stores will compete with outlet shopping areas located on the way to Las Vegas from Los Angeles and other places, which tend to offer merchandise at discounted prices.

Our retail stores will compete on the basis of, among other things, the location of our stores, the breadth, quality, style, and availability of merchandise, the level of customer service offered and merchandise price. We will also compete with other retail properties for retail businesses on the basis of the rent charged and location.

We believe that our retail operations will generate approximately 5% of our total revenue. However, we will face significant competition in this market area. Any increase in our competitors' market share for retail customers in Las Vegas could negatively impact our operations in a significant manner. See "Risk Factors—General Risks Associated with Our Business—The casino, hotel, convention, retail and other facilities at Le Rêve will face intense competition."

## Marketing in Las Vegas

Our marketing strategy consists of positioning Le Rêve as a full-service luxury resort and casino in the leisure, convention and tour and travel markets. Prior to the opening of Le Rêve, we will create general market awareness about Le Rêve's product offerings through conventions and media, including television, radio, newspapers, magazines, internet, direct mail, and billboards. We also expect that the third party retail tenants will engage in their own general advertising and promotional activity, which we expect will benefit all of Le Rêve's retail shops.

We believe that Le Rêve will attract wealthy international and domestic gaming customers due in part to the high degree of customer recognition and guest loyalty that we believe Mr. Wynn has developed over the last two decades by operating some of the signature properties on the Las Vegas strip. In addition, we currently employ a number of experienced international and domestic casino marketing executives. We believe that Mr. Wynn's reputation will allow us to continue to attract marketing executives of this caliber.

Le Rêve plans to have marketing executives located in local offices in Tokyo, Hong Kong, Macau, Singapore, Taiwan, Europe, New York and southern California, as well as independent marketing representatives in major U.S. and foreign cities. We also plan to develop a guest loyalty program at Le Rêve that will integrate in real-time, all gaming, hotel, food, beverage and retail revenue of a particular guest and compare it against incurred expenses to determine the profitability of that guest. We will use this program to implement a rewards system that offers discounted and complementary meals, lodging and entertainment for our guests. We will also use that information to develop an integrated database that will allow us to target specific customers for promotions that might induce them to visit Le Rêve.

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## The Macau Opportunity

### General

Currently, Wynn Macau is an indirect, 90% owned subsidiary of Wynn Resorts. Wynn Macau has committed to allow certain minority partners to invest in the Macau-related entities, after which Wynn Resorts is expected to indirectly own an approximately 82.5% economic interest in Wynn Macau before giving effect to any financing for the Macau opportunity.

Wynn Macau has entered into a 20-year concession agreement with the government of the Macau Special Administrative Region of the People's Republic of China permitting it to construct and operate one or more casinos in Macau. Wynn Macau is obligated to invest no less than a total of 4 billion patacas (currently approximately US \$500 million) in one or more casino projects by June 26, 2009 and must commence operations of its first permanent casino resort no later than December 2006. If Wynn Macau does not invest 4 billion patacas by June 26, 2009, it is obligated to invest the remaining amount on projects related to its gaming operations in Macau that the Macau government approves, or on projects of public interest designated by the Macau government. The currency used in the concession agreement is the Macau pataca. We have converted all pataca references into U.S. dollars, using the exchange rate as of August 11, 2002. While the rate of exchange may fluctuate over the term of the concession agreement, the rate of exchange between the United States dollar and the Hong Kong dollar (to which the Macau pataca is linked) has remained relatively stable over the past several years.

The Macau peninsula, located in southeast China on the South China Sea, is approximately 37 miles southwest of Hong Kong. Macau was a colony of Portugal for almost 450 years. In December 1999, Portugal transferred administration of Macau to China, which reestablished the territory as a special administrative region. In the past, gaming in Macau had been administered as a government-sanctioned monopoly concession held by Sociedade de Turismo e Diversões de Macau, controlled by Mr. Stanley Ho. This gaming business in Macau is currently conducted through a different entity named Sociedade de Jogos de Macau which is controlled by Mr. Ho.

As described under the heading "Risk Factors—Risks Associated with Wynn Macau's Macau Opportunity," the development and completion of casino(s) in Macau is subject to numerous conditions and risks, including the following:

- acquiring the rights to use suitable parcels of land in satisfactory locations in Macau on which to build casino(s), although Wynn Macau has an agreement in principle relating to the site of its first proposed casino;
- obtaining significant financing to develop and construct Macau casino(s);
- attracting qualified management, key personnel and employees to operate the casino(s);
- the political, economic and social risks inherent in doing business in an emerging market such as China, including the risks related to Macau's untested gaming regulatory framework;
- obtaining the ability, through legislative and regulatory changes, to extend credit to gaming customers and enforce gaming debts in Macau;
- obtaining relief, through legislative action, from the complementary income tax and the withholding tax on dividends imposed in Macau; and
- the risks inherent in construction projects.

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Wynn Macau may not proceed with the construction of casino(s) in Macau if, in the judgment of its management, such conditions and risks cannot be adequately resolved, or if these conditions and risks would adversely affect our ability to conduct gaming and hotel operations outside Macau, including at Le Rêve. However, the concession agreement does not contain provisions permitting Wynn Macau to terminate the concession agreement unilaterally, or permitting Wynn Macau to cease the development of casino(s) in Macau, for any of the reasons described above. The obligations under the Macau concession agreement are those of Wynn Resorts' indirect subsidiary, Wynn Macau. Accordingly, unless a court rules that Wynn Resorts and the intermediate Macau-related entities are not entitled to limited liability protection with respect to Wynn Macau's obligations under the concession agreement, or unless Wynn Resorts guarantees the performance of Wynn Macau's obligations thereunder, Wynn Resorts' exposure to the government of Macau would be no more than Wynn Macau's assets.

The key terms of the concession agreement into which Wynn Macau has entered with the Macau government are as follows:

- Wynn Macau is obligated to invest no less than a total of 4 billion patacas (currently approximately US \$500 million) on one or more casino projects by June 26, 2009 and must commence operations of its first permanent casino resort no later than December 2006. If Wynn Macau does not invest 4 billion patacas by June 26, 2009, it is obligated to invest the remaining amount on projects related to its gaming operations in Macau

that the Macau government approves, or on projects of public interest designated by the Macau government.

- Prior to April 1, 2009, the Macau government is prohibited from granting any additional concessions for the operation of casinos in Macau.
- Wynn Macau must pay a fixed premium of 30 million patacas (currently approximately US \$3.8 million) per year, and a variable premium based on the number of table games and machines Wynn Macau operates in Macau, with a set minimum of 45 million patacas (currently approximately US \$5.6 million) per year (which is temporarily lowered if Wynn Macau operates a temporary casino before completion of its first permanent casino resort).
- Wynn Macau must pay a special gaming tax of 35% on its gross gaming revenue.
- Wynn Macau must contribute a total of 4.0% of its gross gaming revenue for the promotion of public interests, infrastructure and tourism.
- Wynn Macau must pay taxes imposed by Macau law including a complementary income tax at the rate of 15% on the profits realized from conducting business in Macau and a 15% withholding tax rate on dividends paid from Macau entities to their stockholders. Wynn Macau is seeking exemptions for both of these taxes.
- Wynn Macau is obligated to maintain bank guarantees or bonds satisfactory to the government.
- At the end of the term of the concession agreement, and any agreed upon extensions, the main casino areas and all of the gaming equipment owned by Wynn Macau will be automatically transferred to the government of Macau without compensation to Wynn Macau.
- From June 27, 2017 until the end of the term of the concession agreement, the government of Macau will have the right to redeem Wynn Macau's gaming concession and take title to all of its assets in Macau and the government must provide fair

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compensation for a resort-hotel-casino complex under the investment plan under the agreement. However, the concession agreement is unclear as to how the compensation provision will apply if there is more than one resort-hotel-casino that is built.

For more information on the concession contract between Wynn Macau and the government of Macau, see "Concession Agreement with the Government of Macau."

The Macau Special Administrative Region owns most of the land in Macau and, in most cases, private interests in real property located in Macau are obtained only through leases and other grants of rights to use land from the government. The government of Macau has provisionally awarded Wynn Macau a concession to lease a parcel of land of approximately 14 acres located opposite the Hotel Lisboa (Macau's largest and most well-known hotel and casino) on which Wynn Macau intends to construct and operate a casino project. If Wynn Macau ultimately signs a land concession agreement formalizing this agreement in principle, the amount of the rent and other terms and conditions of the land concession will be fixed in that agreement. The term of the land concession would be 25 years, commencing on the date the concession contract is published in the Macau Official Gazette, and may be renewed at the option of Wynn Macau for successive periods terminating no later than December 19, 2049. In exchange for the land concession, Wynn Macau will be obligated to pay a premium of approximately 318 million patacas (currently approximately US \$40 million). In addition, once the land concession is entered into, Wynn Macau would become obligated to pay the former concessionaire of a portion of that site approximately 160 million patacas (currently approximately US \$20 million) for relinquishing that entity's rights to use its part of the land. Wynn Macau would be able to credit both this land concession premium and the payment to the former concessionaire toward its 4 billion pataca required investment in Macau.

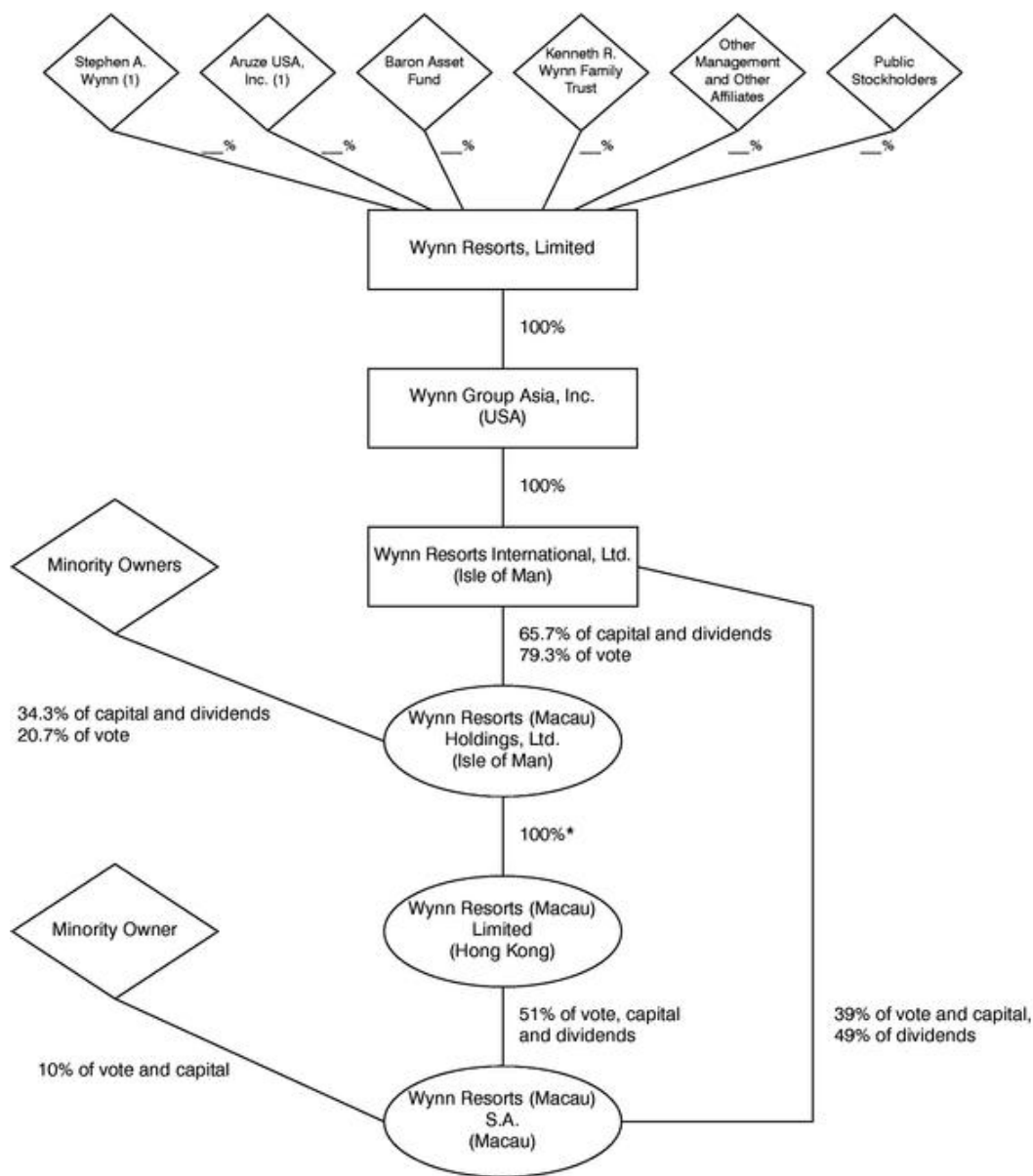
Currently, Wynn Macau is in the preliminary stages of formulating its strategy for its Macau operations. Wynn Macau has not yet determined how many casinos it will build, the scope, design or the timing of any project, or whether it will begin construction and operations in separate phases at the first permanent Macau casino resort site or open one or more temporary casinos in Macau in locations other than the permanent site. Moreover, Wynn Macau would need to obtain the necessary financing to fund the development, design and construction of such project or projects. Nonetheless, Wynn Macau may begin casino operations in Macau prior to the opening of Le Réve.

Wynn Macau's plans relating to the financing of the Macau opportunity are at the preliminary stages. Wynn Macau is considering different financing alternatives, including equity financing at the Wynn Macau level or at the level of one of the intermediary holding companies, such as Wynn Resorts (Macau) Holdings, Ltd., and debt financing at the Wynn Macau level. If additional equity is raised at the Wynn Macau or intermediary company holding company level, stockholders of Wynn Resorts would indirectly hold a smaller interest in Wynn Macau as the minority interest in the Macau-related entities increases. If Wynn Resorts decides to raise equity at the Wynn Resorts level to fund the Macau opportunity, its stockholders would suffer dilution of their interests. Wynn Macau has no commitments relating to such financing and we cannot assure you that Wynn Macau will be able to obtain such financing on acceptable terms or at all.

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### **Ownership Structure of Macau-Related Entities**

The following chart illustrates the organizational structure of Wynn Resorts' Macau-related subsidiaries immediately after the consummation of this offering and the restructuring transactions relating to the Macau-related entities described below are completed.



\* Wynn Resorts International, Ltd. holds one share of Wynn Resorts (Macau) Limited (Hong Kong) as nominee for Wynn Resorts (Macau) Holdings, Ltd.

**Wynn Resorts' Ownership of Macau-Related Entities.** Wynn Resorts currently owns, indirectly, a 90% interest in Wynn Macau. A series of transactions designed to bring minority partners into the ownership structure is currently being implemented. Once the restructuring transactions currently underway are completed, we expect that Wynn Resorts will own an approximately 82.5% economic interest in Wynn Macau indirectly through various

subsidiaries. In exchange, in the aggregate, Wynn Resorts will have contributed shares of Wynn Macau with an aggregate par value of approximately \$337,500 and cash of approximately \$23.8 million.

Wynn Resorts owns 100% of Wynn Group Asia, Inc., a Nevada corporation. Wynn Group Asia owns 100% of Wynn Resorts International, Ltd., a Manx company. Wynn Resorts International will hold certain shares of Wynn Macau directly, representing approximately 39% of the capital and voting power and approximately 49% of the dividends and other distributions in excess of capital contributed. Wynn Resorts International will also own approximately 33.5% of the capital and dividend participation and approximately 40.4% of the vote of Wynn Macau indirectly through its majority-owned subsidiary, Wynn Resorts (Macau) Holdings, Ltd., a Manx company. We expect that Wynn Resorts International will be entitled to an additional capital interest in Wynn Resorts (Macau) Holdings that effectively represents an additional 10% interest in the capital of Wynn Macau. Wynn Resorts (Macau) Holdings owns 100% of Wynn Resorts (Macau), Limited, a Hong Kong company. Wynn Resorts (Macau), Limited in turn will own approximately 51% of Wynn Macau.

**Minority Ownership of the Macau-Related Entities.** Once the restructuring transactions currently underway are completed, we expect that Wynn Resorts will own approximately 82.5% of the rights to capital and dividends and effectively control approximately 90% of the vote of Wynn Macau indirectly through various subsidiaries. Mr. Wong Chi Seng, who is the executive director of Wynn Macau, will own, in the aggregate, approximately 10% of the rights to capital and dividends and effectively control approximately 10% of the vote of Wynn Macau. Other investors will own, indirectly, approximately 7.5% of the rights to dividends and capital of Wynn Macau.

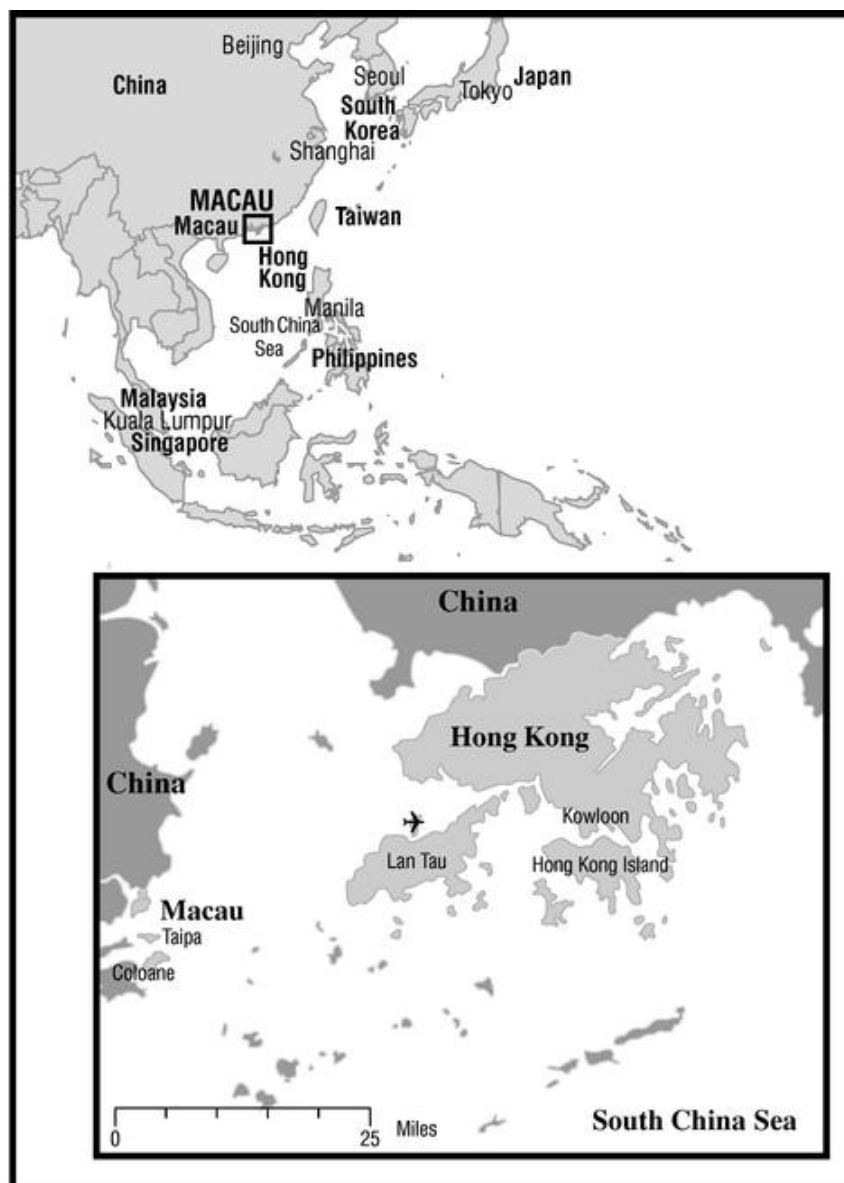
The direct and indirect minority interests of Wynn Macau will be at two levels: at the Wynn Resorts (Macau) Holdings level and directly at the Wynn Macau level. Mr. Wong Chi Seng will own, directly and indirectly, shares representing approximately 11.8% of the voting power and 19.6% of capital and dividend participation in Wynn Resorts (Macau) Holdings. In exchange for these shares, Mr. Wong will contribute to Wynn Resorts (Macau) Holdings cash of approximately \$385,000 and shares of Wynn Macau with an aggregate par value of approximately \$37,500. According to Macau law, the position of executive director and at least 10% of the voting shares and capital of Wynn Macau must be held by a resident of Macau. Mr. Wong, a Macau resident, serves as the

executive director of Wynn Macau and will purchase his shares in Wynn Macau for an aggregate of approximately \$2.5 million. Mr. Wong's shares will have the same voting rights as do the other shares in Wynn Macau, but they will be limited in their participation in dividends to up to one pataca per year, in the aggregate, and limited in other distributions to their share of the capital contributed.

Other investors, who are related to each other, collectively will contribute cash of approximately \$2.2 million and will own shares representing approximately 8.9% of the voting power and 14.7% of capital and dividend participation in Wynn Resorts (Macau) Holdings.

### Macau Market

**Introduction.** The Macau Special Administrative Region of the People's Republic of China is located in the southern part of Guangdong Province. Macau consists of the Macau peninsula and the islands of Taipa and Coloane, which are connected to the peninsula by bridges, and totals approximately 9 square miles in size. Macau is approximately 37 miles southwest of Hong Kong and immediately adjacent to the Zhuhai Special Economic Zone, from which Macau is visible and easily accessible. The CIA World Factbook estimates that Macau's population in 2001 was approximately 454,000.



Macau was a colony of Portugal for almost 450 years. In December 1999, Portugal transferred administration of Macau to China, which re-established the territory as a special administrative region. Macau has been a gaming destination for at least 40 years.

**Popular regional gaming destination.** According to the Macau Statistics and Census Service Monthly Bulletin of Statistics, over 10 million people visited Macau in 2001, increasing from approximately 7.4 million in 1999. According to the U.S. & Foreign Commercial Service American Consulate General, Hong Kong, in 2000, casinos in Macau generated approximately US \$2.1 billion in gaming revenue. Macau casinos are primarily table game-oriented and include many private VIP rooms, but contain relatively few slot machines.

Macau's gaming market is primarily dependent on tourists. According to Macau Statistics and Census Service Monthly Bulletin of Statistics, from 1999 through 2001 less than one-third of visitors traveling to Macau stayed overnight in hotels and guestrooms and, for those who

stayed overnight in hotels and guestrooms, the average length of stay was only one to two nights.

The following table contains statistics relating to the visitation of Macau by tourists:

Macau Annual Tourism Statistical Overview

	1999	2000	2001	Compounded Annual Growth Rate 1999-2001
Visitor Arrivals	7,443,924	9,162,212	10,278,973	17.5%
Overnight Guests	2,253,445	2,689,843	2,766,853	10.8%

Source: Macau Statistics and Census Service Monthly Bulletin of Statistics

**Proximity to, and ease of access from, major Asian capitals.** Gaming customers traveling to Macau typically come from nearby countries in Asia such as Hong Kong, mainland China, Taiwan, South Korea and Japan. According to the Macau Statistics and Census Service Monthly Bulletin of Statistics—Public Security Police, 90% of the tourists who visited Macau in 2001 came from Hong Kong, mainland China or Taiwan, with over 50% coming from Hong Kong alone.

Macau businesses benefit from the fact that the Macau pataca and the Hong Kong dollar are linked to each other, and in many cases, are used interchangeably in Macau. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Inflation and Foreign Currency Risk." However, currency exchange controls and restrictions on the export of currency by certain countries may negatively impact the success of Wynn Macau. For example, there are currently existing currency exchange controls and restrictions on the export of the renminbi, the currency of China. Restrictions on the exportation of the renminbi may impede the flow of gaming customers from China to Macau, inhibit the growth of gaming in Macau and negatively impact Wynn Macau's gaming operations.

Gaming customers from Hong Kong, southeast China, Taiwan and other locations in Asia can reach Macau in a relatively short period of time, using a variety of methods of transportation, and visitors from more distant locations in Asia can take advantage of short travel times by air to Macau or to Hong Kong (followed by a short water ferry or helicopter trip to Macau). The relatively easy access from major population centers promotes Macau as a popular gaming destination in Asia.

Macau draws a significant number of gaming customers from both visitors and residents of Hong Kong. One of the major methods of transportation to Macau from Hong Kong is the hydrofoil ferry service. The hydrofoil ferry offers service up to four times per hour, with trips to and from Macau in duration of 55 to 75 minutes. Macau is also accessible from Hong Kong by helicopter in less than 20 minutes.

The economy of Macau relies heavily on the economy of Hong Kong because the majority of the visitors who travel to Macau are from Hong Kong. As a result, economic slowdowns in Hong Kong affect the number of visitors who travel to Macau and the profitability of Macau businesses that rely on tourism.

Macau completed construction of an international airport in 1995 that provides direct air service to many major cities in Asia such as Manila, Singapore, Taipei and Bangkok, and major cities in China including Beijing and Shanghai. The Macau International Airport can accommodate large commercial airliners and directly serves at least 20 cities, including at least 12 in China, with links to numerous other major Asian destinations.

**Potential for growth of Macau gaming market.** We believe that the following factors will play a positive role in Macau's status as a gaming and resort destination:

- the proximity to, and ease of access from, Hong Kong, China and Taiwan and other Asian regional gaming markets, including Indonesia, Thailand and Japan, where casinos currently are banned;
- significant foreign and domestic investment in new and expanded casino and entertainment facilities, such as the reported development of an entertainment complex that will include gaming amenities in the Fisherman's Wharf area of Macau planned by Sociedade de Jogos de Macau through a related entity and the casino resort on Taipa reportedly planned by Galaxy Casino, Ltd., an affiliate of Venetian Resorts, in addition to Wynn Macau's proposed casino resort, that are intended to promote Macau as casino resort destination, enhance tourism and lengthen stays;
- the development of Hong Kong Disneyland (scheduled to open in 2005) on Lantau Island approximately 30 miles away from Macau.

#### Competition within Macau and from Regional Markets

**Local Competition.** In the past, gaming in Macau had been administered as a government-sanctioned monopoly concession awarded to a single concessionaire. However, under the authority of the Chief Executive and the Casino Tender Commission of Macau, the government of Macau has recently liberalized the gaming industry by granting concessions to operate casinos to three concessionaires. Sociedade de Jogos de Macau, referred to as SJM, has been granted one of the concessions. SJM is controlled by Stanley Ho, who through another entity had controlled the monopoly concession to conduct the only gaming operations in Macau for approximately 40 years. Galaxy Casino Company Limited, referred to as Galaxy, also has been awarded a concession to operate casinos in Macau. Galaxy is a joint venture between an affiliate of the operators of The Venetian in Las Vegas and a group of Hong Kong investors headed by Lui Chi-woo. Wynn Macau was awarded the third concession. Wynn Macau's gaming business would compete with businesses to be operated by the two other casino concessionaires in Macau. In addition, the concession agreement into which Wynn Macau has entered with the Macau government permits the government to grant additional concessions for the operation of casinos after April 1, 2009. If the government of Macau awards additional concessions, Wynn Macau will face increased competition from local casino operators in Macau.

SJM has the benefit of being the established gaming enterprise already in existence at eleven locations in Macau. Most of these eleven casinos are relatively small facilities which are offered as amenities in hotels, however a few are substantial operations enjoying recognition by gaming customers. Three of the largest hotels with casinos in Macau are The Hotel Lisboa, Mandarin Oriental and the Hyatt Regency. Seven of the eleven casinos in Macau are located in hotels. In addition, Mr. Ho, who controls SJM, owns substantially all of the water ferry services and the helicopter shuttle service that link Macau to Hong Kong and Kowloon, as well as the ferry terminal in Hong Kong.



Wynn Macau will face increased competition if SJM or Galaxy construct new, or renovate pre-existing, casinos in Macau. SJM is reported to be planning a major remodeling of the Hotel Lisboa and a new Fisherman's Wharf entertainment complex that will include gaming amenities in the area of the Macau ferry terminal. Additionally, according to news reports, Galaxy intends to build a major casino resort on Taipa, the island where Macau's international airport is located, and possibly other casinos.

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**Regional Competition.** Wynn Macau will face competition from casinos located in other areas of Asia, such as the major gaming and resort destination, Genting Highlands Resort, located outside of Kuala Lumpur, Malaysia and casinos in South Korea and The Philippines, as well as pachinko and pachislot parlors in Japan. Wynn Macau also will encounter competition from other major gaming centers located around the world, such as Australia and Las Vegas, and cruise ships in Asia that offer gaming, and illegal casinos throughout Asia. Further, if current efforts to legalize gaming in Penghu, Taiwan are successful or if the reported large-scale new casino entertainment complex proposed in Manila is developed, Wynn Macau will face additional regional competition.

### Seasonality

We do not consider our Las Vegas business to be particularly seasonal. However, we expect that our revenue and cash flow may be slightly reduced during the summer months due to the tendency of Las Vegas room rates to be lower at that time of the year.

### Employees

We currently employ approximately 200 employees in the U.S.. We anticipate that when Le Rêve opens, we will employ nearly 8,000 employees in connection with the operation of Le Rêve. As a result, we will need to undertake a major recruiting and training program before the opening. However, we believe that we will be able to attract and retain a sufficient number of qualified individuals to operate the hotel and casino. We will pay competitive market wages to our employees.

Currently, Valvino is a party to several collective bargaining agreements with several different unions which it assumed in connection with the acquisition of the Desert Inn Resort & Casino. All of these agreements will expire before the scheduled opening of Le Rêve. However, the unions may seek to organize the workers at Le Rêve or claim that the agreements assumed in connection with Valvino's acquisition of the Desert Inn Resort & Casino obligate Wynn Las Vegas to enter into negotiations with one or more of the unions to represent the workers at Le Rêve. Unionization or pressure to unionize could increase our labor costs.

### Trademarks and Service Marks

Our most important marks are LE RÊVE for hotel services and LE RÊVE for casino services. We have purchased the common-law name and mark "LE RÊVE" from a California trust operating a hotel by that name. This purchase removed the California trust as a prior user with superior rights. We have also applied to register the "LE RÊVE" service mark in the United States Patent and Trademark Office, referred to as the PTO, for hotel services. Our application for the LE RÊVE hotel mark has cleared the PTO examination process. It was "published for opposition." If no member of the public opposes or seeks time to oppose by August 16, 2002, LE RÊVE will be registered for hotel services, and restaurant, bar, lounge and health spa services.

We have also applied to register the "LE RÊVE" service mark with the PTO for combined casino and entertainment operations. Because PTO translates "LE RÊVE" as "THE DREAM", it has cited certain "DREAM" marks as a basis for preliminarily refusing to allow some of our "LE RÊVE" applications to proceed toward registration. The PTO's objection appears to relate solely to entertainment services, and not casino services. Accordingly, we will divide the application to register LE RÊVE for casino services from entertainment services and therefore not be subject to the objections to entertainment services.

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In addition, we have applied to register this mark for other uses, including gift shop items, retail services, clothing, golf balls and golf accessories, toys, tote bags, mugs, and others, none of which, individually, will be material to our business. Our application for Le Rêve retail services was preliminarily refused based on a prior registration of Le Reve for wines. Each of these applications is pending. None of the non-hotel and non-casino applications for LE RÊVE are for goods or services that would, if finally rejected, have a material impact on our business.

Even if we are able to obtain registration of the LE RÊVE mark for the above-described applications, such federal registration is not completely dispositive of the right to such trademarks. Third parties with prior rights with respect to DREAM marks or to marks similar to LE RÊVE may nonetheless challenge our use of LE RÊVE and seek to overcome the presumptions afforded by the registration. They also could attempt to prevent our use of LE RÊVE or seek monetary damages as a result of our use.

### Properties

**Las Vegas Land.** We currently own approximately 212 acres of land on or near the Las Vegas Strip on the site of the former Desert Inn Resort & Casino. Le Rêve will total 192 acres consisting of approximately 55 acres, owned by Wynn Las Vegas, at the northeast corner of the intersection of Las Vegas Boulevard and Sands Avenue and the approximately 137-acre golf course, owned by Wynn Golf Course, to be constructed behind the hotel. The balance of the 212 acres consists of an additional parcel of approximately 20 acres, owned by Valvino, that is available for future development.

**Las Vegas Water Rights.** Valvino indirectly owns approximately 935 acre-feet of certificated water rights through its indirect subsidiary, Desert Inn Improvement Co. We plan to use this water for general irrigation purposes including irrigation of the golf course. Desert Inn Improvement Co. also currently provides water service to the existing office building on the site of the former Desert Inn Resort & Casino and the remaining homes around the golf course. As a result, Desert Inn Improvement Co. is a public utility under Nevada law and is subject to regulatory restrictions imposed by the Public Utilities Commission of Nevada. See "Risk Factors—General Risks Associated with Our Business—We will be subject to regulatory control by the Public Utilities Commission of Nevada." Desert Inn Improvement Co. does not use these water rights to provide water to its public utility customers. Under Nevada law, we obtained the approval of the Public Utilities Commission of Nevada for Wynn Resorts to complete its offering of common stock.

Valvino directly owns an additional approximately 36 acre-feet of certificated water rights. This water will be used to supply the water for the Le Rêve lake, subject to the approval of the Nevada State Engineer. There are significant cost savings and conservation benefits associated with using water supplied pursuant to our water rights.

## Legal Proceedings

From time to time, we are involved in litigation relating to claims arising out of the ordinary course of business.

In addition, Valvino is currently involved in litigation related to its ownership and development of the former Desert Inn golf course and the residential lots around the golf course. Valvino acquired some, but not all, of the residential lots located in the interior of and around the former Desert Inn golf course when it acquired the former Desert Inn Resort & Casino from Starwood Hotels & Resorts Worldwide, Inc. Valvino later acquired all of the remaining lots located in the interior of, and some of the remaining lots around, the former

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Desert Inn golf course. In total, Valvino acquired 63 of the 75 residential lots, with Clark County having acquired two of the lots through eminent domain in 1994 as part of the widening of Desert Inn Road. The residential lots, previously known collectively as the Desert Inn Country Club Estates, were subject to various conditions, covenants and restrictions recorded against the lots in 1956 and amended from time to time since then.

On October 31, 2000, Ms. Stephanie Swain, as trustee of the Mark Swain Revocable Trust, and some of the homeowners whose lots Valvino did not purchase filed an action in Clark County against Valvino and the then directors of the Desert Inn Country Club Estates Homeowners' Association. The plaintiffs are seeking various forms of declaratory relief concerning the continued governance of the homeowners' association. In addition, the plaintiffs have challenged the termination in June 2001 of the conditions, covenants and restrictions recorded against the residential lots. The plaintiffs also seek to establish certain easement rights that Ms. Swain and the other homeowners claim to possess. Specifically, the remaining homeowners seek to establish easement rights to enter upon the golf course for exercise and other leisure purposes, and to use the perimeter roadways for entrance and exit purposes. At least two of the plaintiffs also have alleged the existence of an equitable implied restriction prohibiting any alternative commercial development of the golf course. Two subsequent actions were filed, one by Ms. Swain against certain homeowners' association members and one by Valvino seeking declaratory and injunctive relief similar to the original action. Because the issues in the subsequent actions are present in the original action, both of the subsequent actions have been stayed pending the outcome of the original action.

The trial in this matter is scheduled for February 2003. The court has, nonetheless, entered several preliminary injunction orders concerning the parties' respective property rights. Among other things, the court has ordered that Valvino is free to develop the golf course and the remainder of its property as it deems fit, subject to all applicable legal restraints. In that regard, Valvino was permitted to remove all homes and structures on its properties surrounding the golf course and those located on the Country Club Lane cul de sac, which ran to the interior of the golf course. Valvino has removed all structures that were on its lots, together with the cul-de-sac, and has relandscaped the property to blend into the existing golf course. The court has also entered an order prohibiting Ms. Swain from filing a lis pendens against the golf course property. A lis pendens is a notice filed on public records to warn all persons that the title to certain property is in litigation and that the effect of such litigation will be binding on the owner of the property.

The plaintiffs have sought, and successfully obtained, a preliminary injunction to compel Valvino to subsidize security to homeowners who reside near the project. Valvino has appealed this ruling and the issue is now pending before the Nevada Supreme Court.

Discovery in this case is currently ongoing. Valvino is vigorously contesting all of the homeowners' claims and will continue to do so. However, if the plaintiffs prevail on their claims and the conditions, covenants and restrictions on the lots remain in effect, we may have to adjust our current plans for the construction of the golf course by redesigning some of the holes located on the periphery of the course. In addition, if the court finds that there is an implied equitable restriction on the golf course lots, any future development of the golf course parcel for an alternative use may be restricted.

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## CONSTRUCTION CONTRACTS FOR LE RÊVE

The following discussion summarizes the material terms of our construction contracts. These summaries are qualified in their entirety by reference to the contracts themselves.

### Construction of the Hotel/Casino

#### Overview

We have entered into a construction agreement with Marnell Corrao, the contractor, for construction services for a substantial portion of the construction, but not design, of Le Rêve, excluding the principal parking garage and the golf course construction, for a guaranteed maximum price. The guaranteed maximum price is approximately \$919 million (subject to various contingent adjustments). The guaranteed maximum price includes:

- a fixed lump sum contractor's fee in the amount of \$30 million;
- costs necessarily incurred by Marnell Corrao in the performance of its obligations under the construction contract, including the cost of payment and performance bonds for Marnell Corrao and subcontractors required by the construction contract;
- an approximately \$7.6 million owner-controlled contingency to cover, among other items, owner-created delays and owner-originated changes in the scope of work; and
- a portion of the cost of insurance obtained by Marnell Corrao on which we will be named as an additional insured.

The guaranteed date of substantial completion is 910 calendar days from the date we direct Marnell Corrao by written notice to commence construction.

Although we have determined the overall scope and general design of Le Rêve, not all of the plans and specifications for the construction components that are the subject of the guaranteed maximum price contract have been finalized. Specifically, the approximately \$919 million maximum price includes construction components totaling approximately \$493.5 million for which detailed plans have not yet been finalized. The guaranteed maximum price for these components is based on master concept plans and agreed upon design and other premises and assumptions for the detailed plans to be created for the remaining components. If the plans for these components do not substantially conform to the premises and assumptions described in the construction contract, or if we request change orders with respect to these components or any component for which there are final plans or defects or deficiencies in the architectural plans or concealed conditions, we will be responsible for the excess costs. For example, if the initial drawings, when finalized, are inconsistent with the premises and assumptions, we will be responsible for the increase, if any, in the cost to construct the work covered by those drawings over the previously agreed upon amounts designated for such work in the guaranteed maximum price, even if the drawings are redesigned to be consistent with the premises and assumptions. The premises and assumptions reflect general concepts and techniques pursuant to which the contractor will construct Le Rêve. However, the premises and assumptions may not be sufficiently specific so as to determine, as between the contractor and us, who is responsible for cost overruns in specific situations.

As of the date of this prospectus, and with regard to a portion of the construction budget covered by the Marnell Corrao construction contract:

- we have prepared and received bids on final construction drawings and specifications for approximately 3 million square feet of high rise hotel, convention center, central

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plant, meeting rooms and warehouse space, which represents approximately \$388 million of the construction components covered by the construction contract;

- approximately \$493.5 million represents construction components, for which final plans have not yet been completed; and
- approximately \$32.3 million of the approximately \$493.5 million of construction components consists of allowances for additional items of the construction work that are in the earliest concept stages, such as construction of the "mountain." If the actual cost of these items exceeds the allowances, we will be responsible for these excess amounts.

Drawings for the interior work on the project have not been finished. If the cost to complete the interior work exceeds budgeted amounts, the excess will not be covered by the guaranteed maximum price contract and, accordingly, we will be responsible for these excess costs.

There are also certain permit and similar fees and costs of approximately \$13.8 million which are not Marnell Corrao's responsibility and are not a part of the guaranteed maximum price, but are our responsibility.

The construction contract calls for the cost of the work provided by Marnell Corrao to be at the lowest reasonably available prices obtainable by Marnell Corrao's best efforts, unless we have given prior written consent to incur higher expenses.

If we reasonably believe at any time, based on the progress of the work and the cost of the work, that the work cannot be completed for the guaranteed maximum price, we have the right after certain notice periods to require Marnell Corrao to provide us with satisfactory evidence of funds available to Marnell Corrao to pay any anticipated overages.

Due to the lack of final plans for substantial portions of the project, the construction contract does not require Marnell Corrao to adhere to specific cost limits on a line item basis. Rather, it only obligates Marnell Corrao to complete the construction within an overall guaranteed maximum price subject to certain general balancing and other requirements. Therefore, subject to the general balancing requirements of the construction contract, there is a risk that the funds earmarked for the guaranteed maximum price could be exhausted before substantial completion of the project should Marnell Corrao spend greater amounts on certain line items in the earlier stages of construction. In addition, the disbursement agreement and the credit facilities will contain balancing provisions requiring us to demonstrate, as a condition to every release or drawdown of funds, that we have sufficient funds available to cover all remaining construction costs, plus required contingency, in accordance with our construction budget. Accordingly, if Marnell Corrao spends greater amounts than anticipated in respect of any component of the work, we may be denied further access to the proceeds of the second mortgage notes and under the credit facilities.

We will continue to evaluate the project design in relation to its construction schedule and budget and the demands of the Las Vegas tourist and gaming market. Accordingly, the design of individual elements of Le Rêve may be refined from the descriptions contained in this prospectus.

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### **Potential Increases in the Guaranteed Maximum Price**

The construction contract with Marnell Corrao provides that the guaranteed maximum price will be appropriately increased, and the deadline for completion of construction will be appropriately adjusted, on account of, among other circumstances:

- changes in the design documents prepared by the architect or deficiencies in the design documents;
- changes requested or directed by us in the scope of the work to be performed pursuant to the construction contract;
- changes in legal requirements;
- natural disasters, unavoidable casualties, industry-wide labor disputes affecting the general Las Vegas area and not limited to the project, and other force majeure events that are unforeseeable and beyond the reasonable control of Marnell Corrao; and
- delays caused by us.

We will commence construction of Le Rêve before all plans and specifications will be completed. Delays in completing the remaining drawings and specifications could cause delays in the substantial completion of the work and, under specific circumstances, could defer the contractor's obligation to deliver the completed project by the scheduled completion date.

Cost overruns could cause us to be out of "balance" under the second mortgage notes, credit facilities and FF&E facility and, consequently, unable to obtain funds from the second mortgage note proceeds secured account or to draw down under the credit facilities or the FF&E facility. If we cannot obtain these funds, we will not be able to open Le Rêve to the general public on schedule or at all. Given that we are required to use a substantial portion of the cash equity contribution made by Wynn Resorts before receiving disbursements of the second mortgage note proceeds or borrowing under the credit facilities and the FF&E facility, if any such "out of balance" event occurs in the latter stages of construction, the holders of Wynn Resorts common stock would be fully exposed and the lenders under the credit facilities and FF&E facility would have no obligation to commence or continue funding loans under their respective facilities.

When we finalize plans or specifications in the future, we may discover that we need to obtain additional funding, which may not be available on satisfactory terms or at all, or, we may choose to reduce the scope of the work and design components to reduce the costs of constructing the project. Any such reduction in scope would be subject, under specified circumstances, to obtaining the consent of the lenders under the credit facilities and the FF&E facility and the second mortgage note holders as required under the disbursement agreement.

### **Competitive Bids**

Unless we specify otherwise, subcontractors will be selected after a bidding process that includes, to the extent practicable, at least three bidders from a list of bidders provided by Marnell Corrao. Marnell Corrao will submit the various bids received from prospective subcontractors, all information available to Marnell Corrao with respect to the bids and prospective subcontractors and Marnell Corrao's recommendation of the prospective subcontractor for the contract. We, with Marnell Corrao's assistance, will select each subcontractor based on this information. If we select a subcontractor other than one recommended by Marnell Corrao, and there is a difference in the bids of the subcontractor we select above stated thresholds, the guaranteed maximum price may be increased.

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### **Substantial Completion**

Marnell Corrao is responsible for achieving "substantial completion" of the work by a guaranteed date of substantial completion. Substantial completion is defined in the construction contract as the stage in the progress of the development of Le Rêve when it is sufficiently complete, including the receipt of necessary permits, licenses and approvals, so that all aspects of Le Rêve covered by the construction contract can be open to the general public. As mentioned earlier, under the construction contract, the guaranteed date of substantial completion is 910 calendar days from the date we direct Marnell Corrao by written notice to commence construction. This period is referred to in the construction contract as the "contract time," and may only be adjusted in accordance with the construction contract. The contract time may be extended, among other reasons, due to force majeure events as noted below, and changes by us in the scope of the work.

Plans for a substantial portion of the approximately \$919 million guaranteed maximum price construction budget have not been finalized. Delays in completing the remaining drawings and specifications could cause delays in the substantial completion of the work and, under certain circumstances, could defer Marnell Corrao's obligation to deliver the completed project by the scheduled completion date.

### **Construction Contract Guaranty**

Austi, the parent company of Marnell Corrao, has agreed to provide a continuing guaranty by which Austi guarantees Marnell Corrao's full performance and payment obligations under the construction contract until final payment under that contract. Austi is a private company controlled by the Anthony A. Marnell II family.

### **Force Majeure and Owner Delay**

Under certain circumstances, the contract may allow Marnell Corrao an extension of the contract time. These circumstances include:

- any delays in Marnell Corrao's performance arising from a force majeure occurrence, which includes industry-wide labor disputes affecting the general Las Vegas area and not limited to the project, fire, unavoidable casualties, adverse weather conditions not reasonably anticipated; or
- other causes which, based on Marnell Corrao's extensive experience in constructing projects of similar scope and complexity in the same location, are unforeseeable and beyond Marnell Corrao's reasonable control; and
- any delays caused by us or our agents, consultants or separate contractors.

### **Payment and Performance Bond**

Under the construction contract, Marnell Corrao is required to obtain a performance and payment bond in the amount of \$150 million, covering its performance of the construction contract and payment of obligations thereunder. The construction contract requires Marnell Corrao to obtain this bond no later than five business days after it receives written notice from us to commence construction and, in any event, prior to the commencement of the work. The performance and payment bond will be issued by a bonding company with an A.M. Best Co. rating of A XV or better, and will name us and the lenders and agents relating to the lenders under the credit facilities and the trustee on behalf of the second mortgage note holders as obligees and beneficiaries. After it is issued, the performance and payment bond

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may not be increased or decreased unless we approve in advance. Certain of the subcontractors performing work for Marnell Corrao on the project will also be bonded.

### **Early or Late Completion**

If Marnell Corrao achieves substantial completion of the work before the guaranteed date of substantial completion without increasing the cost of the work to achieve such early completion, we will pay Marnell Corrao an early completion bonus equal to \$50,000 per day for each day before the guaranteed date of substantial completion that the work was substantially completed. The amount of the early completion bonus will not exceed \$1 million.

If Marnell Corrao fails to achieve substantial completion of the work within the contract time, Marnell Corrao will pay us, as liquidated damages, \$300,000 per day beginning on the sixth day after the guaranteed substantial completion date and continuing every day thereafter until substantial completion of the work is achieved or the total amount of liquidated damages equals \$9 million. Marnell Corrao's liability to us for damages arising solely from delays caused by Marnell Corrao or for which Marnell Corrao is responsible, will not exceed \$9 million as provided in the construction contract. We cannot assure you that construction will be completed on schedule and, if completion of the construction is delayed beyond the grace period, our actual damages likely will exceed \$300,000 per day.

### **Payment**

Marnell Corrao must make an itemized application for payment based on an approved schedule of values. Payment of the application is subject to approval by us and our subsidiaries' lenders, based on the conditions of the construction contract. Subject to certain limitations imposed by the Nevada Revised Statutes, the construction contract allows us to withhold amounts from any payments due to Marnell Corrao which we determine to be necessary to protect us against liens until the liens are bonded or otherwise discharged. See "Risk Factors—Risks Associated with Our Construction—Development costs of Le Rêve are estimates only and actual development costs may be higher than expected." We are entitled to retain 10% of all monies due to subcontractors under the monthly applications for payment until the work is complete, though there is no retainage on payments to Marnell Corrao or vendors. However, after 50% of the scope of the work is complete, we may elect to reduce the level of retention for selected subcontractors under certain conditions and subject to the approval of our subsidiaries' lenders.

### **Warranties and Guarantees**

Marnell Corrao's general construction warranty and guarantee extends for one year after substantial completion of the work. Marnell Corrao guarantees that its construction workmanship will be first class in quality, free from all faults and defects, and that the work will comply with the construction contract requirements and all applicable laws, codes and regulations. Marnell Corrao also guarantees that all materials, equipment, mechanical devices and supplies incorporated into the work will be new and will strictly meet the specifications and requirements of the construction contract. Marnell Corrao's warranty excludes damages or defects caused by ordinary wear and tear, insufficient maintenance, improper operation or improper use by us. Furthermore, Marnell Corrao warrants that Marnell Corrao has substantial experience in performing major projects with scopes of work similar to Le Rêve, and, where required by law, is licensed to perform the work.

The construction contract with Marnell Corrao provides that the one year period of their general construction warranty is not a limitation on any of Marnell Corrao's other obligations

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under the construction contract or applicable law. Further, the one year period is not intended to reduce the period of any other similar warranty or guaranty that may apply at law or otherwise to work on the project by Marnell Corrao or any subcontractor. The current Nevada limitations period for claims relating to defective work which might arise under the express warranty extends beyond the one year warranty period provided in the construction contract. The construction contract also provides that we shall have the benefit of all vendor and subcontractor warranties relating to the work. Marnell Corrao will assign to us all subcontractor warranties and/or guarantees. Marnell Corrao also agrees to assist us in prosecuting the enforcement of all subcontractor and vendor warranties. Thus, it is anticipated that we may have available to us one or more avenues of potential recourse, including under governing law and subcontractor and vendor warranties, for defective work first discovered after the one year express warranty expires.

### **Insurance**

Through the owner-controlled insurance program, we will pay for and maintain builder's risk and "wrap-up" liability insurance upon Marnell Corrao's and all subcontractors' work at the site. This insurance includes:

- builder's risk insurance;
- on-site workers compensation and employers liability insurance;
- commercial general liability insurance; and
- umbrella and excess liability insurance.

The owner-controlled insurance program will be for the benefit of us, Marnell Corrao and its subcontractors, unless specifically excluded, who have on-site employees. It is anticipated that the lenders under the credit facilities and the trustee on behalf of the second mortgage note holders will be required to be named as additional insureds under the insurance required to be carried under the construction contract. This coverage applies only to work performed under the construction contract at the site. Participation in the owner-controlled insurance program will be mandatory. Marnell Corrao is required to, and is required to cause all of the subcontractors to, complete all forms, submit the information required and comply with the terms of the owner-controlled insurance program manual. No exceptions can be made to this requirement without our prior approval.

### **Additional Insurance**

Additionally, Marnell Corrao is required to, and is required to cause the subcontractors to, obtain and maintain the following, which are not included in the owner-controlled insurance program:

- automobile liability insurance, with limits of not less than \$1 million combined single limit for bodily injury, death and property damage per occurrence; and
- off-site activities.

Also, included as a cost of the work, and thus within the guaranteed maximum price, is our obligation to reimburse Marnell Corrao for certain other additional insurance maintained by Marnell Corrao and described in the construction contract. The cost of all such additional insurance described herein is included within the guaranteed maximum price and such cost shall be substantiated to our satisfaction. To the extent that this additional insurance is related to Marnell Corrao's work on the project, we will be named as additional insured.

#### **Ineligible Parties and Termination of the Owner-Controlled Insurance Program**

We have the right to terminate or to modify the owner-controlled insurance program upon 30 days advance written notice to Marnell Corrao and each subcontractor covered by the owner-controlled insurance program. If Marnell Corrao or any subcontractor fails to, or is ineligible to, enroll in the owner-controlled insurance program or the owner-controlled insurance program is terminated, Marnell Corrao and the subcontractors must provide, pay for and maintain the following types of coverage in accordance with the requirements of the construction contract, including as to coverage amounts, and in addition to the additional insurance noted above:

- commercial general liability insurance;
- workers' compensation and employer's liability insurance; and
- umbrella and excess liability insurance.

For all of these policies, Marnell Corrao and all subcontractors must obtain a waiver of subrogation, where allowed by law, against us and all other named insureds and their agents and employees.

#### **Indemnification**

Marnell Corrao has agreed to indemnify us, our affiliates and our subsidiaries' lenders (including trustees and agents relating to the lenders under the credit facilities and the trustee on behalf of the second mortgage note holders) from all claims, liabilities, obligations, losses, suits, actions, legal proceedings, damages, costs, expenses, awards or judgments, including reasonably attorneys' fees and costs, that relate to or arise out of performance of the work or any act or omission of Marnell Corrao or any subcontractor or vendor and that are imposed by law or relate to, among other things:

- personal injury;
- death;
- property damage;
- violations of or failure to comply with applicable laws;
- variations from the construction contract;
- any infringement of third party rights, including copyright and patent rights;
- mechanics' liens relating to Marnell Corrao's work; or
- any breach or alleged breach of Marnell Corrao's representations, obligations, covenants or agreements in the construction contract.

In the event of contributory negligence by us and/or any indemnitee, Marnell Corrao will only be liable for payment in direct proportion to Marnell Corrao's percentage of fault, if any. Further, Marnell Corrao's indemnification obligation does not apply to a claim to the extent of any insurance proceeds actually received by the indemnitee or to a claim related to hazardous materials, subject to certain exceptions, and is limited as to liquidated damages for delay in completion of construction.

Also, under the construction contract, Wynn Las Vegas has agreed to indemnify Marnell Corrao and its affiliates from all claims, liabilities, obligations, losses, suits, actions, legal proceedings, damages, costs, expenses, awards or judgments, including reasonable attorneys'

fees and costs suffered by or threatened against Marnell Corrao and/or its affiliates that relate to or arise out of any act or omission by us and that are imposed by law or relate to:

- personal injury;
- death;
- property damage; or
- any breach or alleged breach of Wynn Las Vegas warranties, representations, obligations, covenants or agreements in the construction contract.

Certain liability limitations and releases in favor of the owner contained in the construction contract are also express limitations on the owner's indemnity obligations.

### **Termination of Construction Contract**

Except as described below, we may cancel the construction contract or suspend, reduce, interrupt or delay, in whole or in part, the construction for our convenience at any time and under any circumstances by providing written notice to Marnell Corrao. If we cancel, suspend, reduce, interrupt or delay the construction contract, Marnell Corrao will do only the work necessary to preserve and protect the work already in progress and complete any work not cancelled, suspended, interrupted, delayed or reduced, and cancel all existing orders to vendors and subcontractors relating to terminated work. With respect to such cancellation, suspension, reduction, interruption or delay, the construction contract provides that we have no liability to Marnell Corrao or any subcontractor or vendor for, and neither Marnell Corrao nor any subcontractor or vendor may make any claim for, lost profit or overhead, and they have agreed to expressly limit their remedies in such event. However, our rights to terminate, suspend or delay the construction and the limitation on Marnell Corrao's remedies conflict with express provisions of the Nevada Revised Statutes and may not be enforceable. See "Risk Factors—Risks Associated with Our Construction—Development costs of Le Rêve are estimates only and actual development costs may be higher than expected."

### **Lenders**

Marnell Corrao has agreed to cooperate with all lenders, trustees, intercreditor agents, administrative agents and disbursement agents whom we designate, and will, on request, execute and deliver documents and instruments reasonably requested by those persons, including an amendment to the construction contract, so long as the amendment does not materially or substantially alter the rights, duties or obligations of Marnell Corrao and the subcontractors under the construction contract. Representatives of the lenders and the designated trustees, intercreditor agents, administrative agents and disbursement agents will also have access to the work and site and are entitled to audit Marnell Corrao, subcontractors and vendors to the same extent as we are. Material changes to the drawings, specifications, contract time and guaranteed maximum price also may be subject to approval of the lenders pursuant to the disbursement agreement.

### **Claims and Disputes**

All claims relating to the construction contract initially must be made to us within 14 days after the claim arises. If we do not resolve the claim, the claim may be submitted to a court of competent jurisdiction in the state or federal courts in Las Vegas or Clark County, Nevada. Pending resolution of any claim, and subject to the Nevada Revised Statutes, Marnell Corrao will continue to perform construction so long as Marnell Corrao is paid for any amounts not

in dispute. See "Risk Factors—Risks Associated with our Construction—Development costs of Le Rêve are estimates only and actual development costs may be higher than expected."

### **Construction of the Parking Garage**

Wynn Las Vegas has entered into a design/build contract with Bomel for the design and construction of the principal parking garage for a lump sum of \$9.9 million, subject to specified exceptions. The principal parking garage will consist of approximately 1,840 parking spaces and associated infrastructure. Design work for the construction is substantially complete. We expect that construction will commence in October 2002.

Bomel and its subcontractors will be covered by the owner-controlled insurance program to the same extent and subject to the same exceptions and requirements as Marnell Corrao and its subcontractors for the casino and hotel portion of Le Rêve. The obligations of Bomel will not be bonded.

The construction contract for the parking garage provides that the maximum cost to us for completion of Bomel's work on the garage will not exceed \$9.9 million, subject to certain exceptions, including any changes in the scope of work, force majeure or owner delays. To complete the garage facility, we expect to perform additional work under our own direction, which is budgeted to cost an additional approximately \$1.65 million.

Bomel's general construction warranty extends for one year, and up to five years with regard to some watertight aspects, after final completion of its work on the garage facility.

### **Construction of the Golf Course**

We estimate that the cost to construct the golf course will be approximately \$21.5 million. We expect to solicit bids in late summer 2002 for the construction of the golf course and to award the contract in the fourth quarter of 2002. We cannot guarantee that our ultimate contract with a golf course contractor will contain provisions to protect us against cost overruns or delays associated with the golf course construction or that we will be able to obtain a guaranteed maximum price of \$21.5 million.

## **CONCESSION AGREEMENT WITH THE GOVERNMENT OF MACAU**

The following is a summary of the key terms of the concession agreement between Wynn Macau and the government of Macau. There are Chinese and Portuguese versions of the concession agreement, each of which is an official document of equal authority. The following summary is based on English translations of both of the official Chinese and Portuguese versions of the agreement and is qualified in its entirety by reference to the two official versions of the concession agreement themselves. The currency used in the concession agreement is the Macau pataca. The Macau pataca, which is not a freely convertible currency, is linked to the Hong Kong dollar, which itself is linked to the U.S. dollar. We have converted all pataca references into U.S. dollars, using the exchange rate as of August 11, 2002. While the rate of exchange may fluctuate over the term of the concession agreement, the rate of exchange between the United States dollar and the Hong Kong dollar has remained relatively stable over the past several years.

### **Opportunity in Macau**

Wynn Macau currently is an indirect, 90%-owned subsidiary of Wynn Resorts. Wynn Macau has committed to allow certain minority partners to invest in the Macau-related entities after which Wynn Resorts is expected to indirectly own an approximately 82.5% economic interest in Wynn Macau before giving effect to any financing for the Macau opportunity.

Wynn Macau has entered into a concession agreement with the government of Macau permitting it to construct and operate one or more casinos in Macau. The term of the concession agreement is 20 years, beginning on June 27, 2002 and ending on June 26, 2022, unless terminated pursuant to the concession agreement on an earlier date. Under Macau law, the concession agreement may also be extended by mutual agreement of the parties for up to an additional five years. Wynn Macau has agreed to invest no less than a total of 4 billion patacas (currently approximately US \$500 million) in one or more Macau casino projects by June 26, 2009, and to commence operations of its first permanent casino resort no later than December 2006. If Wynn Macau does not invest 4 billion patacas by June 26, 2009, it is obligated to invest the remaining amount on projects related to its gaming operations in Macau that the Macau government approves, or on projects of public interest designated by the Macau government. Currently, Wynn Macau is in the preliminary stages of formulating the strategy for its Macau opportunity. Wynn Macau has not yet determined how many casinos it will build, the scope, design or the timing of any project, or whether it will begin construction and operations in separate phases at the first permanent casino resort site or open one or more temporary casinos during the construction of a casino. Wynn Macau may begin casino operations in Macau prior to the opening of Le Rêve.

### **Scope of Macau Activities**

The concession agreement provides that Wynn Macau's business shall be limited to the operation of casino gaming or other prescribed forms of gaming. The concession agreement also permits Wynn Macau to operate other businesses that are related to casino gaming, such as a resort hotel, as part of an integrated facility with a casino, with the approval of the government of Macau. Wynn Macau has no reason to believe that the Macau government would not approve Wynn Macau operating a resort hotel, complete with food and beverage facilities, convention facilities, retail facilities, travel and transportation facilities, entertainment facilities, recreational facilities, spa and personal care facilities and related facilities, so long as they are part of an integrated project which offers casino gaming.

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### **Location and Types of Games**

The concession agreement obligates Wynn Macau to conduct gaming activities only at locations within Macau approved by the government of Macau. The concession agreement prohibits Wynn Macau from engaging in Internet gaming and horse race or sports betting or offering games to the public on boats or aircraft, or in the form of a lottery. The concession agreement authorizes Wynn Macau to conduct a variety of popular card, dice and other table games, including baccarat, black jack, craps, mahjong, roulette, three- and five-card poker and pai gow, and also permits it to offer gaming machines such as pachinko and slot machines.

### **Limit on Number of Concessions**

The concession agreement provides that, prior to April 1, 2009, the government of Macau will grant no more than three concessions for the operation of casinos in Macau. If, after April 1, 2009, the government permits more than three concessions for the operation of casinos in Macau, and any of the concessions provide terms which are more favorable overall than those provided by Wynn Macau's concession agreement, the government must extend those more favorable terms to Wynn Macau.

### **Premium**

Wynn Macau must pay the government of Macau a premium, comprised of a fixed portion, paid annually, and a variable portion, paid monthly. The amount of the fixed portion of the premium is 30 million patacas (currently approximately US \$3.8 million) per year. The amount of the variable portion of the premium is calculated according to the number of gaming tables and machines Wynn Macau operates in Macau, with a set minimum of 45 million patacas (currently approximately US \$5.6 million) per year.

Wynn Macau is obligated to begin paying the fixed portion of the premium on the earlier of June 26, 2005 or when its first permanent casino resort is opened for business. The variable portion of the premium becomes due when Wynn Macau begins operating casino games for the general public in Macau in either a temporary or permanent casino resort. If Wynn Macau operates a temporary casino before completion of its first permanent casino resort the variable portion of the premium will be calculated using the same formula applied to permanent casino resorts, with a set minimum of 9 million patacas (currently approximately US \$1.1 million) per year.

### **Special Gaming Tax**

Wynn Macau must pay 35% of its gross gaming revenue to the government as a special gaming tax. The concession agreement authorizes the government to require Wynn Macau to obtain a bank guarantee ensuring payment of the special gaming tax if it has justification for believing that Wynn Macau will not pay the full amount of the special gaming tax according to law.

### **Required Contributions**

Wynn Macau must pay 1.6% of its gross gaming revenue to a public foundation designated by the government of Macau for the promotion, development and study of social, cultural, economic, educational, scientific, academic and charitable activities in Macau. Wynn Macau must pay an additional 2.4% of its gross gaming revenue to one or more beneficiaries for urban development, promotion of tourism and social security in Macau. Under the concession agreement, Wynn Macau may, with government consent, allocate up to one-half of this second contribution to project(s) Wynn Macau designates. The other one-half must be

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allocated to beneficiaries designated by the government of Macau. The concession agreement provides that Wynn Macau may negotiate with the government of Macau to adjust the rates of these required contributions beginning in the year 2010.

### **Income Tax**



Macau generally imposes a complementary income tax at the rate of 15% on the profits realized from conducting business in Macau. In addition, Macau imposes a 15% withholding tax rate on dividends paid from Macau entities to their stockholders. The Macau gaming laws permit the Chief Executive of Macau to exempt concessionaires from the complementary income tax for a period of time. The Chief Executive of Macau has no such power to exempt concessionaires from the withholding tax on dividends. Wynn Macau has requested that the Chief Executive of Macau exempt it from the complementary income tax throughout the term of the concession. Wynn Macau is seeking legislative changes to exempt concessionaires from the complementary income tax and from the withholding tax on dividends throughout the term of the concession.

### **Initial Capital Deposit**

The concession agreement requires that Wynn Macau have an initial paid-in capital of 200 million patacas (currently approximately US \$25 million). This sum has been deposited in a Macau bank and will be credited as paid-in capital as soon as the restructuring transactions of Wynn Macau are completed. See "Business—The Macau Opportunity—Ownership Structure of Macau-Related Entities."

### **Legal Reserve**

Wynn Macau is obligated to retain an amount equal to no less than 10% of its yearly profits as a reserve, until the reserve reaches the amount of 50 million patacas (currently approximately US \$6.3 million). Wynn Macau may only use this reserve to:

- cover any yearly loss it incurs that it cannot cover with any of its other reserves;
- cover the losses that it carries forward from previous years that it cannot cover with the profits from the current year or any other reserve; or
- to increase its registered capital.

### **Bank Guarantee**

Wynn Macau is obligated to obtain the necessary financing to carry out its investment plan and maintain the financial capacity to adequately operate its gaming business in Macau. In compliance with the concession agreement, Wynn Macau has obtained an uncollateralized bank guarantee from Banco Nacional Ultramarino, S.A. in the required amount of 700 million patacas (currently approximately US \$87.5 million) for the period from the execution of the concession agreement until March 31, 2007. The amount of this required guarantee will be reduced to 300 million patacas (currently approximately US \$37.5 million) for the period from April 1, 2007 until 180 days after the end of the term of the concession agreement. This bank guarantee is also intended to satisfy the requirement imposed by Macau law that a controlling stockholder of Wynn Macau obtain a bank guarantee for the benefit of the government of Macau. The purpose of this bank guarantee is to guarantee Wynn Macau's:

- performance of the concession agreement;
- payment of premiums;

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- payment of any fines; and
  - payment of any indemnity for failure to perform the concession agreement.

The concession agreement permits the government of Macau to withdraw amounts from the bank guarantee without prior adjudication. Wynn Macau is obligated to reimburse the bank and reinstate the guarantee in full if any amounts are withdrawn for payment of its obligations. Wynn Macau may not cancel the bank guarantee without government approval, but the government may allow Wynn Macau to substitute a bond or other contract for the guarantee. Wynn Macau must bear any costs incurred for the issuance, maintenance and cancellation of any such bank guarantee, bond or contract.

In connection with the commencement of construction, or otherwise, Wynn Macau may be required to obtain a replacement guarantee or bond and/or modify the existing bank guarantee in a manner that requires it to provide certain security or other financial commitments.

### **Government Oversight of Construction**

The concession agreement requires Wynn Macau to adhere to an agreed-upon construction schedule for the completion of the first casino, but the agreement provides that the deadlines in the construction schedule may be extended with governmental approval. The government of Macau may suspend construction of the casino(s) if it determines that Wynn Macau has failed to adequately implement the construction plans or violated the concession agreement or applicable law.

### **Allocation of Unused Investment**

Under the concession agreement, Wynn Macau is required to invest not less than a total of 4 billion patacas (currently approximately US \$500 million) on one or more casino projects by June 26, 2009. If Wynn Macau does not invest the amount required by the concession agreement on its Macau project(s) by June 26, 2009, it is obligated to invest the remaining amount on projects related to its gaming operations in Macau that the government approves, or on projects of public interest designated by the Macau government.

### **Government Supervision of Gaming Operations**

According to the concession agreement, the government of Macau is entitled to enter the premises of Wynn Macau's casino(s) at any time and review Wynn Macau's records to monitor the gross revenue from its gaming operations. Wynn Macau is required to periodically submit financial reports and other documentation to the government of Macau, and answer the government's requests for information. Wynn Macau must inform the government of Macau of any events which may affect the normal operation or economic stability of its operations.

### **Management**

Wynn Macau is required to have an executive director who is a Macau resident and holds at least 10% of the voting shares and capital in Wynn Macau. Mr. Wong Chi Seng will be the executive director of Wynn Macau. The appointment, scope of authority, term of office and any alteration to such appointment, scope of authority or term of office of the executive director of Wynn Macau are established by the Board of Directors of Wynn Macau and are subject to Macau government approval. Government approval must also be obtained if the Board of Directors of Wynn Macau desires to delegate governing authority to another person or body.

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### **Restrictions on Transfer of Shares**

The concession agreement requires that Wynn Macau obtain government authorization before permitting the transfer or encumbrance of, or the grant of voting rights with respect to, the shares of Wynn Macau. Government approval must also be obtained before the transfer of the shares of the direct or indirect corporate stockholders of Wynn Macau representing 5% or more of the equity of Wynn Macau, unless the shares subject to transfer are publicly tradable on a stock exchange. We believe that transfer of the publicly traded shares of Wynn Resorts will not require government approval because they will be listed on The Nasdaq National Market; however, any shares which were privately issued would be subject to these transfer restrictions until such time as they become publicly tradable. Accordingly, we believe that the government of Macau would assert that it has the right to approve the transfer of shares of Wynn Resorts by Wynn Resorts' principal stockholders, Mr. Wynn and Aruze USA, Inc.

The concession agreement provides that if a controlling stockholder of Wynn Macau receives written instructions to dispose of its shares by a gaming authority outside of Macau, and if the government of Macau finds that the disposition is not attributable to the actions of Wynn Macau, then that controlling stockholder will be permitted to transfer the shares that it holds without seeking government approval. If the controlling stockholder desires to transfer its shares to a third party, the government of Macau must approve of the transferee.

### **Capital Restrictions**

Any public listing of the shares of Wynn Macau or any company of which it is a controlling stockholder on a stock exchange or increase in the capital of Wynn Macau through public offering of common stock must be approved by the government of Macau. Wynn Macau also must seek government approval if it is to issue preferred stock or bonds. The concession agreement requires the shares of Wynn Macau and all of its direct and indirect corporate stockholders to be represented by shares in the name of their beneficial owners, unless the shares in question are publicly tradable on a stock exchange. We believe that the publicly held shares of Wynn Resorts will not be subject to these restrictions because they will be listed on The Nasdaq National Market.

### **Suitability Requirements**

Wynn Macau and its directors, key employees, managing companies and stockholders who own 5% or more of Wynn Macau's stock must be found suitable and are subject to the continuous monitoring and supervision of the government of Macau for the term of the concession agreement to ensure that they are suitable to conduct a gaming business in Macau. The objectives of the government's supervision will be to preserve the conduct of gaming in Macau in a fair and honest manner and to safeguard and protect the interests of Macau in receiving taxes from the operation of casinos in the jurisdiction. By the time that this offering closes, all stockholders holding 5% or more of the capital stock of Wynn Macau prior to the closing of Wynn Resorts initial public offering will have been found suitable or have submitted applications for a finding of suitability with the government of Macau.

### **Optional Redemption by the Government Beginning in the Fifteenth Year**

From June 27, 2017 until the end of the term of the concession agreement, the government of Macau will have the right to redeem Wynn Macau's gaming concession and take title to all of its assets in Macau, including any hotel-casino-resort, with one year's prior notice. If the government so redeems the concession agreement prior to its expiration, Wynn

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Macau will be entitled to compensation for the resulting losses it incurs equal to the earnings from the redeemed hotel-casino-resort before interest, depreciation and amortization for the fiscal year immediately preceding the date the redemption is declared, multiplied by the number of years remaining on the term of the concession agreement. The compensation to be provided by the Macau government is for a resort-hotel-casino complex under the investment plan under the concession agreement. However, the concession agreement is unclear how the compensation provision applies if more than one resort-hotel-casino is built.

### **Automatic Transfer of Assets to Government Without Compensation at End of Term**

At the end of the term of the concession agreement and any agreed upon extensions, the areas defined as casino under Macau law and all the gaming equipment owned by Wynn Macau, but not any hotel or resort assets (other than the areas defined as casino under Macau law), will be automatically transferred to the government of Macau without compensation to Wynn Macau. The concession agreement prohibits Wynn Macau from encumbering these assets or leasing the buildings in which its main casino(s) are located, without government approval. All of the assets used in Wynn Macau's casino(s) must be free from encumbrance by the end of the concession term and Wynn Macau must hold clear title to all buildings in which its main casino(s) are operated no later than 180 days before the end of the term of the concession agreement, unless the concession agreement terminates at an earlier date, in which case Wynn Macau will be obligated to acquire title to these buildings at the earliest possible time. If Wynn Macau dissolves or liquidates, it must assure the government of Macau full payment for the property to which the government is entitled at the end of the concession agreement by means of a guarantee or indemnity acceptable to the government of Macau.

### **Liability for Violation of the Concession Agreement**

The concession agreement provides that Wynn Macau is civilly liable to the government of Macau for violation of the concession agreement and damages caused by parties with whom it contracts for the construction and operation of its Macau casino(s), unless its non-performance of the agreement is the result of circumstances which constitute *force majeure*. Wynn Macau must apply any insurance proceeds it receives for damage to improvements on real property to restoration of the damaged property unless it has no economic interest in rebuilding the improvements, in which case it must remit the insurance proceeds to the government of Macau. The government of Macau can resort to the bank guarantee Wynn Macau has obtained for any damages caused by its violation of the concession agreement.

## **Prohibition on Cession, Transfer and Alienation of Casino**

The concession agreement prohibits Wynn Macau from ceding, transferring, alienating or in any way burdening the concession in whole or in part without the approval of the government of Macau. If Wynn Macau assigns the whole concession agreement in contravention of its terms, Wynn Macau will be liable to the government of Macau for 1 billion patacas (currently approximately US \$125 million), and if Wynn Macau assigns part of the concession agreement in contravention of its terms, Wynn Macau will be liable to the government of Macau for 500 million patacas (currently approximately US \$62.5 million). If Wynn Macau encumbers the concession, in whole or in part, to conduct gaming activities in violation of the agreement, it will be liable to the government of Macau for 300 million patacas (currently approximately US \$37.5 million).

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## **Restrictions on Sub-Concession**

The concession agreement prohibits Wynn Macau from granting, without government approval, a sub-concession to conduct gaming in Macau. If Wynn Macau violates this provision by granting a sub-concession of the whole agreement without governmental approval, it will be liable to the government of Macau for 500 million patacas (currently approximately US \$62.5 million), and if Wynn Macau grants a sub-concession of part of the agreement without governmental approval, it will be liable to the government of Macau for 300 million patacas (currently approximately US \$37.5 million).

## **Temporary Administrative Intervention**

The concession agreement provides that, if Wynn Macau ceases operation of its gaming business without justification or government approval, or if the government finds that the operation of the Macau casino(s) is seriously deficient, the government may seize the gaming business for the duration of the cessation or deficiency, and appoint an operator to continue the business. During any such sequestration, Wynn Macau will bear the costs of maintenance and any costs necessary to restore the gaming business to normal operations. The government may draw on the guarantee, bond or contract Wynn Macau has obtained to guarantee its performance of the concession agreement to pay these costs. Once operations have returned to normal and it has demonstrated the ability to adequately operate the gaming business, Wynn Macau will regain the right to resume control of casino operations, but if Wynn Macau is unable or unwilling to resume normal operations, the government may unilaterally rescind the concession agreement at its option.

## **Unilateral Rescission for Non-Fulfillment**

The government of Macau may unilaterally rescind the concession if Wynn Macau fails to fulfill its fundamental obligations under the concession agreement. The concession agreement expressly provides that the government of Macau may unilaterally rescind the concession agreement if:

- Wynn Macau conducts non-authorized games or activities excluded from its corporate purpose;
- Wynn Macau suspends gaming operations in Macau for more than seven consecutive days without justification;
- Wynn Macau defaults in payment of taxes, premiums, contributions or other required amounts;
- Wynn Macau does not comply with government inspections or supervision;
- Wynn Macau systematically fails to observe its obligations under the concession system;
- Wynn Macau fails to maintain bank guarantees or bonds satisfactory to the government;
- the bankruptcy or insolvency of Wynn Macau occurs;
- Wynn Macau engages in serious fraudulent activity, damaging to the public interest; or
- Wynn Macau repeatedly violates applicable gaming laws.

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If the government of Macau unilaterally rescinds the concession agreement, Wynn Macau will be required to compensate the government in accordance with applicable law, and its main casino(s) and gaming equipment will be transferred to the government without compensation.

## **Land Concession**

In connection with preparing for the possible development of a first casino in Macau, the government of Macau has provisionally awarded Wynn Macau a concession to lease a parcel of land in Macau. For more information on this land concession, see "Business—The Macau Opportunity—General."

## **REGULATION AND LICENSING**

The gaming industry is highly regulated. Gaming registrations, licenses and approvals, once obtained, can be suspended or revoked for a variety of reasons. We cannot assure you that we will obtain all required registrations, licenses and approvals on a timely basis or at all, or that, once obtained, the registrations, findings of suitability licenses and approvals will not be suspended, conditioned, limited or revoked. See "Risk Factors—General Risks Associated with Our Business—Le Rêve and Wynn Macau's casino(s) in Macau will be subject to extensive state and local regulation and licensing and gaming authorities have significant control over their operations, which could have a negative effect on our business." If we ever are prohibited from operating one of our gaming facilities, we would, to the extent permitted by law, seek to recover our investment by selling the property affected, but we cannot assure you that we would recover its full value.

The ownership and operation of casino gaming facilities in the State of Nevada are subject to the Nevada Gaming Control Act and the regulations made under the Act, as well as to various local ordinances. Once the resort is open, Le Rêve's operations, will be subject to the licensing and regulatory control of the Nevada Gaming Commission, the Nevada State Gaming Control Board and the Clark County Liquor and Gaming License Board, which we refer to collectively as the Nevada Gaming Authorities.

## **Nevada**

### **Introduction**

The ownership and operation of casino gaming facilities in the State of Nevada are subject to the Nevada Gaming Control Act and the regulations made under the Act, as well as to various local ordinances. Once the resort is open, Le Rêve operations, will be subject to the licensing and regulatory control of the Nevada Gaming Commission, the Nevada State Gaming Control Board and the Clark County Liquor and Gaming License Board, which we refer to collectively as the Nevada Gaming Authorities.

### **Policy Concerns of Gaming Laws**

The laws, regulations and supervisory procedures of the Nevada Gaming Authorities are based upon declarations of public policy. These public policy concerns include, among other things:

- preventing unsavory or unsuitable persons from being directly or indirectly involved with gaming at any time or in any capacity;
- establishing and maintaining responsible accounting practices and procedures;

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- maintaining effective controls over the financial practices of licensees, including establishing minimum procedures for internal fiscal affairs, and safeguarding assets and revenue, providing reliable recordkeeping and requiring the filing of periodic reports with the Nevada Gaming Authorities;
  - preventing of cheating and fraudulent practices; and
  - providing a source of state and local revenue through taxation and licensing fees.

Changes in these laws, regulations and procedures could have significant negative effects on Le Rêve's proposed gaming operations and our financial condition and results of operations.

### **Owner and Operator Licensing Requirements**

Before Le Rêve opens, Wynn Las Vegas, as the owner, operator and manager of Le Rêve, will be required to seek approval from, and be licensed by, the Nevada Gaming Authorities as a limited liability company licensee, referred to as a company licensee. If we are granted a gaming license, we will have to pay periodic fees and taxes. The gaming license will not be transferable. We cannot assure you that Wynn Las Vegas will be able to obtain approval and license from the Nevada Gaming Authorities on a timely basis or at all.

### **Company Registration Requirements**

Before Le Rêve opens, Wynn Resorts will be required to apply to, and be found suitable by, the Nevada Gaming Commission to own the equity interests of Valvino and to be registered by the Nevada Gaming Commission as a publicly traded corporation, referred to as a registered company, for the purposes of the Nevada Gaming Control Act. Valvino will be required to apply to, and be found suitable by, the Nevada Gaming Commission to own the equity interests of Wynn Golf Course and to be registered by the Nevada Gaming Commission as an intermediary company. Wynn Golf Course will also be required to apply to, and be found suitable by, the Nevada Gaming Commission to own the equity interests of Wynn Las Vegas and to be registered by the Nevada Gaming Commission as an intermediary company. Wynn Las Vegas, as an issuer of the second mortgage notes, will also qualify as a registered company and, in addition to being licensed, will be required to be registered by the Nevada Gaming Commission as a registered company. Wynn Capital will not be required to be registered or licensed, but may be required to be found suitable as a lender or financing source. We cannot assure you that the approvals from the Nevada Gaming Authorities will be obtained on a timely basis or at all.

Periodically, we will be required to submit detailed financial and operating reports to the Nevada Gaming Commission and provide any other information that the Nevada Gaming Commission may require. Substantially all of our material loans, leases, sales of securities and similar financing transactions must be reported to, or approved by, the Nevada Gaming Commission.

### **Individual Licensing Requirements**

No person may become a stockholder or member of, or receive any percentage of the profits of, an intermediary company or company licensee without first obtaining licenses and approvals from the Nevada Gaming Authorities. The Nevada Gaming Authorities may investigate any individual who has a material relationship to, or material involvement with, us to determine whether the individual is suitable or should be licensed as a business associate of a gaming licensee. We and our officers, directors and certain key employees will be required to file applications with the Nevada Gaming Authorities and may be required to be

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licensed or found suitable by the Nevada Gaming Authorities. The Nevada Gaming Authorities may deny an application for licensing for any cause which they deem reasonable. A finding of suitability is comparable to licensing, and both require submission of detailed personal and financial information followed by a thorough investigation. An applicant for licensing or an applicant for a finding of suitability must pay for all the costs of the investigation. Changes in licensed positions must be reported to the Nevada Gaming Authorities and, in addition to their authority to deny an application for a finding of suitability or licensing, the Nevada Gaming Authorities have the jurisdiction to disapprove a change in a corporate position.

If the Nevada Gaming Authorities were to find an officer, director or key employee unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever all relationships with that person. In addition, the Nevada Gaming Commission may require us to terminate the employment of any person who refuses to file appropriate applications. Determinations of suitability or questions pertaining to licensing are not subject to judicial review in Nevada.

### **Redemption of Securities Owned By an Unsuitable Person**

Wynn Resorts' articles of incorporation will provide that, to the extent a gaming authority makes a determination of unsuitability or to the extent deemed necessary or advisable by the board of directors, Wynn Resorts may redeem shares of its capital stock that are owned or controlled by an unsuitable person or its affiliates. The redemption price will be the amount, if any, required by the gaming authority or, if the gaming authority does not determine the price, the sum deemed by the board of directors to be the fair value of the securities to be redeemed. If Wynn Resorts determines the redemption price, the redemption price will be capped at the closing price of the shares on the principal national securities exchange on which the shares are listed on the trading date on the day before the redemption notice is given. If the shares are not listed on a national securities exchange, the redemption price will be capped at the closing sale price of the shares as quoted on The Nasdaq National Market or SmallCap Market, or if the closing price is not reported, the mean between the bid and asked prices, as quoted by any other generally recognized reporting system. The redemption price may be paid in cash, by promissory note, or both, as required, and pursuant to the terms established by, the applicable gaming authority and, if not, as Wynn Resorts elects.

Aruze USA, which, immediately before the closing of this offering, will own approximately 47.4% of Wynn Resorts' common stock, also will be required to apply to, and be licensed or found suitable by, the Nevada Gaming Commission and be registered as a holding company of Wynn Resorts prior to the opening of Le Rêve. Kazuo Okada is the owner of a controlling interest in Aruze Corp., the parent company of Aruze USA, and will also be required to be licensed or found suitable. Aruze Corp. will qualify as a publicly traded corporation under the terms of the Nevada Gaming Control Act and will be required to apply to, and be registered by, the Nevada Gaming Commission as a registered company and to be found suitable to own the stock of Aruze USA. Any beneficial owner of more than 10% of Aruze Corp.'s voting securities must also be licensed or found suitable, including Kazuo Okada and his son, Tomohiro Okada. Kazuo Okada is currently licensed by the Nevada Gaming Commission to own the shares of Universal Distributing of Nevada, Inc., a gaming machine manufacturer and distributor. Kazuo Okada and Tomohiro Okada previously sought approval from the Nevada Gaming Commission in connection with the proposed transfer of Universal Distributing to Aruze Corp. In connection with this application, the Nevada State Gaming Control Board raised certain concerns, including transactions which were then the subject of a pending tax case in Japan which involved Universal Distributing, Aruze Corp. and other related parties. The pursuit of this proposed transfer of Universal Distributing was deferred pending

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resolution of the Japanese tax case. The lower court in the Japanese tax case ruled in Aruze Corp.'s favor, but the Japanese tax authority has filed an appeal. It is unclear whether or how these events will affect the Nevada Gaming Commission's consideration of suitability with respect to Aruze USA's ownership of Wynn Resorts' stock.

Aruze Corp. has informed us that there are a number of outstanding issues in the investigation of the proposed transfer of Universal Distributing including issues relating to the transactions involved in the above-described tax proceeding. These issues, if not satisfactorily resolved, could result in the denial of the application. No formal action of any kind has been taken by the Nevada State Gaming Control Board or the Nevada Gaming Commission in connection with these issues. If either of these bodies was to act adversely with respect to the pending proceeding involving Universal Distributing, that decision could adversely affect an application filed by Aruze USA, Aruze Corp., Kazuo Okada or Tomohiro Okada in respect of Wynn Resorts.

In addition to Wynn Resorts' redemption rights under its articles of incorporation, Mr. Wynn, Kazuo Okada, Aruze USA, Aruze Corp. and Wynn Resorts have entered into arrangements which provide that if any gaming application of Aruze USA, Aruze Corp. or Kazuo Okada concerning Aruze USA's ownership of Wynn Resorts' stock is denied by Nevada gaming authorities or requested to be withdrawn or is not filed within 90 days after the filing of Wynn Resorts' application, Mr. Wynn may elect to purchase the shares owned by Aruze USA in Wynn Resorts. Mr. Wynn may pay this purchase price with a promissory note. If Mr. Wynn chooses not to exercise his right to purchase the shares, Wynn Resorts has the right to require him to purchase the shares, including with a promissory note. The prior buy-out arrangements under the Valvino operating agreement and under the stockholders agreement between Mr. Wynn, Aruze USA and Baron Asset Fund were terminated upon the effectiveness of the new agreement. See "Certain Relationships and Related Party Transactions—Buy-Out of Aruze USA Stock."

As described above, if Wynn Resorts, pursuant to its articles of incorporation, or Mr. Wynn, pursuant to the buy-out agreement described above, purchases the shares of Wynn Resorts' stock held by an unsuitable person or its affiliate, including Aruze USA, Wynn Resorts and/or Mr. Wynn may, in lieu of immediate payment of the purchase price, issue a promissory note. However, if the Nevada Gaming Commission were to find the unsuitable person or its affiliate unsuitable to own the voting securities of Wynn Resorts, it could also determine that the person is unsuitable to hold a promissory note for the purchase of such voting securities by Wynn Resorts or Mr. Wynn, and could determine not to approve the issuance of the promissory note to the unsuitable person or its affiliate. In such event, the Nevada Gaming Commission could order the unsuitable person or its affiliate to dispose of its voting securities within a prescribed period of time that may or may not be a sufficient period of time to dispose of the securities in an orderly manner. Depending upon the period of time for disposition required by the Nevada Gaming Commission, this could have a negative effect on the price of the stock of Wynn Resorts. In the event that the unsuitable person or its affiliate is unable or fails to dispose of its voting securities within the prescribed period of time, or if Wynn Resorts fails to pursue all lawful efforts to require the unsuitable person or its affiliate to relinquish its voting securities, including, if necessary, the immediate purchase of the voting securities for cash at fair market value, the Nevada Gaming Commission could determine that Wynn Resorts was unsuitable or could take disciplinary action against Wynn Resorts. Disciplinary action could result in the limitation, conditioning, suspension or revocation of any approvals or gaming licenses held by Wynn Resorts and/or the imposition of a significant monetary fine against Wynn Resorts. Any such disciplinary action could significantly impair our operations.

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### **Consequences of Violating Gaming Laws**

If the Nevada Gaming Commission decides that we violated the Nevada Gaming Control Act or any of its regulations, it could limit, condition, suspend or revoke our registrations and gaming license. In addition, we and the persons involved could be subject to substantial fines for each separate violation of the Nevada Gaming Control Act, or of the regulations of the Nevada Gaming Commission, at the discretion of the Nevada Gaming Commission. Further, the Nevada

Gaming Commission could appoint a supervisor to operate Le Rêve and, under specified circumstances, earnings generated during the supervisor's appointment (except for the reasonable rental value of the premises) could be forfeited to the State of Nevada. Limitation, conditioning or suspension of any of our gaming licenses and the appointment of a supervisor could, and revocation of any gaming license would, have a significant negative effect on our gaming operations.

### **Requirements for Beneficial Securities Holders**

Regardless of the number of shares held, any beneficial holder of Wynn Resorts' voting securities, may be required to file an application, be investigated and have that person's suitability as a beneficial holder of voting securities determined if the Nevada Gaming Commission has reason to believe that the ownership would otherwise be inconsistent with the declared policies of the State of Nevada. If the beneficial holder of the voting securities of Wynn Resorts who must be found suitable is a corporation, partnership, limited partnership, limited liability company or trust, it must submit detailed business and financial information including a list of beneficial owners. The applicant must pay all costs of the investigation incurred by the Nevada Gaming Authorities in conducting any investigation.

The Nevada Gaming Control Act requires any person who acquires more than 5% of the voting securities of a registered company to report the acquisition to the Nevada Gaming Commission. The Nevada Gaming Control Act requires beneficial owners of more than 10% of a registered company's voting securities to apply to the Nevada Gaming Commission for a finding of suitability within 30 days after the Chairman of the Nevada State Gaming Control Board mails the written notice requiring such filing. Under certain circumstances, an "institutional investor," as defined in the Nevada Gaming Control Act, which acquires more than 10%, but not more than 15%, of the registered company's voting securities may apply to the Nevada Gaming Commission for a waiver of a finding of suitability if the institutional investor holds the voting securities for investment purposes only. An institutional investor will 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 at directors of the registered company, a change in the registered company's corporate charter, bylaws, management, policies or operations of the registered company, or any of its gaming affiliates, or any other action which the Nevada Gaming Commission finds to be inconsistent with holding Wynn Resorts' voting securities for investment purposes only. Activities which are not deemed to be inconsistent with holding voting securities for investment purposes only include:

- voting on all matters voted on by stockholders or interest holders;
- 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
- other activities that the Nevada Gaming Commission may determine to be consistent with such investment intent.

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The articles of incorporation of Wynn Resorts will include provisions intended to help it implement the above restrictions. See "Description of Capital Stock—Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration."

### **Consequences of Being Found Unsuitable**

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 Gaming Commission or by the Chairman of the Nevada State Gaming Control Board, or who refuses or fails to pay the investigative costs incurred by the Nevada Gaming Authorities in connection with the 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 person found unsuitable and who holds, directly or indirectly, any beneficial ownership of any voting security or debt security of a registered company beyond the period of time as may be prescribed by the Nevada Gaming 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 hold an equity interest or to have any other relationship with, we:

- pay that person any dividend or interest upon any voting securities;
- allow that person to exercise, directly or indirectly, any voting right held by that person relating to Wynn Resorts;
- pay remuneration in any form to that person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require the unsuitable person to relinquish such person's voting securities including, if necessary, the immediate purchase of the voting securities for cash at fair market value.

### **Clark County Liquor and Gaming License Board**

In addition, the Clark County Liquor and Gaming License Board has the authority to approve all persons owning or controlling the stock of any corporation controlling a gaming license.

### **Gaming Laws Relating to Securities Ownership**

The Nevada Gaming Commission may, in its discretion, require the holder of any debt or similar securities of a registered company, such as the second mortgage notes, to file applications, be investigated and be found suitable to own the debt or other security of the registered company if the Nevada Gaming Commission has reason to believe that such ownership would otherwise be inconsistent with the declared policies of the State of Nevada. If the Nevada Gaming Commission decides that a person is unsuitable to own the security, then under the Nevada Gaming Control Act, the registered company can be sanctioned, including the loss of its approvals, if without the prior approval of the Nevada Gaming Commission, it:

- pays to the unsuitable person any dividend, interest or any distribution whatsoever;
- recognizes any voting right by the unsuitable person in connection with the securities;
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pays the unsuitable person remuneration in any form; or

- makes any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation or similar transaction.

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Wynn Resorts will be required to maintain a current stock ledger in Nevada which 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 the disclosure may be grounds for finding the record holder unsuitable. We will be required to render maximum assistance in determining the identity of the beneficial owner of any of Wynn Resorts' voting securities. The Nevada Gaming Commission has the power to require the stock certificates of any registered company to bear a legend indicating that the securities are subject to the Nevada Gaming Control Act. We do not know whether this requirement will be imposed on us.

#### **Approval of Public Offerings**

Once Wynn Resorts becomes a registered company, it may not make a public offering of Wynn Resorts' securities without the prior approval of the Nevada Gaming Commission if it intends to use the securities or the proceeds from the offering to construct, acquire or finance gaming facilities in Nevada, or to retire or extend obligations incurred for those purposes or for similar transactions. Any approval that we might receive in the future relating to this or future offerings does not constitute a finding, recommendation or approval by any of the Nevada Gaming Authorities as to the accuracy or adequacy of the offering memorandum or the investment merits of the securities. Any representation to the contrary is unlawful.

The regulations of the Nevada Gaming Commission also provide that any entity which is not an "affiliated company," as that term is defined in the Nevada Gaming Control Act, or which is not otherwise subject to the provisions of the Nevada Gaming Control Act or regulations, such as Wynn Resorts and Wynn Las Vegas, that plans to make a public offering of securities intending to use such securities, or the proceeds from the sale thereof, for the construction or operation of gaming facilities in Nevada, or to retire or extend obligations incurred for such purposes, may apply to the Nevada Gaming Commission for prior approval of such offering. The Nevada Gaming Commission may find an applicant unsuitable based solely on the fact that it did not submit such an application, unless upon a written request for a ruling, referred to as a ruling request, the Nevada State Gaming Control Board Chairman has ruled that it is not necessary to submit an application. The offering of common stock pursuant to this prospectus will qualify as a public offering. We have filed a ruling request with the Nevada State Gaming Control Board Chairman for a ruling that it is not necessary to submit this offering of common stock or the offering of second mortgage notes by Wynn Las Vegas for prior approval. We cannot assure you that the ruling request will be granted or that it will be considered on a timely basis. If the ruling request is not granted, we will promptly file an application requesting approval of this offering. If the ruling request is not granted, this offering could be significantly delayed while we seek approval of the Nevada State Gaming Control Board and Nevada Gaming Commission. We cannot assure you that approval of this offering or the offering of the second mortgage notes, if required, will be granted or if granted, will be granted on a timely basis.

#### **Approval of Changes in Control**

Once Wynn Resorts becomes a registered company, it must obtain prior approval of the Nevada Gaming Commission with respect to a change in control through:

- merger;
- consolidation;
- stock or asset acquisitions;

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- management or consulting agreements; or
- any act or conduct by a person by which the person obtains control of us.

Entities seeking to acquire control of a registered company must satisfy the Nevada State Gaming Control Board and Nevada Gaming Commission with respect to a variety of stringent standards before assuming control of the registered company. The Nevada Gaming 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.

#### **Approval of Defensive Tactics**

The Nevada legislature has declared that some corporate acquisitions opposed by management, repurchase of voting securities and corporate defense tactics affecting Nevada gaming licenses, and registered companies that are affiliated with those operations, may be harmful to stable and productive corporate gaming. The Nevada Gaming Commission has established a regulatory scheme to reduce 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.

Once we become a registered company, approvals may be required from the Nevada Gaming Commission before we can make exceptional repurchases of voting securities above their current market price and before a corporate acquisition opposed by management can be consummated. The Nevada Gaming Control

Act also requires prior approval of a plan of recapitalization proposed by a registered company's board of directors in response to a tender offer made directly to its stockholders for the purpose of acquiring control.

### **Fees and Taxes**

License fees and taxes, computed in various ways depending on the type of gaming or activity involved, are payable to the State of Nevada and to the counties and cities in which the licensed subsidiaries respective operations are conducted. Depending upon the particular fee or tax involved, these fees and taxes are payable either monthly, quarterly or annually and are based upon either:

- a percentage of the gross revenue received;
- the number of gaming devices operated; or
- the number of table games operated.

A casino entertainment tax is also paid by casino operations where entertainment is furnished in connection with the selling or serving of food or refreshments or the selling of merchandise.

### **Foreign Gaming Investigations**

Any person who is licensed, required to be licensed, registered, required to be registered, or is under common control with those persons (collectively, "licensees"), and who proposes to become involved in a gaming venture outside of Nevada, is required to deposit with the Nevada State Gaming Control Board, and thereafter maintain, a revolving fund in the amount

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of \$10,000 to pay the expenses of investigation of the Nevada State Gaming Control Board of the licensee's or registrant's participation in such foreign gaming. The revolving fund is subject to increase or decrease in the discretion of the Nevada Gaming Commission. Licensees and registrants are required to comply with the reporting requirements imposed by the Nevada Gaming Control Act. A licensee or registrant is also subject to disciplinary action by the Nevada Gaming Commission if it:

- knowingly violates any laws of the foreign jurisdiction pertaining to the foreign gaming operation;
- fails to conduct the foreign gaming operation in accordance with the standards of honesty and integrity required of Nevada gaming operations;
- engages in any activity or enters into any association that is unsuitable because it poses an unreasonable threat to the control of gaming in Nevada, reflects or tends to reflect, discredit or disrepute upon the State of Nevada or gaming in Nevada, or is contrary to the gaming policies of Nevada;
- engages in activities or enters into associations that are harmful to the State of Nevada or its ability to collect gaming taxes and fees; or
- employs, contracts with or associates with a person in the foreign operation who has been denied a license or finding of suitability in Nevada on the ground of unsuitability.

### **License for Sale of Alcoholic Beverages**

The sale of alcoholic beverages at Le Rêve will be subject to licensing, control and regulation by the Clark County Liquor and Gaming Licensing Board. All licenses are revocable and are not transferable. The county agency has full power to limit, condition, suspend or revoke any license. Any disciplinary action could, and revocation would, have a substantial negative impact upon our operations.

### **Macau**

Wynn Macau, a majority-owned indirect subsidiary of Wynn Resorts, has entered into a concession agreement with the government of Macau permitting it to construct and operate one or more casinos in Macau. As a concessionaire, Wynn Macau is subject to the regulatory control of the Macau government.

The Macau government has adopted a Law and Administrative Regulations governing the operation of casinos in Macau. Only concessionaires are permitted to operate casinos. To compete for concessions, candidates must tender proposals pursuant to procedures prescribing the content and timing of submissions and the evaluation criteria involved in the selection process. Applicants are evaluated according to suitability criteria including their financial capacity, business experience and reputation, and the reputation of their affiliates and associates. Applicants are required to pay the costs of investigation and to make a deposit against such costs as part of the submission of proposals. The selection process includes consultation and negotiation between the applicants and the Macau government, which selects the applicants that are awarded concessions. Under the current Law, a maximum of three such concessions can be awarded. Each concessionaire is required to enter into a concession agreement with the Macau government which, together with the Law and Administrative Regulations, forms the framework for the regulation of the activities of the concessionaire.

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Under the Law and Administrative Regulations, concessionaires are subject to suitability requirements in terms of background, associations and reputation, as are stockholders of 5% or more of a concessionaire's equity securities, officers, directors and key employees. The same requirements apply to any entity engaged by a concessionaire to manage casino operations. Concessionaires also are required to satisfy minimum capitalization requirements, to demonstrate and maintain adequate financial capacity to operate the concession, and to submit to continuous monitoring of its casino operations by the Macau government. Concessionaires also are subject to periodic financial reporting requirements and reporting obligations with respect to, among other things, certain contracts, financing activities and transactions with directors, financiers and key employees. Transfers or the encumbering of interests in concessionaires must be reported to the Macau government and are ineffective without government approval.



Each concessionaire is required to engage an executive director with oversight authority for casino operations, who must be a permanent resident of Macau and the holder of at least 10% of the capital stock of the concessionaire. The appointment of the Executive Director and of any successor is ineffective without the approval of the Macau government. All contracts for the management of a concessionaire's casino operation also are ineffective without the approval of the Macau government.

Concessionaires are subject to a special gaming tax of 35% of gross gaming revenue, and must also make an annual contribution of up to 4% of gross gaming revenue for the promotion of public interests. Concessionaires also are obligated to withhold, subject to partial exemption, a 5% tax from commissions paid to junket representatives. A junket representative is defined as a person who, for the purpose of promoting casino gaming activity, arranges customer transportation, accommodations, food and beverage services and entertainment in exchange for commissions or other compensation from a concessionaire.

Junket representatives must be licensed by the Macau government in order to do business with and receive compensation from concessionaires. For a license to issue, direct and indirect stockholders of 5% or more of a junket representative's equity securities (where applicable), its directors and its key employees must be found suitable. Applicants are required to pay the cost of license investigations, and are required to maintain suitability standards during the period of licensure. The term of a junket representative license term is one year, and licenses can be renewed for equal periods upon the submission of renewal applications. Natural person junket representative licensees are subject to a suitability verification process every three years and business entity licensees are subject to the same requirement every six years.

Licensed junket representatives must identify outside contractors who assist them in junket activity to the Macau government. Such contractors are subject to disapproval by the Macau government. Changes in the management structure of business entity licensees must be reported to the Macau government and transfers or the encumbering of interests in such licensees are void without prior government approval. To conduct junket activity, junket representative licensees must be registered with one or more concessionaires and must have written contracts with such concessionaires, copies of which must be submitted to the Macau government.

Concessionaires are jointly responsible with their junket representatives for the activities of such representatives and their employees and contractors in the concessionaires' casinos, and for their compliance with applicable laws and regulations. Concessionaires must submit annual lists of their junket representatives for the following year, and to update such lists on a quarterly basis. The Macau government may designate a maximum number of and specify

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the junket representatives a concessionaire is permitted to engage. Concessionaires are subject to periodic reporting requirements with respect to commissions paid to their junket representatives, and are required to oversee their activities and report instances of non-compliance or unlawful activity.

The government of Macau may assume temporary custody and control over the operation of a concession in certain circumstances. During any such period, the costs of operations must be borne by the concessionaire. The government of Macau also may cancel a concession by means of redemption beginning the fifteenth year after the concession was granted. In such cases, the concessionaire is entitled to compensation. Under the concession agreement, the compensation to be provided by the Macau government is for a resort-hotel-casino complex under the investment plan. However, the concession agreement is unclear as to how the compensation provision will apply if there is more than one resort-hotel-casino that is built. The government of Macau also may terminate a concession for cause, including failure of the concessionaire to fulfill its obligations under law or the concession contract, abandonment or suspension of operations or failure to pay taxes and other monetary obligations to the government of Macau, in which case no compensation is due to the concessionaire.

The government of Macau is currently considering various proposed changes to its laws and regulations relating to casino gaming. Such changes could affect the viability and profitability of contemplated casino operations in Macau. In addition, the laws and regulations summarized above have not yet been applied by the government of Macau to an operating concessionaire. Therefore, the effectiveness, reasonableness and fairness of the regulatory system cannot be assessed at this time.

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## MANAGEMENT

### Directors and Executive Officers

Upon consummation of this offering, Wynn Resorts' directors and executive officers and their ages and positions will be as follows:

Name	Age	Positions
Stephen A. Wynn	60	Chairman of the Board of Directors and Chief Executive Officer
Kazuo Okada	59	Vice Chairman of the Board of Directors
Ronald J. Kramer	43	Director and President
Robert J. Miller	57	Director
John A. Moran	70	Director
Elaine P. Wynn	60	Director
Stanley R. Zax	64	Director
Marc D. Schorr	54	Chief Operating Officer
John Strzemp	50	Executive Vice President and Chief Financial Officer
Marc H. Rubinstein	41	Senior Vice President, General Counsel and Secretary
Matt Maddox	26	Vice President—Investor Relations and Treasurer
Kenneth R. Wynn	50	President, Wynn Design & Development
DeRuyter O. Butler	46	Executive Vice President—Architecture, Wynn Design & Development

*Stephen A. Wynn* has served as Chairman of our board of directors and Chief Executive Officer since June 2002. Since April 2000, Mr. Wynn has been the managing member of Valvino, our wholly owned subsidiary. From 1973 until 2000, Mr. Wynn served as Chairman of the Board, President and Chief Executive Officer of Mirage Resorts and its predecessor. Mr. Wynn is a Trustee of the University of Pennsylvania. Mr. Wynn is married to Elaine P. Wynn and is the brother of Kenneth R. Wynn.

*Kazuo Okada* has agreed to serve as Vice Chairman of our board of directors. Mr. Okada founded Aruze Corp., a Japanese manufacturer of pachislot and pachinko machines and video game software, in 1969 and serves as its President. Mr. Okada also owns, and is currently licensed by the Nevada Gaming Commission to own the shares of, Universal Distributing of Nevada, Inc., a gaming machine supplier company. Mr. Okada also serves as Chairman of Adores Corporation, a subsidiary of Aruze Corp. and an operator of amusement centers in Japan.

*Ronald J. Kramer* has agreed to serve as President and as a director. Mr. Kramer has served as President of Wynn Golf Course, a wholly owned indirect subsidiary of Wynn Resorts, since April 2002. From July 1999 to October 2001, Mr. Kramer was a managing director at Dresdner Kleinwort Wasserstein, an investment banking firm, and at its predecessor Wasserstein Perella & Co. Mr. Kramer served as Chairman and Chief Executive Officer of Ladenburg Thalmann Group Inc. from May 1995 to July 1999. Mr. Kramer is also a member of the board of directors of TMP Worldwide, Inc., Griffon Corporation, Lakes Entertainment, Inc. and New Valley Corporation.

*Robert J. Miller* has agreed to serve as a director. Robert J. Miller has been a partner of the Nevada law firm of Jones Vargas since January 1999. He is also counsel to KNP, a government relations company, which is a subsidiary of the Dutko Group based in

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Washington, DC. From January 1989 until January 1999, he served as Governor of the State of Nevada, and, from 1987 to 1989, he served as Lieutenant Governor of the State of Nevada. Mr. Miller serves as a Director of Zenith National Insurance Corp., Newmont Mining Corporation, International Game Technology, America West Holdings Corporation and K12 Inc. He also serves as a member of the U.S. Secretary of Energy Advisory Board and several national charitable organizations.

*John A. Moran* has agreed to serve as a director. Mr. Moran is the retired Chairman of Dyson-Kissner-Moran Corporation, a private investment entity. Mr. Moran is the honorary Co-Chairman of the Republican Leadership Council of Washington, D.C. He served as Chairman of the Republican National Finance Committee from 1993 to 1995 and subsequently became National Finance Chairman of the Dole for President campaign. Mr. Moran is currently a director of Bessemer Securities Corporation and Golden State Bancorp.

*Elaine P. Wynn* has agreed to serve as a director. Mrs. Wynn has served as Co-Chairperson of the Greater Las Vegas Inner-City Games Foundation since 1996 and currently serves on the Executive Board of the Consortium for Policy Research in Education and the Council to Establish Academic Standards in Nevada. Mrs. Wynn has been active in civic and philanthropic affairs in Las Vegas for many years and has received numerous honors for her charitable and community work. Mrs. Wynn served as a director of Mirage Resorts from 1977 until 2000. Mrs. Wynn is married to Stephen A. Wynn.

*Stanley R. Zax* has agreed to serve as a director. Since 1977 Mr. Zax has served as Chairman of the Board, and, since 1978, has served as President, CEO and Chairman of the Board of Zenith National Insurance Corp., a New York Stock Exchange company. Zenith National Insurance Corp. and Zenith Insurance Company, its wholly owned subsidiary, are engaged in the property-casualty insurance business. Zenith Insurance Company also conducts real estate operations.

*Marc D. Schorr* serves as Chief Operating Officer. Since April 2001, Mr. Schorr has served as Chief Operating Officer of Wynn Golf Course. From June 2000 through April 2001, Mr. Schorr has served as Chief Operating Officer of Valvino. From January 1997 through May 2000, Mr. Schorr served as President of The Mirage Casino-Hotel, a gaming company and then a wholly owned subsidiary of Mirage Resorts.

*John Strzemp* serves as Executive Vice President and Chief Financial Officer. Since November 2001, Mr. Strzemp has served as Executive Vice President and Chief Financial Officer of Wynn Golf Course. Mr. Strzemp was Executive Vice President, Chief Financial Officer of Bellagio, LLC, a gaming company and then a wholly owned subsidiary of Mirage Resorts, from April 1998 to October 2000 and President of Treasure Island Corp., a gaming company and then a wholly owned subsidiary of Mirage Resorts, from January 1997 to April 1998.

*Marc H. Rubinstein* serves as Senior Vice President and General Counsel. Since April 2001, Mr. Rubinstein has served as Senior Vice President—General Counsel of Wynn Golf Course. Since June 2000, Mr. Rubinstein has also served as Senior Vice President—General Counsel of Valvino. From October 1992 to December 1999, Mr. Rubinstein served as Senior Vice President—General Counsel & Secretary of Desert Palace, Inc., a gaming company that did business as Caesars Palace and was a wholly owned subsidiary of Caesars World, Inc. From February 1996 to June 2000, Mr. Rubinstein also served as Senior Vice President and General Counsel at the Sheraton Desert Inn Corporation, a gaming company and then a wholly owned subsidiary of ITT Sheraton Corp. and Starwood Hotels & Resorts Worldwide, Inc.

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*Matt Maddox* serves as Vice President—Investor Relations and Treasurer. Mr. Maddox has served as Vice President—Investor Relations and Treasurer of Wynn Golf Course since June 2002. From February 2000 to June 2002, Mr. Maddox served as Vice President—Corporate Finance of Park Place Entertainment, a gaming company. From May 1998 to February 2000, Mr. Maddox was an analyst in the mergers and acquisitions department of Banc of America Securities LLC.

*Kenneth R. Wynn* has served as President of Wynn Design & Development, LLC, a wholly owned indirect subsidiary of Wynn Resorts since June 2000. From 1973 until 2000, he served as Vice President—Design and Construction and Secretary of Mirage Resorts, except for the periods August 1993 through July 1994 and March 1997 through June 1999. Mr. Kenneth R. Wynn also served as President of Atlandia Design & Furnishings, Inc., a construction supervision and design company and then a wholly owned subsidiary of Mirage Resorts, from 1974 to 2000. Kenneth R. Wynn is Stephen A. Wynn's brother.

*DeRuyter O. Butler* has served as Executive Vice President—Architecture of Wynn Design & Development since June 2000. In 2000, Mr. Butler co-founded Butler/Ashworth Architects, Ltd., LLC, an architecture firm, and has served as its Executive Vice President of Architecture since March 2000. Mr. Butler served as Director of Architecture of Atlandia Design & Furnishings from December 1982 to May 2000.

## Board of Directors and Committees

Mr. Wynn and Aruze USA, together with Baron Asset Fund, have entered into a stockholders agreement pursuant to which Mr. Wynn and Aruze USA have agreed to vote their shares of Wynn Resorts' common stock for a slate of directors, a majority of which will be designated by Mr. Wynn, of which at least two will be independent directors, and the remaining members of which will be designated by Aruze USA. The stockholders agreement will continue to be in effect after the completion of this offering. For more information about the stockholders agreement between Mr. Wynn, Aruze USA and Baron Asset Fund, see "Certain Relationships and Related Party Transactions—Stockholders Agreement."

Our articles of incorporation and bylaws will, upon the completion of this offering, provide for a classified board of directors consisting of three classes of directors, each serving staggered three-year terms. As a result, a portion of our board of directors will be elected each year. To implement the classified board of directors structure, prior to the completion of this offering, two of the members of the board of directors will be Class I directors elected to one-year terms, two will be Class II directors elected to two-year terms and three will be Class III directors elected to three-year terms. Thereafter, directors will be elected for three-year terms. Upon the completion of this offering, Class I will consist of                      and                      ; Class II will consist of                      and                      ; and Class III will consist of                      , and                      .

Upon completion of this offering, our board of directors intends to appoint an executive committee, an audit committee and a compensation committee. The executive committee will have all of the powers and authority of the board of directors in managing our business and affairs to the fullest extent authorized by Nevada law.

The audit committee will select, on behalf of our entire board of directors, an independent public accounting firm to be engaged to audit our financial statements, discuss with the independent auditors their independence, review and discuss the audited financial statements with the independent auditors and management and recommend to our board of directors whether the audited financials should be included in our Annual Reports on Form 10-K to be filed with the Securities and Exchange Commission. The composition of the audit committee

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will comply with the requirements of The Nasdaq National Market and the Sarbanes-Oxley Act of 2002.

The compensation committee will review and approve, on behalf of the entire board of directors, (1) the annual salaries and other compensation of our officers and (2) individual stock and stock option grants. The compensation committee also will provide assistance and recommendations with respect to our compensation policies and practices and assist with the administration of our compensation plans. We expect that the compensation committee will be comprised of at least two independent directors.

### Compensation Committee Interlocks and Insider Participation

As noted above, the board of directors will appoint a compensation committee upon completion of this offering. We do not expect that any of our executive officers will serve as a director or member of the compensation committee of another entity, one of whose executive officers serves on our board of directors or compensation committee.

### Director Compensation

Upon completion of this offering, each of our directors who is not an employee of Wynn Resorts or its subsidiaries will receive a monthly fee of \$4,000 for services as a director. Directors who serve on our executive, audit and compensation committees will receive an additional monthly fee of \$1,000. Directors will also receive reimbursement for medical expenses and coverage under our life insurance program. Directors who are employees of Wynn Resorts or its subsidiaries will not receive compensation for their services as directors.

Each non-employee director will receive                      stock options each year under our 2002 stock incentive plan. The stock options will have an exercise price equal to the market value of Wynn Resorts' common stock on the date of grant and will vest over a period defined in the option grant.

Non-employee directors will also be eligible to participate in our Directors' Deferred Compensation Plan, a non-qualified, unfunded deferred compensation plan.

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## Executive Compensation

The following table sets forth the annual and long-term compensation of Wynn Resorts' Chief Executive Officer. This table also includes, for the fiscal years ended December 31, 2001 and 2000, each of our five other most highly compensated executive officers (collectively, with the Chief Executive Officer, the "Named Executive Officers"). This compensation consists of compensation paid by Valvino, Wynn Golf Course and Wynn Design & Development.

Name and Principal Position	Year	Annual Compensation		All Other Compensation (\$)(1)
		Salary(\$)	Bonus(\$)	
Stephen A. Wynn(2)(3) Chairman and Chief Executive Officer of Wynn Golf Course	2001	\$ 0	—	—
	2000	\$ 0	—	—
Marc D. Schorr(3)(4) Chief Operating Officer of Wynn Golf Course	2001	\$ 1.00	—	—
	2000	\$ 1.00	—	—
Kenneth R. Wynn(3)(5) President of Wynn Design & Development	2001	\$ 1.00	—	—
	2000	\$ 1.00	—	—
John Strzemp(6) Executive Vice President and Chief Financial Officer of Wynn Golf Course	2001	\$ 450,000	\$ 300,530	\$ 14,963
	2000	\$ 65,769	\$ 150,000	\$ 1,648
DeRivator O. Butler(7)	2001	\$ 350,000	—	\$ 4,596

Executive Vice President—Architecture of Wynn Design & Development	2000	\$	197,885	\$	35,000	\$	336
Marc H. Rubinstein(8)	2001	\$	286,279	—	\$		11,847
Senior Vice President and General Counsel of Wynn Golf Course	2000	\$	113,708	\$	12,500	\$	11,883

- (1) Includes 401(k) matching contributions and executive life insurance premiums.  
(2) Stephen A. Wynn's employment with Valvino commenced on June 1, 2000.  
(3) Stephen A. Wynn, Marc D. Schorr and Kenneth R. Wynn may each have received perquisites and other personal benefits in an aggregate amount in excess of 10% of his annual salary and bonus of \$0 or \$1.00, as applicable. Any amount that any of them may have received was not material.  
(4) Mr. Schorr was employed by Valvino from June 1, 2000 until his employment with Wynn Resorts Holdings commenced on April 1, 2001.  
(5) Kenneth R. Wynn's employment with Wynn Design & Development commenced on June 1, 2000.  
(6) Mr. Strzemp was employed by Valvino from November 1, 2000 until his employment with Wynn Golf Course commenced on April 1, 2001.  
(7) Mr. Butler's employment with Wynn Design & Development commenced on June 1, 2000.  
(8) Mr. Rubinstein was employed by Valvino from June 23, 2000 until his employment with Wynn Golf Course commenced on April 1, 2001.

#### 401(k) Plan

We established a retirement savings plan under Section 401(k) of the Internal Revenue Code covering our non-union employees on July 27, 2000. The plan allows employees to defer, within certain limits, up to 18% of their income on a pre-tax basis through contributions to this plan. We match the contributions, within prescribed limits, with an amount equal to 100% of the participant's initial 2% tax deferred contribution and 50% of the tax deferred contribution between 2% and 4% of the participant's compensation.

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#### Wynn Resorts 2002 Stock Incentive Plan

We intend to adopt our 2002 stock incentive plan before the closing of this offering. The 2002 stock incentive plan provides for the grant of stock awards, incentive stock options and non-qualified stock options to our employees, directors and specified consultants. We intend to reserve a total of 8,600,000 shares of Wynn Resorts' common stock for issuance pursuant to the 2002 stock incentive plan subject to certain adjustments set forth in the 2002 stock incentive plan.

Our board of directors intends to delegate general administrative authority over the 2002 stock incentive plan to our compensation committee. The members of the compensation committee will be both "non-employee directors" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. The administrator has broad authority to designate recipients of awards and determine the terms and provisions of awards, including the price, expiration date, vesting schedule and terms of exercise.

The exercise price of incentive stock options must be at least 100% of the fair market value of the common stock on the date of grant. Incentive stock options granted to optionees who own more than 10% of our outstanding common stock must have an exercise price that is at least 110% of fair market value of the common stock on the grant date. Our incentive options will expire no later than ten years from the date of grant, or five years with respect to incentive stock options granted to optionees who own more than 10% of our outstanding common stock. The exercise price of nonqualified stock options and the purchase price of stock awards will be determined by the administrator. The 2002 stock incentive plan generally will not allow for the transfer of options. However, the administrator may provide that nonqualified stock options may be transferred (1) pursuant to a qualified domestic relations order or (2) to a family member. During any fiscal year, no optionee may receive grants of incentive stock options and nonqualified stock options in the aggregate which cover more than shares.

After the termination of the employment or services of an optionee for reasons other than for cause, death or disability, exercisable options generally will remain exercisable until the earlier of their expiration as set forth in the option agreement or 90 days after the date of termination of employment. If termination is due to death or disability, exercisable options generally will remain exercisable until the earlier of the expiration date stated in the option agreement or 12 months after the date of death or termination of employment. If termination is for cause, all options, including vested and exercisable ones, are immediately terminated and cancelled.

If certain events occur that result in a change of our organizational or ownership structure, the administrator has the discretion to do one or more of the following:

- shorten the exercise period of the options;
- accelerate the vesting schedule of options or stock awards;
- arrange to have the surviving or successor entity assume or replace options or stock awards; or
- cancel options or stock awards and pay to the holder in cash, with respect to each exercisable option, an amount equal to the excess of the then fair market value of the common stock over the exercise price of the option and, with respect to each stock award, the then fair market value of the stock subject to the award.

We have the authority to amend, alter, suspend or terminate the 2002 stock incentive plan without stockholder approval provided that our doing so does not impair the rights of any

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optionee or increase the number of shares for which options and stock awards may be granted. We may amend the plan with stockholder approval to increase the number of shares for which options and stock awards may be granted.

Following the completion of this offering, we intend to grant awards of shares of restricted stock under our 2002 stock incentive plan to each of the following employees: DeRuyter O. Butler, William Todd Nisbet, Marc D. Schorr, John Strzemp, Roger P. Thomas and Kenneth R. Wynn. We also intend to grant an award of shares of restricted stock outside of the 2002 stock incentive plan to Franco Dragone, the creator of our new entertainment production. The restricted stock will be subject to our repurchase right, which will lapse in November 2004 as to Mr. Strzemp, in June 2005 as to Mr. Schorr and Mr. Kenneth Wynn, in June 2006 as to Mr. Butler, Mr. Thomas and Mr. Dragone and in July 2006 as to Mr. Nisbet. Our repurchase right will lapse immediately with respect to any individual other than Mr. Dragone if such individual terminates employment with us under circumstances which entitle him to receive a "separation payment" under his employment contract (as described below). In the case of Messrs. Butler, Nisbet, and Thomas, however, the lapse of our restriction right on a termination of employment which entitles such individual to receive a separation payment will not occur to the extent that such early lapsing would subject the individual to the golden parachute excise tax under Internal Revenue Code Section 4999.

## Employment Agreements

We intend to enter into employment contracts with certain other named executive officers, including Stephen A. Wynn, Marc D. Schorr, Kenneth R. Wynn, John Strzemp, DeRuyter O. Butler and Marc H. Rubinstein, prior to the completion of this offering.

Under the employment contracts, the annual base salaries will be \$1,250,000 for Stephen A. Wynn, \$750,000 for Mr. Schorr, \$459,000 for Mr. Strzemp, \$350,000 for Mr. Butler, \$360,000 for Mr. Rubinstein and \$250,000 for Kenneth Wynn.

The other terms of the employment contracts will be substantially similar for each executive. Each executive will receive a bonus at such times and in such amounts as our board of directors, in its sole and exclusive discretion, may determine. However, after our board of directors adopts a performance-based bonus plan, bonuses will be determined in accordance with the plan except for Mr. Strzemp, who will be entitled to a minimum annual bonus of \$150,000 per year. The term of each employment contract will begin on the later of the effective date of this offering or October 1, 2002, and end five years later, except that the term of Mr. Strzemp's employment contract will end on October 31, 2004. If this offering does not close on or before April 1, 2003 the employment contracts will become null and void. In addition to base salary and bonuses, each executive will participate in all of our employee benefit plans that cover executives, to the extent that the executive is otherwise eligible, will receive reimbursement for reasonable business expenses (including entertainment, promotional, gift and travel expenses and club memberships) and will be entitled to four weeks paid vacation each year. In addition, we will provide the use of a company car and driver at our sole cost and expense to Stephen A. Wynn. In addition, Stephen A. Wynn, Mr. Schorr and Kenneth Wynn will enter into time-sharing agreements with us covering their personal use of our aircraft, with each such executive paying us the lesser of (1) his and his family's share of the direct costs incurred by us in operating the aircraft or (2) the amount required by applicable federal aviation regulations.

If we terminate the employment of an executive without "cause," or the executive terminates his employment with us upon "good reason" following a "change of control" (as these terms are defined in the employment contracts), we will pay the executive a "separation

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payment" in a lump sum equal to (a) the executive's base salary for the remainder of the term of the employment contract, but not for less than one year, except in the case of Kenneth Wynn and Messrs. Butler and Rubinstein, in which case the lump sum shall be such person's base salary for one year, (b) a prorated portion of the bonus that the executive received for the preceding bonus period, (c) any accrued but unpaid vacation pay and (d) an amount necessary to gross the executive up for any golden parachute excise tax the executive incurs under Internal Revenue Code Section 4999. The separation payment of Mr. Butler, however, will be limited to the amount necessary to avoid subjecting him to the golden parachute excise tax of Internal Revenue Code Section 4999. If the executive is entitled to receive the separation payment, he will also be entitled to continue participating in our health benefits coverage for the remaining portion of the term (but for not less than one year) on the same basis as if he were still employed by us. If the executive's employment terminates for any other reason before the expiration of the term (i.e., because of the executive's death, disability, discharge for cause, revocation of gaming license, or quitting other than for good reason after a change in control), we will be required to pay the executive only accrued but unpaid base salary and vacation pay through his termination date.

On April 1, 2002, Wynn Golf Course and Valvino, as guarantor, entered into a one-year employment agreement with Ronald J. Kramer. Pursuant to this agreement, Mr. Kramer is entitled to a base salary of \$1,000,000 per year. Mr. Kramer is also entitled to a bonus of at least \$1,250,000 based on specified performance criteria. Pursuant to this agreement, Mr. Kramer is also entitled to participate in all welfare, pension and incentive benefit plans that Wynn Resorts Holdings maintains for its senior executives. If at any time during the term of his agreement (1) Wynn Golf Course terminates Mr. Kramer's employment without cause (as defined in the agreement) or (2) Mr. Kramer terminates his employment for good reason (as defined in such agreement), Wynn Golf Course must pay Mr. Kramer (in addition to all accrued base salary, accrued vacation pay and bonus amounts) \$1,250,000, unless Mr. Kramer has already been paid a bonus equal to at least that amount from the proceeds of this offering. Pursuant to this agreement, Mr. Kramer is also prevented from competing with Wynn Golf Course and its affiliates for the one year of his employment.

### Limitations on Directors' Liability and Indemnification

Wynn Resorts' articles of incorporation limit the liability of directors and officers to the maximum extent permitted by Nevada law. With a few limited exceptions set forth in the Nevada Revised Statutes, Nevada law provides that a director or officer of a corporation is not individually liable to the corporation or its stockholders for damages resulting from any action or failure to act in his or her capacity as a director or officer unless it is proven that:

- the director's or officer's act or omission constituted a breach of his or her fiduciary duties; and
- the breach involved intentional misconduct, fraud or a knowing violation of the law.

This limitation of liability does not apply to liabilities arising under the federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission

Wynn Resorts' bylaws provide that it will indemnify its directors and officers to the fullest extent permitted by Nevada law, provided that the director or officer either is not liable for monetary damages under Nevada law or acted in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any proceeding that is criminal in nature, had no reasonable cause to believe that his or her conduct was unlawful. Wynn Resorts' articles of incorporation and bylaws require it to pay the expenses of directors and officers incurred in defending a proceeding involving

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alleged acts or omissions of the director or officer in his or her capacity as such as the expenses are incurred and in advance of the final disposition upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court that he or she is not entitled to be indemnified. The bylaws permit the board of directors to indemnify employees and other persons to the same extent. We believe indemnification under Wynn Resorts' bylaws covers at least negligence and gross negligence on the part of indemnified parties. Except as ordered by a court and for advancement of expenses, a director or officer may not be indemnified if a final adjudication determines that his or her acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the current action. The termination of any proceeding by judgment, order, settlement, conviction or upon plea of nolo contendere, or its equivalent, does not, of itself, under the bylaws create a presumption that the standards described above were not met. However, Wynn

Resorts is not permitted by its bylaws to indemnify a director or officer if he or she has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals, to be liable to Wynn Resorts unless that court or another court of competent jurisdiction determines that in view of all of the circumstances, the director or officer is fairly and reasonably entitled to indemnification.

In addition to indemnification provided for in Wynn Resorts' bylaws, Wynn Resorts intends to enter into agreements to indemnify its directors and executive officers. These agreements, among other things, will provide for indemnification of Wynn Resorts' directors and executive officers for expenses, judgments, fines and settlement amounts incurred by any such person in any action or proceeding arising out of such person's services as a director or executive officer or at its request. Wynn Resorts may also maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent. We believe these provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers.

The limited liability and indemnification provisions in Wynn Resorts' articles of incorporation and bylaws may discourage stockholders from bringing a lawsuit against its directors for breach of their fiduciary duties and may reduce the likelihood of derivative litigation against its directors and officers, even though a derivative litigation, if successful, might otherwise benefit Wynn Resorts and its stockholders. A stockholder's investment in Wynn Resorts may be negatively affected to the extent that it pays the costs of settlement or damage awards against its directors or officers under these indemnification provisions.

At present, there is no pending litigation or proceeding involving any of Wynn Resorts' directors, officers or employees in which indemnification is sought, nor are we aware of any threatened litigation that may result in claims for indemnification.

We have been advised that, in the opinion of the Securities and Exchange Commission, indemnification of directors or officers for liabilities arising under the Securities Act of 1933, as amended, is against public policy and, therefore, such indemnification provisions may be unenforceable.

### **Key Man Life Insurance**

We intend to obtain \$30 million of key man life insurance with respect to Stephen A. Wynn for our benefit.

### **Directors' and Officers' Insurance**

Wynn Resorts expects to maintain a directors' and officers' liability insurance policy that provides its officers and directors with liability coverage in amounts it considers appropriate.

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## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

**Contribution of Interest in Wynn Macau.** Before April 22, 2002, Mr. Wynn owned a majority of the outstanding equity interests of Wynn Macau. At the time, Wynn Macau had been awarded a provisional concession to negotiate a concession agreement with the Macau government to construct and operate one or more casinos in Macau. On April 22, 2002, in connection with additional contributions to Valvino by Aruze USA and Baron Asset Fund, Mr. Wynn contributed his interest in Wynn Macau to Valvino. This interest was valued at approximately \$56 million, after reimbursement to Mr. Wynn of approximately \$825,000 advanced by him to Wynn Macau in connection with the negotiation of the concession agreement and other development activities in Macau. Similar advances by Valvino to Wynn Macau of approximately \$458,000 were treated as capital contributions by Valvino upon its acquisition of the Macau interest. Subsequent to this contribution, Wynn Macau has entered into a concession agreement with the government of Macau permitting the construction and operation of casinos in Macau. See "Management's Discussion & Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Material Transactions Affecting Liquidity and Capital Resources."

**Stockholders Agreement.** As previously discussed, Mr. Wynn, Aruze USA and Baron Asset Fund are parties to a stockholders agreement. The stockholders agreement establishes various rights among Mr. Wynn, Aruze USA and Baron Asset Fund with respect to the ownership and management of Wynn Resorts. These rights include, but are not limited to, the following preemptive rights, rights of first refusal, tag-along rights and certain other restrictions on the transfer of the shares of Wynn Resorts' common stock owned by the parties to the stockholders agreement.

Under the stockholders agreement, if Mr. Wynn, Aruze USA or Baron Asset Fund purchase shares of Wynn Resorts' common stock from Wynn Resorts in a private placement on terms and conditions that are not offered to the other parties to the agreement, the purchasing stockholder must afford the other parties preemptive rights. These preemptive rights will allow the non-purchasing parties to purchase that number of shares in the purchasing stockholder's allotment of private placement shares that is necessary to maintain the parties' shares in the same proportion to each other that existed prior to such private placement.

In addition, under the stockholders agreement, the parties granted each other a right of first refusal on their respective shares of Wynn Resorts' common stock. Under this right of first refusal, if any such stockholder wishes to transfer any of his or its shares of Wynn Resorts' common stock to anyone other than a permitted transferee, and has a bona fide offer from any person to purchase such shares, the stockholder must first offer the shares to the other parties to the stockholders agreement on the same terms and conditions as the bona fide offer. In addition to this right of first refusal, the parties also granted each other a tag-along right on their respective shares of Wynn Resorts' common stock. Under this tag-along right, any party to the stockholders agreement, before transferring his or its shares to any person other than a permitted transferee, must first allow the other parties to the agreement to participate in such transfer on the same terms and conditions.

The stockholders agreement also provides that, upon the institution of a bankruptcy action by or against a party to the stockholders agreement, the other parties to the agreement will be given an option to purchase the bankrupt stockholder's shares of Wynn Resorts' common stock at a price to be agreed upon by the bankrupt stockholder and the other stockholders, or, if a price cannot be agreed upon by such stockholders, at a price equal to their fair market value. In addition, under the stockholders agreement, if there is a direct or

indirect change of control of any party to the agreement, other than Baron Asset Fund, the other parties to the agreement have the option to purchase the shares of Wynn Resorts' common stock held by the party undergoing the change in control. Under the agreement, a stockholder may assign these options to Wynn Resorts.

In addition, under the stockholders agreement, Mr. Wynn and Aruze USA have agreed to vote their shares of Wynn Resorts' common stock for a slate of directors, a majority of which will be designated by Mr. Wynn, of which at least two will be independent directors, and the remaining members of which will be designated by Aruze USA. As a result of this voting arrangement, Mr. Wynn may control Wynn Resorts' board of directors. The stockholders agreement incorporates certain provisions set forth in the operating agreement for Valvino pursuant to which, if Aruze USA's ownership of the shares of Wynn Resorts' common stock impairs Wynn Resort's ability to obtain a gaming license, either Wynn Resorts or Mr. Wynn could purchase the shares of Wynn Resorts owned by Aruze USA. In addition, in such circumstances, Aruze USA could demand that Wynn Resorts purchase its shares. These arrangements were terminated under the arrangement described below. In other respects, the stockholders agreement will continue to be in effect after the completion of this offering.

**Buy-Out of Aruze USA Stock.** Mr. Wynn, Kazuo Okada, Aruze USA, Aruze Corp. and Wynn Resorts have entered into arrangements which provide that if any gaming application of Aruze USA, Aruze Corp. or Kazuo Okada concerning Aruze USA's ownership of Wynn Resorts' stock is denied by Nevada gaming authorities or requested to be withdrawn or is not filed within 90 days after the filing of Wynn Resorts' application, Mr. Wynn may elect to purchase the shares owned by Aruze USA in Wynn Resorts. Mr. Wynn may pay this purchase price with a promissory note. If Mr. Wynn chooses not to exercise his right to purchase the shares, Wynn Resorts has the right to require him to purchase the shares, including with a promissory note. The prior buy-out arrangements under the Valvino operating agreement and under the stockholders agreement between Mr. Wynn, Aruze USA and Baron Asset Fund were terminated upon the effectiveness of the new agreement.

**Wynn Design & Development.** Wynn Design & Development, a wholly owned indirect subsidiary of Wynn Resorts, is responsible for the design and architecture of Le Rêve (except for the showroom) and for managing construction costs and risks associated with the Le Rêve project. Nevada law requires that a firm licensed as a professional architectural organization certify architectural plans. These architectural services for the Le Rêve project will be provided by the firm of Butler/Ashworth Architects, Ltd., LLC. In return for these services, the Butler/Ashworth firm will be paid \$1.00 and reimbursed for certain expenses it incurs in providing the architectural services. The principals of the Butler/Ashworth firm are DeRuyter Butler and Glen Ashworth, both of whom are employees of Wynn Design & Development. Mr. Butler is Executive Vice President of Wynn Design & Development. Wynn Design & Development is the only client of the Butler/Ashworth firm and pays the salaries and benefits of Messrs. Butler and Ashworth. Neither we nor Mr. Wynn has an ownership interest in Butler/Ashworth.

**Art Gallery.** We operate an art gallery at the former premises of the Desert Inn Resort & Casino in which we display paintings from The Wynn Collection. The art gallery is expected to remain open during the construction of Le Rêve. We lease The Wynn Collection from Mr. and Mrs. Wynn pursuant to an Art Rental and Licensing Agreement. Under the agreement, we pay the expenses of exhibiting works from The Wynn Collection and reimburse Mr. and Mrs. Wynn for the expense of insuring the collection while we exhibit it, which insurance costs for the eight months ended June 30, 2002 were approximately \$55,000 and for the twelve months ended June 30, 2003 will be approximately \$275,000. In addition, we have agreed to make monthly lease payments for the art at a rate equal to the gross revenue

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received by the gallery each month, less direct expenses, subject to a monthly cap. Under the agreement, we were not required to make any such lease payments prior to June 30, 2002. However, had we been required to make such payments, no amounts would have been due under the lease payment formula because, to date, our expenses in operating the art gallery have exceeded the revenue generated from such operations. Prior to opening Le Rêve, we do not expect to make any material payments under this lease. The only financial exposure that we have under this lease is the cost of operating the art gallery, which is not material. Any payment to Mr. and Mrs. Wynn would be made only from the net revenue of the art gallery. It is contemplated that, after Le Rêve opens, we will continue to lease The Wynn Collection under similar terms and will exhibit the works as an attraction at Le Rêve. Under the Art Rental and Licensing Agreement, subject to certain notice restrictions, Mr. and Mrs. Wynn will retain the right to remove or replace any or all of the works of art that will be displayed in the art gallery.

**Aircraft Arrangements.** Until January 2002, Valvino used a Gulfstream Aerospace model G-1159A aircraft in its business operations. The aircraft was owned by Kevyn, LLC, which, until April 1, 2001, was wholly owned by Mr. Wynn, and leased to and operated under a Part 135 charter certificate by Las Vegas Jet, LLC, formerly Las Vegas CharterJet, LLC, a charter business owned by Mr. Wynn. Valvino paid Las Vegas Jet an hourly rate for its use of the aircraft and disbursed funds for payroll, property taxes, insurance and all other operating expenses on behalf of Las Vegas Jet. As of April 1, 2001, and in accordance with Valvino's operating agreement, Mr. Wynn sold Kevyn to Valvino for \$10,035,000. Pursuant to Federal Aviation Administration regulations restricting the registration of aircraft in the United States by entities with substantial foreign ownership, Kevyn transferred legal title to the aircraft to First Security Bank, National Association, a national banking association, pursuant to a Trust Agreement dated as of April 2, 2001. After the transfers, Kevyn continued to lease the aircraft to Las Vegas Jet, and Las Vegas Jet continued to use the aircraft in its charter business. Valvino paid Las Vegas Jet an hourly rate for its use of the aircraft, and was in turn paid by Las Vegas Jet (through Kevyn) under the aircraft lease. Valvino paid Las Vegas Jet approximately \$451,800 and \$918,900 for its use of the aircraft in 2000 and 2001, respectively, and approximately \$13,600 for its use of the aircraft in January 2002. Wynn Macau paid Las Vegas Jet approximately \$72,600 for its use of the aircraft in 2001. On March 26, 2002, Kevyn sold the aircraft to an unrelated buyer.

From January 2002 until May 30, 2002, Valvino used a Bombardier Global Express aircraft, serial number 9065, in its business operations. The aircraft was owned by World Travel and was leased to and operated in a charter business by Las Vegas Jet. Valvino paid Las Vegas Jet an hourly rate of \$2,600 per hour for its use of the aircraft. Las Vegas Jet and World Travel were owned entirely by Mr. Wynn.

On May 30, 2002, Mr. Wynn sold World Travel and Las Vegas Jet to Valvino for approximately \$38.2 million, the amount that World Travel paid for the aircraft. Pursuant to Federal Aviation Administration regulations restricting the registration of aircraft in the United States by entities with substantial foreign ownership, World Travel transferred legal title to the aircraft to Wells Fargo Bank North West, National Association, a national banking association, pursuant to a Trust Agreement dated as of May 10, 2002. At that time, World Travel had remaining indebtedness of \$28.5 million secured by the aircraft. Valvino guaranteed this indebtedness in connection with the purchase of the aircraft. Mr. Wynn was released from his guarantee of that indebtedness. Wynn Las Vegas intends to use approximately \$28.5 million of the FF&E facility to refinance the indebtedness by means of a loan to be evidenced by an intercompany note from World Travel.

World Travel continues to lease the aircraft to Las Vegas Jet. Las Vegas Jet operates the aircraft for Wynn Resorts and its subsidiaries under a Part 91 certificate. In connection with

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the acquisition of World Travel, approximately \$2 million of accounts payable to Valvino from Las Vegas Jet were forgiven.

**Reimbursable Costs.** We have periodically incurred costs on Mr. Wynn's behalf, including costs with respect to Mr. Wynn's personal use of the corporate aircraft, household employees at Mr. Wynn's residence, personal legal fees, construction work at Mr. Wynn's home and other personal purchases. Mr. Wynn fully reimburses the company for such personal costs. These balances have been settled at regular intervals, usually monthly. We did not charge Mr. Wynn interest on outstanding amounts pending reimbursement. The largest unreimbursed balance of these items at any time since our inception was approximately \$213,000. As of August 12, 2002, Mr. Wynn had reimbursed us for all amounts outstanding, including charges for his use of the corporate jet. We and Mr. Wynn have terminated the arrangements pursuant to which such costs are incurred by us and later reimbursed by Mr. Wynn. Mr. Wynn will deposit a credit balance for such items in the future.

**Tax Overpayment.** In 2001, Mr. Wynn made a substantial overpayment of his personal estimated 2001 federal income taxes to the Internal Revenue Service. Pursuant to a tax procedure set forth in Internal Revenue Service Announcement No. 2001-112, announced October 26, 2001, a taxpayer may redesignate estimated income tax payments as employment tax deposits. In reliance on this announcement, Mr. Wynn applied \$5,000,000 of his overpayment to the fourth quarter employment taxes of Valvino. By using this procedure, Mr. Wynn accelerated the refund of his overpayment. In May of 2002, the Internal Revenue Service issued a refund for \$5,000,000 to Valvino and Valvino reimbursed this sum of money to Mr. Wynn.

**Tax Indemnification Agreement.** Stephen A. Wynn, Aruze USA, Baron Asset Fund, and the Kenneth R. Wynn Family Trust, referred to collectively as the Valvino members, Valvino and Wynn Resorts intend to enter into a tax indemnification agreement relating to their respective income tax liabilities. Prior to the contribution of the Valvino membership interests to Wynn Resorts, the income and deductions of Valvino passed through to the Valvino members under the rules governing partnerships for federal tax purposes and were taken into account by them at their personal tax rates. Commencing upon the contribution of the Valvino membership interests to Wynn Resorts, income and deductions are to be treated as income and deductions of Wynn Resorts, a C corporation for federal tax purposes, and are to be taken into account by it at applicable corporate tax rates. A reallocation of deductions of Valvino from the period prior to the contribution to the period commencing upon the contribution, or a reallocation of income of Wynn Resorts from the period commencing upon the contribution to the period prior to the contribution, would increase the amount of taxable income (or decrease the amount of loss) reported by the Valvino members and decrease the amount of taxable income (or increase the amount of loss) reported by Wynn Resorts. Accordingly, the tax indemnification agreement generally provides that the Valvino members will be indemnified by Wynn Resorts and its subsidiaries for additional tax costs (including interest and penalties) caused by reallocations that increase the taxable income or decrease the tax loss of the Valvino members for the period prior to the contribution of the Valvino membership interests. Any payment made pursuant to the agreement by Wynn Resorts or any of its subsidiaries to the Valvino members may be non-deductible for income tax purposes.

**Capitalization of Valvino.** For information regarding the formation of Wynn Resorts and capital contributions to Valvino, the predecessor of Wynn Resorts, see "Management's Discussion & Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Material Transactions Affecting Liquidity and Capital Resources."

## OWNERSHIP OF CAPITAL STOCK

On June 3, 2002, and in preparation for this offering, Wynn Resorts was incorporated in Nevada. The following table sets forth information regarding beneficial ownership of Wynn Resorts' common stock as of June 12, 2002, after giving effect to the contribution of membership interests in Valvino to Wynn Resorts, by:

- each of the individuals listed under "Executive Compensation";
- each of Wynn Resorts' directors;
- each person, or group of affiliated persons, who is known by us to own beneficially more than 5% of Wynn Resorts' common stock; and
- all current directors and executive officers as a group.

Except as otherwise indicated in the footnotes below, each beneficial owner has the sole power to vote and to dispose of all shares held by that holder. Percentage ownership is based on 40,000,000 shares of common stock outstanding as of 2002 and            shares of common stock outstanding after completion of this offering. Unless indicated below, the address of each person or entity listed below beneficially owning more than 5% of Wynn Resorts' common stock is c/o Wynn Resorts, Limited, 3145 Las Vegas Boulevard South, Las Vegas, Nevada 89109.

Name	Beneficial Ownership of Common Stock Before Offering		Beneficial Ownership of Common Stock After Offering	
	Shares	Percent	Shares	Percent
Stephen A. Wynn(1)(2)	18,972,299	47.431%	18,972,299	
Aruze USA, Inc.(1)(3)	18,972,299	47.431%	18,972,299	
Baron Asset Fund(4)	1,997,085	4.992%	1,997,085	
Kazuo Okada(1)(3)	18,972,299	47.431%	18,972,299	
Ronald J. Kramer	0	0%		
Robert J. Miller	0	0%		
Elaine P. Wynn	0	0%		
Stanley R. Zax	0	0%		
Kenneth R. Wynn(5)	58,317	0.146%	58,317	
Marc D. Schorr	0	0%		
John Strzemp	0	0%		
Marc H. Rubinstein	0	0%		



DeRuyter O. Butler	0	0%	
All Directors and Executive Officers as a Group(6)	38,002,915	95.008%	38,002,915

- (1) Excludes shares which may be deemed to be beneficially owned by virtue of the voting agreement between Stephen A. Wynn and Aruze USA contained in the stockholders agreement between Mr. Wynn, Aruze USA and Baron Asset Fund. Under this voting agreement, Mr. Wynn and Aruze USA have agreed to vote their shares of Wynn Resorts' common stock for a slate of directors, a majority of which will be designated by Mr. Wynn, of which at least two will be independent directors, and the remaining members of which will be designated by Aruze USA. See "Certain Relationships and Related Party Transactions—Stockholders Agreement." Mr. Wynn, Aruze and USA Kazuo Okada disclaim beneficial ownership of such shares.
- (2) Excludes shares held by Aruze USA, which may be deemed to be beneficially owned by Mr. Wynn by virtue of the arrangement which permits Mr. Wynn to acquire Aruze USA's shares of common stock if any gaming application of Aruze USA, Aruze Corp. or Kazuo Okada concerning Aruze USA's ownership of Wynn Resorts' stock

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is denied by Nevada gaming authorities or withdrawn or is not filed within 90 days after the filing of Wynn Resorts' application. Mr. Wynn disclaims beneficial ownership of such shares.

- (3) Aruze USA's address 745 Greier Drive, Las Vegas, Nevada 89119. Aruze USA is a subsidiary of Aruze Corp., of which Mr. Kazuo Okada owns a controlling interest. Each of Aruze USA, Aruze Corp. and Mr. Okada may be deemed to have beneficial ownership of these shares.
- (4) Includes 1,459,408 shares, or 3.644%, held on behalf of the Baron Asset Fund Series and 537,677 shares, or 1.348%, held on behalf of the Baron Growth Fund Series.
- (5) These shares are held by the Kenneth R. Wynn Family Trust. Kenneth Wynn may be deemed to have beneficial ownership of these shares.
- (6) Includes shares held by Stephen A. Wynn, shares held by Aruze USA of which Kazuo Okada may be deemed to have beneficial ownership and shares held by the Kenneth R. Wynn Family Trust of which Kenneth Wynn may be deemed to have beneficial ownership.

**Additional Stock Grants.** Upon the completion of the offering, we intend to grant awards of \_\_\_\_\_ shares of restricted stock under our 2002 stock incentive plan to each of the following employees: DeRuyter O. Butler, William Todd Nisbet, Marc D. Schorr, John Strzemp, Roger P. Thomas and Kenneth R. Wynn. We also intend to grant an award of \_\_\_\_\_ shares of restricted stock outside of the 2002 stock incentive plan to Franco Dragone, the creator of our new entertainment production. The restricted stock will be subject to our repurchase right, which will lapse in November 2004 as to Mr. Strzemp, in June 2005 as to Mr. Schorr and Kenneth R. Wynn, in June 2006 as to Mr. Butler, Mr. Thomas and Mr. Dragone and in July 2006 as to Mr. Nisbet.

**Stockholders Agreement.** Mr. Wynn and Aruze USA, together with Baron Asset Fund, have entered into a stockholders agreement. The stockholders agreement establishes various rights among Mr. Wynn, Aruze USA and Baron Asset Fund with respect to the ownership and management of Wynn Resorts. These rights include, but are not limited to, certain tag-along rights, preemptive rights, rights of first refusal and certain other restrictions on the transfer of the shares of Wynn Resorts' common stock owned by the parties to the stockholders agreement. In addition, under the stockholders agreement, Mr. Wynn and Aruze USA have agreed to vote their shares of Wynn Resorts' common stock for a slate of directors, a majority of which will be designated by Mr. Wynn, of which at least two will be independent directors, and the remaining members of which will be designated by Aruze USA. As a result of this voting arrangement, Mr. Wynn may control Wynn Resorts' board of directors. In addition, Mr. Wynn and Aruze USA, to the extent they vote their shares in a similar manner, effectively will be able to control, as a practical matter, all matters requiring Wynn Resorts' stockholders' approval, including the approval of significant corporate transactions. The stockholders agreement will continue to be in effect after the completion of this offering. See "Certain Relationships and Related Party Transactions—Stockholders Agreement."

**Buy-Out of Aruze USA Stock.** Mr. Wynn, Kazuo Okada, Aruze USA, Aruze Corp. and Wynn Resorts have entered into arrangements which provide that if any gaming application of Aruze USA, Aruze Corp. or Kazuo Okada concerning Aruze USA's ownership of Wynn Resorts' stock is denied by Nevada gaming authorities or requested to be withdrawn or is not filed within 90 days after the filing of Wynn Resorts' application, Mr. Wynn may elect to purchase the shares owned by Aruze USA in Wynn Resorts. Mr. Wynn may pay this purchase price with a promissory note. If Mr. Wynn chooses not to exercise his right to purchase the shares, Wynn Resorts has the right to require him to purchase the shares, including with a promissory note. The prior buy-out arrangements under the Valvino operating agreement and under the stockholders agreement between Mr. Wynn, Aruze USA and Baron Asset Fund were terminated upon the effectiveness of the new agreement. See "Risk Factors—General Risks Associated with Our Business—Le Rêve and Wynn Macau's casino(s) will be subject to extensive state and local regulation and licensing and gaming authorities have significant control over their operations, which could have a negative effect on our business" and "—The Nevada Gaming Commission may impose unanticipated requirements regarding the licensing of owners of Wynn Resorts."

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## DESCRIPTION OF CAPITAL STOCK

### General

Upon the completion of this offering, we will be authorized to issue \_\_\_\_\_ shares of common stock and \_\_\_\_\_ shares of undesignated preferred stock, \$ \_\_\_\_\_ par value per share. The following is a summary of the rights of our common stock and preferred stock. For more detailed information, see our articles of incorporation and bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and the provisions of applicable Nevada law. The following description gives effect to the amendment and restatement of our articles of incorporation and bylaws to be effected immediately before the closing of this offering.

### Common Stock

As of \_\_\_\_\_, 2002, there were \_\_\_\_\_ shares of common stock outstanding, which were held of record by approximately \_\_\_\_\_ stockholders. Except as otherwise provided by our articles of incorporation or Nevada law, the holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Subject to preferences that may be applicable to any outstanding preferred stock and except as otherwise provided by our articles of incorporation or Nevada law, the holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the board of directors out of funds legally available for that purpose. In the event of our liquidation, dissolution or winding up, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. A merger, conversion, exchange or consolidation of us with or into any other person or sale or transfer of all or any part of our assets (which does not in fact result in our liquidation and distribution of assets) will not be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of our affairs. The holders of common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock.

### Preferred Stock

The board of directors has the authority, without action by the stockholders, to designate and issue preferred stock in one or more series and to designate the rights, preferences and privileges of each series, which may be greater than the rights of the common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock upon the rights of holders of the common stock until the board of directors determines the specific rights of the holders of such preferred stock. However, the effects might include, among other things:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock; or
- delaying or preventing a change in control of us without further action by the stockholders.

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#### **Preferred Stock and Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration**

The articles of incorporation of Wynn Resorts will prohibit anyone who is an unsuitable person or an affiliate of an unsuitable person from:

- receiving dividends or interest with regard to its capital stock;
- exercising voting or other rights conferred by its capital stock; and
- receiving any remuneration in any form from it or an affiliated company for services rendered or otherwise

These prohibitions commence on the date that a gaming authority serves notice of a determination of unsuitability or the board of directors determines that a person or its affiliate is unsuitable and continue until the securities are owned or controlled by persons found suitable by a gaming authority and/or the board of directors to own them. An "unsuitable person" is any person that is determined by a gaming authority to be unsuitable to own or control any of Wynn Resorts' capital stock or to be connected or affiliated with a person in engaged in gaming activities or who causes Wynn Resorts or any affiliated company to lose or to be threatened with the loss of, or who, in the sole discretion of Wynn Resorts' board of directors, is deemed likely to jeopardize our or any of our affiliates' application for, right to the use of, or entitlement to, any gaming license.

"Gaming authorities" include all international, foreign, federal state, local and other regulatory and licensing bodies and agencies with authority over gaming (the conduct of gaming and gambling activities, or the use of gaming devices, equipment and supplies in the operation of a casino or other enterprise). "Affiliated companies" are those companies indirectly affiliated or under common ownership or control with Wynn Resorts, including without limitation, subsidiaries, holding companies and intermediary companies (as those terms are defined in gaming laws of applicable gaming jurisdictions) that are registered or licensed under applicable gaming laws. The articles define "ownership" or "control" to mean ownership of record, beneficial ownership as defined in Rule 13d-3 of the Securities and Exchange Commission or the power to direct and manage, by agreement, contract, agency or other manner, the management or policies of a person or the disposition of our capital stock.

#### **Redemption of Securities Owned or Controlled by an Unsuitable Person or an Affiliate**

Wynn Resorts' articles of incorporation will provide that capital stock, securities of or interests in Wynn Resorts that are owned or controlled by an unsuitable person or an affiliate of an unsuitable person are redeemable by Wynn Resorts, out of funds legally available for that redemption, by appropriate action of the board of directors to the extent required by the gaming authorities making the determination of unsuitability or to the extent deemed necessary or advisable by Wynn Resorts. From and after the redemption date, the securities will not be considered outstanding and all rights of the unsuitable person or affiliate will cease, other than the right to receive the redemption price. The redemption price will be the price, if any, required to be paid by the gaming authority making the finding of unsuitability or if the gaming authority does not require a price to be paid, the sum deemed to be the fair value of the securities by the board of directors. If determined by Wynn Resorts, the price of capital stock will not exceed the closing price per share of the shares on the principal national securities exchange on which the shares are then listed on the trading date on the day before the redemption notice is given. If the shares are not then listed, the redemption price will not exceed the closing sales price of the shares as quoted on The Nasdaq National Market or SmallCap Market, or if the closing price is not then reported, the mean between the bid and

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asked prices, as quoted by any other generally recognized reporting system. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not, as Wynn Resorts elects.

The articles of incorporation of Wynn Resorts will require any unsuitable person and any affiliate of an unsuitable person to indemnify Wynn Resorts and its affiliated companies for any and all costs, including attorneys' fees, incurred by Wynn Resorts and its affiliated companies as a result of the unsuitable person's or affiliates ownership or control or failure to promptly divest itself of any capital stock, securities of or interests in Wynn Resorts.

#### **Nevada Anti-Takeover Law and Certain Charter and Bylaw Provisions**

Provisions of Nevada law and our articles of incorporation and bylaws could make the following more difficult:

- acquisition of us by means of a tender offer;
- acquisition of us by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors.

*Classified Board of Directors.* Wynn Resorts' articles of incorporation and bylaws will provide for its board of directors to be divided into three classes of directors serving staggered three-year terms, with one-third of the board of directors being elected each year. As a result, at least two annual meetings of stockholder may be necessary to change a majority of the directors.

*Stockholder Meetings.* Wynn Resorts' bylaws will provide that subject to the rights, if any, of the holders of the preferred stock, only the board of directors, the chairman of the board of directors, the chief executive officer or the president may call special meetings of stockholders.

*Requirements for Advance Notification of Stockholder Nominations and Proposals.* Wynn Resorts' bylaws will establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

*No Action by Written Consent.* Wynn Resorts' articles of incorporation and bylaws will provide that stockholders may only take action at an annual or special meeting of stockholders and may not act by written consent.

*Nevada Control Share Laws.* Following the closing of this offering, Wynn Resorts may become subject to Nevada's laws which govern the "acquisition" of a "controlling interest" of "issuing corporations." These laws will apply to Wynn Resorts if it has 200 or more stockholders of record, at least 100 of whom have addresses in Nevada, unless its articles or bylaws in effect on the tenth day after the acquisition of a controlling interest provide otherwise. These laws provide generally that any person that acquires a "controlling interest" acquires voting rights in the control shares, as defined, only as conferred by the stockholders of the corporation at a special or annual meeting. In the event control shares are accorded full voting rights and the acquiring person has acquired at least a majority of all of the voting

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power, any stockholder of record who has not voted in favor of authorizing voting rights for the control shares is entitled to demand payment for the fair value of its shares.

A person acquires a "controlling interest" whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the Nevada Revised Statutes, would enable that person to exercise (1) one-fifth or more, but less than one-third, (2) one-third or more, but less than a majority or (3) a majority or more, of all of the voting power of the corporation in the election of directors. Once an acquirer crosses one of these thresholds, shares which it acquired in the transaction taking it over the threshold and within the 90 days immediately preceding the date when the acquiring person acquired or offered to acquire a controlling interest become "control shares."

These laws may have a chilling effect on certain transactions if our articles of incorporation or bylaws are not amended to provide that these provisions do not apply to us or to an acquisition of a controlling interest, or if our disinterested stockholders do not confer voting rights in the control shares.

*Nevada Regulatory Approvals.* Once Wynn Resorts becomes a registered company under Nevada's gaming laws, it will be required to obtain the approval of the Nevada Gaming Commission with respect to a change in control. In addition, persons seeking to acquire control will be required to meet the requirements of the Nevada gaming authorities before assuming control. Because Desert Inn Improvement Co., an indirect subsidiary of Wynn Resorts, is a public utility under Nevada law, the approval of the Public Utilities Commission of Nevada may be required before any change in the ownership structure of Wynn Resorts. These requirements may have the effect of preventing, delaying or making an acquisition of Wynn Resorts more difficult. See "Regulation and Licensing."

*No Cumulative Voting.* Our articles of incorporation and bylaws will not provide for cumulative voting in the election of directors.

*Super-Majority Vote Requirement.* Wynn Resorts' articles of incorporation will require a super-majority stockholders vote to approve any merger, conversion or exchange to which Wynn Resorts is a party and which requires stockholder approval under the Nevada Revised Statutes and for any sale, lease or exchange by Wynn Resorts of all of its property pursuant to Nevada Revised Statutes 78.565 unless the fact or event shall have occurred.

*Undesignated Preferred Stock.* The authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of us.

#### **Transfer Agent and Registrar**

The transfer agent and registrar for the common stock will be Wells Fargo Bank Minnesota, National Association.

#### **Listing**

We have filed an application to have our common stock approved for quotation on The Nasdaq National Market under the symbol "WYNN."

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### **DESCRIPTION OF CERTAIN INDEBTEDNESS**

The following discussion summarizes the material terms of certain material agreements to which certain of our subsidiaries will be parties. However, this summary is qualified in its entirety by reference to the relevant agreements described herein. References to the "restricted entities" in this prospectus mean Wynn Golf Course, Wynn Las Vegas, Wynn Capital, Wynn Design & Development, World Travel, Las Vegas Jet, Desert Inn Water Company, Desert Inn Improvement Company and Palo, LLC. References to the "guarantors" in this prospectus mean Valvino and the restricted entities.

## Credit Facilities

Our indirect subsidiary, Wynn Las Vegas, will enter into credit facilities with a syndicate of lenders and Deutsche Bank Trust Company Americas, as sole administrative agent, Bank of America, N.A., as sole syndication agent, and Bear Stearns Corporate Lending, Inc., as documentation agent, as follows:

- a \$750 million senior secured revolving facility under which we can borrow for a period of six years beginning on the closing date. The revolving credit facility will mature six years after the closing date. We may use up to \$25 million of the revolving credit facility for letters of credit, and after Le Rêve opens, we may use up to \$10 million of the revolving credit for swing line loans; and
- a \$250 million delay draw senior secured term loan facility under which we can borrow for a period of two years beginning on the closing date. The delay draw term loan facility will mature seven years after the closing date, and will require quarterly principal payments, scheduled to begin after Le Rêve opens.

When borrowings outstanding under our revolving facility equal or exceed \$200 million, the lenders' agent will have the right to convert \$100 to \$400 million of the amounts outstanding under our revolving loan to term loans, on the same terms and conditions as those made under our delay draw term loan facility. The commitments of the lenders to make revolving loans to us will be permanently reduced by the amount of any revolving loans that are converted to term loans, and the outstanding loans under our delay draw term loan facility will be correspondingly increased.

We will use the proceeds of the credit facilities to finance development and construction of Le Rêve and to meet our pre-opening expenses and debt service obligations. After Le Rêve opens, the restricted entities may use any remaining revolving credit availability for operating expenses and other general corporate purposes.

### Interest and Fees

Subject to certain exceptions, amounts borrowed under the credit facilities will bear interest, as follows:

- before Le Rêve opens, our borrowings will bear interest at Wynn Las Vegas' election, at either (i) the prime rate plus a margin still to be determined for both revolving loans and term loans or (ii) the reserve adjusted Eurodollar Rate plus 4.00% per annum for revolving loans or the reserve adjusted Euro dollar rate plus 4.25% per annum for term loans; and
- after Le Rêve opens, the interest rate will be the prime rate or reserve adjusted Eurodollar Rate, as Wynn Las Vegas elects, plus, in either case, a margin based on our leverage ratio.

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Wynn Las Vegas will be required to obtain interest rate protection through interest rate swaps, caps or other similar arrangements against increases in the interest rates with respect to not less than \$125 million of term loan availability, and up to \$200 million of revolving credit loans that are converted to term loans.

Until Le Rêve opens, Wynn Las Vegas will pay, quarterly in arrears, 2.00% per annum on unborrowed availability under our revolving credit facility. The amount Wynn Las Vegas will pay will be calculated on the daily average of the unborrowed availability under the revolving credit facility.

After Le Rêve opens, the annual fee Wynn Las Vegas will be required to pay for unborrowed amounts, if any, under our revolving credit facility will be determined by a grid based on our leverage ratio. For unborrowed amounts under our delay draw term loan facility, Wynn Las Vegas will pay, quarterly in arrears, 2.50% per annum from the closing date until December 31, 2002, 3.00% per annum from January 1, 2003 to June 30, 2003 and after June 30, 2003, 4.00% per annum, in each case, calculated based on the daily average of the unborrowed amounts under our delay draw term loan facility.

### Guarantees

A special purpose subsidiary of Wynn Las Vegas, formed with the intention of being bankruptcy-remote, will be providing a \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes to secure completion in full of the construction and opening of Le Rêve, including all furniture, fixtures and equipment, the parking structure, the golf course and the availability of initial working capital. Wynn Resorts will contribute \$50 million of the net proceeds of this offering to that subsidiary to support that subsidiary's obligations under the completion guarantee. These funds will be deposited into a collateral account to be held in cash or short-term highly-rated securities, and pledged to the senior lenders under the credit facilities and the holders of the second mortgage notes as security for the completion guarantee. Pursuant to the disbursement agreement, these funds will become available to us on a gradual basis to apply to the costs of the project only after fifty percent of the Le Rêve construction work has been completed. Upon the occurrence of an event of default under our credit facilities or the indenture governing the second mortgage notes, the lenders under our credit facilities or, if no amounts are outstanding under our credit facilities, the holders of the second mortgage notes, will be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective documents. Upon the completion and opening of Le Rêve, any amounts remaining in this account will be released to Wynn Resorts.

Under the credit facilities, Wynn Las Vegas, its subsidiaries and certain of its affiliates will be considered restricted entities and will guarantee the obligations of Wynn Las Vegas under the credit facilities. In the event that Wynn Resorts provides guarantees of other specified indebtedness prior to meeting a prescribed leverage ratio and debt rating test, then Wynn Resorts will also be required to guarantee the credit facilities and the second mortgage notes, subject to certain limited exceptions. The obligations of each guarantor under its guarantee will be limited as necessary to reduce the risk that the guarantee would be treated as a fraudulent conveyance under applicable law. Each guarantee of the obligations under the credit facilities will be a senior secured obligation of each guarantor, secured by a security interest in certain of the guarantors' existing and future assets, and will rank pari passu in right of payment with any existing and future senior indebtedness of the guarantors. In addition, each guarantee will rank senior in right of payment to all of the existing and future subordinated indebtedness of each guarantor.

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## Security

Subject to certain exceptions, compliance with all applicable laws, including gaming laws and regulations, and obtaining any necessary regulatory approvals, our subsidiaries' obligations under the credit facilities will be secured (subject to permitted liens) by:

- a first priority security interest in a liquidity reserve account to be funded prior to closing of the credit facilities with cash or short-term, highly-rated securities in an amount equal to \$30 million, to secure the completion of the construction and opening of Le Rêve. Amounts on deposit in the liquidity reserve account will be applied to the costs of the design, construction and operation of Le Rêve in accordance with the disbursement agreement. Upon the occurrence of an event of default under the credit facilities or the indenture governing the second mortgage notes, the lenders under the credit facilities or, if no amount are outstanding under the credit facilities, the second mortgage note holders, will be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective documents. After Wynn Las Vegas and its restricted subsidiaries have met earnings before interest, taxes, depreciation and amortization targets for a period of four full consecutive fiscal quarters after Le Rêve opens, any remaining amounts in the liquidity reserve account will be used to reduce the outstanding balance on the revolving credit facility but without reducing the revolving credit facility commitment;
- a first priority pledge of all equity interests in the restricted entities to the extent permitted by applicable law;
- first mortgages on all real property constituting Le Rêve, including initially the 20-acre parcel located next to Le Rêve and the golf course parcel, as well as substantially all appurtenant rights owned by our affiliates necessary for the development, construction and operation of Le Rêve, subject to release of the 20-acre parcel, the golf course parcel and certain other assets upon meeting certain maximum leverage tests, minimum earnings before interest, taxes, depreciation and amortization requirements and minimum credit ratings after opening, in each case as may be applicable;
- a first priority security interest in substantially all of the other existing and future assets of Wynn Las Vegas and the restricted entities other than the collateral securing the FF&E facility, subject to certain exceptions; and
- a second priority interest on the furniture, fixtures and equipment securing the FF&E facility, excluding the aircraft.

If Wynn Resorts pledges assets to secure guarantees of other specified indebtedness prior to meeting prescribed leverage ratio and debt rating tests, then the credit facilities may be secured by liens of equal priority on the same Wynn Resorts' assets. The security interests in these assets may be released if certain tests are met.

Wynn Las Vegas' obligations under the credit facilities will also be secured by second priority security interests on the furniture, fixtures and equipment financed with the FF&E facility. See "—FF&E Facility." Wynn Las Vegas' obligations under the credit facilities will not be secured by any interest in the secured account holding the proceeds of the second mortgage notes.

### **Prepayments**

Wynn Las Vegas will be required to make mandatory prepayments of indebtedness under the credit facilities from specified percentages, ranging from a specified percentage (not to

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exceed 50%) of capital contributions resulting from parent company equity issuances (except to pre-initial public offering members of Valvino) to 100% for asset sale and condemnation proceeds, of the net cash proceeds of equity offerings, debt offerings (other than those constituting permitted debt) and, subject to a reinvestment period, asset sale and insurance or condemnation proceeds received by the restricted entities, in each case with specified exceptions. Wynn Las Vegas will also be required to make mandatory payments of indebtedness under the credit facilities from a percentage of our excess cash flow, initially 75%, and decreasing based on our leverage ratio to 50%, and then to be eliminated. Wynn Las Vegas will have the option to prepay all or any portion of the indebtedness under the credit facilities at any time without premium or penalty.

### **Covenants**

The restricted entities will be required to comply with negative and affirmative covenants, including, without limitation, limitations on:

- indebtedness;
- guarantees;
- restricted payments;
- mergers and acquisitions;
- negative pledges;
- liens;
- dividends and distributions;
- transactions with affiliates;
- leases;
- scope changes and modifications to material contracts;
- sales of assets; and

- capital expenditures.

Additionally, the restricted entities will be required to comply with certain financial ratios and other financial covenants such as:

- minimum fixed charge coverage;
- minimum earnings before interest, taxes, depreciation and amortization;
- total debt to earnings before interest, taxes, depreciation and amortization; and
- minimum net worth.

#### **Conditions to Availability of Funds**

The conditions to all borrowings before final completion of Le Rêve will consist of those set forth under the disbursement agreement. See "—Disbursement Agreement." Borrowings of revolving loans after final completion of Le Rêve will be subject to prior written notice of borrowing, the accuracy of representations and warranties, the absence of any default or event of default and certain other customary conditions to borrowing.

#### **Events of Default**

The credit facilities will contain customary events of default, including the failure to make payments when due, defaults under other material agreements or instruments of indebtedness of specific amounts, loss of material licenses or permits (including gaming licenses), failure or inability to complete Le Rêve by the outside completion date (subject to force majeure extension), loss of material contracts, noncompliance with covenants, material breaches of representations and warranties, bankruptcy, judgments in excess of specified amounts, ERISA, impairment of security interests in collateral, change of control and, prior to final completion of Le Rêve, specified events under the disbursement agreement, subject in some cases to applicable notice provisions and grace periods. See "—Disbursement Agreement." Events of default will apply to the restricted entities and, in some cases, to Valvino and Wynn Resorts.

#### **Second Mortgage Notes**

Wynn Las Vegas and Wynn Capital, referred to as the issuers, will enter into an indenture among themselves and certain restricted entities and \_\_\_\_\_, as trustee, pursuant to which the issuers will issue second mortgage notes with an aggregate principal amount of \$350 million. The second mortgage notes will:

- be general obligations of the issuers;
- be secured by a security interest in certain of the existing and future assets of Valvino, the issuers and certain other restricted entities and, in certain limited circumstances, may be secured by a security interest in certain of the existing and future assets of Wynn Resorts;
- rank equal in right of payment to all of the issuers' existing and future senior indebtedness, including borrowings under the credit facilities and FF&E facility, but will be effectively subordinated to such indebtedness to the extent that senior lenders, including the lenders under the credit facilities and FF&E facility, have security interests in assets that rank prior the security interests securing the second mortgage notes and to the extent of the restrictions on payment and exercise of remedies contained in the intercreditor agreements;
- rank senior in right of payment to all of the issuers' existing and future subordinated indebtedness; and
- be unconditionally guaranteed by the guarantors, which may, in certain limited circumstances, include Wynn Resorts. See "—Guarantees."

#### **Interest and Fees**

The second mortgage notes will bear interest at a rate that will be established at the time of pricing of the second mortgage notes, which pricing is expected to occur concurrently with the pricing of the equity offering. Interest will be payable semi-annually in arrears on \_\_\_\_\_ and \_\_\_\_\_, commencing on \_\_\_\_\_, 2003. The issuers will make each interest payment to the holders of record of the second mortgage notes on the immediately preceding \_\_\_\_\_ and \_\_\_\_\_.

Interest will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

#### **Guarantees**

A special purpose subsidiary of Wynn Las Vegas, formed with the intention of being bankruptcy-remote, will be providing a \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes to secure completion in full of the construction and opening of Le Rêve, including all furniture, fixtures and equipment, the parking structure, the golf course and the availability of initial working capital. Wynn Resorts will contribute \$50 million of the net proceeds of this offering to that subsidiary to support that subsidiary's obligations under the completion guarantee. These funds will be deposited into a collateral account to be held in cash or short-term highly-rated securities, and pledged to the senior lenders under the credit facilities and the holders of the second mortgage notes as security for the completion guarantee. Pursuant to the disbursement agreement, these funds will become available to us on a gradual basis to apply to the costs of the project only after fifty percent of the Le Rêve construction work has been completed. Upon the occurrence of an event of default under the credit facilities or the indenture governing the second mortgage notes, the lenders under the credit facilities or, if no

amounts are outstanding under the credit facilities, the holders of the second mortgage notes, will be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective documents. Upon the completion and opening of Le Rêve, any amounts remaining in this account will be released to Wynn Resorts.

The obligations of Wynn Las Vegas under the second mortgage notes will also be jointly and severally guaranteed by the other restricted entities. In the event that Wynn Resorts incurs indebtedness or provides guarantees of other specified indebtedness prior to meeting a prescribed leverage ratio and debt rating test, then Wynn Resorts will also be required to guarantee the second mortgage notes, subject to certain limited exceptions. The Wynn Resorts guarantee may be released if certain tests are met. The obligations of each guarantor under its guarantee will be limited as necessary to reduce the risk that the guarantee would be treated as a fraudulent conveyance under applicable law. Each guarantee of the notes will be a senior secured obligation of each guarantor, secured by a second priority security interest in certain of the guarantors' existing and future assets, and will rank equally in right of payment with any existing and future senior indebtedness of the guarantors, but will be effectively subordinated to such indebtedness to the extent that senior lenders, including the lenders under the credit facilities and the FF&E facility, have security interests in assets that rank prior the security interests securing the second mortgage notes. In addition, each guarantee will rank senior in right of payment to all of the existing and future subordinated indebtedness of each guarantor.

### **Security**

Subject to certain permitted liens and applicable law, the second mortgage notes will be secured by, among other things:

- a first priority, exclusive security interest in the net proceeds of the second mortgage notes deposited into escrow pending the closing of this offering;
- a second priority security interest in a liquidity reserve account to be funded prior to closing of the credit facilities with cash or short-term, highly-rated securities in an amount equal to \$30 million, to secure the completion of the construction and opening of Le Rêve. Amounts on deposit in the liquidity reserve account will be applied to the costs of the design, construction and operation of Le Rêve in accordance with the disbursement agreement. After Wynn Las Vegas and its restricted subsidiaries have met earnings before interest, taxes, depreciation and amortization targets for a period of

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four full consecutive quarters after Le Rêve opens, any remaining amounts in the liquidity reserve account will be used to reduce the outstanding balance on the revolving credit facility;

- a second priority pledge of the equity interests of the issuers and the other restricted entities to the extent permitted by applicable law;
- second mortgages on all real property constituting Le Rêve, including initially the 20-acre parcel located next to Le Rêve and the golf course parcel, as well as substantially all appurtenant rights owned by our affiliates necessary for the development, construction and operation of Le Rêve subject to release of the 20 acre parcel, the golf course parcel, and certain other assets upon meeting certain maximum leverage tests, minimum earnings before interest, taxes, depreciation and amortization requirements and minimum credit ratings after opening, in each case as may be applicable;
- a second priority security interest in substantially all of the other existing and future assets of the issuers and the other restricted entities, and subject to certain exceptions; and
- third priority security interests on the furniture, fixtures and equipment financed with the FF&E facility other than the aircraft. See "—FF&E Facility."

If Wynn Resorts pledges assets to secure guarantees of other specified indebtedness prior to meeting prescribed leverage ratio and debt rating tests, then the second mortgage notes may be secured by second priority liens on the same Wynn Resorts' assets. The security interests in these assets may be released if certain tests are met.

### **Optional Redemption**

At any time prior to \_\_\_\_\_, 2005, the issuers may redeem up to 35% of the aggregate principal amount of the second mortgage notes with the proceeds of certain qualified equity offerings at a specified redemption price; provided that certain conditions are satisfied. The second mortgage notes otherwise are not redeemable prior to \_\_\_\_\_, 2006.

After \_\_\_\_\_, 2006, the issuers may redeem all or a part of the second mortgage notes upon not less than 30 nor more than 60 days' notice, at certain specified redemption prices based on timing of the redemption.

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### **Repurchase at the Option of the Holders of Second Mortgage Notes**

Following the occurrence of a change of control under the second mortgage notes, the issuers will be required to offer to repurchase the second mortgage notes at a purchase price equal to 101% of the principal amount of the second mortgage notes, plus any accrued and unpaid interest to the date of repurchase.

The issuers will be required in certain circumstances to offer to repurchase the second mortgage notes at a purchase price equal to the principal amount of the second mortgage notes, plus any accrued and unpaid interest to the date of repurchase, with the net cash proceeds of certain asset sales and events of loss.

### **Gaming Redemption**

The second mortgage notes may be redeemed by the issuers in certain instances where a gaming authority requires a holder or beneficial owner of the second mortgage notes to be licensed, qualified or found suitable under any applicable gaming law and the holder or beneficial owner (1) fails to apply for a license, qualification or finding of suitability within 30 days after being requested to do so, or such lesser period as required by the gaming authority, or (2) is notified by a gaming authority that it will not be licensed, qualified or found suitable.

### **Mandatory Redemption**

The issuers will not be required to make mandatory redemption or sinking fund payments with respect to the second mortgage notes.

### **Covenants**

The second mortgage notes will contain additional affirmative and negative covenants applicable to the issuers and the other restricted entities, including, without limitation, limitations on:

- restricted payments;
- indebtedness;
- issuance of preferred stock;
- liens;
- dividend and other payment restrictions affecting subsidiaries;
- merger, consolidation or sale of assets;
- designation of restricted and unrestricted subsidiaries;
- transactions with affiliates;
- sale and leaseback transactions;
- activities of Wynn Capital and the completion guarantor; and
- issuances and sales of equity interests in wholly owned subsidiaries.

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Valvino, though not a restricted entity, will be subject to certain limited restrictions under the indenture governing the second mortgage notes limiting its ability to encumber assets pledged to the lenders and the second mortgage note holders as collateral and to incur indebtedness, other than non-recourse debt, prior to the release of the 20-acre parcel of land fronting Las Vegas Boulevard adjacent to the site of Le Rêve.

### **Events of Default**

The indenture for the second mortgage notes will contain customary events of default, including the failure to make payments when due, defaults under other material agreements or instruments of indebtedness of specific amounts, loss of material licenses or permits (including gaming licenses), failure or inability to complete Le Rêve by the outside completion date loss of material contracts, noncompliance with covenants, material breaches of representations and warranties, bankruptcy, judgments in excess of specified amounts, impairment of security interests in collateral, and, prior to final completion of Le Rêve, specified events under the disbursement agreement, subject in some cases to applicable notice provisions and grace periods. See "—Disbursement Agreement." Events of default will apply to the restricted entities and, in some cases, to Valvino and Wynn Resorts.

### **FF&E Facility**

Wynn Las Vegas has entered into an engagement letter with Bank of America, N.A., Banc of America Leasing & Capital LLC and Deutsche Bank Securities Inc., referred to as the FF&E agents, for a \$178.5 million FF&E facility. The engagement letter provides that the FF&E agents have agreed on a best efforts basis to syndicate the FF&E facility. Wynn Las Vegas and the FF&E agents are currently in the process of syndicating the FF&E facility and negotiating the terms of the FF&E facility with proposed lenders. The FF&E facility will provide financing or refinancing for furniture, fixtures and equipment to be used at Le Rêve. Wynn Las Vegas intends to use approximately \$28.5 million of the FF&E facility to refinance a loan made by Bank of America, N.A. to World Travel by means of a loan to be evidenced by an intercompany note from World Travel, secured by an aircraft mortgage on World Travel's Bombardier Global Express aircraft. Valvino acquired World Travel from Mr. Wynn and has guaranteed the Bank of America loan. Wynn Las Vegas may use additional proceeds of the FF&E facility to refinance other furniture, fixtures or equipment purchased with proceeds of this offering or other funds. Obtaining the FF&E facility will be a condition to the consummation of this offering. For more information, see "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Certain Relationships and Related Party Transactions—Aircraft Arrangements."

### **Project Lenders Intercreditor Agreement**

A representative of the lenders under the credit facilities and the trustee will enter into an intercreditor agreement that will govern the relations between the note holders and those lenders. The intercreditor agreement will provide that the second mortgage note holders will have a first priority security interest in, or claim against, the net proceeds of the second mortgage note offering deposited into a secured account pending disbursement of such amounts in accordance with the terms of the disbursement agreement. The lenders under the credit facilities will have a first priority security interest in, or claim against all remaining collateral pledged by the restricted entities, other than collateral securing the FF&E facility, excluding the aircraft in which the lenders under the FF&E facility will have a first priority security interest, the lenders under the credit facilities will have a second priority security interest and the second mortgage note holders will have a third priority security interest.



Neither the lenders under the credit facilities nor the second mortgage note holders will have a security interest in the aircraft.

The intercreditor agreement will establish certain provisions and agreements concerning the exercise of remedies by the second mortgage note holders and the lenders against their respective collateral. As a result, the second mortgage note holders will have limited rights to force a sale of any of the collateral or otherwise exercise any of the remedies available to a secured creditor in connection with the collateral, other than the collateral in which the credit facilities lenders do not have an interest, unless or until the credit facilities are paid in full. Applicable law, including gaming laws and regulations, will also impose restrictions on the ability of the second mortgage note holders and the lenders under the credit facilities to enforce the remedies of a secured creditor.

### **FF&E Intercreditor Agreement**

A representative of the lenders under the credit facilities and the trustee, on the one hand, and the representative of the lenders under the FF&E facility, on the other hand, will enter into an intercreditor agreement that will govern the relations between the credit facilities lenders and the note holders, on the one hand, and the lenders under the FF&E facility on the other hand. This intercreditor agreement will provide that the lenders under the FF&E facility will have a first priority security interest in the furniture, fixture and equipment for Le Rêve that is financed by draws on the FF&E facility. The lenders under the credit facilities will have a second priority security interest in such collateral and the note holders will benefit from a third priority security interest in such collateral, except that neither the lenders under the credit facilities nor the second mortgage note holders will have a security interest in the aircraft.

The FF&E intercreditor agreement will establish certain provisions and agreements concerning the exercise of remedies by the lenders under the credit facilities, the note holders and the lenders under the FF&E facility against the furniture, fixtures and equipment financed by the FF&E facility. Generally speaking, and subject to certain agreed upon stand still periods, the lenders under the FF&E facility will have, until repayment in full of the FF&E facility, the exclusive right to force a sale of any of the FF&E collateral or otherwise exercise any of the remedies available to a secured creditor in connection with the FF&E collateral. Applicable law, including gaming laws and regulations, will also impose restrictions on the ability of the lenders under the FF&E facility, the lenders under the credit facilities and the second mortgage note holders to enforce the remedies of a secured creditor.

### **Disbursement Agreement**

Wynn Las Vegas and Wynn Capital will enter into a disbursement agreement with Deutsche Bank Trust Company Americas, as the bank agent, [ ], as the mortgage note trustee, [ ] as the FF&E facility agent, and Deutsche Bank Trust Company Americas, as the disbursement agent.

#### **General**

The disbursement agreement will set forth our subsidiaries' material obligations to construct and complete Le Rêve and will establish a line item budget and a schedule for construction of Le Rêve. The disbursement agreement also will establish the conditions to, and the relative sequencing of, the making of disbursements from the proceeds of the credit facilities, the FF&E facility and the second mortgage notes, and will establish the obligations of the bank agent and the FF&E facility agent to make disbursements under the credit facilities

and the FF&E facility and the obligation of the second mortgage notes trustee to release funds from the second mortgage notes proceeds account upon satisfaction of such conditions. The disbursement agreement further will set forth the mechanics for approving change orders and amendments to the project budget and the schedule for the construction period. Finally, the disbursement agreement will include certain representations, warranties, covenants and events of default that are common to the credit facilities, the FF&E facility and second mortgage notes.

Under the disbursement agreement, we will only be permitted to use the proceeds of the credit facilities, the FF&E facility and the second mortgage notes to pay for project costs related to Le Rêve and, subject to certain limitations, corporate overhead and related costs.

#### **Funding Order**

The disbursement agreement will set forth the sequencing order in which funds from the various sources will be made available to our subsidiaries. Under the disbursement agreement, our subsidiaries will be required to use all of the equity funds available to them (including proceeds of this offering that are contributed to Wynn Las Vegas) before obtaining any disbursement of debt proceeds.

We expect to commence construction of Le Rêve in September 2002, and we have incurred, and prior to the initial disbursement of debt proceeds, will continue to incur, significant costs in connection with Le Rêve. Pursuant to the disbursement agreement, the construction consultant will confirm that such costs were incurred within the parameters set forth in the approved project budget.

#### **Accounts**

In order to implement the funding of disbursements, the disbursement agreement will call for the establishment of certain accounts, each of which will be, subject to certain exceptions, pledged to the lenders under the credit facilities and the holders of second mortgage notes, except that the secured account holding the proceeds of the second mortgage notes will be pledged to the second mortgage note holders only. Each time Wynn Las Vegas receives funds from its credit facilities, FF&E facility, the second mortgage notes proceeds account or other sources for the development and construction of Le Rêve, those funds must be deposited in the appropriate accounts and, subject to the conditions to disbursement, be disbursed to pay for the development and construction of Le Rêve.

#### **Funding Conditions**

Our subsidiaries will be required to satisfy conditions precedent before we are permitted to receive funds from the disbursement accounts. These conditions will include, among others:

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our delivery of a disbursement request and certificate certifying as to, among other things:

- (1) the application of the funds to be disbursed,
- (2) the substantial conformity of construction undertaken to date with the plans and specifications, as amended from time to time in accordance with the disbursement agreement,

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- (3) the continued expectation that the construction of Le Rêve will be completed by August 31, 2005, subject to limited permitted extensions due to force majeure events,
  - (4) the use of funds in accordance with the budgeted amounts, as adjusted from time to time in accordance with the disbursement agreement,
  - (5) the sufficiency of remaining funds (net of the completion capital commitment and liquidity reserve, and contingency amount) to complete Le Rêve, and
  - (6) compliance with line item budget allocations (as such allocations may be amended from time to time in accordance with the disbursement agreement), taking into account allocations for contingencies;

- delivery by the construction consultant and the contractors of certificates corroborating various matters set forth in our disbursement request and certificate;
- absence of a default or event of default under the credit facilities, the FF&E facility and the second mortgage notes documents;
- all of the credit documentation and each other material agreement for the development and construction of the project being in full force and effect;
- all representations and warranties being true and correct in all material respects;
- our subsidiaries' receipt of the governmental approvals then required;
- our subsidiaries' delivery to the disbursement agent of the acknowledgments of payment and lien releases required under the disbursement agreement;
- procurement of all required title insurance policies, commitments and endorsements insuring that the project continues to be subject only to permitted liens; and
- the absence of any event or circumstance (including an adverse gaming determination) that has caused or could reasonably be expected to cause a material adverse effect.

Prior to borrowing any amounts under the credit facilities or the FF&E facility or receiving any disbursements from the secured account holding the proceeds of the second mortgage notes, we plan to use a portion of the proceeds of this offering, and our other available funds, to commence construction of Le Rêve. As a condition to borrowing under the credit facilities or the FF&E facility or receiving disbursements from the secured account, we will be required to submit evidence acceptable to the construction consultant that the construction of Le Rêve has been completed to that point in accordance with our plans and specifications, on budget and on schedule.

#### *Completion Guarantee Deposit Account*

As security for the \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes by the special purpose subsidiary of Wynn Las Vegas, \$50 million of the proceeds of this offering will be contributed to the subsidiary and deposited into the completion guarantee deposit account. Amounts on deposit in the completion guarantee deposit account may, on a gradual basis from time to time after fifty percent of the Le Rêve construction work has been completed, be transferred to the company's funds account for application to pay budgeted costs in accordance with the disbursement agreement. Upon the occurrence of an event of default under the credit facilities or the indenture governing the second mortgage notes, the lenders under the credit facilities or, if no amounts are outstanding under the credit facilities, the second mortgage notes, will

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be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective debt documents. Any interest which may accrue on amounts deposited in the completion capital account deposit account shall be deposited in the company's funds account until applied as provided in the disbursement agreement. These funds will not be available for any other purpose until Le Rêve is completed and opened, at which time any amounts remaining in the account will be released to Wynn Resorts.

#### *Liquidity Reserve Account*

As security for Wynn Las Vegas' obligation to complete the project, Wynn Resorts will also deposit \$30 million of the proceeds of its offering of common stock into the liquidity reserve account. Until the completion and opening of Le Rêve, amounts on deposit in the liquidity reserve account may be applied to pay budgeted costs in accordance with the disbursement agreement. Following the completion and opening of Le Rêve, these funds will be available to meet our subsidiaries' debt service obligations. Upon the occurrence of an event of default under the credit facilities or the indenture governing the second mortgage notes, the lenders under the credit facilities or, if no amounts are outstanding under the credit facilities, the holders of the second mortgage notes, will be permitted to

exercise remedies against such sums and apply such sums against the obligations under their respective debt documents. At such time as Wynn Las Vegas has met prescribed cash flow tests for a full fiscal year after the opening of Le Rêve, any remaining funds shall be used to reduce the principal amount outstanding under our subsidiaries' revolving credit facility, but without reducing the revolving credit facility commitment.

### **Changes to Construction Budget and Schedule**

The disbursement agreement will contain guidelines for the construction consultant and the disbursement agent to permit amendments to the budget and the plans and specifications. These conditions will generally be the same as conditions to disbursement that relate to the project and the budget.

The guidelines will only permit increases to any line item category to the extent of the sum of:

- savings in a different category;
- allocation of previously "unallocated contingency," subject to a specified minimum balance required, from time to time, to be maintained in the "unallocated contingency" line item; and
- use of additional Le Rêve revenues or additional company equity and other amounts, to the extent deposited in the appropriate disbursement agreement accounts.

We may, from time to time, amend the project schedule to extend the completion date, but not beyond August 31, 2005, by delivering to the disbursement agent a certificate describing the amendment and complying with the conditions set forth above with respect to the changes in the project budget that will result from the extension of the completion date. We also have the ability to extend the completion date for a limited period beyond August 31, 2005 due to force majeure events.

### **Covenants**

The disbursement agreement contains various affirmative covenants that we are obligated to comply with. Such covenants include the following:

- to use the proceeds of the credit facilities, the FF&E facility and the second mortgage notes only to pay project costs in accordance with the project budget and the disbursement agreement;
- to construct Le Rêve diligently and substantially in accordance with the plans and specifications (as the same may be amended from time to time in accordance with the disbursement agreement);
- to construct, maintain and operate Le Rêve in accordance in all material respects with all applicable laws and procure, maintain and comply with all required governmental approvals in all material respects; and
- to maintain and comply with the required insurance policies.

The disbursement agreement will also require us to comply with negative covenants. These covenants will limit, among other things, the restricted entities' ability to:

- waive or terminate any material right under the financing agreements, the construction contract guaranty, other material project documents or any required governmental approval;
- enter into new material project documents unless we provide certifications assuring that the documents comply with the procedures set forth in the disbursement agreement (for example, new contracts with contractors or suppliers will not be permitted unless the proposed work is consistent with the previously approved project, the overall budget and the completion schedule);
- implement any material change in the plans and specifications or any change order under the construction contracts or other contracts, if the change or change order:
  - (1) requires an amendment to the project budget, unless we comply with the procedures for amending the project budget;
  - (2) will cause the plans and specifications to no longer comply with certain parameters;
  - (3) could reasonably be expected to delay completion beyond the anticipated completion date;
  - (4) is not permitted by a project document; or
  - (5) could reasonably be expected to adversely affect our compliance with legal requirements and governmental approvals;
- amend the project budget or the project schedule except in accordance with the procedures set forth in the disbursement agreement; or
- release any hazardous substance in violation of any legal requirement or governmental approval if it could reasonably be expected to have a material adverse effect.

## Exercise of Remedies on Default

Pursuant to the disbursement agreement and the other financing documents, upon the occurrence of an event of default under the credit facilities, the FF&E facility or the second

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mortgage notes, our subsidiaries' lenders will be permitted to exercise remedies, including one or more of the following:

- termination of the obligation to make any further disbursements;
- taking possession of Le Rêve and completing its construction and/or operating and maintaining Le Rêve, or appointing a trustee or receiver to do the same;
- setting off and applying all cash and securities on deposit in any account with the disbursement agent to our obligations under the credit facilities and the indenture; and
- subject to certain limitations, assuming our rights under the project documents.

The disbursement agreement will terminate on or about the date on which final completion occurs.

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## SHARES ELIGIBLE FOR FUTURE SALE

### Sales of Restricted Securities

Before this offering, there has been no public trading market for our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Nevertheless, sales of substantial amounts of our common stock in the public market could adversely affect the market price of our common stock and could impair our future ability to raise capital through the sale of our equity securities.

Upon the completion of this offering, we will have \_\_\_\_\_ shares of its common stock outstanding, assuming no exercise of the underwriters' over-allotment option. All of the shares sold in this offering will be freely tradable, except that any shares purchased by our affiliates may only be sold in compliance with the applicable limitations of Rule 144. The remaining 40,000,000 shares of our common stock are "restricted securities" as defined under Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144, 144(k) or 701 under the Securities Act. These rules are summarized below.

Subject to the provisions of Rules 144, 144(k) and 701, no shares of our common stock will be available for sale in the public market upon the expiration of the 180-day lock-up period. We expect that 40,000,000 shares of our common stock will become eligible for public sale in August 2003.

If our stockholders sell substantial amounts of our common stock in the public market following this offering, the prevailing market price of our common stock could decline. Furthermore, sales of substantial amounts of our common stock in the public market after contractual and legal restrictions lapse could adversely affect the prevailing market price of the common stock and our ability to raise equity capital in the future.

### Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who has beneficially owned restricted shares for at least one year including the holding period of any prior owner except an affiliate would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding; or
- the average weekly trading volume of the common stock as reported on all national exchanges during the four calendar weeks preceding the filing of a Form 144 with respect to such sale.

Sales under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

### Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been our affiliate at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years including the holding period of any prior owner except an affiliate, is entitled to sell such shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144. The Securities Act defines affiliates to be persons that directly, or indirectly through one or more intermediaries,

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control, or are controlled by, or are under common control with, Wynn Resorts. These persons typically include our executive officers and directors.

### Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchase shares from us under a stock option plan or other written agreement can resell those shares 90 days after the effective date of this offering, subject to lock-up agreements, in reliance on Rule 144, but without complying with the holding period, public information, volume limitation or notice provisions of Rule 144, so long as they are not affiliates of ours. If they are an affiliate, they are eligible to resell the shares 90 days after the effective date of this offering, subject to lock-up agreements, in reliance on Rule 144 but without compliance with the holding period contained in Rule 144.

## Stock Options

Immediately after this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering shares of common stock reserved for issuance under our stock option plan. Shares registered under that registration statement will, upon the optionee's exercise and depending on vesting provisions and Rule 144 volume limitations applicable to our affiliates, be available for resale in the public market.

## Lock-up Agreements

We, all of our officers and directors and other stockholders, excluding Baron Asset Fund, have agreed not to offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any of their shares of our common stock or any equity securities convertible into or exercisable or exchangeable for shares of our common stock; or enter into any swap or other arrangement that transfers to another, in whole or in part, any economic consequences of ownership of our common stock during the period ending 180 days after the date of this prospectus without the prior written consent of Deutsche Bank Securities Inc., Bear, Stearns & Co. Inc. and Banc of America Securities LLC, on behalf of the underwriters. Deutsche Bank Securities Inc., Bear, Stearns & Co. Inc. and Banc of America Securities LLC have advised us that they have no present intention to release any shares subject to lockup agreements. In considering whether to release any shares subject to a lockup agreement, Deutsche Bank Securities Inc., Bear, Stearns & Co. Inc. and Banc of America Securities LLC would consider, among other factors, the particular circumstances surrounding the request, including, but not limited to, the number of shares to be released, the effect of the released shares on the market for our common stock and the hardship of the person requesting the waiver.

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## U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a general discussion of certain U.S. federal income and estate tax consequences of the ownership and disposition of Wynn Resorts' common stock by a person that is not a "United States person" for U.S. federal income tax purposes (a "non-U.S. holder"). For this purpose, a "United States person" is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and (2) one or more United States persons have the authority to control all of the trust's substantial decisions. This discussion does not consider specific facts and circumstances that may be relevant to any particular non-U.S. holder's tax position. Special rules may apply to certain non-U.S. holders that are subject to special treatment under the Internal Revenue Code of 1986, as amended, such as dealers in securities, banks, insurance companies, tax-exempt organizations, persons holding their shares as part of a "straddle," "hedge," or "conversion transaction," persons who acquire shares as compensation, "controlled foreign corporations," "passive foreign investment companies," "foreign personal holding companies," and corporations that accumulate earnings to avoid U.S. federal income tax. This discussion is limited to certain U.S. federal income tax consequences to beneficial owners of Wynn Resorts' common stock who hold Wynn Resorts' common stock as a capital asset. Except where otherwise explicitly stated, it does not address the tax consequences of any aspect of state, local, or foreign law or the tax consequences to persons who are former citizens or long-term residents of the United States or to persons holding Wynn Resorts' common stock through a partnership or other pass-through entity. If a partnership holds Wynn Resorts' common stock, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership.

**Accordingly, each non-U.S. holder is urged to consult its own tax advisor with respect to the U.S. federal tax consequences of the ownership and disposition of common stock, as well as any tax consequences that may arise under the laws of any state, municipality, foreign country or other taxing jurisdiction.**

## Dividends

Dividends paid to a non-U.S. holder of Wynn Resorts' common stock ordinarily will be subject to a 30% withholding tax, unless the non-U.S. holder (1) provides us or our paying agent, as the case may be, with a properly executed Form W-8BEN (or a suitable substitute form) claiming a reduction in the rate of withholding pursuant to an applicable income tax treaty; (2) provides us or our paying agent, as the case may be, with a properly executed Form W-8ECI (or a suitable substitute form) providing a U.S. tax identification number and stating the dividends are effectively connected with the beneficial owner's conduct of a trade or business in the United States; or (3) in the case of payments made outside the United States with respect to an offshore account, complies with certain documentary evidence procedures, directly or, under certain circumstances, through an intermediary.

If a non-U.S. holder is engaged in a trade or business in the United States and our dividends are effectively connected with the conduct of such trade or business and, where an income tax treaty applies, are attributable to a U.S. permanent establishment, the non-U.S. holder will be subject to federal income tax on the dividends on a net basis. In addition, if the non-U.S. holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for that taxable year, subject to adjustment, unless it qualifies for a lower rate under an applicable income tax treaty.

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## Gain on Disposition of Common Stock

A non-U.S. holder generally will not be subject to U.S. federal income tax in respect of a gain realized on a disposition of Wynn Resorts' common stock, provided that (1) the gain is not effectively connected with a trade or business conducted by the non-U.S. holder in the United States, (2) in the case of a non-U.S. holder who is an individual, such holder is present in the United States for fewer than 183 days in the taxable year of the sale and other conditions are met and (3) if Wynn Resorts is a "United States real property holding corporation" (a "USRPHC"), Wynn Resorts' common stock is regularly traded on an established securities market at the time of disposition and other conditions described below are met.

Because for U.S. federal income tax purposes Wynn Resorts is now and probably will continue to be a USRPHC, a non-U.S. holder could be subject to tax on any gain realized on a disposition of Wynn Resorts' common stock and to 10% withholding (creditable against such tax liability) on the gross amount realized ("FIRPTA tax and withholding"). We believe, however, that Wynn Resorts' common stock will be considered "regularly traded" on an established securities market because we expect it to be traded on The Nasdaq National Market and to be regularly quoted by brokers and/or dealers making a market in Wynn Resorts' common stock. If Wynn Resorts' common stock is regularly traded at the time of the disposition, withholding generally will not be required and, provided that clauses (1) and (2) above are also satisfied, a non-U.S. holder who did not own more than 5% of the value of Wynn Resorts' common stock, actually or constructively, at any time during the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period, should not be subject to U.S. federal income tax on any gain realized on the disposition of Wynn Resorts' stock. It is possible, however, that, because of its concentrated ownership, Wynn Resorts' common stock will not be considered regularly traded despite being quoted on The Nasdaq National Market and regularly quoted by market makers. As a result, a non-U.S. holder could be subject to FIRPTA tax and withholding on a disposition of the common stock.

If a non-U.S. holder is engaged in the conduct of a trade or business in the United States, gain on the disposition of Wynn Resorts' common stock that is effectively connected with the conduct of such trade or business and, where an income tax treaty applies, is attributable to a U.S. permanent establishment, will be taxed on a net basis at applicable graduated individual or corporate rates. Effectively connected gain of a foreign corporation may, under certain circumstances, be subject as well to a branch profits tax at a rate of 30% or a lower applicable treaty rate.

**Federal Estate Taxes**

Wynn Resorts' common stock owned or treated as being owned by a non-U.S. holder at the time of death will be included in that holder's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise. Although the U.S. federal estate tax generally has been repealed for decedents dying in 2010, the repeal expires and, unless extended by new legislation, the U.S. federal estate tax will be reinstated beginning January 1, 2011.

**U.S. Information Reporting Requirements and Backup Withholding Tax**

U.S. information reporting on Form 1099 and backup withholding tax should not apply to dividends paid on Wynn Resorts' common stock to a non-U.S. holder, provided that the non-U.S. holder provides Wynn Resorts or its payor, as the case may be, with a properly executed Form W-8BEN (or satisfies certain certification or documentary evidence

requirements for establishing that it is a non-United States person under U.S. Treasury regulations) or otherwise establishes an exemption. Distributions on Wynn Resorts' common stock will, however, be reported to the IRS and to each non-U.S. holder on Form 1042-S.

Information reporting and backup withholding also generally will not apply to a payment of the proceeds of a sale of Wynn Resorts' common stock effected outside the United States by a foreign office of a foreign broker. However, information reporting (but not backup withholding) will apply to a payment of the proceeds of a sale of Wynn Resorts' common stock effected outside the United States by a foreign office of a broker if the broker (1) is a United States person, (2) derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (3) is a "controlled foreign corporation" as to the United States or (4) is a foreign partnership that, at any time during its taxable year, is 50% or more (by income or capital interest) owned by United States persons or is engaged in the conduct of a U.S. trade or business, unless in any such case the broker has documentary evidence in its records that the holder is a non-U.S. holder and certain conditions are met, or the holder otherwise establishes an exemption. Payment by a U.S. office of a broker of the proceeds of a sale of Wynn Resorts' common stock will be subject to both backup withholding and information reporting unless the holder certifies its non-U.S. status under penalties of perjury or otherwise establishes an exemption. Pursuant to recent tax legislation the rate of backup withholding tax is currently 30% and will be reduced to 29% on January 1, 2004 and 28% on January 1, 2006. Unless extended by new legislation, however, the 31% backup withholding tax rate will be reinstated beginning January 1, 2011.

Any amounts withheld under the backup withholding rules should be allowed as a refund or a credit against the non-U.S. holder's U.S. federal income tax liability provided the required information is furnished to the IRS.

**You are urged to consult your tax advisor in determining the tax consequences to you of the purchase, ownership, and disposition of Wynn Resorts' common stock, including the application to your particular situation of the federal income tax considerations discussed above and the application of state, local, foreign, or other tax laws.**

**UNDERWRITING**

Subject to the terms and conditions of the underwriting agreement, the underwriters named below, through their representatives Deutsche Bank Securities Inc., Bear, Stearns & Co. Inc. and Banc of America Securities LLC, have agreed to purchase from us the following respective number of shares of common stock at a public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus:

Underwriters	Number of Shares
Deutsche Bank Securities Inc.	
Bear, Stearns & Co. Inc.	
Banc of America Securities LLC	
J.P. Morgan Securities Inc.	

Total

The underwriting agreement provides that the obligations of the several underwriters to purchase the shares of common stock offered hereby are subject to certain conditions precedent and that the underwriters will purchase all of the shares of common stock offered by this prospectus, other than those covered by the over-allotment option described below, if any of these shares are purchased.

We have been advised by the representatives of the underwriters that the underwriters propose to offer the shares of common stock to the public at the public offering price set forth on the cover of this prospectus and to dealers at a price that represents a concession not in excess of \$[ ] per share under the public offering price. The underwriters may allow, and these dealers may re-allow, a concession of not more than \$[ ] per share to other dealers. After the initial public offering, representatives of the underwriters may change the offering price and other selling terms.

We have granted to the underwriters an option, exercisable not later than 30 days after the date of this prospectus, to purchase up to [ ] additional shares of common stock at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus. The underwriters may exercise this option only to cover over-allotments made in connection with the sale of the common stock offered by this prospectus. To the extent that the underwriters exercise this option, each of the underwriters will become obligated, subject to conditions, to purchase approximately the same percentage of these additional shares of common stock as the number of shares of common stock to be purchased by it in the above table bears to the total number of shares of common stock offered by this prospectus. We will be obligated, pursuant to the option, to sell these additional shares of common stock to the underwriters to the extent the option is exercised. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting discounts and commissions per share are equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting discounts and commissions are [ ]% of the initial public offering price. We have agreed to pay the underwriters the following discounts and

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commissions, assuming either no exercise or full exercise by the underwriters of the underwriters' over-allotment option:

	Fee per Share	Total Fees	
		Without Exercise of Over-allotment Option	With Full Exercise of Over-allotment Option
Discounts and commissions paid by us	\$	\$	\$

In addition, we estimate that our share of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately \$[ ].

We have agreed to indemnify the underwriters against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect of any of these liabilities.

We, all of our officers and directors and all of our other stockholders, excluding Baron Asset Fund, have agreed not to offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any of their shares of our common stock or any equity securities convertible into or exercisable or exchangeable for shares of our common stock; or enter into any swap or other arrangement that transfers to another, in whole or in part, any economic consequences of ownership of our common stock during the period ending 180 days after the date of this prospectus without the prior written consent of Deutsche Bank Securities Inc., Bear, Stearns & Co. Inc. and Banc of America Securities LLC, the representatives on behalf of the underwriters.

In connection with the offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares of common stock from us in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option.

Naked short sales are any sales in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if underwriters are concerned that there may be downward pressure on the price of the shares in the open market prior to the completion of the offering.

Stabilizing transactions consist of various bids for or purchases of our common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may impose a penalty bid. This occurs when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the representatives of the underwriters have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

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Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of our common stock. Additionally, these purchases, along with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

At our request, the underwriters have reserved for sale at the initial public offering price up to [ ] shares of our common stock being sold in this offering for our vendors, employees, family members of employees, customers and other third parties. The number of shares of our common stock available for the sale to the general public will be reduced to the extent these reserved shares are purchased. Any reserved shares not purchased by these persons will be offered by the underwriters to the general public on the same basis as the other shares in this offering.

A prospectus in electronic format may be made available on Internet web sites maintained by one or more of the joint book-running managers of this offering and may be made available on web sites maintained by other underwriters. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. The representatives may allocate shares of common stock to underwriters that may make Internet distributions on the same basis as other allocations. In addition, shares of common stock may be sold by the underwriters to securities dealers who may resell shares of common stock to online brokerage account holders. Other than the prospectus in electronic format, the information on any underwriter's web site and any information contained in any other web site maintained by an underwriter is not part of the prospectus or the registration statement of which the prospectus forms a part.

### **Pricing of this Offering**

Prior to this offering, there has been no public market for our common stock. Consequently, the initial public offering price of our common stock will be determined by negotiation among us and the representatives of the underwriters. The primary factors that will be considered in determining the public offering price include:

- prevailing market conditions;
- the present stage of our development;
- the market capitalizations and stages of development of other companies that we and the representatives of the underwriters believe to be comparable to our business; and
- estimates of our business potential.

Deutsche Bank Securities Inc., Bear, Stearns & Co. Inc., Banc of America Securities LLC and Dresdner Kleinwort Wasserstein Securities LLC, or one of their respective affiliates, will provide investment banking services to us and our subsidiaries and affiliates in connection with other financings expected to close concurrently with this offering, and will receive certain fees for their services.

Deutsche Bank Trust Company Americas, an affiliate of Deutsche Bank Securities Inc., will act as the sole administrative agent and as a lender under our subsidiaries' credit facilities and will receive certain fees for its services. In addition, Deutsche Bank Securities Inc. will act as advisor, joint book-running manager and joint lead-arranger in connection with the credit facilities and will receive certain fees for its services.

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Bear Stearns Corporate Lending Inc., an affiliate of Bear, Stearns & Co. Inc., will act as joint documentation agent and as a lender under the credit facilities and will receive certain fees for its services. In addition, Bear, Stearns & Co. Inc. will act as advisor, joint book-running manager and arranger in connection with the credit facilities and will receive certain fees for its services.

Bank of America, N.A., an affiliate of Banc of America Securities LLC, will act as a lender under the credit facilities and will receive certain fees for its services. In addition, Banc of America Securities LLC will act as sole syndication agent and as advisor, joint book-running manager and lead-arranger in connection with the credit facilities and will receive certain fees for its services. See "Description of Certain Indebtedness—Credit Facilities."

Bank of America, N.A. and Banc of America Leasing & Capital LLC, affiliates of Banc of America Securities LLC, and Deutsche Bank Securities Inc. will act as arrangers under the FF&E facility and will receive certain fees for their services. Wynn Las Vegas intends to use approximately \$28.5 million of borrowings under the FF&E facility to refinance a loan made by Bank of America, N.A. to World Travel, LLC, a wholly owned subsidiary of Valvino.

Affiliates of Dresdner Kleinwort Wasserstein Securities LLC and J.P. Morgan Securities Inc. may participate in the credit facilities and/or FF&E facility and will receive certain fees for their services.

Some of the underwriters or their affiliates have provided investment and commercial banking services to us and our subsidiaries and our affiliates in the past and may do so in the future. They receive customary fees and commissions for these services.

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### **LEGAL MATTERS**

Selected legal matters in connection with this offering will be passed upon for Wynn Resorts by Irell & Manella LLP, Los Angeles, California and for the underwriters by Latham & Watkins, Los Angeles, California. Certain matters of Nevada law, including the validity of the common stock offered hereby, will be



passed upon for us by Schreck Brignone Godfrey, Las Vegas, Nevada. Certain matters of the law of the Macau Special Administrative Region of the People's Republic of China will be passed upon for Wynn Resorts by A. Correia da Silva, Macau Special Administrative Region of the People's Republic of China.

## EXPERTS

The financial statements of Valvino Lamore, LLC and subsidiaries (a development stage company) as of December 31, 2001 and 2000, and for the year ended December 31, 2001 and the period from inception (April 21, 2000) to December 31, 2000, included in this prospectus and the related financial statement schedule included elsewhere in the registration statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing herein and elsewhere in the registration statement, and have been so included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

## INDEPENDENT ACCOUNTANTS

In May, 2002, Valvino decided to no longer engage Arthur Andersen LLP ("Andersen") as its independent public accountants. The reports of Andersen on the financial statements of Valvino for the past two fiscal years contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle. Through the present date, there have been no disagreements between Valvino and Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Andersen, would have caused Andersen to make reference to the subject matter thereof in its report on Valvino's financial statements for such periods. Through the present date, there have been no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

Valvino named Deloitte & Touche LLP ("Deloitte & Touche") as its new independent accountants in May, 2002. Prior to their appointment as independent accountants, neither Valvino nor anyone acting on its behalf, consulted with Deloitte & Touche regarding the application of accounting principles to a specified transaction or the type of audit opinion that might be rendered on Valvino's financial statements.

## WHERE YOU CAN FIND MORE INFORMATION

Wynn Resorts has filed with the Securities and Exchange Commission, referred to as the SEC, a registration statement on Form S-1 with respect to the common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules, which are part of the registration statement. The rules and regulations of the SEC allow Wynn Resorts to omit various information about Wynn Resorts and its capital stock. For further information with respect to Wynn Resorts and its common stock, we refer you to the registration statement and exhibits and schedules filed as part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other documents are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copy of the contract or document

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that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. Any document Wynn Resorts files may be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. Wynn Resorts' filings with the SEC are also available to the public from the SEC's Web site at <http://www.sec.gov>.

Wynn Resorts does not currently file periodic reports, proxy statements or other information with the SEC. However, upon completion of this offering, Wynn Resorts will become subject to the information and periodic reporting requirements of the Securities Exchange Act, as amended, and, accordingly, will file periodic reports, proxy statements and other information with the SEC. Such periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference room, and the Web site of the SEC referred to above.

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## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

### **Valvino Lamore, LLC and Subsidiaries (A Development Stage Company)**

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## INDEPENDENT AUDITORS' REPORT

To the Members of Valvino Lamore, LLC and Subsidiaries:

We have audited the accompanying consolidated balance sheets of Valvino Lamore, LLC and subsidiaries (a development stage company) as of December 31, 2001 and 2000, and the related consolidated statements of operations, members' equity, and cash flows for the year ended December 31, 2001 and for the period from inception (April 21, 2000) to December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2001 and 2000, and the consolidated results of its operations and its cash flows for the year ended December 31, 2001 and for the period from inception to December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Las Vegas, Nevada  
June 6, 2002

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### VALVINO LAMORE, LLC AND SUBSIDIARIES (A DEVELOPMENT STAGE COMPANY)

#### CONSOLIDATED BALANCE SHEETS

(In thousands)

	June 30, 2002	December 31, 2001	December 31, 2000
	(Unaudited)		
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 187,860	\$ 39,271	\$ 64,469
Restricted cash	2,436	524	—
Receivables, net	273	202	877
Due from related parties, current	85	332	80
Inventories	203	284	322
Prepaid expenses and other	1,001	894	813
	191,858	41,507	66,561
Total Current Assets	191,858	41,507	66,561
Property and equipment, net	380,236	337,464	313,022
Water rights	6,400	6,400	—
Due from related parties, net of current	—	2,376	7,563
Trademark	1,000	1,000	—
Other assets	6,913	2,041	1,321
	586,407	390,788	388,467
Total Assets	\$ 586,407	\$ 390,788	\$ 388,467

#### LIABILITIES AND MEMBERS' EQUITY

##### Current Liabilities

Accounts payable	\$ 7,272	\$ 2,071	\$ 575
Accrued expenses	2,690	1,873	4,117
Current portion of long-term debt	670	35	32
	10,632	3,979	4,724
Total Current Liabilities	10,632	3,979	4,724

Long-term debt	28,140	291	326
Minority interest	2,316	—	—

<b>Members' Equity</b>			
Contributed capital	586,066	412,572	392,572

Deficit accumulated from inception during the development stage	(40,747)	(26,054)	(9,155)
	545,319	386,518	383,417
Total Liabilities and Members' Equity	\$ 586,407	\$ 390,788	\$ 388,467

The accompanying footnotes are an integral part of these consolidated financial statements.

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE COMPANY)**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except share data)

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Year Ended December 31, 2001	From Inception to December 31, 2000	From Inception to June 30, 2002
	(Unaudited)	(Unaudited)			(Unaudited)
<b>Revenues</b>					
Airplane lease	\$ 69	\$ 336	\$ 838	\$ —	\$ 907
Art gallery	117	—	35	—	152
Retail	97	—	27	—	124
Water	5	6	18	—	23
Total Revenue	288	342	918	—	1,206
<b>Expenses</b>					
Pre-opening costs	9,193	5,028	10,980	4,522	24,695
Depreciation and amortization	3,966	4,021	7,979	3,681	15,626
Loss on affiliate acquisitions	2,092	—	—	—	2,092
Loss on sale of fixed assets	62	178	394	—	456
Selling, general & administrative expenses	273	194	376	—	649
Facility closure expenses	—	373	373	1,206	1,579
Cost of water	5	19	40	—	45
Cost of retail sales	59	—	9	—	68
Loss from incidental operations	265	—	—	1,163	1,428
Total Expenses	15,915	9,813	20,151	10,572	46,638
Operating Loss	(15,627)	(9,471)	(19,233)	(10,572)	(45,432)
<b>Other Income/(Expense)</b>					
Interest expense, net of amounts capitalized	(127)	(14)	(28)	(17)	(172)
Interest income	779	1,550	2,362	1,434	4,575
Other Income, net	652	1,536	2,334	1,417	4,403
Minority Interest	282	—	—	—	282
Net loss accumulated during the development stage	\$ (14,693)	\$ (7,935)	\$ (16,899)	\$ (9,155)	\$ (40,747)
<b>Weighted Average Shares</b>					
Outstanding	208,784	203,230	205,479	200,000	204,482
Loss Per Share—Basic and Diluted	\$ (70.37)	\$ (39.04)	\$ (82.24)	\$ (45.78)	\$ (199.27)

The accompanying footnotes are an integral part of these consolidated financial statements.

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE COMPANY)**

**CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY**

(In thousands, except share data)

	Shares Outstanding	Stephen A. Wynn Capital	Aruze USA, Inc. Capital	Baron Asset Fund	Kenneth R. Wynn Family Trust	Total
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Balance at Inception (April 21, 2000)	—	\$ —	\$ —	\$ —	\$ —	\$ —	—
Member contributions	200,000	253,054	260,000	—	—	—	513,054
Member distributions	—	(110,482)	—	—	—	—	(110,482)
Third party fee	—	—	(10,000)	—	—	—	(10,000)
Net loss accumulated during the development stage	—	(7,281)	(1,874)	—	—	—	(9,155)
Balance at December 31, 2000	200,000	135,291	248,126	—	—	—	383,417
Member contributions	7,692	—	—	20,800	—	—	20,800
Third party fee	—	—	—	(800)	—	—	(800)
Net loss accumulated during the development stage	—	(8,213)	(8,213)	(473)	—	—	(16,899)
Balance at December 31, 2001	207,692	\$ 127,078	\$ 239,913	\$ 19,527	\$ —	\$ —	386,518
Member contributions (unaudited)	3,142	32,000	120,000	20,294	1,200	—	173,494
Net loss accumulated during the development stage (unaudited)	—	(7,021)	(7,021)	(650)	(1)	—	(14,693)
Balance at June 30, 2002 (unaudited)	210,834	\$ 152,057	\$ 352,892	\$ 39,171	\$ 1,199	\$ —	545,319

The accompanying footnotes are an integral part of these consolidated financial statements.

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE COMPANY)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Year Ended December 31, 2001	Inception to December 31, 2000	Inception to June 30, 2002
	(Unaudited)	(Unaudited)			(Unaudited)
<b>Cash Flows From Operating Activities</b>					
Net loss accumulated during the development stage	\$ (14,693)	\$ (7,935)	\$ (16,899)	\$ (9,155)	\$ (40,747)
Adjustments to reconcile net loss accumulated during the development stage to net cash provided by/(used in) operating activities:					
Depreciation and amortization	3,966	4,021	7,979	3,681	15,626
Amortization of loan origination fees	—	—	—	1,465	1,465
Loss on sale of fixed assets	62	178	394	—	456
Incidental operations	1,971	3,210	3,611	1,198	6,780
Increase (decrease) in cash from changes in:					
Restricted cash	(1,787)	—	(524)	—	(2,311)
Receivables, net	(55)	600	675	7,042	7,662
Inventories	81	107	38	690	809
Prepaid expenses and other	(88)	48	(81)	(664)	(833)
Accounts payable and accrued expenses	6,318	350	620	(9,064)	(2,126)
Minority interest	(282)	—	—	—	(282)
<b>Net Cash Provided by / (Used in) Operating Activities</b>	<b>(4,507)</b>	<b>579</b>	<b>(4,187)</b>	<b>(4,807)</b>	<b>(13,501)</b>
<b>Cash Flows From Investing Activities</b>					
Acquisition of Desert Inn Resort and Casino, net of cash acquired	—	—	—	(270,718)	(270,718)
Capital expenditures, net of construction payables	(19,306)	(14,961)	(29,080)	(47,068)	(95,454)
Acquisition of airplane	(9,591)	(9,489)	(9,489)	—	(19,080)
Other assets	(4,714)	(968)	(1,720)	(1,299)	(7,733)
Due from related parties	2,165	(498)	(1,465)	(1,163)	(463)
Proceeds from sale of equipment	8,008	343	775	776	9,559
<b>Net Cash Used in Investing Activities</b>	<b>(23,438)</b>	<b>(25,573)</b>	<b>(40,979)</b>	<b>(319,472)</b>	<b>(383,889)</b>

(Continued)

The accompanying footnotes are an integral part of these consolidated financial statements.

Cash Flows From Financing Activities					
Equity contributions	173,494	20,800	20,800	480,713	675,007
Equity distributions	—	—	—	(110,482)	(110,482)
Third party fee	—	(800)	(800)	(10,000)	(10,800)
Macau	3,056	—	—	—	3,056
Proceeds from issuance of long-term debt	—	—	—	125,000	125,000
Principal payments of long-term debt	(16)	(15)	(32)	(125,018)	(125,066)
Loan origination fees	—	—	—	(1,465)	(1,465)
Proceeds from issuance of related party loan	—	—	—	100,000	100,000
Principal payments of related party loan	—	—	—	(70,000)	(70,000)
<b>Net Cash Provided by (used in) Financing Activities</b>	<b>176,534</b>	<b>19,985</b>	<b>19,968</b>	<b>388,748</b>	<b>585,250</b>
Increase/(Decrease) in Cash and Cash Equivalents					
	148,589	(5,009)	(25,198)	64,469	187,860
Cash, Beginning of Period	39,271	64,469	64,469	—	—
Cash, End of Period	\$ 187,860	\$ 59,460	\$ 39,271	\$ 64,469	\$ 187,860
Supplemental cash flow disclosure:					
Interest paid, net of amounts capitalized	\$ 127	\$ 14	\$ 28	\$ 17	\$ 172

Supplemental cash flow disclosures of noncash transactions:

During the period from inception (April 21, 2000) through December 31, 2000, a member converted \$30 million of related party debt and \$2.3 million of accrued interest into equity.

As further discussed in Note 1, during the year ended December 31, 2001, the Company acquired the Desert Inn Water Company and \$6.4 million of receivables recorded as Due from related party in the balance sheet at December 31, 2000 were reclassified to Water rights.

During the year ending December 31, 2001, the Company reduced the value of land by approximately \$1.4 million. This amount represented the amount of excess liabilities accrued at the date of the Desert Inn Resort & Casino purchase.

In April 2002, the Company converted approximately \$458,000 of advances to Wynn Resorts (Macau), S.A. to capital contributions (Note 10. a.).

In connection with the May 2002 acquisition of Las Vegas Jet (Note 10. c.), the Company forgave approximately \$2 million of related party accounts receivable due from Las Vegas Jet.

(Concluded)

The accompanying footnotes are an integral part of these consolidated financial statements.

**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE COMPANY)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. *Summary of Significant Accounting Policies*

a. **Organization and Basis for Presentation**

Valvino Lamore, LLC was formed on April 21, 2000 as a Nevada limited-liability company. At formation the Company's sole member was Stephen A. Wynn. As of December 31, 2001, subsidiaries of Valvino Lamore, LLC include Wynn Design and Development, LLC, Rambas Marketing Company, LLC, Palo, LLC, Toasty, LLC, Wynn Resorts Holdings, LLC, WorldWide Wynn, LLC, Kevyn, LLC and Desert Inn Water Company, LLC and are collectively, with Valvino Lamore, LLC, herein referred to as the "Company".

Pursuant to an Asset and Land Purchase Agreement dated as of April 28, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, Valvino Lamore, LLC and Stephen A. Wynn, the Company acquired the assets and liabilities of the Desert Inn Resort and Casino for approximately \$270 million plus an adjustment for working capital, as defined. Upon receiving all necessary regulatory approvals, the purchase was completed on June 22, 2000. The acquisition has been accounted for using the purchase method of accounting. The purchase price has been allocated to the assets acquired and liabilities assumed based on estimated fair values at the date of acquisition. Later in 2000, Valvino acquired all of the remaining lots located in the interior of, and some of the lots around, the former Desert Inn Resort and Casino golf course for a total of \$47.8 million.

On August 28, 2000, the Company permanently closed the Desert Inn Resort and Casino with the exception of the golf course and its related retail, food and beverage operations. Operations of the Company have been primarily limited to the design, development and financing of a new casino/hotel project named "Le Rêve". As of the date of this report, neither the timing nor the full scope of the "Le Rêve" project has been finalized. Management anticipates Le Rêve will cost approximately \$2.4 billion to design and construct, including the cost of the land, capitalized interest, pre-opening expenses and financing fees.

Pursuant to the Amended and Restated Operating Agreement (the "Agreement") dated October 3, 2000, the Company admitted a new member, Aruze USA, Inc., in exchange for a capital contribution of \$260 million. As part of this capital acquisition, the Company paid a fee of \$10 million to a third

party. The Company amended the Agreement on April 16, 2001 when a third member, Baron Asset Fund, was admitted in exchange for a capital contribution of \$20.8 million. As part of this capital acquisition, the Company paid a fee of \$800,000 to a third party.

On April 1, 2001, the Company acquired Kevyn, LLC, a previously unconsolidated affiliate, which was wholly owned by Mr. Wynn, for approximately \$10 million. As Kevyn, LLC primarily consisted of an airplane, this transaction was treated as an acquisition of assets for financial reporting purposes. Management believes that the cash paid for the assets was equivalent to the fair market value of the assets at the time of acquisition.

Additionally, effective June 28, 2001, the Public Utilities Commission of Nevada approved the transfer of ownership of Desert Inn Water Company, also a previously unconsolidated affiliate and wholly owned company of Mr. Wynn, to the Company. As the

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Desert Inn Water Company primarily consisted of water rights, this transaction was treated as an acquisition of assets for financial reporting purposes. The Company exchanged the receivable from the Desert Inn Water Company in this acquisition, which was equivalent to the fair market value of the water rights of \$6.4 million.

b. Development Stage Risk Factors

As a development stage company, the Company has risks that may impact its ability to become an operating enterprise or to remain in existence. The Company is currently in the process of planning, developing and obtaining additional financing for the "Le Rêve" project.

The Company is subject to many rules and regulations in both the construction and development phases and in operating gaming facilities, including, but not limited, to receiving the appropriate permits for particular construction activities and securing a Nevada state gaming license for the ownership and operation of the "Le Rêve" project. The completion of the "Le Rêve" project is dependent upon compliance with these rules and regulations.

c. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Significant intercompany balances and transactions have been eliminated.

d. Cash and Cash Equivalents

Cash and cash equivalents are comprised of highly liquid investments with a maturity of three months or less. Cash equivalents are carried at cost, which approximates fair value.

e. Restricted Cash

Restricted cash consists of certificates of deposits to collateralize certain construction insurance claims as well as required sales tax deposits.

f. Inventories

Retail, food and beverage inventories are stated at the lower of cost or market value. Cost is determined by the first-in, first-out and specific identification methods.

g. Property and Equipment

The allocation of the purchase price of the Desert Inn Resort and Casino to these asset categories was based upon an appraisal and management's estimate of the fair value of the assets acquired. Subsequent purchases of property and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method for financial reporting purposes as follows:

Buildings and improvements	1 to 3 years
Parking garage	15 years
Airplane	7 years
Furniture, fixtures and equipment	3 to 5 years

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The design and development costs for the new casino/hotel project are capitalized. Costs of building repairs and maintenance are charged to expense as incurred. The cost and accumulated depreciation of property and equipment retired or otherwise disposed of are eliminated from the respective accounts and any resulting gain or loss is included in operating income or loss.

h. Loan Origination Fees

Loan origination fees, included in other assets, are capitalized and amortized over the life of the loan as interest expense using the effective interest rate method. Approximately \$1.5 million was amortized during the period from April 21, 2000 through December 31, 2000. No amounts were amortized during the year ending December 31, 2001.

i. Capitalized Interest

Interest costs, including amortized loan origination fees, are capitalized and included in the cost of the new casino/hotel project based upon amounts expended on the project using the weighted-average cost of the Company's outstanding borrowings. Capitalization of interest will cease when the project

is substantially complete. There was no capitalized interest for the year ended December 31, 2001. Capitalized interest for the periods from inception to December 31, 2000 and June 30, 2002 was \$6.3 million.

j. Income Taxes

As a limited-liability company, Valvino Lamore, LLC is classified as a partnership for federal income tax purposes. Accordingly, no provision is made in the accounts of the Company for federal income taxes, as such taxes are liabilities of the Members.

k. Members' Equity

As of December 31, 2001, there were 207,692.31 common shares of Valvino outstanding. The most recent sale of shares prior to December 31, 2001 occurred at a price of approximately \$2,704 per share. Consistent with the management structure permitted under applicable Nevada law, the Agreement provides that each share is entitled to one vote on all matters requiring the vote of the members. The Agreement also includes several additional management provisions. First, Mr. Wynn, as the managing member, has authority to make decisions regarding the day-to-day activities of Valvino. Second, certain fundamental decisions must be approved by the four-member Board of Representatives. Mr. Wynn and Aruze USA each appoint two representatives to the Board of Representatives. Mr. Wynn acts as Chairman of the Board of Representatives and has certain rights in that capacity, including the right to make the tie-breaking vote with respect to board action. Allocations of Valvino's profits and losses are made based on the common shares of each member, subject to applicable tax law requirements. Non-liquidating distributions are made first based on the initial positive capital account of each member (as determined under federal tax law book accounting) and then based on each member's percentage interest in Valvino's profits and losses. Liquidating distributions are made based solely on each member's positive capital account.

Wynn Resorts, Limited, a Nevada corporation, was recently organized to offer shares of its common stock for sale to the public in an initial public offering (IPO). At June 30, 2002, Wynn Resorts, Limited has one share of common stock outstanding, which is held

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by Mr. Wynn. All of the assets and operations of Wynn Resort, Limited are presently held by and conducted through the Company. Prior to the closing of the IPO, all of the members of the Company will contribute their membership interests in the Company to Wynn Resorts, Limited in exchange for shares of the common stock of Wynn Resorts, Limited. Upon the contribution, approximately 189.72 shares of Wynn Resorts, Limited common stock, rounded to the nearest share, will be issued in exchange for each common share of Valvino Lamore, LLC. Upon consummation of the contribution, Wynn Resorts, Limited will issue each current member of the Company that percentage of the shares of Wynn Resorts, Limited common stock to be issued that corresponds to the percentage of the issued and outstanding shares of the Company held by the members at that time. Because Mr. Wynn currently owns one share of Wynn Resorts, Limited common stock, as consideration for his contribution of its interest in the Company, he will be entitled to one fewer share of Wynn Resorts, Limited common stock. As a result of this exchange, the Company will become a wholly owned subsidiary of Wynn Resorts, Limited.

The contribution will be a tax-free contribution under the Internal Revenue Code and will be accounted for as a reorganization of entities under common control. Accordingly, Wynn Resorts, Limited will recognize the assets and liabilities transferred at their carrying value in the books and records of Valvino Lamore, LLC at the time of exchange. The financial statements of Wynn Resorts, Limited will report the results of operations for the period in which the transfer occurs as if the exchange of equity interests had occurred at the beginning of the period. Subsequent to the contribution, management does not expect the consolidated financial statements of Wynn Resorts, Limited to differ from the consolidated financial statements of Valvino Lamore, LLC and subsidiaries included herein.

l. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

m. Long-Lived Assets

Long-lived assets, which are not to be disposed of, including property and equipment, are periodically reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. As of December 31, 2001, management does not believe any assets have been impaired.

n. Water Rights

The Company, as part of the overall purchase price of the Desert Inn Resort and Casino acquired water rights with an appraised value of \$6.4 million. The water rights have been recorded as an asset at this appraised value and have an indefinite useful life.

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o. Interim Financial Statements

The financial statements for the six-month periods ended June 30, 2002 and 2001 are unaudited but, in the opinion of management, include all adjustments (consisting only of normal, recurring adjustments) necessary for a fair presentation of the financial results of the interim periods. The results of operations for the six-month periods ended June 30, 2002 and 2001 are not necessarily indicative of the results to be expected for the year ending December 31, 2002.

p. Recent Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement on financial Accounting Standards ("SFAS") No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 prohibits the pooling of interests method of accounting for business combinations initiated after June 30, 2001. SFAS No. 142, which is effective for the Company January 1, 2002, requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing intangibles as goodwill, reassessment of the useful lives of existing intangibles, and ongoing assessments of potential impairment of existing goodwill. As of December 31, 2001, the Company had no goodwill but did have an intangible asset consisting of a trademark with an indefinite useful life. Accordingly, the adoption of this statement on January 1, 2002 did not have a material effect on the Company's consolidated financial position or results of operations.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations" which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This Statement applies to legal obligations associated with the retirement for certain obligations of lessees. This Statement is effective for fiscal years beginning after June 15, 2002. The Company does not expect adoption of SFAS No. 143 will have a material impact on the Company's consolidated financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The provisions of this Statement are effective for fiscal years beginning after December 15, 2001. The Company adopted SFAS No. 144 on January 1, 2002 with no material impact on the Company's consolidated financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." Among other things, this statement rescinds SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt" which required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. As a result, the criteria in APB Opinion No. 30, "Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," will now be used to classify those gains and losses. The Company does not anticipate that adoption of

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this statement will have an impact on its consolidated financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No.146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. A fundamental conclusion reached by the FASB in this statement is that an entity's commitment to a plan, by itself, does not create a present obligation to others that meets the definition of a liability. Management does not anticipate that adoption of this statement will have an impact on the financial position or results of operations of the Company.

q. Pre-Opening Costs

Pre-opening costs are expensed as incurred.

r. Acquisitions

The acquisition of the Desert Inn Resort & Casino has been accounted for as a purchase. Accordingly, the purchase price is allocated to the assets acquired and liabilities assumed based upon the estimated fair values at the acquisition date. Estimated fair values were determined based on independent appraisals, discounted cash flows, market prices for comparable assets and estimates made by management. The allocation of the purchase price was completed within one year from the acquisition date and is as follows:

Description of Assets and (Liabilities)	Allocated Fair Value (\$ in Millions)	
Land	\$	248
Buildings & Improvements		16
Personal Property		5
Receivables		2
Reserve for Bad Debt		(1)
Total Purchase Price	\$	270

2. Incidental Operations

Upon completion of the acquisition of the Desert Inn Resort and Casino on June 22, 2000, the Company announced its intention to close the property and to plan the development of a new casino/hotel project named "Le Rêve" on the existing site. In accordance with SFAS No. 67, "Accounting for Costs and Initial Rental Operations of Real Estate Projects," both the casino/hotel operation and the golf course and related operations are being accounted for as separate incidental operations. Under this method, incidental operations with a net income are excluded from the Company's consolidated operating results and the net income from each is recorded as a reduction in the carrying value of land. Incidental operations with a net loss are stated separately on the consolidated statements of operations. The amount of net income from incidental operations recorded as a reduction in the carrying value of land was

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approximately \$3,611,000 and \$1,198,000 for the year ended December 31, 2001 and the period April 21, 2000 through December 31, 2000, respectively. Incidental operations resulting in a net loss are reported in the Statement of Operations.

### 3. *Receivables*

Components of receivables as of December 31 were as follows:

	(In thousands)	
	2001	2000
Casino	\$ 610	\$ 1,707
Hotel/Golf Course	166	465
Other	53	—
	829	2,172
Less: allowance for doubtful accounts	(627)	(1,295)
	\$ 202	\$ 877

The Company maintains an allowance for doubtful accounts, which is based on management's estimate of the amount expected to be uncollectible considering historical experience and the information management obtains regarding the credit worthiness of the customer.

### 4. *Property and Equipment*

Property and equipment as of December 31 consisted of the following:

	(In thousands)	
	2001	2000
Land	\$ 289,521	\$ 286,998
Buildings and improvements	15,879	15,623
Parking garage	1,041	1,041
Airplane	9,489	—
Furniture, fixtures and equipment	3,874	4,552
Construction in progress	27,475	8,484
	347,279	316,698
Less: accumulated depreciation	(9,815)	(3,676)
	\$ 337,464	\$ 313,022

Construction in progress includes interest and other costs capitalized in conjunction with the new casino/hotel project.

### 5. *Long-term Debt*

On June 15, 2000, the Company entered into a loan agreement with Stephen A. Wynn, for unsecured borrowings totaling \$100 million with an original maturity date of June 15, 2002. The interest rate during the loan period was 7.9%, as defined in the loan agreement. Pursuant to the Amended and Restated Operating Agreement dated October 3, 2000, \$70 million of this

loan was repaid on October 10, 2000. The remaining \$30 million principal and \$2.3 million accrued interest was converted to equity as a member contribution.

On July 10, 2000, the Company entered into a loan agreement with Deutsche Bank Securities Inc., as lead arranger, and Bankers Trust Company, as administrative agent, for a loan in the amount of \$125 million with an original maturity date of July 10, 2001. These borrowings were used to make an equity distribution of approximately \$110.5 million to Stephen A. Wynn. The interest during the loan period was 7.9%, as defined in the loan agreement. The loan was collateralized by certain real and personal property of the Company and by a guaranty from Stephen A. Wynn. Pursuant to the Amended and Restated Operating Agreement dated October 3, 2000, this loan was repaid on October 10, 2000.

The balance of long-term debt at December 31, 2001 totals approximately \$291,000 net of the current portion of approximately \$35,000. This represents a note payable related to the acquisition of a parcel of land in 1994. Both the land and related note payable were acquired as part of the acquisition of the Desert Inn Resort and Casino. The note carries an interest rate of 8% and provides for payments of principal and interest totaling \$5,000 per month until February 2009.

### 6. *Employee Savings Plan*

The Company established a retirement savings plan under Section 401(k) of the Internal Revenue Code covering its non-union employees on July 27, 2000. The plan allows employees to defer, within prescribed limits, up to 18% of their income on a pre-tax basis through contributions to this plan. The Company

matches the contributions, within prescribed limits, with an amount equal to 100% of the participant's initial 2% tax deferred contribution and 50% of the tax deferred contribution between 2% and 4% of the participant's compensation. The Company recorded charges for matching contributions of approximately \$127,000 for the year ended December 31, 2001 and \$67,000 for the period from inception through December 31, 2000.

Union employees are covered by various multi-employer pension plans. The Company recorded expenses of approximately \$425,000 and \$376,000 under such plans for the year ended December 31, 2001 and the period from inception through December 31, 2000, respectively. Information from the plans' sponsors is not available to permit the Company to determine its share of unfunded vested benefits, if any.

## 7. Related Parties

At December 31 amounts due from related parties were as follows:

	(In thousands)	
	2001	2000
Desert Inn Water Company, LLC	\$ —	\$ 6,488
Las Vegas CharterJet, LLC	2,376	1,027
Kevyn, LLC	—	48
Other Related Parties	332	80
	\$ 2,708	\$ 7,643

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Amounts due from other related parties consist of amounts paid on behalf of related parties.

As further discussed in Note 1, both Desert Inn Water Company, LLC and Kevyn, LLC were acquired by the Company during 2001.

Las Vegas CharterJet, LLC is an unconsolidated affiliate that is wholly owned by Mr. Wynn at December 31, 2001. The Company disburses funds for payroll, property taxes, insurance and all other operating expenses on behalf of Las Vegas CharterJet, LLC. The Company also leases an airplane to Las Vegas CharterJet, LLC on a per flight hour basis. Las Vegas CharterJet, LLC in turn charges the Company for the business use of its airplane. For the year ended December 31, 2001, the Company recognized lease revenues of approximately \$838,000. For the year ended December 31, 2001 and the period from inception to December 31, 2000, the Company and paid Las Vegas CharterJet, LLC approximately of \$919,000 and \$452,000 for the use of the aircraft.

## 8. Commitments and Contingencies

### a. Leases

No significant third party operating leases exist as of December 31, 2001 or 2000. As discussed in Note 7, the Company leases an airplane to Las Vegas CharterJet, LLC on a per flight hour basis. The lease term runs through July 2005 or other such date as the parties may mutually agree.

The Company currently leases The Wynn Collection from Mr. & Mrs. Wynn at a monthly rate equal to the gross revenue received by the gallery each month, less direct expenses, subject to a monthly cap. No lease payments were required.

### b. Long-term Executive Compensation

The Company intends to adopt incentive stock plans for non-employee directors and certain of its key executives.

### c. Litigation

In the normal course of business, the Company is subject to disputes with third parties, which have led to litigation. Management believes that the final disposition of such matters will not have a material adverse effect on the Company's financial position or results of operations.

### d. Entertainment Services

The Company has entered into a long-term agreement with a creative production company for the creation, development and executive production of new theatrical entertainment attractions for the new casino/hotel project. At December 31, 2001 and 2000, other assets include \$1.6 million and \$1.1 million, respectively, of amounts paid in conjunction with this agreement. An additional \$2 million, payable in two equal installments, will be payable upon the approval of the show concepts.

### e. Construction Contracts

The Company has entered into certain contracts related to the construction of "Le Rêve". As of December 31, 2001, the Company is committed to approximately \$6.2 million under these contracts.

### f. Self-Insurance

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The Company is self-insured for medical and worker's compensation claims. The Individual Stop Loss Attachment Point for each claim is \$40,000 for medical and \$250,000 for worker's compensation claims with a maximum payout of \$960,000 and \$1,000,000, respectively.

## 9. Earnings Per Share

Earnings per share are calculated in accordance with SFAS No. 128, "Earnings Per Share". SFAS No. 128 provides for the reporting of "basic", or undiluted earnings per share ("EPS"), and "diluted" EPS. Basic EPS is computed by dividing net income by the weighted average number of shares outstanding during the period. Diluted EPS reflects the addition of potentially dilutive securities. At December 31, 2001 and 2000 and June 30, 2002, the Company has no potentially dilutive securities and has recorded net losses and accordingly, basic EPS is equal to diluted EPS.

## 10. Subsequent Events

### a. Capital Contributions

Through the completion of various legal agreements and transactions, in April 2002, the Company and Wynn Resorts (Macau), S.A. achieved the contribution of Mr. Wynn's 90% ownership interest in Wynn Resorts (Macau), S.A. to the Company. In addition, Mr. Wynn made additional contributions to the Company including an approximate \$8.6 million in cash and the right to be reimbursed for approximately \$825,000 of expenses advanced by him. These transactions were accounted for as approximately \$32 million, in aggregate, of contributions to members' equity. No additional shares of Valvino Lamore, LLC were issued to Mr. Wynn in such contribution.

In connection with this transaction, advances by the Company to Wynn Resorts (Macau), S.A. of approximately \$458,000 were treated as capital contributions.

In addition, in April 2002, Aruze USA, Inc. contributed an additional \$120 million in cash and Baron Asset Fund contributed an additional approximately \$20.3 million in cash.

Immediately following those additional capital contributions, Mr. Wynn and Aruze USA, Inc. each owned 47.5% of the membership interests in the Company, and Baron Asset Fund owned 5% of the membership interests in the Company.

In June 2002, The Kenneth R. Wynn Family Trust contributed \$1.2 million in cash in exchange for a 0.146% of the outstanding membership interest in the Company (approximately 307 shares at \$3,904 per share). Accordingly, at June 30, 2002 there were approximately 210,834 shares outstanding.

### b. Sale of Airplane

On March 26, 2002, the Company sold the aircraft (See Note 7) for approximately \$8 million resulting in a loss of approximately \$69,000.

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### c. Acquisitions

In May 2002, the Company acquired World Travel and Las Vegas Jet, entities previously wholly owned by Mr. Wynn. The acquisition has been accounted for as a purchase. Accordingly, the purchase price is allocated to the assets acquired and liabilities assumed based on the estimated fair values at the acquisition date. Estimated fair values were determined based on market prices for comparable assets and estimates made by management. In connection with the acquisition, approximately \$2 million of accounts payable to the Company were forgiven. The allocation of the purchase price will be complete within one year from the date of acquisitions and is as follows:

Description of Assets and (Liabilities)	Allocated Fair Value (\$ in millions)
Airplane and related assets	\$ 38.2
Notes Payable	(28.5)
<b>Total cash paid</b>	<b>\$ 9.7</b>

The results of operations of World Travel and Las Vegas Jet from the date of acquisition are included in the consolidated results of operations of the Company for the six months ended June 30, 2002.

### d. Commitments

Wynn Las Vegas LLC, a wholly owned subsidiary of the Company, has entered into an agreement with a construction contractor for guaranteed maximum price construction services, effective as of June 4, 2002, and amended by Change Order No. 1, effective as of August 12, 2002 (as amended, the "Construction Agreement"). The Construction Agreement covers approximately \$919 million of the approximate \$1,405 million budgeted cost to construct Le Rêve, subject to increases based on, among other items, changes in the scope of the work. The Construction Agreement provides that the guaranteed maximum price will be increased and the deadline for the completion of construction extended on account of certain circumstances. The guaranteed maximum price also provides for an "owner contingency" of approximately \$7.6 million to cover various items including delays and scope changes as a result of the owner's, Wynn Las Vegas LLC's, actions.

Wynn Las Vegas LLC has entered into an agreement with a construction contractor for the design and construction of a parking structure for a maximum cost of \$9.85 million, subject to specified exceptions, effective as of June 6, 2002.

The Company, Wynn Las Vegas LLC and Wynn Resorts Holdings LLC, a wholly owned subsidiary of the Company, have entered into a commitment letter with several lenders for a \$750 million revolving credit facility and a \$250 million delay draw term loan facility (collectively referred to as the "Credit Facilities"). Management expects to use the proceeds from the Credit Facilities to finance development and construction of Le Rêve, to pay pre-

opening expenses and meet debt service obligations. Following completion of Le Rêve, proceeds will be used for operating expenses and general corporate purposes.

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Management expects the revolving credit facility to mature six years from the closing date. When borrowings outstanding under the revolving credit facility equal or exceed \$200 million, the lenders' agent will have the right to convert \$100 million to \$400 million of the amounts outstanding to term loans with the same terms and conditions as those made under the delay draw term loan facility.

Management expects the terms of the delay draw term loan to provide for draws of funds under one or more term loans no more frequently than once per month for two years after the closing. Once repaid, term loans may not be reborrowed.

Before Le Rêve opens, the Credit Facilities are expected to bear interest at either the prime rate or reserve Eurodollar Rate, as elected by Wynn Las Vegas LLC, plus, in either case, 4.00% per annum. After the opening of Le Rêve, the Credit Facilities interest rate will be reduced to the prime rate or reserve adjusted Eurodollar Rate plus, in either case, a margin based on a leverage ratio.

Wynn Las Vegas LLC has entered into an engagement letter with certain lenders for a \$178.5 million facility to finance furniture, fixtures and equipment (the "FF&E Facility"). The FF&E Facility will provide financing or refinancing of up to 75% of the fair market value, including installation costs, of furniture, fixtures and equipment to be used at Le Rêve. Borrowings under the FF&E Facility will bear interest at the same annual rates for base rate or LIBOR elections as borrowings under the Credit Facilities. A commitment fee of 2.50% per annum of the unused portion of the FF&E Facility will accrue from the closing date, increasing to 3.00% on January 1, 2003 and to 4.00% on July 1, 2003. Management expects the FF&E Facility to mature seven years after its closing date.

In June 2002, Wynn Resorts (Macau), S.A., entered into a concession agreement with government of the Macau Special Administrative Region of the People's Republic of China, permitting Wynn Resorts (Macau), S.A. to construct and operate one or more casinos in Macau. Under the concession agreement, Wynn Resorts (Macau), S.A. is obligated to invest at least 4 billion Macau patacas (approximately US \$500 million at July 31, 2002) in building its Macau casino(s) by June 26, 2009.

In connection with the May 2002 acquisition of World Travel, the Company assumed a loan for \$28.5 million, secured by a Bombardier Global Express Aircraft and guaranteed by the Company. The loan provides for 47 monthly principal payments of approximately \$158,000, commencing March 1, 2003 and the payment of approximately \$21.1 million remaining principal on March 1, 2007. The loan bears interest at the prime rate plus .25% per annum unless an optional rate equal to LIBOR plus 2.50% is elected, subject to certain requirements. Interest is payable monthly commencing June 1, 2002.

The results of operations of World Travel and Las Vegas Jet are included from the date of acquisition in the consolidated results of operations of the Company for the six months ended June 30, 2002.

#### 11. *Condensed Consolidating Financial Information of Guarantors and Issuers*

Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp., wholly owned subsidiaries of the Company, intend to jointly issue \$350 million of second mortgage notes. The Company and certain of its subsidiaries anticipate providing guarantees in connection with the issuance of such notes. The following combining financial statements present information related to the

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issuers, guarantors and non-guarantors as of June 30, 2002 and December 31, 2001 and 2000 and for the six months ended June 30, 2002 and 2001, the year ended December 31, 2001 and the periods from inception to December 31, 2000 and June 30, 2002.

Wynn Las Vegas, LLC was formed in April 2001 and Wynn Las Vegas Capital Corp. was formed in June 2002. Accordingly, there is no financial information for Wynn Las Vegas Capital Corp. for the periods presented prior to June 30, 2002 and no financial information for Wynn Las Vegas, LLC for the period from inception to December 31, 2000. Guarantors of the notes anticipated to be issued are the Company and its wholly owned subsidiaries, Wynn Design and Development, LLC, Wynn Resorts LLC, Palo, LLC, Desert Inn Water Company, LLC, World Travel, LLC and Las Vegas Jet, LLC. As indicated in Note 10, World Travel, LLC and Las Vegas Jet, LLC were acquired in May 2002. Accordingly, the All Other Guarantor financial information excludes these entities for all periods presented prior to June 30, 2002.

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## **VALVINO LAMORE, LLC AND SUBSIDIARIES**

### **CONSOLIDATING BALANCE SHEETS**

**As of June 30, 2002**

**(In thousands)**

**(Unaudited)**

	Valvino Lamore, LLC	Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp.	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
<b>Assets:</b>						
Current Assets						
Cash and Cash Equivalents	\$ 162,103	\$ —	\$ (1,240)	\$ 26,997	\$ —	\$ 187,860
Restricted Cash	23	2,288	—	125	—	2,436
Receivables	243	—	30	—	—	273
Due from Related Parties, Current	85	—	—	—	—	85
Inventories	126	—	77	—	—	203
Prepaid Expenses and Other	55	—	945	1	—	1,001
<b>Total Current Assets</b>	<b>162,635</b>	<b>2,288</b>	<b>(188)</b>	<b>27,123</b>	<b>—</b>	<b>\$ 191,858</b>
Property and Equipment, Net	86,676	161,392	132,167	1	—	380,236
Water Rights	—	—	6,400	—	—	6,400
Intercompany Balances	288,658	(166,852)	(118,445)	(3,361)	—	—
Trademark	—	1,000	—	—	—	1,000
Other Assets	25,140	840	2,222	—	(21,289)	6,913
<b>Total Assets</b>	<b>\$ 563,109</b>	<b>\$ (1,332)</b>	<b>\$ 22,156</b>	<b>\$ 23,763</b>	<b>\$ (21,289)</b>	<b>\$ 586,407</b>
<b>Liabilities and Members' Equity:</b>						
Current Liabilities						
Accounts Payable	\$ 2,834	\$ 20	\$ 1,533	\$ 2,885	\$ —	\$ 7,272
Accrued Expenses	1,454	33	1,159	44	—	2,690
Current Portion of Long-Term Debt	37	—	633	—	—	670
<b>Total Current Liabilities</b>	<b>4,325</b>	<b>53</b>	<b>3,325</b>	<b>2,929</b>	<b>—</b>	<b>10,632</b>
Long-Term Debt	273	—	27,867	—	—	28,140
Minority Interest	—	—	—	—	2,316	2,316
Members' Equity						
Contributed Capital	586,066	—	18	26,402	(26,420)	586,066
Deficit Accumulated from Inception During the Development Stage	(27,555)	(1,385)	(9,054)	(5,568)	2,815	(40,747)
<b>Total Liabilities and Members' Equity</b>	<b>558,511</b>	<b>(1,385)</b>	<b>(9,036)</b>	<b>20,834</b>	<b>(23,605)</b>	<b>545,319</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 563,109</b>	<b>\$ (1,332)</b>	<b>\$ 22,156</b>	<b>\$ 23,763</b>	<b>\$ (21,289)</b>	<b>\$ 586,407</b>

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VALVINO LAMORE, LLC AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEETS

As of December 31, 2001

(In thousands)

	Valvino Lamore, LLC	Wynn Las Vegas, LLC	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
<b>Assets:</b>						
Current Assets						
Cash and Cash Equivalents	\$ 39,590	\$ (49)	\$ (270)	\$ —	\$ —	\$ 39,271
Restricted Cash	24	500	—	—	—	524
Receivables	162	—	40	—	—	202
Due from Related Parties, Current	332	—	—	—	—	332
Inventories	223	—	61	—	—	284
Prepaid Expenses and Other	228	—	666	—	—	894
<b>Total Current Assets</b>	<b>40,559</b>	<b>451</b>	<b>497</b>	<b>—</b>	<b>—</b>	<b>41,507</b>
Property and Equipment, Net	272,071	2	54,184	11,207	—	337,464
Water Rights	—	—	6,400	—	—	6,400

Due from Related Parties and Intercompany Balances, Net of Current	82,733	(2,302)	(66,270)	(11,785)	—	2,376
Trademark	—	1,000	—	—	—	1,000
Other Assets	157	252	1,650	—	(18)	2,041
<b>Total Assets</b>	<b>\$ 395,520</b>	<b>\$ (597)</b>	<b>\$ (3,539)</b>	<b>\$ (578)</b>	<b>\$ (18)</b>	<b>\$ 390,788</b>

**Liabilities and Members' Equity:**

Current Liabilities

Accounts Payable	\$ 256	\$ 57	\$ 1,754	\$ 4	\$ —	\$ 2,071
Accrued Expenses	1,382	28	431	32	—	1,873
Current Portion of Long-Term Debt	35	—	—	—	—	35
<b>Total Current Liabilities</b>	<b>1,673</b>	<b>85</b>	<b>2,185</b>	<b>36</b>	<b>—</b>	<b>3,979</b>

Long-Term Debt	291	—	—	—	—	291
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Members' Equity

Contributed Capital	412,572	—	18	—	(18)	412,572
Deficit Accumulated from Inception During the Development Stage	(19,016)	(682)	(5,742)	(614)	—	(26,054)
	393,556	(682)	(5,724)	(614)	(18)	386,518
<b>Total Liabilities and Members' Equity</b>	<b>\$ 395,520</b>	<b>\$ (597)</b>	<b>\$ (3,539)</b>	<b>\$ (578)</b>	<b>\$ (18)</b>	<b>\$ 390,788</b>

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**

**CONSOLIDATING BALANCE SHEETS**

**AS OF DECEMBER 31, 2000**

**(In Thousands)**

	<u>Valvino Lamore, LLC</u>	<u>All Other Guarantors</u>	<u>All Other Non-Guarantors</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>Assets:</b>					
Current Assets					
Cash and Cash Equivalents	\$ 64,474	\$ (25)	\$ 20	\$ —	\$ 64,469
Receivables	867	10	—	—	877
Due from Related Parties, Current	80	—	—	—	80
Inventories	322	—	—	—	322
Prepaid Expenses and Other	813	—	—	—	813
<b>Total Current Assets</b>	<b>66,556</b>	<b>(15)</b>	<b>20</b>	<b>—</b>	<b>66,561</b>
Property and Equipment, Net	282,731	27,516	2,775	—	313,022
Due from Related Parties and Intercompany Balances, Net of Current	38,320	(27,912)	(2,845)	—	7,563
Other Assets	1,321	—	—	—	1,321
<b>Total Assets</b>	<b>\$ 388,928</b>	<b>\$ (411)</b>	<b>\$ (50)</b>	<b>\$ —</b>	<b>\$ 388,467</b>

**Liabilities and Members' Equity:**

Current Liabilities

Accounts Payable	\$ 503	\$ 67	\$ 5	\$ —	\$ 575
Accrued Expenses	4,057	58	2	—	4,117
Current Portion of Long-Term Debt	32	—	—	—	32

Total Current Liabilities	4,592	125	7	—	4,724
Long-Term Debt	326	—	—	—	326
Members' Equity					
Contributed Capital	392,572	—	—	—	392,572
Deficit Accumulated from Inception During the Development Stage	(8,562)	(536)	(57)	—	(9,155)
	<u>384,010</u>	<u>(536)</u>	<u>(57)</u>	<u>—</u>	<u>383,417</u>
Total Liabilities and Members' Equity	<u>\$ 388,928</u>	<u>\$ (411)</u>	<u>\$ (50)</u>	<u>\$ —</u>	<u>\$ 388,467</u>

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF OPERATIONS**

**SIX MONTHS ENDED JUNE 30, 2002**

**(In Thousands)**

**(Unaudited)**

	Valvino Lamore, LLC	Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp.	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
<b>Revenues</b>						
Airplane Lease	\$ —	\$ —	\$ 213	\$ 69	\$ (213)	\$ 69
Art Gallery	—	—	117	—	—	117
Retail	—	—	97	—	—	97
Water	—	—	34	—	(29)	5
Total Revenue	—	—	461	69	(242)	288
<b>Expenses</b>						
Pre-Opening Costs	1,713	705	4,132	2,876	(233)	9,193
Depreciation and Amortization	3,262	1	258	445	—	3,966
Loss / (Gain) on Affiliate Acquisitions	1,535	—	(1,020)	1,577	—	2,092
Loss / (Gain) on Sale of Fixed Assets	(7)	—	—	69	—	62
Selling, General & Administrative	—	—	199	74	—	273
Cost of Water	—	—	31	—	(26)	5
Cost of Retail Sales	—	—	59	—	—	59
Loss / (Gain) from Incidental Operations	265	—	—	—	—	265
Total Expenses	6,768	706	3,659	5,041	(259)	15,915
Operating Loss	(6,768)	(706)	(3,198)	(4,972)	17	(15,627)
<b>Other Income / (Expense)</b>						
Interest Expense, Net of Amounts Capitalized	(13)	—	(114)	—	—	(127)
Interest Income	776	3	—	18	(18)	779
Equity in Loss from Macau	2,534	—	—	—	2,534	—
Other Income, Net	1,771	3	(114)	18	2,516	652
Minority Interest	—	—	—	—	282	282
Net Loss Accumulated During the Development Stage	\$ (8,539)	\$ (703)	\$ (3,312)	\$ (4,954)	\$ 2,815	\$ (14,693)

**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF OPERATIONS**

Six Months Ended June 30, 2001

(In Thousands)

(Unaudited)

	Valvino Lamore, LLC	Wynn Las Vegas, LLC	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
<b>Revenues</b>						
Airplane Lease	\$ —	\$ —	\$ —	\$ 336	\$ —	\$ 336
Water	—	—	30	—	(24)	6
<b>Total Revenue</b>	<b>—</b>	<b>—</b>	<b>30</b>	<b>336</b>	<b>(24)</b>	<b>342</b>
<b>Expenses</b>						
Pre-Opening Costs	3,086	38	1,818	35	51	5,028
Depreciation and Amortization	3,611	—	52	358	—	4,021
Loss / (Gain) on Sale of Fixed Assets	178	—	—	—	—	178
Selling, General & Administrative	—	—	16	178	—	194
Facility Closure	373	—	—	—	—	373
Cost of Water	—	—	94	—	(75)	19
<b>Total Expenses</b>	<b>7,248</b>	<b>38</b>	<b>1,980</b>	<b>571</b>	<b>(24)</b>	<b>9,813</b>
<b>Operating Loss</b>	<b>(7,248)</b>	<b>(38)</b>	<b>(1,950)</b>	<b>(235)</b>	<b>—</b>	<b>(9,471)</b>
<b>Other Income / (Expense)</b>						
Interest Expense, Net of Amounts Capitalized	(14)	—	—	—	—	(14)
Interest Income	1,550	—	—	—	—	1,550
<b>Other Income, Net</b>	<b>1,536</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,536</b>
<b>Net Loss Accumulated During the Development Stage</b>	<b>\$ (5,712)</b>	<b>\$ (38)</b>	<b>\$ (1,950)</b>	<b>\$ (235)</b>	<b>\$ —</b>	<b>\$ (7,935)</b>

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF OPERATIONS**

Year Ended December 31, 2001

(In Thousands)

	Valvino Lamore, LLC	Wynn Las Vegas, LLC	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
<b>Revenues</b>						
Airplane Lease	\$ —	\$ —	\$ —	\$ 838	\$ —	\$ 838
Art Gallery	—	—	35	—	—	35
Retail	—	—	27	—	—	27
Water	—	—	77	—	(59)	18
<b>Total Revenue</b>	<b>—</b>	<b>—</b>	<b>139</b>	<b>838</b>	<b>(59)</b>	<b>918</b>
<b>Expenses</b>						
Pre-Opening Costs	5,241	682	5,025	71	(39)	10,980
Depreciation and	6,780	—	119	1,080	—	7,979



Amortization						
Loss / (Gain) on Sale of Fixed Assets	394	—	—	—	—	394
Selling, General & Administrative	—	—	152	244	(20)	376
Facility Closure	373	—	—	—	—	373
Cost of Water	—	—	40	—	—	40
Cost of Retail Sales	—	—	9	—	—	9
<b>Total Expenses</b>	<b>12,788</b>	<b>682</b>	<b>5,345</b>	<b>1,395</b>	<b>(59)</b>	<b>20,151</b>
Operating Loss	(12,788)	(682)	(5,206)	(557)	—	(19,233)
Other Income / (Expense)						
Interest Expense, Net of Amounts Capitalized	(28)	—	—	—	—	(28)
Interest Income	2,362	—	—	—	—	2,362
Other Income, Net	2,334	—	—	—	—	2,334
Net Loss Accumulated During the Development Stage	\$ (10,454)	\$ (682)	\$ (5,206)	\$ (557)	—	\$ (16,899)

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF OPERATIONS**

**From Inception to December 31, 2000**

(In thousands)

	Valvino Lamore, LLC	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —
Expenses					
Pre-Opening Costs	3,970	494	58	—	4,522
Depreciation and Amortization	3,640	41	—	—	3,681
Facility Closure	1,206	—	—	—	1,206
Cost of Retail Sales	—	—	—	—	—
Loss / (Gain) from Incidental Operations	1,163	—	—	—	1,163
<b>Total Expenses</b>	<b>9,979</b>	<b>535</b>	<b>58</b>	<b>—</b>	<b>10,572</b>
Operating Loss	(9,979)	(535)	(58)	—	(10,572)
Other Income / (Expense)					
Interest Expense, Net of Amounts Capitalized	(17)	—	—	—	(17)
Interest Income	1,434	—	—	—	1,434
Other Income, Net	1,417	—	—	—	1,417
Net Loss Accumulated During the Development Stage	\$ (8,562)	\$ (535)	\$ (58)	\$ —	\$ (9,155)

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**CONSOLIDATING STATEMENTS OF OPERATIONS**

**From Inception to June 30, 2002**

**(In thousands)**

**(Unaudited)**

	<u>Valvino Lamore, LLC</u>	<u>Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp.</u>	<u>All Other Guarantors</u>	<u>All Other Non-Guarantors</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>Revenues</b>						
Airplane Lease	\$ —	\$ —	\$ 213	\$ 907	\$ (213)	\$ 907
Art Gallery	—	—	152	—	—	152
Retail	—	—	124	—	—	124
Water	—	—	111	—	(88)	23
<b>Total Revenue</b>	<b>—</b>	<b>—</b>	<b>600</b>	<b>907</b>	<b>(301)</b>	<b>1,206</b>
<b>Expenses</b>						
Pre-Opening Costs	10,924	1,387	9,652	3,004	(272)	24,695
Depreciation and Amortization	13,682	1	418	1,525	—	15,626
Loss / Gain on Affiliate Transactions	1,535	—	(1,020)	1,577	—	2,092
Loss / (Gain) on Sale of Fixed Assets	387	—	—	69	—	456
Selling, General & Administrative	—	—	351	318	(20)	649
Facility Closure	1,579	—	—	—	—	1,579
Cost of Water	—	—	71	—	(26)	45
Cost of Retail Sales	—	—	68	—	—	68
Loss / (Gain) from Incidental Operations	1,428	—	—	—	—	1,428
<b>Total Expenses</b>	<b>29,535</b>	<b>1,388</b>	<b>9,540</b>	<b>6,493</b>	<b>(318)</b>	<b>46,638</b>
Operating Loss	(29,535)	(1,388)	(8,940)	(5,586)	17	(45,432)
<b>Other Income / (Expense)</b>						
Interest Expense, Net of Amounts Capitalized	(58)	—	(114)	—	—	(172)
Interest Income	4,572	3	—	18	(18)	4,575
Equity in Loss from Macau	(2,534)	—	—	—	2,534	—
<b>Other Income, Net</b>	<b>1,980</b>	<b>3</b>	<b>(114)</b>	<b>18</b>	<b>2,516</b>	<b>4,403</b>
Minority Interest	—	—	—	—	282	282
<b>Net Loss Accumulated During the Development Stage</b>	<b>\$ (27,555)</b>	<b>\$ (1,385)</b>	<b>\$ (9,054)</b>	<b>\$ (5,568)</b>	<b>\$ 2,815</b>	<b>\$ (40,747)</b>

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**

**CONSOLIDATING STATEMENTS OF CASH FLOWS**

**Six Months Ended June 30, 2002**

**(In thousands)**

**(Unaudited)**

	<u>Valvino Lamore, LLC</u>	<u>Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp.</u>	<u>All Other Guarantors</u>	<u>All Other Non-Guarantors</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>						
Net Loss Accumulated During the Development Stage	\$ (8,539)	\$ (703)	\$ (3,312)	\$ (4,954)	\$ 2,815	\$ (14,693)
Adjustments to Reconcile Net Loss Accumulated During the Development Stage to Net Cash Provided by/(Used in) Operating Activities:						
Depreciation and Amortization	3,262	1	258	445	—	3,966
Equity in Loss form Macau	2,534	—	—	—	(2,534)	—

Loss / (Gain) on Affiliate Transactions	1,535	—	(1,020)	1,577	(2,092)	—
Gain/(Loss) on Sale of Fixed Assets	(7)	—	—	69	—	62
Incidental Operations	1,971	—	—	—	—	1,971
Increase (Decrease) in Cash from Changes in:						
Restricted Cash	1	(1,788)	—	—	—	(1,787)
Receivables, Net	(81)	—	26	—	—	(55)
Inventories	97	—	(16)	—	—	81
Prepaid Expenses and Other	173	—	(260)	(1)	—	(88)
Minority Interest	—	—	—	—	(282)	(282)
Accounts Payable and Accrued Expenses	2,650	(32)	1,081	2,619	—	6,318
Net Cash Provided by / (Used in) Operating Activities	3,596	(2,522)	(3,243)	(245)	(2,093)	(4,507)
<b>Cash Flows From Investing Activities</b>						
Capital Expenditures	—	—	(19,222)	(84)	—	(19,306)
Acquisition of Airplane	—	—	(9,591)	—	—	(9,591)
Other Assets	(27,518)	(589)	(562)	150	23,805	(4,714)
Intercompany Balances	(27,051)	3,160	31,648	(7,684)	2,092	2,165
Proceeds from Sale of Equipment	8	—	—	8,000	—	8,008
Net Cash Provided by / (Used in) Investing Activities	(54,561)	2,571	2,273	382	25,897	(23,438)
<b>Cash Flows From Financing Activities</b>						
Equity Contributions	173,494	—	—	23,804	(23,804)	173,494
Macau	—	—	—	3,056	—	3,056
Principal Payments of Long-Term Debt	(16)	—	—	—	—	(16)
Net Cash Provided by Financing Activities	173,478	—	—	26,860	(23,804)	176,534
Increase/(Decrease) in Cash and Cash Equivalents	122,513	49	(970)	26,997	—	148,589
Cash, Beginning of Period	39,590	(49)	(270)	—	—	39,271
Cash, End of Period	\$ 162,103	\$ —	\$ (1,240)	\$ 26,997	\$ —	\$ 187,860
Supplemental Cash Flow Disclosure:						
Interest Paid, Net of Amounts Capitalized	\$ 13	\$ —	\$ 114	\$ —	\$ —	\$ 127

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF CASH FLOWS**

**Six Months Ended June 30, 2001**

**(In thousands)**

**(Unaudited)**

	Valvino Lamore, LLC	Wynn Las Vegas, LLC	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
<b>Cash Flows From Operating Activities</b>						
Net Loss Accumulated During the Development Stage	\$ (5,712)	\$ (38)	\$ (1,950)	\$ (235)	\$ —	\$ (7,935)
Adjustments to Reconcile Net Loss Accumulated During the Development Stage to Net Cash Provided by / (Used in) Operating Activities:						
Depreciation and Amortization	3,610	—	52	359	—	4,021
Gain / (Loss) on Sale of Fixed Assets	178	—	—	—	—	178
Incidental Operations	3,210	—	—	—	—	3,210
Increase (Decrease) in Cash from Changes in:						
Receivables, Net	588	—	12	—	—	600
Inventories	107	—	—	—	—	107
Prepaid Expenses and Other	48	—	—	—	—	48
Accounts Payable and Accrued Expenses	(1,273)	12	1,605	6	—	350
Net Cash Provided by / (Used in) Operating Activities	756	(26)	(281)	130	—	579
<b>Cash Flows From Investing Activities</b>						
Capital Expenditures	(7,525)	—	(7,434)	(2)	—	(14,961)

Acquisition of Airplane	—	—	—	(9,489)	—	(9,489)
Other Assets	1,187	(1,000)	(7,573)	—	—	(7,386)
Intercompany Balances	(19,489)	1,026	15,025	9,340	18	5,920
Proceeds from Sale of Equipment	343	—	—	—	—	343
<b>Net Cash Provided by / (Used in) Investing Activities</b>	<b>(25,484)</b>	<b>26</b>	<b>18</b>	<b>(151)</b>	<b>18</b>	<b>(25,573)</b>
<b>Cash Flows From Financing Activities</b>						
Equity Contributions	20,000	—	18	—	(18)	20,000
Principal Payments of Long-Term Debt	(15)	—	—	—	—	(15)
<b>Net Cash Used in Financing Activities</b>	<b>19,985</b>	<b>—</b>	<b>18</b>	<b>—</b>	<b>(18)</b>	<b>19,985</b>
Increase/(Decrease) in Cash and Cash Equivalents	(4,743)	—	(245)	(21)	—	(5,009)
Cash, Beginning of Period	64,474	—	(25)	20	—	64,469
Cash, End of Period	\$ 59,731	\$ —	\$ (270)	\$ (1)	\$ —	\$ 59,460
<b>Supplemental Cash Flow Disclosure:</b>						
Interest Paid, Net of Amounts Capitalized	\$ 14	\$ —	\$ —	\$ —	\$ —	\$ 14

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF CASH FLOWS**  
**Year Ended December 31, 2001**

(In thousands)

	Valvino Lamore, LLC	Wynn Las Vegas, LLC	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
<b>Cash Flows From Operating Activities</b>						
Net Loss Accumulated During the Development Stage	\$ (10,454)	\$ (682)	\$ (5,206)	\$ 557	\$ —	\$ (16,899)
Adjustments to Reconcile Net Loss Accumulated During the Development Stage to Net Cash Provided by / (Used in) Operating Activities:						
Depreciation and Amortization	6,780	—	119	1,080	—	7,979
Loss on Sale of Fixed Assets	394	—	—	—	—	394
Incidental Operations	3,611	—	—	—	—	3,611
Increase (Decrease) in Cash from Changes in:						
Restricted Cash	(24)	(500)	—	—	—	(524)
Receivables, Net	705	—	(30)	—	—	675
Inventories	99	—	(61)	—	—	38
Prepaid Expenses and Other Accounts Payable and Accrued Expenses	585	—	(666)	—	—	(81)
	(1,554)	85	2,060	29	—	620
<b>Net Cash Provided by / (Used in) Operating Activities</b>	<b>142</b>	<b>(1,097)</b>	<b>(3,784)</b>	<b>552</b>	<b>—</b>	<b>(4,187)</b>
<b>Cash Flows From Investing Activities</b>						
Capital Expenditures	(9,667)	(3)	(19,387)	(23)	—	(29,080)
Acquisition of Airplane	—	—	—	(9,489)	—	(9,489)
Other Assets	1,164	(1,252)	(1,650)	—	18	(1,720)
Due from Related Parties	(37,266)	2,303	24,576	8,940	(18)	(1,465)
Proceeds from Sale of Equipment	775	—	—	—	—	775
<b>Net Cash Provided by / (Used in) Investing Activities</b>	<b>(44,994)</b>	<b>1,048</b>	<b>3,539</b>	<b>(572)</b>	<b>—</b>	<b>(40,979)</b>
<b>Cash Flows From Financing Activities</b>						
Equity Contributions	20,800	—	—	—	—	20,800
Third Party Fee	(800)	—	—	—	—	(800)

Principal Payments of Long-Term Debt	(32)	—	—	—	—	(32)
<b>Net Cash Provided by Financing Activities</b>	<b>19,968</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>19,968</b>
Decrease in Cash and Cash Equivalents	(24,884)	(49)	(245)	(20)	—	(25,198)
Cash, Beginning of Period	64,474	—	(25)	20	—	64,469
Cash, End of Period	\$ 39,590	\$ (49)	(270)	\$ —	\$ —	\$ 39,271
<b>Supplemental Cash Flow Disclosure:</b>						
Interest Paid, Net of Amounts Capitalized	\$ 28	\$ —	\$ —	\$ —	\$ —	\$ —

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF CASH FLOWS**

**Inception to December 31, 2000**

**(In thousands)**

	Valvino Lamore, LLC	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
<b>Cash Flows From Operating Activities</b>					
Net Loss Accumulated During the Development Stage	\$ (8,562)	\$ (535)	\$ (58)	\$ —	\$ (9,155)
Adjustments to Reconcile Net Loss Accumulated During the Development Stage to Net Cash Provided by / (Used in) Operating Activities:					
Depreciation and Amortization	3,640	41	—	—	3,681
Amortization of Loan Origination Fees	1,465	—	—	—	1,465
Incidental Operations	1,198	—	—	—	1,198
Increase (Decrease) in Cash from Changes in:					
Receivables, Net	7,052	(10)	—	—	7,042
Inventories	690	—	—	—	690
Prepaid Expenses and Other	(664)	—	—	—	(664)
Accounts Payable and Accrued Expenses	(9,196)	125	7	—	(9,064)
Net Cash Provided by / (Used in) Operating Activities	(4,377)	(379)	(51)	—	(4,807)
<b>Cash Flows From Investing Activities</b>					
Acquisition of Desert Inn Resort and Casino, Net of Cash Acquired	(270,718)	—	—	—	(270,718)
Capital Expenditures	(45,792)	(1,276)	—	—	(47,068)
Other Assets	(1,299)	—	—	—	(1,299)
Due from Related Parties	(2,864)	1,630	71	—	(1,163)
Proceeds from Sale of Equipment	776	—	—	—	776
Net Cash Provided by / (Used in) Investing Activities	(319,897)	354	71	—	(319,472)
<b>Cash Flows From Financing Activities</b>					
Equity Contributions	480,713	—	—	—	480,713
Equity Distributions	(110,482)	—	—	—	(110,482)
Third Party Fee	(10,000)	—	—	—	(10,000)
Proceeds from Issuance of Long-Term Debt	125,000	—	—	—	125,000
Principal Payments of Long-Term Debt	(125,018)	—	—	—	(125,018)
Loan Origination Fees	(1,465)	—	—	—	(1,465)
Proceeds from Issuance of Related Party Loan	100,000	—	—	—	100,000
Principal Payments of Related Party Loan	(70,000)	—	—	—	(70,000)

Net Cash Provided by Financing Activities	388,748	—	—	—	388,748
Increase/(Decrease) in Cash and Cash Equivalents	64,474	(25)	20	—	64,469
Cash, Beginning of Period	—	—	—	—	—
Cash, End of Period	\$ 64,474	\$ (25)	\$ 20	\$ —	\$ 64,469
Supplemental Cash Flow Disclosure:					
Interest Paid, Net of Amounts Capitalized	\$ 17	\$ —	\$ —	\$ —	\$ 17

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**VALVINO LAMORE, LLC AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF CASH FLOWS**

**From Inception to June 30, 2002**

**(In Thousands)**

**(Unaudited)**

	Valvino Lamore, LLC	Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp.	All Other Guarantors	All Other Non-Guarantors	Eliminating Entries	Total
<b>Cash Flows From Operating Activities</b>						
Net Loss Accumulated During the Development Stage	\$ (27,555)	\$ (1,385)	\$ (9,054)	\$ (5,568)	\$ 2,815	\$ (40,747)
Adjustments to Reconcile Net Loss Accumulated During the Development Stage to Net Cash Provided by/(Used in) Operating Activities:						
Depreciation and Amortization	13,682	1	418	1,525	—	15,626
Equity in Loss from Macau	2,534	—	—	—	(2,534)	—
Loss/Gain on Affiliate Transactions	1,535	—	(1,020)	1,577	(2,092)	—
Amortization of Loan Origination Fees	1,465	—	—	—	—	1,465
Gain/(Loss) on Sale of Fixed Assets	387	—	—	69	—	456
Incidental Operations	6,780	—	—	—	—	6,780
Increase (Decrease) in Cash from Changes in:						
Restricted Cash	(23)	(2,288)	—	—	—	(2,311)
Receivables, Net	7,676	—	(13)	(1)	—	7,662
Inventories	886	—	(77)	—	—	809
Prepaid Expenses and Other	94	—	(926)	(1)	—	(833)
Minority Interest	—	—	—	—	(282)	(282)
Accounts Payable and Accrued Expenses	(8,100)	53	3,266	2,655	—	(2,126)
Net Cash Provided by / (Used in) Operating Activities	(639)	(3,619)	(7,406)	256	(2,093)	13,501
<b>Cash Flows From Investing Activities</b>						
Acquisition of Desert Inn Resort and Casino, Net of Cash Acquired	(270,718)	—	—	—	—	(270,718)
Capital Expenditures	(55,459)	(3)	(39,885)	(107)	—	(95,454)
Acquisition of Airplane	—	—	(9,591)	(9,489)	—	(19,080)
Other Assets	(27,653)	(1,840)	(2,214)	151	23,823	(7,733)
Intercompany Balances	(67,181)	5,462	57,856	1,326	2,074	(463)
Proceeds from Sale of Equipment	1,559	—	—	8,000	—	9,559
Net Cash Provided by/(Used in) Investing Activities	(419,452)	3,619	6,166	(119)	25,897	(383,889)
<b>Cash Flows From Financing Activities</b>						
Equity Contributions	675,007	—	—	23,804	(23,804)	675,007
Equity Distributions	(110,482)	—	—	—	—	(110,482)
Third Party Fee	(10,800)	—	—	—	—	(10,800)
Minority Interest	—	—	—	3,056	—	3,056
Proceeds from Issuance of Long-Term Debt	125,000	—	—	—	—	125,000
Principal Payments of Long-Term Debt	(125,066)	—	—	—	—	(125,066)
Loan Origination Fees	(1,465)	—	—	—	—	(1,465)
Proceeds from Issuance of Related Party Loan	100,000	—	—	—	—	100,000
Principal Payments of Related Party Loan	(70,000)	—	—	—	—	(70,000)
Net Cash Provided by Financing Activities	582,194	—	—	28,860	(23,804)	585,250
Increase/(Decrease) in Cash and Cash Equivalents	162,103	—	(1,240)	26,997	—	187,860
Cash, Beginning of Period	—	—	—	—	—	—
Cash, End of Period	\$ 162,103	\$ —	\$ (1,240)	\$ 26,997	\$ —	\$ 187,860
Supplemental Cash Flow Disclosure:						
Interest Paid, Net of Amounts Capitalized	\$ 172	\$ —	\$ —	\$ —	\$ —	\$ 172

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

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Until , 2002 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

## Wynn Resorts, Limited

### Shares

### Common Stock

*Joint Book-Running Managers*

**Deutsche Bank Securities  
Bear, Stearns & Co. Inc.  
Banc of America Securities LLC**

**JPMorgan  
Dresdner Kleinwort Wasserstein**

Prospectus

, 2002

### Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by the Registrant in connection with the sale and distribution of the common stock being registered. All amounts shown are estimates except for the Securities and Exchange Commission registration fee, the National Securities Dealers, Inc. filing fee and The Nasdaq National Market quotation fee.

	Amount
Registration fee—Securities and Exchange Commission	\$ 41,791
Filing fee—National Association of Securities Dealers, Inc.	30,500
Quotation fee—The Nasdaq National Market	100,000
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue sky fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous	*
Total	\$ *

\* To be filed by amendment.

### Item 14. Indemnification of Directors and Officers

The Nevada Revised Statutes provide that a corporation may indemnify its officers and directors against expenses actually and reasonably incurred in the event an officer or director is made a party or threatened to be made a party to an action (other than an action brought by or on behalf of the corporation as discussed below) by reason of his or her official position with the corporation provided the director or officer (1) is not liable for the breach of any fiduciary duties as a director or officer involving intentional misconduct, fraud or a knowing violation of the law or (2) acted in good faith and in a manner he or she reasonably believed to be in the best interests of the corporation and, with respect to any criminal actions, had no reasonable cause to believe his or her conduct was unlawful. A corporation may indemnify its officers and directors against expenses, including amounts paid in settlement, actually and reasonably incurred in the event an officer or director is made a party or threatened to be made a party to an action by or on behalf of the corporation by reason of his or her official position with the corporation provided the director or officer (1) is not liable for the breach of any fiduciary duties as a director or officer involving intentional misconduct, fraud or a knowing violation of the laws or (2) acted in good faith and in a manner he or she reasonably believed to be in the best interests of the corporation. The Nevada Revised Statutes further provides that a corporation generally may not indemnify an officer or director if it is determined by a court that such officer or director is liable to the corporation or responsible for any amounts paid to the corporation as a settlement, unless a court also determines that the officer or director is entitled to indemnification in light of all of the relevant facts and circumstances. The Nevada Revised Statutes require a corporation to indemnify an officer or director to the extent he or she is successful on the merits or otherwise successfully defends the action.

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Wynn Resorts' bylaws, will provide that it will indemnify its directors and officers to the maximum extent permitted by Nevada law, including in circumstances in which indemnification is otherwise discretionary under Nevada law. In addition, Wynn Resorts intends to enter into separate indemnification agreements, attached as Exhibit hereto, with its directors and officers which would require Wynn Resorts, among other things, to indemnify them against certain liabilities which may arise by reason of their status or service other than liabilities arising from willful misconduct of a culpable nature. Wynn Resorts also intends to maintain director and officer liability insurance, if available on reasonable terms. These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of Wynn Resorts' officers and directors for liabilities, including reimbursement of expenses incurred, arising under the Securities Act of 1933, as amended, which we refer to as the Securities Act. We have been advised that, in the opinion of the Securities and Exchange Commission, indemnification of directors or officers for liabilities arising under the Securities Act of 1933, as amended, is against public policy and, therefore, such indemnification provisions may be unenforceable.

The Underwriting Agreement, attached as Exhibit 1.1 hereto, provides for indemnification by the Underwriters of Wynn Resorts and its officers and directors for certain liabilities, including matters arising under the Securities Act.

### Item 15. Recent Sales of Unregistered Securities

The following is a summary of the transactions by the Registrant during the past three years involving sales of the Registrant's securities that were not registered under the Securities Act:

(a) In April 2000, Stephen A. Wynn formed Valvino Lamore, LLC, known as Valvino, as its single member. Between April and September 2000, Mr. Wynn made equity contributions in an aggregate amount of \$220.7 million. Until immediately prior to the consummation of this offering, our assets and operations were held and conducted by Valvino and its subsidiaries.

(b) In October 2000, Aruze USA, Inc., a Nevada corporation, contributed \$260 million in cash to Valvino in exchange for 100,000 common shares, which represented a 50% interest in the profits and losses of Valvino, and was admitted as a member of Valvino. In connection with such contribution by Aruze USA, Valvino also issued 100,000 common shares, representing a 50% interest in Valvino's profits and losses, to Mr. Wynn to evidence his ownership interest in the limited liability company.

(c) In April 2001, Baron Asset Fund, a Massachusetts business trust, contributed \$20.8 million in cash to Valvino in exchange for 7,692.31 common shares, which represented approximately a 3.70% interest in the profits and losses of Valvino, and was admitted as a member of Valvino.

(d) In April 2002, (1) Baron Asset Fund contributed an additional approximately \$20.3 million in cash to Valvino, (2) Aruze USA contributed an additional \$120 million in cash to Valvino, (3) Mr. Wynn contributed an additional approximately \$32 million in cash to Valvino and (4) Mr. Wynn contributed his interest in Wynn Resorts (Macau), S.A., which was valued at approximately \$56 million by the parties in the negotiation of Mr. Wynn's



contribution of his interest, to Valvino. As a result of these capital contributions, Baron Asset Fund was issued an additional 2,834.01 common shares and its interest in Valvino's profits and losses increased to 5%. Aruze USA and Mr. Wynn received no additional shares as a result of the April 2002 capital contributions. Immediately following these

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capital contributions, each of Mr. Wynn and Aruze USA held a 47.5% interest in Valvino's profits and losses.

(e) In June 2002, the Kenneth R. Wynn Family Trust contributed \$1.2 million in cash to Valvino in exchange for 307.38 common shares, which represented approximately a 0.146% interest in the profits and losses of Valvino, and was admitted as a member of Valvino.

(f) In exchange for the contribution of all of their respective membership interests in Valvino, immediately prior to this offering becoming effective, the Registrant plans to issue shares of its common stock to each of Mr. Wynn, Aruze USA, Baron Asset Fund and the Kenneth R. Wynn Family Trust.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering, and the Registrant believes that each transaction was exempt from the registration requirements of the Securities Act by virtue of Section 4(2) thereof and, or Regulation D promulgated thereunder or Rule 701 pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701.

**Item 16. Exhibits and Financial Statement Schedules**

**(a) Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
*1.1	Form of Underwriting Agreement.
3.1	Articles of Incorporation of the Registrant.(1)
*3.2	Amended and Restated Articles of Registrant (to be adopted prior to the completion of this offering).
3.3	Bylaws of the Registrant.(1)
*3.4	Amended and Restated Bylaws of the Registrant (to be adopted prior to the completion of this offering).
*4.1	Specimen certificate for shares of Common Stock, \$0.01 par value per share, of the Registrant.
*5.1	Opinion of Schreck Brignone Godfrey
10.1	Asset and Land Purchase Agreement, dated as of April 28, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, Valvino Lamore, LLC and Stephen A. Wynn.(1)
10.2	First Amendment to Asset and Land Purchase Agreement, dated as of May 26, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, Valvino Lamore, LLC and Stephen A. Wynn.(1)
10.3	Second Amendment to Asset and Land Purchase Agreement, dated as of June 16, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, Valvino Lamore, LLC, Stephen A. Wynn, Rambas Marketing Co., LLC, and Desert Inn Water Company, LLC. (1)
10.4	Third Amendment to Asset and Land Purchase Agreement, dated as of June 22, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, Valvino Lamore, LLC, Stephen A. Wynn, Rambas Marketing Co., LLC, and Desert Inn Water Company, LLC.(1)
10.5	Fourth Amendment to Asset and Land Purchase Agreement, dated as of October 27, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton SGC Sub Corporation, Valvino Lamore, LLC, Stephen A. Wynn, Rambas Marketing Co., LLC, and Desert Inn Water Company, LLC. (1)
10.6	Fifth Amendment to Asset and Land Purchase Agreement, dated as of November 3, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton SGC Sub Corporation, Valvino Lamore, LLC, Stephen A. Wynn, Rambas Marketing Co., LLC, and Desert Inn Water Company, LLC. (1)
*10.7	Agreement, dated January 25, 2001, by and between Wynn Resorts Holdings, LLC and Calitri Services and Licensing Limited Liability Company.

- 10.8 Lease Agreement, dated November 1, 2001, by and between Valvino Lamore, LLC and Wynn Resorts Holdings, LLC.(1)
- 10.9 Art Rental and Licensing Agreement, dated November 1, 2001, by and between Stephen A. Wynn and Wynn Resorts Holdings, LLC.(1)
- 10.10 Stockholders Agreement, dated as of April 11, 2002, by and among Stephen A. Wynn, Baron Asset Fund and Aruze USA, Inc.(1)
- 10.11 Agreement for Guaranteed Maximum Price Construction Services between Wynn Las Vegas, LLC and Marnell Corrao Associates, Inc. for Le Rêve.(1)
- 10.12 Continuing Guaranty, dated June 4, 2002, by Austi, Inc. in favor of Wynn Las Vegas, LLC.(1)
- 10.13 Design/Build Agreement, dated June 6, 2002, by and between Wynn Las Vegas, LLC and Bomel Construction Company, Inc.(1)
- \*10.14 2002 Stock Incentive Plan
- \*10.15 Form of Director and Officer Indemnification Agreement
- 10.16 Employment Agreement, dated April 1, 2002, by and between Wynn Resorts Holdings, LLC and Ronald J. Kramer.(2)
- 10.17 Contribution Agreement, dated as of June 11, 2002 by and among Stephen A. Wynn, Aruze USA, Inc., Baron Asset Fund, the Kenneth R. Wynn Family Trust dated February 1985 and Wynn Resorts, Limited.(2)
- 10.18 Amended and Restated Business Loan Agreement, dated as of May 30, 2002, between Bank of America, N.A. and World Travel, LLC.(2)
- 10.19 Continuing Guaranty, dated May 30, 2002, by Valvino Lamore, LLC in favor of Bank of America, N.A.(2)
- 10.20 Agreement, dated as of June 2002, by and between Stephen A. Wynn and Wynn Resorts, Limited.(2)
- 10.21 Purchase Agreement, dated May 30, 2002, between Stephen A. Wynn and Valvino Lamore, LLC.(2)

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- \*10.22 Agreement, dated as of \_\_\_\_\_, between Wynn Design and Development, LLC and Butler/Ashworth Architects, Inc.
  - 10.23 Employment Agreement, dated as of May 31, 2002, by and between Valvino Lamore, LLC and Matt Maddox. (2)
  - 10.24 Concession Contract for the Operation of Games of Chance or Other Games in Casinos in the Macau Special Administrative Region, dated June 24, 2002, between the Macau Special Administrative Region and Wynn Resorts (Macau), S.A. (English translation of Portuguese version of Concession Agreement).(2)
  - 10.25 Amended and Restated Commitment Letter Agreement, dated June 14, 2002, among Deutsche Bank Trust Company Americas, Deutsche Bank Securities Inc., Bank of America, N.A., Banc of America Securities LLC, Bear Stearns Corporate Lending, Inc., Bear Stearns & Co. Inc., Wynn Resorts Holdings, LLC and Wynn Las Vegas, LLC.
  - 10.26 Agreement for Guarantee Maximum Price Construction Services Change Order, dated as of August 12, 2002, between Marnell Corrao Associates, Inc. and Wynn Las Vegas, LLC.(2)
  - \*21.1 Subsidiaries of the Registrant.
  - \*23.1 Consent of Schreck Brignone Godfrey (included in Exhibit 5.1).
  - 23.2 Consent of Deloitte & Touche LLP.(2)
  - 23.3 Consents of Persons Named to Become Directors.(2)
  - 24.1 Power of Attorney.(1)

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\* To be filed by amendment.  
 (1) Previously filed.  
 (2) Filed herewith.



We have audited the consolidated financial statements of Valvino Lamore and subsidiaries (a development stage company) (the "Company") as of December 31, 2001 and 2000, and the related consolidated statements of operations, members' equity, and cash flows for the year ended December 31, 2001 and for the period from inception (April 21, 2000) to December 31, 2000, and have issued our report thereon dated June 6, 2002; such consolidated financial statements and report are included in the Registration Statement of Wynn Resorts, Inc. on Form S-1. Our audits also included the financial statement schedule of the Company, listed in Item 16(b). This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

Las Vegas, Nevada  
June 6, 2002

S-1

**Valvino Lamore, LLC and Subsidiaries**  
**(A Development Stage Company)**

**Schedule II**

**Valuation and Qualifying Accounts**

**(In Thousands)**

Description	Balance at Beginning of Period	Balance at End of Period
Allowance for Doubtful Accounts Receivable		
Year ended December 31, 2001	\$ 1,295	\$ 627
Period ended December 31, 2000	\$ 0	\$ 1,295

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**EXHIBIT INDEX**

Exhibit No.	Description
*1.1	Form of Underwriting Agreement.
3.1	Articles of Incorporation of the Registrant.(1)
*3.2	Amended and Restated Articles of Registrant (to be adopted prior to the completion of this offering).
3.3	Bylaws of the Registrant.(1)
*3.4	Amended and Restated Bylaws of the Registrant (to be adopted prior to the completion of this offering).
*4.1	Specimen certificate for shares of Common Stock, \$0.01 par value per share, of the Registrant.
*5.1	Opinion of Schreck Brignone Godfrey
10.1	Asset and Land Purchase Agreement, dated as of April 28, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, Valvino Lamore, LLC and Stephen A. Wynn.(1)
10.2	First Amendment to Asset and Land Purchase Agreement, dated as of May 26, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, Valvino Lamore, LLC and Stephen A. Wynn.(1)
10.3	Second Amendment to Asset and Land Purchase Agreement, dated as of June 16, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, Valvino Lamore, LLC, Stephen A. Wynn, Rambas Marketing Co., LLC, and Desert Inn Water Company, LLC. (1)
10.4	Third Amendment to Asset and Land Purchase Agreement, dated as of June 22, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton Desert Inn Corporation, Valvino Lamore, LLC, Stephen A. Wynn, Rambas Marketing Co., LLC, and Desert Inn Water Company, LLC.(1)
10.5	Fourth Amendment to Asset and Land Purchase Agreement, dated as of October 27, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton SGC Sub Corporation, Valvino Lamore, LLC, Stephen A. Wynn, Rambas Marketing Co., LLC, and Desert Inn Water Company, LLC. (1)
10.6	Fifth Amendment to Asset and Land Purchase Agreement, dated as of November 3, 2000, by and among Starwood Hotels & Resorts Worldwide, Inc., Sheraton Gaming Corporation, Sheraton SGC Sub Corporation, Valvino Lamore, LLC, Stephen A. Wynn, Rambas Marketing Co., LLC, and Desert Inn Water Company, LLC. (1)
*10.7	Agreement, dated January 25, 2001, by and between Wynn Resorts Holdings, LLC and Calitri Services and Licensing Limited Liability Company.
10.8	Lease Agreement, dated November 1, 2001, by and between Valvino Lamore, LLC and Wynn Resorts

- Holdings, LLC.(1)
  - 10.9 Art Rental and Licensing Agreement, dated November 1, 2001, by and between Stephen A. Wynn and Wynn Resorts Holdings, LLC.(1)
  - 10.10 Stockholders Agreement, dated as of April 11, 2002, by and among Stephen A. Wynn, Baron Asset Fund and Aruze USA, Inc.(1)
  - 10.11 Agreement for Guaranteed Maximum Price Construction Services between Wynn Las Vegas, LLC and Marnell Corrao Associates, Inc. for Le Rêve.(1)
  - 10.12 Continuing Guaranty, dated June 4, 2002, by Austi, Inc. in favor of Wynn Las Vegas, LLC.(1)
  - 10.13 Design/Build Agreement, dated June 6, 2002, by and between Wynn Las Vegas, LLC and Bomel Construction Company, Inc.(1)
  - \*10.14 2002 Stock Incentive Plan
- 
- \*10.15 Form of Director and Officer Indemnification Agreement
  - 10.16 Employment Agreement, dated April 1, 2002, by and between Wynn Resorts Holdings, LLC and Ronald J. Kramer.(2)
  - 10.17 Contribution Agreement, dated as of June 11, 2002 by and among Stephen A. Wynn, Aruze USA, Inc., Baron Asset Fund, the Kenneth R. Wynn Family Trust dated February 1985 and Wynn Resorts, Limited.(2)
  - 10.18 Amended and Restated Business Loan Agreement, dated as of May 30, 2002, between Bank of America, N.A. and World Travel, LLC.(2)
  - 10.19 Continuing Guaranty, dated May 30, 2002, by Valvino Lamore, LLC in favor of Bank of America, N.A.(2)
  - 10.20 Agreement, dated as of June 2002, by and between Stephen A. Wynn and Wynn Resorts, Limited.(2)
  - 10.21 Purchase Agreement, dated May 30, 2002, between Stephen A. Wynn and Valvino Lamore, LLC.(2)
  - \*10.22 Agreement, dated as of \_\_\_\_\_, between Wynn Design and Development, LLC and Butler/Ashworth Architects, Inc.
  - 10.23 Employment Agreement, dated as of May 31, 2002, by and between Valvino Lamore, LLC and Matt Maddox. (2)
  - 10.24 Concession Contract for the Operation of Games of Chance or Other Games in Casinos in the Macau Special Administrative Region, dated June 24, 2002, between the Macau Special Administrative Region and Wynn Resorts (Macau), S.A. (English translation of Portuguese version of Concession Agreement).(2)
  - 10.25 Amended and Restated Commitment Letter Agreement, dated June 14, 2002, among Deutsche Bank Trust Company Americas, Deutsche Bank Securities Inc., Bank of America, N.A., Banc of America Securities LLC, Bear Stearns Corporate Lending, Inc., Bear Stearns & Co. Inc., Wynn Resorts Holdings, LLC and Wynn Las Vegas, LLC. (2)
  - 10.26 Agreement for Guarantee Maximum Price Construction Services Change Order, dated as of August 12, 2002, between Marnell Corrao Associates, Inc. and Wynn Las Vegas, LLC.(2)
  - \*21.1 Subsidiaries of the Registrant.
  - \*23.1 Consent of Schreck Brignone Godfrey (included in Exhibit 5.1).
  - 23.2 Consent of Deloitte & Touche LLP.(2)
  - 23.3 Consents of Persons Named to Become Directors.(2)
  - 24.1 Power of Attorney.(1)

\* To be filed by amendment.

- (1) Previously filed with the Form S-1 filed by the Registrant on June 17, 2002.
- (2) Filed herewith.

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## EMPLOYMENT AGREEMENT

AGREEMENT, dated April 1, 2002, by and between Wynn Resorts, LLC, a Nevada limited liability company (the "Company"), and Ronald J. Kramer (the "Executive").

IN CONSIDERATION of the premises and the mutual covenants set forth below, the parties hereby agree as follows:

1. *Employment.* The Company shall employ the Executive, and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth.
2. *Term.* The period of employment of the Executive by the Company under this Agreement (the "Employment Period") shall commence on the date hereof (the "Commencement Date") and shall continue through March 31, 2003. The Employment Period may be sooner terminated by either party in accordance with Section 6 of this Agreement.
3. *Position and Duties.* During the Employment Period, the Executive shall serve as President of the Company, and shall report solely and directly to Stephen A. Wynn ("Wynn"). The Executive's powers and duties primarily shall be advising Wynn, the Company or any Affiliate (as defined hereinafter) respecting acquisitions, mergers, strategic planning, financial strategies and the placement of debt and/or equity, and such other powers and duties as may be agreed to between Wynn and the Executive. The Executive shall devote the whole of the Executive's normal and customary working time and best efforts solely to the performance of the Executive's duties under this Agreement. Notwithstanding the above, the Executive shall be permitted, to the extent such activities do not materially interfere with the performance by the Executive of his duties and responsibilities hereunder, to (i) manage the Executive's personal, financial and legal affairs, (ii) serve on civic and charitable boards or committees, (iii) serve on the board or committees of the entities identified on Exhibit "A" and (iv) perform consulting services, directly or through an affiliate, for the entities identified on Exhibit "B".
4. *Place of Performance.* The principal place of employment of the Executive shall be at the Company's principal executive offices in Las Vegas, Nevada; provided, however, that the Executive shall not be required to reside in Las Vegas, Nevada, and specifically shall be permitted to reside in New York, New York.
5. *Compensation and Related Matters.*
  - (a) *Base Salary.* During the Employment Period, the Company shall pay the Executive a base salary at the rate of \$1,000,000 per year (the "Base Salary"). The Executive's Base Salary shall be paid in approximately equal installments in accordance with the Company's customary payroll practices.
  - (b) *Bonus.* In addition to the Base Salary, the Executive shall be paid a bonus or bonuses as follows:
    - (i) not less than \$1,250,000 earned upon the completion of the commitment for the financing for the Le Reve Las Vegas project if such financing is committed for during the Employment Period, and payable from the first proceeds received therefrom whenever received; and
    - (ii) a fair and reasonable amount payable at closing arising out of any merger or acquisition transaction and its associated debt or equity financing that is entered into by Wynn, the Company or any Affiliate and respecting which the Executive materially participated in during the Employment Period.
  - (c) *Expenses.* The Company promptly shall reimburse the Executive for all reasonable and necessary business expenses upon the presentation of itemized statements of such expenses. Such expenses shall include first class airfare for all air travel, including flying from the Executive's residence in New York to and from Las Vegas. In addition, during the Employment Period, the Executive shall be entitled to, at the sole expense of the Company, the use of an automobile in Las Vegas appropriate to his position.
  - (d) *Vacation.* The Executive shall be entitled to 4 weeks of paid vacation, as well as paid holidays and sick days in accordance with the Company's policies.
  - (e) *Services Furnished.* During the Employment Period, the Company shall furnish the Executive with office space and secretarial assistance in Las Vegas, and such other facilities and services as are reasonable and necessary for him to perform his duties as President.
  - (f) *Welfare, Pension, Incentive Benefit Plans and Perquisites.* During the Employment Period, the Executive (and his spouse and dependents to the extent provided therein) shall be entitled to participate in and be covered under all the welfare benefit plans or programs maintained by the Company from time to time for the benefit of its senior executives including, without limitation, all medical, hospitalization, dental, disability, life, accidental death and dismemberment and travel accident insurance plans and programs. The Company shall at all times provide to the Executive (and his spouse and dependents to the extent provided under the applicable plans or programs) (subject to modifications affecting all senior executive officers) the same type and levels of participation and benefits as are being provided to other senior executives (and their spouses and dependents to the extent provided under the applicable plans or programs) on the Commencement Date. In addition, during the Employment Period, the Executive shall be eligible to participate in all pension, retirement, savings and other employee benefit plans and programs maintained from time to time by the Company for the benefit of its senior executives.
6. *Termination.* The Executive's employment hereunder may be terminated during the Employment Period under any one of the following circumstances:
  - (a) *Death.* The Executive's employment hereunder shall terminate upon his death.

(b) *Disability.* If, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been substantially unable to perform his duties hereunder for an entire period of six (6) consecutive months, and within thirty (30) days after written Notice of Termination is given after such six (6) month period, the Executive shall not have returned to the substantial performance of his duties on a full-time basis, the Company shall have the right to terminate the Executive's employment hereunder for "Disability", and such termination in and of itself shall not be, nor shall it be deemed to be, a breach of this Agreement.

(c) *Cause.* The Company shall have the right to terminate the Executive's employment for Cause, and such termination in and of itself shall not be, nor shall it be deemed to be, a breach of this Agreement. For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment upon:

- (i) the conviction of the Executive of a felony by a court of competent jurisdiction;
- (ii) the indictment of the Executive by a state or federal grand jury of competent jurisdiction for embezzlement or misappropriation of the Company's or any Affiliate's funds or for any act of dishonesty or lack of fidelity towards the Company or any Affiliate;
- (iii) a decree of a court of competent jurisdiction that the Executive is not mentally competent or is unable to handle his own affairs;
- (iv) the written confession by the Executive of any act of dishonesty towards the Company or any Affiliate, or any embezzlement or misappropriation of the Company's or any Affiliate's funds;

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(v) the payment (or, by the operation solely of the effect of a deductible, the failure of payment) by a surety or insurer of a claim under a fidelity bond issued to the benefit of the Company or any Affiliate reimbursing the Company or an Affiliate for a loss due the wrongful act or wrongful omission to act of the Executive (the occurrence of which shall cause the Executive to be indebted to the Company for the lesser of either (A) the loss incurred or (B) the sums paid by the Company to the Executive pursuant to this Agreement);

(vi) the Executive's breach of any of the restrictive covenants set forth in Sections 10 and 11 of this Agreement;

(vii) the Executive's failure to timely obtain (if necessary) and thereafter to maintain in force and in good standing any and all licenses, permits and/or approvals required of the Executive by the relevant governmental authorities for the discharge of the obligations of the Executive under this Agreement;

(viii) the Executive's material violation of any statutory or common law duty of loyalty to the Company, Wynn or any Affiliate; or

(ix) willful misconduct that is materially and demonstrably injurious economically to the Company or any Affiliate;

*provided, however,* that Executive's disability due to illness or accident or any other mental or physical incapacity shall not constitute "Cause" as defined herein.

For purposes of this Section 6(c), no act, or failure to act, by the Executive shall be considered "willful" unless committed in bad faith and without a reasonable belief that the act or omission was in the best interests of the Company or Wynn, or any entity in control of, controlled by or under common control with the Company or Wynn ("Affiliate"). The Executive shall have ten (10) days after receipt of a Notice of Termination to remedy the facts and circumstances claimed to provide the basis for termination for Cause.

(d) *Good Reason.* The Executive may terminate his employment for "Good Reason" within ninety (90) days after the Executive has actual knowledge of the occurrence, without the written consent of the Executive, of one of the following events:

(i) (A) any change in the duties or responsibilities of the Executive that is inconsistent in any material and adverse respect with the Executive's position, powers, duties or status with the Company (including any material and adverse diminution of such position, powers, duties or status); or (B) a material and adverse change in the Executive's position, powers, duties and status with the Company.

(ii) a reduction in the Executive's Base Salary or the opportunity to earn a bonus pursuant to Section 5(b);

(iii) the taking of any action by the Company or any Affiliate which would materially and adversely affect the Executive's participation in or reduce the Executive's benefits under any material employee benefit plan, compensation plan, welfare benefit plan or fringe benefit plan, unless the Executive is permitted to participate in other plans providing the Executive with substantially equivalent benefits at no additional cost;

(iv) any purported termination of the Executive's employment for Cause which is not effected pursuant to Section 6(c) (and for purposes of this Agreement, no such purported termination shall be effective);

(v) the Company's or any Affiliate's failure to provide in all material respects the indemnification set forth in Section 12; or

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(vi) any other breach of a provision of this Agreement by the Company or any Affiliate.

For purposes of clauses (i) through (vi) above, an isolated, insubstantial and inadvertent action taken in good faith and which is remedied by the Company within ten (10) days after receipt of notice thereof given by the Executive shall not constitute Good Reason. The Executive's right to terminate employment for Good



Reason shall not be affected by the Executive's incapacity due to mental or physical illness and the Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any event or condition constituting Good Reason.

(e) *Without Cause.* The Company shall have the right to terminate the Executive's employment hereunder without Cause by providing the Executive with a Notice of Termination, at least thirty (30) days prior to such termination, and such termination shall not in and of itself be, nor shall it be deemed to be, a breach of this Agreement.

## 7. Termination Procedure.

(a) *Notice of Termination.* Any termination of the Executive's employment by the Company or by the Executive during the Employment Period (other than termination pursuant to Section 6(a)) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 15. For purposes of this Agreement, a "Notice of Termination" shall mean a notice given in good faith which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(b) *Date of Termination.* "Date of Termination" shall mean (i) if the Executive's employment is terminated by his death, the date of his death, (ii) if the Executive's employment is terminated pursuant to Section 6(b), thirty (30) days after Notice of Termination (provided that the Executive shall not have returned to the substantial performance of his duties on a full-time basis during such thirty (30) day period), and (iii) if the Executive's employment is terminated for any other reason, the date on which it is determined by the Executive or the Company in good faith that the Company or the Executive, as the case may be, has failed to remedy the facts, and circumstances claimed to provide the basis for termination for Good Reason or for Cause.

8. *Compensation Upon Termination or During Disability.* In the event the Executive is disabled or his employment terminates during the Employment Period, the Company shall provide the Executive with the payments and benefits set forth below. The Executive acknowledges and agrees that the payments set forth in this Section 8 constitute liquidated damages for termination of his employment during the Employment Period.

(a) *Termination By Company without Cause or By The Executive for Good Reason.* If the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason:

(i) within five (5) business days following such termination, the Company shall pay to the Executive:

- (A) the unpaid balance of the \$1,000,000 Base Salary without any discount or reduction for termination during the Employment Period;
- (B) the additional amount of \$1,250,000, unless the Executive previously has been paid at least \$1,250,000 pursuant to Section 5(b)(i);
- (C) the additional amounts, if any, earned and not paid pursuant to Section 5(b)(ii); and
- (D) any accrued vacation pay; and

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(ii) the Company shall maintain in full force and effect, for the continued benefit of the Executive, his spouse and his dependents for the balance of the Employment Period the medical, hospitalization, dental and life insurance programs in which the Executive, his spouse and his dependents were participating immediately prior to the Date of Termination at the level in effect and upon substantially the same terms and conditions (including, without limitation, contributions required by the Executive for such benefits) as existed immediately prior to the Date of Termination; *provided, that*, if the Executive, his spouse or his dependents cannot continue to participate in the Company programs providing such benefits, the Company shall arrange to provide the Executive, his spouse and his dependents with the economic equivalent of such benefits which they otherwise would have been entitled to receive under such plans and programs ("Continued Benefits"), *provided, that*, such Continued Benefits shall terminate on the date or dates the Executive receives equivalent coverage and benefits, without waiting period or pre-existing condition limitations, under the plans and programs of a subsequent employer (such coverage and benefits to be determined on a coverage-by-coverage or benefit-by-benefit basis); and

(iii) the Company shall reimburse the Executive pursuant to Section 5(c) for expenses incurred, but not paid prior to such termination of employment; and

(iv) the Executive shall not be entitled to any other rights, compensation and/or benefits as may be due to the Executive in accordance with the terms and provisions of any severance or separation agreements, plans or programs of the Company.

(b) *Termination by Company for Cause or by the Executive without Good Reason.* If the Executive's employment is terminated by the Company for Cause or by the Executive (other than for Good Reason):

(i) the Company shall pay the Executive his Base Salary, any bonus pursuant to Section 5(b) earned and not paid, and his accrued vacation pay through the Date of Termination, as soon as practicable following the Date of Termination; and

(ii) the Company shall reimburse the Executive pursuant to Section 5(c) for expenses incurred, but not paid prior to such termination of employment; and

(iii) the Executive shall not be entitled to any other rights, compensation and/or benefits as may be due to the Executive in accordance with the terms and provisions of any severance or separation agreements, plans or programs of the Company.

(c) *Disability.* During any period that the Executive fails to perform his duties "hereunder as a result of incapacity due to physical or mental illness ("Disability Period"), the Executive shall continue to receive his full Base Salary and, if earned, the bonuses set forth in Section 5(b) until his employment is terminated pursuant to Section 6(b). In the event the Executive's employment is terminated for Disability pursuant to Section 6(b):

(i) the Company shall pay to the Executive his Base Salary, any bonus pursuant to Section 5(b) earned and not paid, and accrued vacation pay through the Date of Termination, as soon as practicable following the Date of Termination; and

(ii) the Company shall reimburse the Executive pursuant to Section 5(c) for reasonable expenses incurred, but not paid prior to such termination of employment; and

(iii) the Executive shall not be entitled to any other rights, compensation and/or benefits as may be due to the Executive in accordance with the terms and provisions of any severance or separation agreements, plans or programs of the Company.

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(d) *Death.* If the Executive's employment is terminated by his death:

(i) the Company shall pay in a lump sum to the Executive's beneficiary, legal representatives or estate, as the case may be, the Executive's Base Salary, any bonus pursuant to Section 5(b) earned and not paid, and accrued vacation pay through the Date of Termination; and

(ii) the Company shall reimburse the Executive's beneficiary, legal representatives or estate, as the case may be, pursuant to Section 5(c) for expenses incurred but not paid prior to such termination of employment; and

(iii) the Executive's beneficiary, legal representatives or estate, as the case may be, shall not be entitled to any other rights, compensation and benefits as may be due to any such persons or estate in accordance with the terms and provisions of any severance or separation agreements, plans or programs of the Company.

(e) *No Mitigation.* The Executive shall not be required to mitigate amounts payable under this Agreement by seeking other employment or otherwise, and there shall be no offset against amounts due the Executive under this Agreement on account of subsequent employment or earnings.

9. *Licensing Requirements.* The Executive acknowledges and agrees that, in order for him to discharge the duties required under this Agreement, he may be required to apply for or hold a license, registration, permit or other approval ("License") issued by one or more gaming regulatory authorities (the "Authorities") pursuant to the provisions of the relevant gaming regulatory statutes and the regulations promulgated thereunder. In the event the Executive fails to apply for and secure, or the Authorities refuse to originally issue or renew the Executive's License, then the Executive, at the Company's sole cost and expense, shall promptly defend such action and shall take such reasonable steps as may be required to either remove the objections or secure the Authorities' approval, respectively. The foregoing notwithstanding, if the source of the objections or the Authorities' refusal to issue or renew the Executive's License arise as a result of any of the events described in Section 6(c) of this Agreement, then the Company's obligations under this Section 9 shall not be operative and the Executive shall promptly reimburse Company upon demand for any expenses incurred by Company pursuant to this Section 9. The Company and the Executive agree that this Section 9 shall apply in the event the Executive's duties require that the Executive also be licensed by governmental agencies other than the Authorities.

#### 10. *Confidential Information.*

(a) *Confidential Information.* The Executive shall hold in a fiduciary capacity for the benefit of the Company and shall maintain strict confidentiality of all trade secrets and confidential information, knowledge or data relating to the Company and its businesses and investments, which shall have been obtained by the Executive during the Executive's employment by the Company and which is not generally available public knowledge (other than by acts by the Executive in violation of this Agreement). Except as may be required or appropriate in connection with his carrying out his duties under this Agreement, the Executive shall not, without the prior written consent of the Company, Wynn or as may otherwise be required by law or any legal process, or as is necessary in connection with any adversarial proceeding against, the Executive, Wynn or an Affiliate of the Company (in which case the Executive shall use his reasonable best efforts in cooperating with the Company, Wynn or an Affiliate in obtaining a protective order against disclosure by a court of competent jurisdiction), communicate or divulge any such trade secrets, or confidential information, knowledge or data to anyone other than the Company, Wynn or an Affiliate and those designated by the Company or Wynn on behalf of the Company, an Affiliate or Wynn in the furtherance of its or his business or to perform duties hereunder.

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(b) *Remedies.* The Executive hereby expressly acknowledges that any breach or threatened breach by the Executive of any of the terms set forth in Section 10 of this Agreement may result in significant and continuing injury to the Company, the monetary value of which would be impossible to establish. Therefore, the Executive agrees that the Company shall be entitled to apply for injunctive relief in a court of appropriate jurisdiction.

#### 11. *Restrictive Covenant; No Solicitation.*

(a) *Noncompete.* The Executive hereby covenants and agrees that, during the Employment Period or a period of 1 year after termination of this Agreement by the Executive for other than Good Reason, whichever period is shorter, the Executive shall not directly or indirectly, either as a principal, agent, employee, employer, consultant, partner, member or manager of a limited liability company, shareholder of a closely held corporation, or shareholder in excess of two (2%) per cent of a publicly traded corporation, corporate officer or director, or in any other individual or representative capacity, engage or otherwise participate in any manner or fashion in any business that is in competition in any manner whatsoever with the gaming or hotel operations of the Company or an Affiliate of the Company, in or about any market in which the Company or Affiliate has or plans gaming or hotel operations. The Executive hereby further covenants and agrees that the restrictive covenant contained in this Section 11 is reasonable as to duration, terms and geographical area and that the same protects the legitimate interests of the Company and its Affiliates, imposes no undue hardship on the Executive, and is not injurious to the public. Notwithstanding the foregoing, the provisions of this Section 11(a) shall not apply in the event of a termination under Section 8(a).

(b) *Nonsolicitation.* The Executive hereby further covenants and, agrees that, for the period described in Section 11(a), the Executive shall not directly or indirectly, and the Executive shall not suffer others to, solicit or attempt to solicit for employment any management level employee of the Company or an Affiliate of the Company with or on behalf of any business that is in competition in any manner whatsoever with the principal business activity of the Company or Affiliate, in or about any market in which the Company or Affiliate has or plans gaming operations.

(c) *Remedies.* The Executive hereby expressly acknowledges that any breach or threatened breach by the Executive of any of the terms set forth in Section 11 of this Agreement may result in significant and continuing injury to the Company, the monetary value of which would be impossible to establish. Therefore, the Executive agrees that the Company shall be entitled to apply for injunctive relief in a court of appropriate jurisdiction.

12. *Indemnification.* The Company agrees that if the Executive is made a party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that the Executive is or was a director, officer, employee or agent of the Company, Wynn or any Affiliate or is or was serving at the request of the Company, Wynn or any Affiliate as a trustee, director, officer, member, employee or agent of a corporation, partnership, joint venture, trust or other enterprise, including, without limitation, service with respect to employee benefit plans, whether or not the basis of such Proceeding is alleged action in an official capacity as a trustee, director, officer, member, employee or agent while serving as a trustee, director, officer, member, employee or agent, the Executive shall be indemnified and held harmless by the Company to the fullest extent authorized by Nevada law, as the same exists or may hereafter be amended, against all Expenses incurred or suffered by the Executive in connection therewith, and such indemnification shall continue as to the Executive even if the Executive has ceased to be a trustee, director, officer, member, employee or agent or is no longer employed by the Company and shall inure to the benefit of his heirs, executors and administrators. As used in this Agreement, the term "Expenses" shall include, without limitation, damages, losses, judgments, liabilities, fines, penalties, excise taxes, settlements,

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costs, attorneys' fees, accountants' fees, and disbursements and costs of attachment or similar bonds, investigations, and any expenses of establishing a right to indemnification under this Agreement.

13. *Arbitration.* Except as provided for in Sections 10 and 11 of this Agreement, if any contest or dispute arises between the parties with respect to this Agreement, or a breach thereof, such contest or dispute shall be submitted to binding arbitration for resolution in Las Vegas, Nevada, in accordance with Commercial Arbitration Rules of the American Arbitration Association then in effect. The decision of the arbitrator shall be final and binding on both parties, and any court of competent jurisdiction may enter judgment upon the award. Each party shall pay its own legal fees and expenses relating to such arbitration, regardless of outcome, unless the arbitrator determines that the other party has acted in bad faith.

14. *Successors; Binding Agreement.*

(a) *Company's Successors.* No rights or obligations of the Company under this Agreement may be assigned or transferred except that the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets (by merger, purchase or otherwise) which executes and delivers the agreement provided for in this Section 14 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) *The Executive's Successors.* No rights or obligations of the Executive under this Agreement may be assigned or transferred by the Executive other than his rights to payments or benefits hereunder, which may be transferred only by will or the laws of descent and distribution. Upon the Executive's death, this Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's beneficiary or beneficiaries, personal or legal representatives, or estate, to the extent any such person succeeds to the Executive's interests under this Agreement. The Executive shall be entitled to select and change a beneficiary or beneficiaries to receive any benefit or compensation payable hereunder following the Executive's death by giving the Company written notice thereof. In the event of the Executive's death or a judicial determination of his incompetence, reference in this Agreement to the Executive shall be deemed, where appropriate, to refer to his beneficiary(ies), estate or other legal representative(s). If the Executive should die following his Date of Termination while any amounts would still be payable to him hereunder if he had continued to live, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to such person or persons so appointed in writing by the Executive, or otherwise to his legal representatives or estate.

15. *Notice.* For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered either personally or by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) *If to the Executive:*

Ronald J. Kramer  
829 Park Avenue  
New York, NY 10021

With a copy to:

Steven M. Pesner  
Akin, Gump, Strauss, Hauer & Feld, L.L.P.

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590 Madison Avenue  
New York, NY 10022

(b) *If to the Company:*

Stephen A. Wynn  
Wynn Resorts, LLC  
3145 Las Vegas Boulevard South  
Las Vegas, NV 89109

With a copy to:

Wynn Resorts, LLC  
3145 Las Vegas Boulevard South  
Las Vegas, NV 89109  
Attn: Legal Department

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

16. *Miscellaneous.* No provisions of this Agreement may be amended, modified, or waived unless such amendment or modification is agreed to in writing signed by the Executive and by a duly authorized officer of the Company, and such waiver is set forth in writing and signed by the party to be charged. No waiver by either party hereto at any time of any breach by the other party hereto of any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. The respective rights and obligations of the parties "hereunder of this Agreement shall survive the Executive's termination of employment and the termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Nevada without regard to its conflicts of law principles.

17. *Validity.* The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

18. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

19. *Entire Agreement.* Except as other provided herein, this Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto in respect of such subject matter. Except as other provided herein, any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

20. *Withholding.* All payments hereunder shall be subject to any required withholding of Federal, state and local taxes pursuant to any applicable law or regulation.

21. *Noncontravention.* The Company represents that the Company is not prevented from entering into, or performing this Agreement by the terms of any law, order, rule or regulation, its by-laws or declaration of trust, or any agreement to which it is a party, other than which would not have a material adverse effect on the Company's ability to enter into or perform this Agreement.

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22. *Section Headings.* The section headings in this Agreement are for convenience of reference only, and they form no part of this Agreement and shall not affect its interpretation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

"COMPANY"  
Wynn Resorts, LLC  
By Valvino Lamore, LLC,  
Its Sole Member

By: /s/ STEPHEN A. WYNN

\_\_\_\_\_  
Stephen A. Wynn  
Managing Member

"EXECUTIVE"

/s/ RONALD J. KRAMER

\_\_\_\_\_  
Ronald J. Kramer

Valvino Lamore, LLC, for good and valuable consideration, hereby guarantees the full and prompt payment of all amounts due or to become due to the Executive pursuant to the Agreement without any right of offset whatsoever, and agrees to be bound by and to comply with all of the terms and conditions of the Agreement, and further agrees to be bound by Section 13 of the Agreement as if it was the Company.

VALVINO LAMORE, LLC

By: /s/ STEPHEN A. WYNN

\_\_\_\_\_  
Stephen A. Wynn, Managing Member

**EXHIBIT "A"**

TMP Worldwide  
Griffon Corp.  
Lakes Gaming  
New Valley Corp.  
Utendahl Capital  
Corsair Partners  
Mt. Sinai Children's Center Foundation

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**EXHIBIT "B"**

TMP Worldwide  
Griffon Corp.  
Aeroflex Inc.  
Dresdner Bank

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QuickLinks

[Exhibit 10.16](#)

[EMPLOYMENT AGREEMENT](#)

[EXHIBIT "A"](#)

[EXHIBIT "B"](#)

## CONTRIBUTION AGREEMENT

**THIS CONTRIBUTION AGREEMENT** is made and entered into effective as of June , 2002, by and among Stephen A. Wynn, an individual ("**Wynn**"), Aruze USA, Inc., a Nevada corporation ("**Aruze**"), Baron Asset Fund, a Massachusetts business trust, on behalf of the Baron Asset Fund Series, and Baron Asset Fund, a Massachusetts business trust, on behalf of the Baron Growth Fund Series (each of the foregoing, individually, a "**Holder**," and, collectively, the "**Holders**"), Kenneth R. Wynn Family Trust dated February , 1985 ("**KRW**"), and Wynn Resorts, Limited, a Nevada corporation (the "**Corporation**").

WHEREAS, each Holder owns an interest (an "**LLC Interest**") in Valvino Lamore, LLC, a Nevada limited liability company (the "**LLC**");

WHEREAS, the Holders constitute all of the members of the LLC;

WHEREAS, the Holders wish to change the form of entity which conducts the LLC's business from a limited liability company to a corporation and, to that end, the Holders have entered into the Stockholders Agreement and Wynn has formed the Corporation (with Wynn currently owning one share of Common Stock of the Corporation);

WHEREAS, each Holder has agreed to contribute to the Corporation all of his or its LLC Interest, effective as of the Closing Date, in exchange for Common Stock and, immediately following such exchange, the Holders shall own all of the outstanding capital stock of the Corporation;

WHEREAS, under Paragraph 14 of the Third Amendment, each Holder irrevocably constituted and appointed Wynn, as the Managing Member of the LLC, as such Holder's true and lawful attorney-in-fact, in its name, place, and stead, to make, execute, acknowledge, and file any document that may be necessary or advisable to consummate the transactions contemplated by Paragraph 12 of the Third Amendment, including without limitation the execution of assignments to effectuate a direct transfer of the LLC Interests by the Holders to the Corporation; and

WHEREAS, concurrently herewith, KRW and the LLC are entering into that certain Share Purchase Agreement (the "**KRW Transaction**") pursuant to which, subject to certain conditions but otherwise as soon as practicable hereafter, KRW will contribute \$1.2 million in cash to the LLC in exchange for an LLC Interest and will be admitted as a member of the LLC.

NOW, THEREFORE, in light of the above recitals and in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

### 1. Definitions.

- 1.1. "**Agreement**" means this Contribution Agreement.
  - 1.2. "**Closing Conditions**" means the closing conditions contained in Section 6 of this Agreement.
  - 1.3. "**Closing Date**" means the date as of which all of the Closing Conditions are satisfied or a date, as determined by the Corporation, as soon as practicable thereafter.
  - 1.4. "**Common Shares**" has the meaning given that term in the Operating Agreement.
  - 1.5. "**Common Stock**" means shares of common stock, \$0.01 par value per share, of the Corporation.
  - 1.6. "**Operating Agreement**" means that certain Amended and Restated Operating Agreement of the LLC, as it may be amended and/or restated from time to time.
  - 1.7. "**Stockholders Agreement**" means that certain Stockholders Agreement, dated as of April 11, 2002, by and among the Holders, as it may be amended and/or restated from time to time.
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- 1.8. "**Third Amendment**" means that certain Third Amendment to Amended and Restated Operating Agreement of Valvino Lamore, LLC, dated as of April 11, 2002.

### 2. Contribution.

- 2.1. *Contribution of LLC Interests.* Each Holder hereby agrees to assign, transfer, convey, and deliver to the Corporation, as a contribution, such Holder's respective LLC Interest, effective upon the Closing Date, in a transaction intended to qualify under Section 351 of the Internal Revenue Code of 1986, as amended. The Corporation hereby agrees to acquire and accept such contribution. Wynn, as the Managing Member of the LLC, hereby expressly consents to the transactions contemplated hereby.
- 2.2. *Deliveries.* As of the Closing Date, each Holder shall execute and deliver to the Corporation (i) an Assignment in substantially the form attached hereto as Exhibit A (the "**Assignment**"), and (ii) for purposes of cancellation, all Membership Certificates issued by the LLC to the Holder as a member of the LLC.

### 3. Issuance of Common Stock.

As of the Closing Date, as consideration for the contribution of the LLC Interests to the Corporation pursuant to this Agreement, the Corporation shall issue to each Holder that percentage of the issued and outstanding shares of Common Stock that corresponds to the percentage of the issued and outstanding Common Shares of the LLC that such Holder holds immediately prior to the Closing Date. Notwithstanding the foregoing, because Wynn currently holds one share of

Common Stock, as consideration for the contribution of his LLC Interest, Wynn shall be entitled to one fewer share of Common Stock than he would otherwise be entitled to under this Section 3.

#### 4. Representations and Warranties.

- 4.1. *Representations and Warranties of the Corporation.* The Corporation hereby represents and warrants to each Holder that: (i) it has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby, (ii) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of the Corporation, (iii) this Agreement has been duly and validly executed and delivered by the Corporation and is a valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with its terms, except (a) as such enforcement may be subject to bankruptcy, insolvency, or similar laws now or hereafter in effect relating to creditors rights generally and (b) as the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.
- 4.2. *Representations and Warranties of Each Holder.* Each Holder shall represent and warrant to the Corporation as set forth in the Assignment.

#### 5. Status as a Stockholder; Issuance of Stock Certificates.

At the time of the contribution of the LLC Interests to the Corporation pursuant to this Agreement, or as soon as practicable thereafter, the Corporation shall deliver or cause to be delivered to the Holders certificates representing the Common Stock; provided, however, that upon making such contributions, the Holders shall be considered stockholders of the Corporation for all purposes notwithstanding that certificates evidencing such shares have not yet been delivered to them by the Corporation.

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#### 6. Conditions to the Parties' Obligations at Closing.

The obligations of each of the Holders and of the Corporation under this Agreement are subject to the fulfillment of the following conditions:

- 6.1. *Hart-Scott-Rodino Filing:* All waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 with respect to the contribution of the LLC Interests by Wynn and Aruze shall have expired or terminated.
- 6.2. *PUC Application:* All applicable approvals shall have been received from the Public Utilities Commission of Nevada in respect of an application under NRS 704.329 relating to transactions affecting Desert Inn Improvement Company, a Nevada corporation and a "small water" public utility, which is wholly owned by Desert Inn Water Company, a Nevada limited liability company, which in turn is wholly owned by the LLC.

#### 7. KRW as Holder.

If the KRW Transaction is consummated, then KRW shall be treated as a Holder hereunder and shall be bound by all of the terms and conditions, and be subject to all of the restrictions and obligations, applicable to a Holder hereunder.

#### 8. General Provisions.

- 8.1. *Construction.* In the interpretation of this Agreement, the singular may be read as the plural, and *vice versa*, the neuter gender as the masculine or feminine, and *vice versa*, and the future tense as the past or present, and *vice versa*, all interchangeably as the context may require in order to effectuate fully the intent of the parties and the transactions contemplated herein. Syntax shall yield to the substance of the terms and provisions hereof. The section headings in this Agreement are inserted only as a matter of convenience, and in no way define, limit, extend, or interpret the scope of this Agreement or of any particular section.
- 8.2. *Assignment.* None of the parties may assign their rights under this Agreement without the prior written consent of the other parties; provided, however, that the Corporation may assign its rights, benefits, or obligations under this Agreement to one or more entities controlled by or affiliated with it, without the prior consent of any other party hereto. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and permitted assigns.
- 8.3. *No Third-Party Benefits.* None of the provisions of this Agreement is intended to benefit, or to be enforceable by, any third-party beneficiaries.
- 8.4. *Governing Law.* The laws of the State of Nevada applicable to contracts made in that State, without giving effect to its conflict of law rules, shall govern the validity, construction, performance, and effect of this Agreement.
- 8.5. *Consent to Jurisdiction.* Each party hereto consents to the jurisdiction of the Courts of the State of Nevada in the event any action is brought for declaratory relief or enforcement of any of the terms and provisions of this Agreement.
- 8.6. *Amendment and Waiver.* This Agreement may not be modified or amended except by an instrument in writing signed by the Corporation and all the Holders. No waiver of any provision of this Agreement or of any rights or obligations of any party under this Agreement shall be effective unless in writing and signed by the party or parties waiving compliance, and shall be effective only in the specific instance and for the specific purpose stated in that writing.

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- 8.7. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

- 8.8. *Additional Documents.* Each party hereto agrees to execute any and all further documents and writings and to perform such other actions which may be or become necessary or expedient to effectuate and carry out this Agreement.
- 8.9. *Severability.* Any provision hereof that is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
- 8.10. *Integration.* This Agreement, the Stockholders Agreement, and the Operating Agreement contain the entire understanding of the parties with respect to the subject matter hereof or thereof. There are no restrictions, agreements, promises, representations, warranties, covenants, or undertakings with respect to the subject matter hereof other than those expressly set forth or referred to herein or therein. This Agreement, the Stockholders Agreement, and the Operating Agreement supersede all prior agreements and understandings between the parties with respect to their subject matter.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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*Signature Page to Contribution Agreement*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

/s/ STEPHEN A. WYNN

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**STEPHEN A. WYNN**

**ARUZE USA, INC.**

By: /s/ STEPHEN A. WYNN

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Stephen A. Wynn, as *Attorney-in-Fact*

**BARON ASSET FUND, ON BEHALF OF THE BARON ASSET FUND SERIES**

By: /s/ STEPHEN A. WYNN

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Stephen A. Wynn, as *Attorney-in-Fact*

**BARON ASSET FUND, ON BEHALF OF THE BARON GROWTH FUND SERIES**

By: /s/ STEPHEN A. WYNN

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Stephen A. Wynn, as *Attorney-in-Fact*

**KENNETH R. WYNN FAMILY TRUST DATED FEBRUARY , 1985**

By: \_\_\_\_\_

Kenneth R. Wynn, *Trustee*

**WYNN RESORTS, LIMITED**

By: /s/ STEPHEN A. WYNN

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Stephen A. Wynn,  
*Chief Executive Officer*

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*Signature Page to Contribution Agreement*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

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**STEPHEN A. WYNN**

**ARUZE USA, INC.**

By: \_\_\_\_\_

Stephen A. Wynn, as *Attorney-in-Fact*



**BARON ASSET FUND, ON BEHALF OF THE BARON ASSET FUND SERIES**

By: \_\_\_\_\_  
Stephen A. Wynn, as *Attorney-in-Fact*

**BARON ASSET FUND, ON BEHALF OF THE BARON GROWTH FUND SERIES**

By: \_\_\_\_\_  
Stephen A. Wynn, as *Attorney-in-Fact*

**KENNETH R. WYNN FAMILY TRUST DATED FEBRUARY , 1985**

By: \_\_\_\_\_  
/s/ KENNETH R. WYNN  
Kenneth R. Wynn, *Trustee*

**WYNN RESORTS, LIMITED**

By: \_\_\_\_\_  
Stephen A. Wynn,  
*Chief Executive Officer*

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EXHIBIT A

ASSIGNMENT OF MEMBERSHIP INTEREST

FOR VALUABLE CONSIDERATION, \_\_\_\_\_ (the "**Assignor**") hereby assigns, conveys, transfers, and delivers, as a contribution, to Wynn Resorts, Limited, a Nevada corporation (the "**Assignee**"), and the Assignee hereby acquires and accepts, as a contribution, from the Assignor, all of the right, title, and interest in and to the Assignor's LLC Interest in Valvino Lamore, LLC, a Nevada limited liability company. All capitalized terms not defined in this Assignment of Membership Interest (the "**Assignment**") shall have the meanings ascribed to them in that certain Contribution Agreement (the "**Contribution Agreement**") made and entered into effective as of June , 2002, by and among the Assignor, the Assignee, and certain other parties.

The Assignor hereby represents, warrants, and covenants to the Assignee as follows:

1. *Accredited Investor Status.* The Assignor is an "accredited investor" as defined in Securities and Exchange Commission ("SEC") Rule 501(a) in that the Assignor satisfies at least one of the following six criteria: (1) is an individual who is a director or executive officer of the Assignee, or (2) is an individual who has a net worth or joint net worth with his or her spouse in excess of \$1 million at the time of his or her acquisition, or (3) is an individual who has an individual income in excess of \$200,000 in each of the two most recent calendar years, or joint income with his or her spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year, or (4) is an entity, not formed for the specific purpose of acquiring the Common Stock, which has total assets of at least \$5 million and the acquisition of the Common Stock is directed by a sophisticated person, or (5) any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of such Act, or (6) is an entity in which all of the equity owners meet the requirements of (1), (2), (3), (4), or (5) above. The Assignor has a preexisting personal or business relationship with the Assignee or any of its officers, directors, or controlling persons.

2. *Stock Unregistered.* The Assignor acknowledges that the Common Stock has not been registered under the Securities Act of 1933, as amended, or qualified under any applicable blue sky laws in reliance, in part, on the representations and warranties herein, and the following restrictive legend (or similar legend) shall be placed on the certificates representing the Common Stock issued to the Assignor:

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state, and may not be sold or otherwise disposed of except pursuant to an effective registration statement under such Act and applicable state securities laws or an applicable exemption to the registration requirements of such Act and of such laws."

The Assignor understands that the shares of Common Stock are and will be "restricted securities" under the federal securities laws in that such securities will be acquired from the Assignee in a transaction not involving a public offering, and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances and that otherwise such securities must be held indefinitely.

3. *Financial Resources.* The Assignor's financial situation is such that the Assignor can afford to bear the economic risk of holding the Common Stock for an indefinite period of time, has no need for liquidity with respect to the Assignor's investment therein, has adequate means to provide for the Assignor's current needs and personal contingencies, and can afford to suffer the complete loss of the Assignor's investment in the Common Stock.

4. *Acquisition for Investment.* The Assignor is acquiring the Common Stock solely for investment, for the Assignor's account and not with a view to, or for resale in connection with, the distribution or other disposition thereof, except for such distributions and dispositions that are effected

5. *Title.* The Assignor has good and marketable title to the LLC Interest proposed to be contributed by the Assignor hereunder and full right, power, and authority to contribute the LLC Interests hereunder, free and clear of all encumbrances (other than those imposed by the Securities Act of 1933, as amended, and the securities or blue sky laws of certain jurisdictions and the Operating Agreement); and upon delivery and exchange of the LLC Interest hereunder, the Assignee will acquire good and marketable title thereto, free and clear of all encumbrances.

This Assignment is delivered pursuant to the Contribution Agreement and is subject to the terms and conditions thereof.

Dated as of the    day of            , 2002.

ASSIGNOR

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[Name of Assignor]

ASSIGNEE

Wynn Resorts, Limited

By:

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Stephen A. Wynn,  
*Chief Executive Officer*

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QuickLinks

[CONTRIBUTION AGREEMENT](#)

**Amended and Restated  
Business Loan Agreement**

Bank of America, N.A.

This Amended and Restated Business Loan Agreement, dated as of May 30, 2002, is between BANK OF AMERICA, N.A. (the "**Lender**") and WORLD TRAVEL, LLC (the "**Borrower**") and amends and restates that certain Business Loan Agreement, dated as of February 28, 2002 between the Borrower and the Lender (the "**Original Loan Agreement**") and is not a repayment or novation of the Original Loan Agreement.

**R E C I T A L S**

**WHEREAS**, the Borrower provided a term loan to the Borrower (the "**Term Loan**") in the original principal amount of \$28,500,000 pursuant to the Original Loan Agreement;

**WHEREAS**, contemporaneously herewith Valvino Lamore, LLC, a Nevada limited liability company (the "**Guarantor**") is purchasing (the "**Valvino Purchase**") all of the outstanding membership interests in the Borrower and will be the sole member of the Borrower; and

**WHEREAS**, the Borrower and the Lender desire to amend and restate the Original Loan Agreement to provide for, among other things, the Valvino Purchase and, in connection therewith, the release and replacement of the Continuing Guaranty of Stephen A. Wynn in favor of the Lender (the "**Wynn Guaranty**") with a Continuing Guaranty from Guarantor in favor of the Lender (the "**Valvino Guaranty**").

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**1. TERM LOAN TERMS.**

**1.1 Interest Rate.**

(a) **Prime Rate.** Unless the Borrower elects an optional interest rate as described below, the interest rate is a per annum rate equal to the Lender's Prime Rate defined below plus 0.25%.

The "**Prime Rate**" is the rate of interest publicly announced from time to time by the Lender as its Prime Rate (the "**Index**"). The Prime Rate is set by the Lender based on various factors, including the Lender's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans. The Lender may price loans to its customers at, above or below the Prime Rate. Any change in the Prime Rate will take effect at the opening of business on the day specified in the public announcement of a change in the Lender's Prime Rate. The Index is not necessarily the lowest rate charged by the Lender on its loans and is set by the Lender in its sole discretion. If the Index becomes unavailable during the term of this loan, the Lender may designate a substitute index after notifying the Borrower. The Lender will tell the Borrower the current Index rate upon the Borrower's request.

(b) **Optional Interest Rates.** Instead of the interest rate based on the Prime Rate, the Borrower may elect the optional interest rate(s) described below for the Term Loan during interest periods agreed to by the Lender and the Borrower. The optional rate(s) shall be subject to the terms and conditions described in this Agreement. Any principal amount bearing interest at an optional rate under this Agreement is referred to as a "**Portion**". If the Borrower elects the optional rate described below, such optional rate shall continue until such time as the Borrower elects otherwise or the provisions of Section 1.3(c)(iii) are applicable.

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(c) **LIBOR Rate.** The Borrower may elect to have all or Portions of the principal balance bear interest at a rate per year equal to the LIBOR Rate plus 2.50%. Designation of a LIBOR Rate Portion is subject to the following requirements:

(i) The interest period during which the LIBOR Rate will be in effect will be one, two, three or six months. The first day of the interest period must be a day other than a Saturday or a Sunday on which the Lender is open for business in New York and London and dealing in offshore dollars (a "**LIBOR Banking Day**"). The last day of the interest period and the actual number of days during the interest period will be determined by the Lender using the practices of the London inter-bank market.

(ii) Each LIBOR Rate Portion will be for an amount not less than \$1,000,000. No more than 3 separate LIBOR Rate Portions may be outstanding at any time.

(iii) "**LIBOR Rate**" means the interest rate determined by the following formula, rounded upward to the nearest 1/100 of one percent. (All amounts in the calculation will be determined by the Lender as of the first day of the interest period):

LIBOR Rate = London Inter-Bank Offered Rate

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(1.00—Reserve Percentage)

Where,

(a) "**London Inter-Bank Offered Rate**" means the average per annum interest rate at which U.S. dollar deposits would be offered for the applicable interest period by major banks in the London inter-bank market, as shown on the Telerate Page 3750 (or any successor page) at approximately 11:00 a.m. London time two (2) London Banking Days before the commencement of the interest period.

If such rate does not appear on the Telerate Page 3750 (or any successor page), the rate for that interest period will be determined by such alternate method as reasonably selected by Lender. A "**London Banking Day**" is a day on which Lender's London Banking Center is open for business and dealing in offshore dollars.

(b) "**Reserve Percentage**" means the total of the maximum reserve percentages for determining the reserves to be maintained by member banks of the Federal Reserve System for Eurocurrency Liabilities, as defined in Federal Reserve Board Regulation D, rounded upward to the nearest 1/100 of one percent. The percentage will be expressed as a decimal, and will include, but not be limited to, marginal, emergency, supplemental, special, and other reserve percentages.

(iv) The Borrower shall irrevocably request a LIBOR Rate Portion no later than 10:00 a.m. Chicago time on the LIBOR Banking Day preceding the day on which the London Inter-Bank Offered Rate will be set, as specified above. For example, if there are no intervening holidays or weekend days in any of the relevant locations, the request must be made at least three days before the LIBOR Rate takes effect.

(v) The Borrower may not elect a LIBOR Rate with respect to any principal which is scheduled to be repaid before the last day of the applicable interest period.

(vi) Each prepayment of a LIBOR Rate Portion, whether voluntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid and a prepayment fee as described below. A "**prepayment**" is a payment of

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an amount on a date earlier than the scheduled payment date for such amount as required by this Agreement. The prepayment fee shall be equal to the amount (if any) by which:

(a) the additional interest which would have been payable during the interest period on the amount prepaid had it not been prepaid, exceeds

(b) the interest which would have been recoverable by the Lender by placing the amount prepaid on deposit in the domestic certificate of deposit market, the eurodollar deposit market, or other appropriate money market selected by the Lender, for a period starting on the date on which it was prepaid and ending on the last day of the interest period for such Portion (or the scheduled payment date for the amount prepaid, if earlier).

(vii) The Lender will have no obligation to accept an election for a LIBOR Rate Portion if any of the following described events has occurred and is continuing:

(a) Dollar deposits in the principal amount, and for periods equal to the interest period, of a LIBOR Rate Portion are not available in the London inter-bank market; or

(b) the LIBOR Rate does not accurately reflect the cost of a LIBOR Rate Portion.

## 1.2 Repayment Terms.

(a) **Interest.** The Borrower will pay interest on June 1, 2002, and then monthly thereafter on the first day of each month until payment in full of any principal outstanding under the Term Loan.

(b) **Interest—Optional Interest Rate.** The Borrower will pay interest on any amount bearing interest at an optional interest rate described above at the end of the applicable interest period, which will be no later than the maturity date and, if the interest period is longer than 90 days then on the day which is 90 days after the first day of the interest period, and thereafter each 90 days during the interest period.

(c) **Principal.** The Borrower will repay principal in 47 successive monthly installments of \$158,333 starting March 1, 2003 and continuing thereafter on the first day of each month. On March 1, 2007 the Borrower will repay the remaining principal balance plus any interest then due.

(d) **Optional Prepayments.** Subject to the payment of any "breakage" fee applicable to any interest rate swap arrangement between the Borrower and the Lender, the Borrower may prepay the Term Loan in full or in part at any time. Any prepayment will be applied to the installments of principal due under this Agreement in the inverse order of their maturities.

(e) **Mandatory Prepayment.** Upon the occurrence of an Event of Loss (as defined in the Aircraft Mortgage) with respect to the Aircraft, the Borrower will pay to the Lender, as a mandatory prepayment of the Term Loan, the Loss Value (as defined in the Aircraft Mortgage) to the extent and in the manner required by the terms of Section 4.1 of the Aircraft Mortgage.

## 2. FEES AND EXPENSES

2.1 **Loan Fee.** The Borrower paid to the Lender a loan fee in the amount of \$142,500 on the date of the initial disbursement under the Term Loan.

2.2 **Expenses.** The Borrower agrees to reimburse the Lender upon demand, whether or not any loan is made under this Agreement, for:

(a) filing, recording and search fees, appraisal fees, title report fees, documentation fees, and other similar out-of-pocket fees, costs and expenses incurred by the Lender.

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(b) The expenses of the Lender for the preparation of this Agreement and any agreement or instrument required by this Agreement. Such expenses include, but are not limited to, reasonable attorneys' fees.

(c) Upon and during the continuance of an Event of Default, the cost of periodic appraisals of the collateral securing this Agreement, at such intervals as the Lender may reasonably require. The appraisals may be performed by employees of the Lender or by independent appraisers.

(d) Any stamp or other taxes which may be payable with respect to the execution or delivery of this Agreement or any agreement or instrument required by this Agreement.

### 3. DISBURSEMENTS, PAYMENTS AND COSTS

3.1 **Disbursements and Payments.** The disbursement by the Lender will be made in immediately available funds and will be evidenced by records kept by the Lender. In addition, the Lender may, at its discretion, require the Borrower to sign a promissory note evidencing the Term Loan. Each payment made by the Borrower will be made without set-off or counterclaim in immediately available funds not later than 2:00 p.m., Chicago time, on the date called for under this Agreement at the Lender's office at 231 South LaSalle Street, Chicago, Illinois 60697. Funds received on any day after such time will be deemed to have been received on the next Banking Day. Whenever any payment to be made under this Agreement is stated to be due on a day which is not a Banking Day, such payment will be made on the next succeeding Banking Day and such extension of time will be included in the computation of any interest.

#### 3.2 Telephone and Telefax Authorization.

(a) The Lender may honor telephone or telefax instructions for advances or repayments or the designation of optional interest rates given or purported to be given by any one of the individuals authorized to sign loan agreements on behalf of the Borrower, or any other individual designated by any one of such authorized signers.

(b) The Borrower will indemnify and hold the Lender harmless from all liability, loss, and costs in connection with any act resulting from telephone or telefax instructions the Lender reasonably believes are made by any individual authorized by the Borrower to give such instructions. This paragraph will survive this Agreement's termination, and will benefit the Lender and its officers, employees, and agents.

3.3 **Banking Days.** Unless otherwise provided in this Agreement, a "**Banking Day**" is a day other than a Saturday, Sunday or other day on which commercial banks are authorized to close, or are in fact closed, in Chicago, Illinois. All payments which would be due on a day which is not a Banking Day will be due on the next Banking Day. All payments received on a day which is not a Banking Day will be applied to the credit on the next Banking Day.

3.4 **Additional Costs.** The Borrower will pay the Lender, on demand, for the Lender's costs or losses arising from any statute or regulation, or any request or requirement of a regulatory agency which is applicable to all national banks or a class of all national banks. The costs and losses will be allocated to the Term Loan in a manner determined by the Lender, using any reasonable method. The costs include the following:

(a) any reserve or deposit requirements; and

(b) any capital requirements relating to the Lender's assets and commitments for credit.

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3.5 **Interest Calculation.** Except as otherwise stated in this Agreement, all interest and fees, if any, will be computed on the basis of a 360 day year and the actual number of days elapsed. Installments of principal which are not paid when due under this Agreement shall continue to bear interest until paid.

3.6 **Default Rate.** Upon the occurrence and during the continuation of any Event of Default under this Agreement, advances under this Agreement will at the option of the Lender bear interest at a rate per annum which is 4% higher than the Lender's Prime Rate. This will not constitute a waiver of any Event of Default.

3.7 **Interest Compounding.** At the Lender's sole option in each instance, any interest, fees or costs which are not paid when due under this Agreement shall bear interest from the due date at the Lender's Prime Rate plus 4%. This may result in compounding of interest.

### 4. COLLATERAL.

4.1 **Borrower's Obligations.** The Borrower's obligations to the Lender under this Agreement will be secured by the Bombardier Global Express aircraft (the "**Aircraft**") referred to in the Mortgage, Security Agreement and Assignment between the Borrower and the Lender, as assigned by the Borrower to Wells Fargo Bank North West, National Association, not in its individual capacity but solely as Owner Trustee under that certain Trust Agreement, dated as of May 10, 2002 ("**Owner Trustee**") pursuant to that certain Assignment and Assumption Agreement dated May 10, 2002 (collectively, the "**Aircraft Mortgage**").

### 5. CONDITIONS

The Lender must receive the following items, in form and content acceptable to the Lender, before it is required to extend any credit to the Borrower under this Agreement:

5.1 **Authorizations.** Evidence that the execution, delivery and performance by the Borrower (and any guarantor) of this Agreement and any instrument or agreement required under this Agreement have been duly authorized.

5.2 **Governing Documents.** A copy of the Borrower's articles of organization and operating agreement.

5.3 **Good Standing.** Certificates of good standing for the Borrower from its state of organization and from any other state in which the Borrower is required to qualify to conduct its business.

5.4 **Aircraft Mortgage.** A signed original Aircraft Mortgage, together with a UCC-1 Financing Statement.

5.5 **Evidence of Priority.** Evidence that security interests and liens in favor of the Lender are valid, enforceable, and prior to all others' rights and interests, except those the Lender consents to in writing.

5.6 **Insurance.** Evidence of insurance coverage, as required in the "**Covenants**" section of this Agreement.

5.7 **Guaranty.** The Valvino Guaranty signed by the Guarantor.

5.8 **Legal Opinion.** A written opinion from the Lender's FAA counsel, covering such matters as the Lender may require.

5.9 **Payment of Fees.** Payment of all accrued and unpaid expenses incurred by the Lender as required by the Section of this Agreement entitled "Fees and Expenses".

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5.10 **Other Items.** Any other items that the Lender reasonably requires.

## 6. REPRESENTATIONS AND WARRANTIES

When the Borrower signs this Agreement, and until the Lender is repaid in full, the Borrower makes the following representations and warranties. Each request for an extension of credit constitutes a renewed representation.

6.1 **Organization of Borrower.** The Borrower is a limited liability company duly formed and existing under the laws of the state where organized.

6.2 **Authorization.** This Agreement, and any instrument or agreement required hereunder, are within the Borrower's powers, have been duly authorized, and do not violate any provision of its organizational papers.

6.3 **Enforceable Agreement.** This Agreement is a legal, valid and binding agreement of the Borrower, enforceable against the Borrower in accordance with its terms, and any instrument or agreement required hereunder, when executed and delivered, will be similarly legal, valid, binding and enforceable, in each case subject to applicable bankruptcy laws.

6.4 **Good Standing.** In each state in which the Borrower does business, it is properly licensed, in good standing, and in compliance with fictitious name statutes, in each case as required by each such state.

6.5 **No Conflicts.** This Agreement does not violate any law, agreement, or obligation by which the Borrower is bound.

6.6 **Financial Information.** All financial and other information that has been or will be supplied to the Lender is:

(a) sufficiently complete to give the Lender accurate knowledge of the Borrower's (and the Guarantor's) financial condition including all material contingent liabilities.

(b) in compliance with all government regulations that apply.

Since the date of the financial statement specified above, there has been no material adverse change in the assets or the financial condition of the Borrower (or the Guarantor).

6.7 **Lawsuits.** There is no lawsuit, tax claim or other dispute pending or threatened against the Borrower, which, if lost, would impair the Borrower's financial condition or ability to repay the Term Loan.

6.8 **Collateral.** All collateral required in this Agreement is owned by the grantor of the security interest free of any title defects or any liens or interests of others.

6.9 **Permits, Franchises.** The Borrower possesses all permits, memberships, franchises, contracts and licenses required and all trademark rights, trade name rights, patent rights and fictitious name rights necessary to enable it to conduct the business in which it is now engaged.

6.10 **Other Obligations.** The Borrower is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation.

6.11 **Income Taxes.** The Borrower has filed all tax returns required to be filed and has paid, or made adequate provisions for the payment of, all taxes due and payable pursuant to such returns and pursuant to any assessments made against it or any of its property. No tax liens have been filed and no material claims are being asserted with respect to any such taxes. The reserves on the books of the Borrower in respect of taxes are adequate. The Borrower is not aware of any proposed assessment or

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adjustment for additional taxes (or any basis for any such assessment) which might be material to the Borrower.

6.12 **No Event of Default.** There is no event which is, or with notice or lapse of time or both would be, an Event of Default under this Agreement.

6.13 **Insurance.** The Borrower has obtained, and maintained in effect, the insurance coverage required in the "Covenants" section of this Agreement.

6.14 **Jurisdiction of Organization.** The Borrower is organized under the laws of the State of Nevada and the Borrower's organizational identification number is LLC860-2002.

6.15 **U.S. Citizenship.** The Owner Trustee is a citizen of the United States (as defined in 49 U.S.C. Section 40102(a)(15)) and is eligible to register the Aircraft with the Federal Aviation Administration pursuant to Part 47 of the Federal Aviation Regulations.

## 7. COVENANTS

The Borrower agrees, so long as credit is available under this Agreement and until the Lender is repaid in full:

7.1 **Financial Information.** To provide the following financial information and statements and such additional information as requested by the Lender from time to time:

(a) The Guarantor's quarterly financial statements within forty-five (45) days of the last day of each calendar quarter in a form and content reasonably acceptable to the Lender; *provided*, that in the event that the Guarantor becomes subject to any SEC reporting requirements for either public debt or equity, such financial reports shall be deemed acceptable by the Lender.

(b) Commencing with the calendar year ending December 31, 2002 and annually thereafter within one hundred twenty (120) days of calendar year end, the Guarantor's annual audited financial statements on a consolidated basis with an unqualified opinion from a CPA firm reasonably acceptable to the Lender.

(c) A compliance certificate of the Guarantor, substantially in the form of *Exhibit "A"* attached to the Valvino Guaranty, within forty-five (45) days of the last day of each calendar year end that the Term Loan is outstanding, in form and content satisfactory to the Lender, and certified in writing as true and correct by the Guarantor, evidencing the Guarantor's compliance with the terms of the Guaranty as of the last day of such period, and providing such additional financial or other information as Lender may reasonably request from time to time.

7.2 **Other Liens.** Not to create, assume, or allow any security interest or lien (including judicial liens) on the Aircraft, except:

(a) Mortgages, deeds of trust and security agreements in favor of the Lender.

(b) Liens permitted by the Aircraft Mortgage including liens for taxes not yet due.

7.3 **Change of Ownership of the Aircraft.** Not to cause, permit, or suffer any beneficial change in the Guarantor's ownership of the Aircraft.

7.4 **Change of Ownership of the Guarantor.** Not to cause, permit, or suffer Stephen A. Wynn ("**Wynn**") to cease to own, directly or indirectly, 30% of the capital ownership of the Guarantor and to cause Wynn to be Chief Executive Officer of the Guarantor.

7.5 **Parent of Borrower.** In the event that Guarantor is not the Borrower's parent and the owner, directly or indirectly, of all of the Nevada related operations of the Borrower's publicly held parent, including, without limitation, all related real property and all operations related to Le Reve,

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then the Borrower shall promptly cause the entity which controls such Nevada related operations of the Borrower's publicly held parent to issue a guaranty in form and content satisfactory to the Lender in substitution of the Valvino Guaranty.

7.6 **Notices to Lender.** To promptly notify the Lender in writing of:

(a) any Event of Default under this Agreement, or any event which, with notice or lapse of time or both, would constitute an Event of Default.

(b) any material adverse change in the Borrower's ability to repay the Term Loan.

(c) any change in the Borrower's name, legal structure, or jurisdiction of organization.

7.7 **Books and Records.** To maintain adequate books and records.

7.8 **Audits.** To allow the Lender and its agents to inspect the Aircraft and examine, audit and make copies of books and records relating to the Aircraft at any reasonable time. If the Aircraft or the books or records relating thereto are in the possession of a third party, the Borrower authorizes that third party to permit the Lender or its agents to have access to perform inspections or audits and to respond to the Lender's requests for information concerning the Aircraft and the books and records relating thereto. The Lender has no duty to inspect the Aircraft or to examine, audit or copy books and records and the Lender shall not incur any obligation or liability by reason of not making any such inspection or inquiry. In the event that the Lender inspects the Aircraft or examines, audits or copies books and records relating thereto, the Lender will be acting solely for the purposes of protecting the Lender's security and preserving the Lender's rights under this Agreement. Neither the Borrower nor any other party is entitled to rely on any inspection or other inquiry by the Lender. The Lender owes no duty of care to protect the Borrower or any other party against, or to inform the Borrower or any other party of, any adverse condition that may be observed as affecting the Aircraft, or the Borrower's business. The Lender may in its discretion disclose to the Borrower or any other party any findings made as a result of, or in connection with, any inspection of the Aircraft.

7.9 **Compliance with Laws.** To materially comply with the laws (including any fictitious name statute), regulations, and orders of any government body with authority over the Borrower's business.

7.10 **Preservation of Rights.** To maintain its existence except as otherwise provided herein.

7.11 **Perfection of Liens.** To help the Lender perfect and protect its security interests and liens, and reimburse it for related costs it incurs to perfect its security interests and liens.

7.12 **Cooperation.** To take any action reasonably requested by the Lender to carry out the terms of this Agreement.

7.13 **Insurance.**

(a) **Insurance Covering Collateral.** To maintain all risk property damage insurance policies covering the Aircraft as required by the Aircraft Mortgage.

(b) **General Business Insurance.** To maintain insurance as is usual for the business it is in, including, but not limited to the insurance required by the Aircraft Mortgage.

(c) **Evidence of Insurance.** Upon the request of the Lender, to deliver to the Lender a copy of each insurance policy, or, if permitted by the Lender, a certificate of insurance listing all insurance in force.

7.14 **Additional Negative Covenants.** Not to, without the Lender's written consent:

(a) liquidate or dissolve the Borrower's business.

(b) enter into any consolidation, merger, pool, joint venture, syndicate, or other combination, or become a partner in a partnership, a member of a joint venture or a member of a limited

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liability company unless the Guarantor retains the power to direct the management of the resulting entity and the resulting entity assumes all obligations of Borrower hereunder and executes all required documents, including, without limitation a new Aircraft Mortgage.

(c) sell, assign, lease, transfer or otherwise dispose of the Aircraft or any interest therein, except for a lease of the Aircraft to any entity controlled by Guarantor.

8. **DEFAULT.**

If any of the following events ("**Events of Default**") occurs, the Lender may do one or more of the following: declare the Borrower in default, stop making any additional credit available to the Borrower, and require the Borrower to repay the entire Term Loan immediately and without prior notice. If an Event of Default occurs under the Section entitled "**Bankruptcy**," then the entire Term Loan outstanding under this Agreement will automatically be due immediately.

8.1 **Failure to Pay.** The Borrower fails to make a payment under this Agreement when due.

8.2 **Lien Priority.** The Lender fails to have an enforceable first lien (except for any prior liens to which the Lender has consented in writing) on or security interest in any property given as security for the Term Loan.

8.3 **False Information.** The Borrower (or the Guarantor) has given the Lender false or misleading information or representations.

8.4 **Bankruptcy.** The Borrower (or the Guarantor) files a bankruptcy petition, a bankruptcy petition is filed against the Borrower (or the Guarantor), or the Borrower (or the Guarantor) makes a general assignment for the benefit of creditors. The default will be deemed cured if any bankruptcy petition filed against the Borrower (or the Guarantor) is dismissed within a period of 45 days after the filing; *provided, however*, that the Lender will not be obligated to extend any additional credit to the Borrower during that period.

8.5 **Receivers; Termination.** A receiver or similar official is appointed for the Borrower's (or the Guarantor's) business, or the business is terminated.

8.6 **Judgments.** Any judgments or arbitration awards are entered against the Borrower, or the Borrower enters into any settlement agreements with respect to any litigation or arbitration, in an aggregate amount of \$2,000,000 or more in excess of any insurance coverage.

8.7 **Government Action.** Any government authority takes action that the Lender believes materially adversely affects the Borrower's (or the Guarantor's) ability to repay the Term Loan.

8.8 **Material Adverse Change.** A material adverse change occurs in the Borrower's (or the Guarantor's) ability to repay the Term Loan.

8.9 **Default Under Related Documents.** Any guaranty, subordination agreement, security agreement, mortgage, deed of trust, or other document required by this Agreement is violated or no longer in effect.

8.10 **Other Bank Agreements.** The Borrower (or the Guarantor) fails to meet the conditions of, or fails to perform any obligation under any other agreement the Borrower (or the Guarantor) has with the Lender or any affiliate of the Lender, or demand is made by the Lender or any affiliate of the Lender on any obligation owing to the Lender or such affiliate under any other agreement the Borrower (or the Guarantor) has with the Lender or any affiliate of the Lender if such failure materially and adversely affects the Borrower's (or the Guarantor's) ability to repay the Term Loan.

8.11 **Other Breach Under Agreement.** The Borrower fails to meet the conditions of, or fails to perform any obligation under, any term of this Agreement not specifically referred to in this Article 8.

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If the breach is capable of being remedied, the breach will not be considered an Event of Default under this Agreement for a period of 30 days after the date on which the Lender gives written notice of the breach to the Borrower; provided, however, that the Lender will not be obligated to extend any additional credit to the Borrower during that period.

## 9. ENFORCING THIS AGREEMENT; MISCELLANEOUS.

9.1 **Illinois Law.** THIS AGREEMENT IS GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS.

9.2 **Successors and Assigns.** This Agreement is binding on the Borrower's and the Lender's Successors and Assignees. The Borrower agrees that it may not assign this Agreement without the Lender's prior consent. The Lender may sell Participations in or assign the Term Loan, and may exchange financial information about the Borrower with actual or potential Participants or Assignees.

9.3 **Severability; Waivers.** If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Lender retains all rights, even if it makes a loan after default. If the Lender waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

9.4 **Attorneys' Fees.** The Borrower shall reimburse the Lender for any reasonable out-of-pocket costs and attorneys' fees incurred by the Lender in connection with the enforcement of any rights or remedies under this Agreement and any other documents executed in connection with this Agreement, and in connection with any amendment, waiver, "workout" or restructuring under this Agreement. In the event of a lawsuit or arbitration proceeding, the prevailing party is entitled to recover costs and reasonable attorneys' fees incurred in connection with the lawsuit or arbitration proceeding, as determined by the court or arbitrator. In the event that any case is commenced by or against the Borrower under the Bankruptcy Code (Title 11, United States Code) or any similar or successor statute, the Lender is entitled to recover costs and reasonable attorneys' fees incurred by the Lender related to the preservation, protection, or enforcement of any rights of the Lender in such a case.

9.5 **One Agreement.** This Agreement and any related security or other agreements required by this Agreement, collectively:

- (a) represent the sum of the understandings and agreements between the Lender and the Borrower concerning this credit; and
- (b) replace any prior oral or written agreements between the Lender and the Borrower concerning this credit; and
- (c) are intended by the Lender and the Borrower as the final, complete and exclusive statement of the terms agreed to by them.

In the event of any conflict between this Agreement and any other agreements required by this Agreement, this Agreement will prevail.

9.6 **Indemnification.** The Borrower will indemnify and hold the Lender harmless from any loss, liability, damages, judgments, and costs of any kind relating to or arising directly or indirectly out of (a) this Agreement or any document required hereunder, (b) any credit extended or committed by the Lender to the Borrower hereunder, and (c) any litigation or proceeding related to or arising out of this Agreement, any such document, or any such credit; provided, however, that Borrower shall not be required to provide any indemnity hereunder (i) for any indemnified party's gross negligence or willful misconduct, including failure to materially comply with applicable law or (ii) any matter settled without Borrower's consent, which consent shall not be unreasonably withheld. This indemnity includes but is not limited to attorneys' fees. This indemnity extends to the Lender, its parent, subsidiaries and all of their directors, officers, employees, agents, successors, attorneys, and assigns. This indemnity will

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survive repayment of the Borrower's obligations to the Lender. All sums due to the Lender hereunder shall be obligations of the Borrower, due and payable immediately without demand.

9.7 **No Future Commitment.** The Borrower acknowledges that the Lender has made no commitment to extend any additional credit to the Borrower or to continue the credit provided hereunder after this Agreement expires or is terminated as provided herein.

9.8 **Notices.** All notices required under this Agreement shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Agreement, or sent by facsimile to the fax numbers listed on the signature page, or to such other addresses as the Lender and the Borrower may specify from time to time in writing. Notices sent by first class mail shall be deemed delivered on the earlier of actual receipt or on the fourth business day after deposit in the U.S. mail.

9.9 **Headings.** Article and Section headings are for reference only and will not affect the interpretation or meaning of any provisions of this Agreement.

9.10 **Counterparts.** This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, will be deemed an original but all such counterparts will constitute but one and the same agreement.

9.11 **Consent to Jurisdiction.** To induce the Lender to accept this Agreement, the Borrower irrevocably agrees that, subject to the Lender's sole and absolute election, **THE BORROWER HEREBY WAIVES PERSONAL SERVICE OF PROCESS UPON THE BORROWER, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO THE BORROWER AT THE ADDRESS STATED ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.**

9.12 **Waiver of Jury Trial.** **THE BORROWER AND THE LENDER EACH WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS AGREEMENT OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS AGREEMENT OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE BORROWER AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST THE LENDER OR ANY OTHER PERSON INDEMNIFIED UNDER THIS AGREEMENT ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.**

This Agreement is executed as of the date stated at the top of the first page.

**BANK OF AMERICA, N.A.**

**WORLD TRAVEL, LLC**

By: \_\_\_\_\_

By: Valvino Lamore, LLC, its Sole Member

By: /s/ STEPHEN A. WYNN \_\_\_\_\_

Name: Peter J. Vitale  
Title: Vice President

Name: Stephen A. Wynn  
Title: Managing Member

Address where notices to the Lender are to be sent:

Address where notices to the Borrower are to be sent:

300 South Fourth Street  
2nd Floor  
Las Vegas, Nevada 89101  
Attention: Peter Vitale  
Facsimile No.: (702) 654-7158

3145 Las Vegas Boulevard, South  
Las Vegas, Nevada 89109  
Attention: Stephen Wynn  
Facsimile No.: (702) 733-4596

**9.13 AND NOT BEFORE A JURY. THE BORROWER AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST THE LENDER OR ANY OTHER PERSON INDEMNIFIED UNDER THIS AGREEMENT ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.**

This Agreement is executed as of the date stated at the top of the first page.

**BANK OF AMERICA, N.A.**

**WORLD TRAVEL, LLC**

By: /s/ PETER J. VITALE \_\_\_\_\_

By: Valvino Lamore, LLC, its Sole Member

By: \_\_\_\_\_

Name: Peter J. Vitale  
Title: Vice President

Name: Stephen A. Wynn  
Title: Managing Member

Address where notices to the Lender are to be sent:

Address where notices to the Borrower are to be sent:

300 South Fourth Street  
2nd Floor  
Las Vegas, Nevada 89101  
Attention: Peter Vitale  
Facsimile No.: (702) 654-7158

3145 Las Vegas Boulevard, South  
Las Vegas, Nevada 89109  
Attention: Stephen Wynn  
Facsimile No.: (702) 733-4596

QuickLinks

[Amended and Restated Business Loan Agreement](#)

**Bank of America, N.A.  
Continuing Guaranty**

BORROWER: WORLD TRAVEL, LLC  
GUARANTOR: VALVINO LAMORE, LLC

To: BANK OF AMERICA, N.A.  
231 South LaSalle Street  
Chicago, Illinois 60697

1. **Guaranty of Payment.** For value received and in consideration of any loan or other financial accommodation heretofore, now or hereafter at any time made or granted to WORLD TRAVEL, LLC (the "**Borrower**") by BANK OF AMERICA, N.A. (together with its successors and assigns, the "**Lender**"), 231 South LaSalle Street, Chicago, Illinois 60697, the undersigned (the "**Guarantor**") hereby unconditionally guarantees the full and prompt payment when due, whether by acceleration or otherwise, and at all times thereafter, of all obligations of the Borrower to the Lender under that certain Business Loan Agreement dated on or about the date hereof between Borrower and Lender (the "**Loan Agreement**"), including, but not limited to, Swap Obligations, as defined in that certain Mortgage, Security Agreement and Assignment dated on or about the date hereof between Borrower and Lender (all such obligations being hereinafter collectively called the "**Liabilities**"), and the Guarantor further agrees to pay all expenses and attorneys' fees paid or incurred by the Lender in endeavoring to collect the Liabilities, or any part thereof, and in enforcing this Guaranty.

2. **Acceleration of the Time of Payment of Amount Payable Under the Guaranty.** Upon acceleration of all Liabilities due to the occurrence and continuation of an Event of Default under the Loan Agreement, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all Liabilities were then due and payable.

3. **Continuing Guaranty.** This Guaranty is a continuing, absolute and unconditional Guaranty, and will remain in full force and effect (notwithstanding, without limitation, the death, incompetency or dissolution of the Guarantor or that at any time or from time to time all Liabilities may have been paid in full), subject to discontinuance only upon actual receipt by the Lender of written notice from the Guarantor, or any person duly authorized and acting on behalf of the Guarantor, of the discontinuance hereof; *provided, however*, that no such notice of discontinuance will affect or impair any of the agreements and obligations of the Guarantor hereunder with respect to any and all Liabilities existing prior to the time of actual receipt of such notice by the Lender, any and all Liabilities created or acquired thereafter pursuant to any previous commitments made by the Lender, any and all extensions or renewals of any of the foregoing, any and all interest on any of the foregoing, and any and all expenses paid or incurred by the Lender in endeavoring to collect any of the foregoing and in enforcing this Guaranty against the Guarantor; and all of the agreements and obligations of the Guarantor under this Guaranty will, notwithstanding any such notice of discontinuance, remain fully in effect until all such Liabilities (including any extensions or renewals of any thereof) and all such interest and expenses have been paid in full.

4. **Rescission or Return of Payment on Liabilities.** The Guarantor further agrees that, if at any time all or any part of any payment theretofore applied by the Lender to any of the Liabilities is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower), such Liabilities are, for the purposes of this Guaranty, to the extent that such payment is or must be rescinded or returned, deemed to have continued in existence, notwithstanding such application by the Lender, and this Guaranty will continue to be effective or be reinstated, as the case may be, as to such Liabilities, all as though such application by the Lender had not been made.

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5. **Covenants of the Guarantor.** The Guarantor covenants and agrees with the Lender that the Guarantor shall: (a) provide to the Lender quarterly financial statements within forty-five (45) days of each calendar quarter in a form and content reasonably acceptable to the Lender; *provided*, that in the event that the Guarantor becomes subject to any SEC reporting requirements for either public debt or equity, such financial reports shall be deemed acceptable by the Lender; (b) commencing with the calendar year ending December 31, 2002 and annually thereafter within one hundred twenty (120) days of calendar year end, provide to the Lender the Guarantor's annual audited financial statements on a consolidated basis with an unqualified opinion from a CPA firm reasonably acceptable to the Lender; (c) provide to the Lender within forty-five (45) days of the last day of each calendar year end a compliance certificate of the Guarantor substantially in the form of *Exhibit A* attached hereto, in form and content satisfactory to the Lender, and certified in writing as true and correct by the Guarantor, evidencing the Guarantor's compliance with the terms of clauses (e) and (f) below of this Section 5 as of the last day of such period, and providing such additional financial or other information as the Lender may reasonably request from time to time; (d) not cause, permit or suffer Stephen A. Wynn ("**Wynn**") to cease to own, directly or indirectly, 30% of the capital ownership of the Guarantor and to cause Wynn to be Chief Executive Officer of the Guarantor;

(e) *Minimum Tangible Net Worth:* To maintain on a consolidated basis Minimum Tangible Net Worth equal to at least Four Hundred Million Dollars (\$400,000,000) at all times effective as of September 30, 2002. "**Tangible Net Worth**" means the value of the Guarantor's total assets (including leaseholds and leasehold improvements and reserves against assets but excluding goodwill, patents, trademarks, trade names, organization expense, unamortized debt discount and expense, capitalized or deferred research and development costs, deferred marketing expenses, and other like intangibles, and monies due from affiliates, officers, directors, employees, shareholders, members or managers of the Guarantor) less total liabilities, including but not limited to accrued and deferred income taxes, but excluding the non-current portion of Subordinated Liabilities. "**Subordinated Liabilities**" means liabilities subordinated to the Guarantor's obligations to the Lender in a manner acceptable to the Lender in its sole discretion; and

(f) *Minimum Debt Service Coverage.* To maintain on a consolidated basis a Debt Service Coverage Ratio of at least 1.25:1.0. "**Minimum Debt Service Coverage Ratio**" means the ratio of EBITDA to the sum of the current portion of long term debt and the current portion of long term capitalized lease obligations, plus cash interest expense on all obligations for the trailing four quarters. "**EBITDA**" means net income, less income or plus loss from discontinued operations and extraordinary items, plus income taxes, plus interest expense, plus depreciation, depletion, amortization and other non-cash charges; *provided, however*, in the event that Le Reve opens on or after January 1, 2005, EBITDA shall be annualized as follows: (i) using the first calendar quarter multiplied by 4, (ii) the first and second calendar quarters multiplied by 2; and (iii) the first, second and third calendar quarters multiplied by 4/3rds; and, *provided, further*, that pre-opening expenses shall be added to EBITDA.

This ratio will be calculated annually using the results of the twelve-month period ending with that reporting period commencing with the calendar year ended December 31, 2005. The current portion of long-term liabilities will be measured as of the date 12 months prior to the current financial statement.

6. **Lender Permitted to Take Certain Actions.** The Lender may, from time to time (but is not obligated to), whether before or after any discontinuance of this Guaranty, at its sole discretion and without notice to the Guarantor, take any or all of the following actions: (a) receive a security interest in any property to secure any of the Liabilities or any obligation hereunder; (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to the Guarantor, with respect to any of the Liabilities; (c) extend or renew for one or more periods (whether or not longer than the original period), alter or exchange any of the Liabilities, or release or compromise any obligation of the

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Guarantor hereunder or any obligation of any nature of any other obligor with respect to any of the Liabilities; (d) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the Liabilities or any obligation hereunder, or extend or renew for one or more periods (whether or not longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property; and (e) resort to the Guarantor for payment of any of the Liabilities, whether or not the Lender (i) has resorted to any property securing any of the Liabilities or any obligation hereunder or (ii) has proceeded against any other obligor primarily or secondarily obligated with respect to any of the Liabilities (all of the actions referred to in preceding clauses (i) and (ii) being hereby expressly waived by the Guarantor).

7. **Application of Payments.** Any amounts received by the Lender from whatsoever source on account of the Liabilities may be applied by it toward the payment of such of the Liabilities, and in such order of application, as the Lender may from time to time elect.

8. **Subrogation.** Until such time as this Guaranty has been discontinued and the Lender has received payment of the full amount of all Liabilities and of all obligations of the Guarantor hereunder, no payment made by or for the account of the Guarantor pursuant to this Guaranty entitles the Guarantor by subrogation or otherwise to any payment by the Borrower or from or out of any property of the Borrower, and the Guarantor will not exercise any right or remedy against the Borrower or any property of the Borrower by reason of any performance by the Guarantor of this Guaranty.

9. **Waiver of Notice and Other Matters.** The Guarantor hereby expressly waives: (a) notice of the acceptance by the Lender of this Guaranty; (b) notice of the existence or creation or non-payment of all or any of the Liabilities; (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever; and (d) all diligence in collection or protection of or realization upon the Liabilities or any thereof, any obligation hereunder, or any security for or guaranty of any of the foregoing.

10. **Additional Liabilities of the Borrower Permitted.** The creation or existence from time to time of Liabilities in excess of the amount to which the right of recovery under this Guaranty is limited is hereby authorized, without notice to the Guarantor, and will in no way affect or impair the rights of the Lender and the obligations of the Guarantor under this Guaranty.

11. **Assignment of Liabilities.** The Lender may, from time to time, whether before or after any discontinuance of this Guaranty, without notice to the Guarantor, assign or transfer any or all of the Liabilities or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Liabilities will remain Liabilities for the purposes of this Guaranty, and each and every immediate and successive assignee or transferee of any of the Liabilities or of any interest therein will, to the extent of the interest of such assignee or transferee in the Liabilities, be entitled to the benefits of this Guaranty to the same extent as if such assignee or transferee were the Lender, *provided, however*, that, unless the Lender otherwise consents in writing, the Lender has an unimpaired right, prior and superior to that of any such assignee or transferee, to enforce this Guaranty, for the benefit of the Lender, as to those of the Liabilities which the Lender has not assigned or transferred.

12. **Information Concerning the Borrower.** The Guarantor hereby warrants to the Lender that the Guarantor now has and will continue to have independent means of obtaining information concerning the affairs, financial condition and business of the Borrower. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the affairs, financial condition or business of the Borrower which may come into the Lender's possession.

13. **Waiver and Modifications.** No delay on the part of the Lender in the exercise of any right or remedy will operate as a waiver thereof, and no single or partial exercise by the Lender of any right or remedy will preclude other or further exercise thereof or the exercise of any other right or remedy;

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nor will any modification or waiver of any of the provisions of this Guaranty be binding upon the Lender except as expressly set forth in a writing duly signed and delivered on behalf of the Lender.

14. **Obligations Under Guaranty.** No action of the Lender permitted hereunder will in any way affect or impair the rights of the Lender and the obligations of the Guarantor under this Guaranty. For the purposes of this Guaranty, Liabilities include all obligations of the Borrower to the Lender under the Loan Agreement, notwithstanding any right or power of the Borrower or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense will affect or impair the obligations of the Guarantor hereunder. The obligations of the Guarantor under this Guaranty are absolute and unconditional irrespective of any circumstance whatsoever which might constitute a legal or equitable discharge or defense of the Guarantor. The Guarantor hereby acknowledges that there are no conditions to the effectiveness of this Guaranty.

15. **Successors.** This Guaranty is binding upon the Guarantor, and upon the heirs, legal representatives, successors and assigns of the Guarantor, and to the extent that the Borrower or the Guarantor is either a partnership or a corporation, all references herein to the Borrower and to the Guarantor, respectively, are deemed to include any successor or successors, whether immediate or remote, to such partnership or corporation.

16. **Law.** This Guaranty has been delivered in Chicago, Illinois, and will be construed in accordance with and governed by the internal laws of the State of Illinois.

17. **Severability.** Wherever possible, each provision of this Guaranty will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty is prohibited by or invalid under such law, such provision will be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

18. **Captions.** Paragraph captions used in this Guaranty are for convenience only, and do not affect the construction of this Guaranty.

19. **Consent to Jurisdiction.** To induce the Lender to accept this Guaranty, the Guarantor irrevocably agrees that, subject to the Lender's sole and absolute election, THE GUARANTOR WAIVES PERSONAL SERVICE OF PROCESS UPON THE GUARANTOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO THE GUARANTOR AT THE ADDRESS STATED ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

20. **Waiver of Jury Trial.** THE GUARANTOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS GUARANTY OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS GUARANTY, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE GUARANTOR AGREES THAT THE GUARANTOR WILL NOT ASSERT ANY CLAIM AGAINST THE LENDER ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

[SIGNATURE PAGE FOLLOWS]

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SIGNED AND DELIVERED THIS 30<sup>th</sup> day of May, 2002.

GUARANTOR:

VALVINO LAMORE, LLC

By: /s/ STEPHEN A. WYNN

Name: Stephen A. Wynn

Its: *Managing Member*

Address: c/o World Travel, LLC  
3145 Las Vegas Boulevard, South  
Las Vegas, Nevada 89109  
Facsimile No. (702) 733-4596

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STATE OF NEVADA            )  
  )SS  
COUNTY OF CLARK        )

Subscribed, sworn to and acknowledged before me this 30<sup>th</sup> day of May, 2002 by Stephen A. Wynn, Managing Member of Valvino Lamore, LLC, who personally appeared before me.

Witness my hand and official seal.

/s/ CYNTHIA L. MITCHUM

Notary Public

My commission expires:

February 16, 2006

[Notary Stamp]

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**EXHIBIT "A"**

**Form of Compliance Certificate  
For Continuing Guaranty**

To: Bank of America, N.A.

Reference is hereby made to that certain Continuing Guaranty dated \_\_\_\_\_, 2002 (the "Guaranty") by the undersigned ("Guarantor") in favor of Bank of America, N.A. ("Lender"). All of the capitalized terms used herein without definition shall have the meanings given to such terms in the Guaranty.

Guarantor hereby certifies to Lender, for the calendar year ending \_\_\_\_\_, that:

- 1) Guarantor is in compliance with the terms of the Guaranty because Guarantor's Minimum Tangible Net Worth is equal to at least \$400,000,000 as of September 30, 2002 as calculated pursuant to the Guaranty.
- 2) Guarantor is in compliance with the terms of the Guaranty because Guarantor's Minimum Debt Service Coverage Ratio is at least 1:25:1.0 as calculated pursuant to the Guaranty.

Guarantor hereby confirms that no Event of Default exists pursuant to the Business Loan Agreement and further certifies that all information set forth herein or attached hereto is true and correct.

Date:

\_\_\_\_\_

**Guarantor:**

**VALVINO LAMORE, LLC**

**By:**

\_\_\_\_\_

**Name: Stephen A. Wynn**

**Its: *Managing Member***

\_\_\_\_\_

QuickLinks

[Bank of America, N.A. Continuing Guaranty](#)

## AGREEMENT

This AGREEMENT (the "**Agreement**"), dated as of this            day of June, 2002, is entered into by and between Stephen A. Wynn, an individual ("**Wynn**") and Wynn Resorts, Limited, a Nevada corporation (the "**Company**").

### WITNESSETH:

WHEREAS, concurrently herewith, Wynn, Kazuo Okada, an individual ("**Okada**"), Aruze USA, Inc., a Nevada corporation ("**Aruze**"), and Aruze Corp., a Japanese public corporation ("**Aruze Parent**"), are entering into a Buy-Sell Agreement (the "**Buy-Sell Agreement**"); and

WHEREAS, Wynn and the Company desire to enter into this Agreement to facilitate the financing of the Company and resolve potential future issues related to the Company's ability to obtain gaming licenses and comply with gaming laws.

NOW, THEREFORE, in consideration of the foregoing and the agreements set forth below, the parties hereto agree as follows:

1. *Definitions.* For purposes of this Agreement:

- (a) "LLC" means Valvino Lamore, LLC, a Nevada limited liability company.
- (b) "Operating Agreement" means that certain Amended and Restated Operating Agreement of the LLC, effective as of October 3, 2000, as amended and/or restated from time to time.
- (c) "Shares" means the shares of capital stock of the Company.
- (d) "Stockholders Agreement" means that certain Stockholders Agreement, dated as of April 11, 2002, by and among the members of the LLC, as it may be amended and/or restated from time to time.

2. *Purchase of Aruze's Shares.*

- (a) At least 20 days before the earlier of (i) the Wynn Notice Date under Section 3(a) of the Buy-Sell Agreement or (ii) the last day of the period during which Wynn can elect to purchase Aruze's Shares under Section 3(a) of the Buy-Sell Agreement, Wynn or his designee shall provide written notice to the Company (the "**Wynn Pre-Notice**") of his or his designee's intention to elect to purchase none, some, or all of Aruze's Shares under Section 3(a) of the Buy-Sell Agreement.
- (b) If, in the Wynn Pre-Notice, Wynn or his designee notifies the Company of an intention to elect to purchase less than all of Aruze's Shares under Section 3(a) of the Buy-Sell Agreement, then the Company shall have a period, beginning on the date of the Wynn Pre-Notice and ending 15 days thereafter, to elect by written notice to Wynn to require Wynn or his designee to elect to purchase all of Aruze's Shares under Section 3(a) of the Buy-Sell Agreement.
- (c) Wynn shall have no obligation to offer the Company any opportunity to purchase any of Aruze's Shares under the Buy-Sell Agreement at any time.
- (d) Wynn shall not agree to an amendment of the Buy-Sell Agreement that would adversely affect his rights under the Buy-Sell Agreement to elect to purchase Aruze's Shares.
- (e) The Company shall take all actions necessary or advisable to make the provisions of Nevada Revised Statutes 78.378 to 78.3793, inclusive, inapplicable to the acquisition of Aruze's Shares by Wynn or his designee under the Buy-Sell Agreement. The Company shall also take all actions necessary or advisable to make inapplicable any other similar provisions of law, the Company's articles or bylaws or any stockholder rights or other Company plan or

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arrangement, whether now existing or hereafter enacted or adopted, that would deny rights, privileges, power or authority to Wynn or his designee as a result of, or with respect to, the acquisition of shares under the Buy-Sell Agreement.

- 3. *Escrow.* The Company agrees to hold in escrow all Shares owned by Aruze, Aruze Parent, Okada, or any transferee of any of them to secure their obligations under the Buy-Sell Agreement, together with executed stock powers and such other documents as may be required to effect the sale of Shares contemplated thereunder.
- 4. *Effective Time; Termination of Prior Agreements.* This Agreement shall become effective when the members of the LLC contribute their interests in the LLC to the Company in exchange for Shares in the Company. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.
- 5. *Miscellaneous.*

- (a) *Conflicts.* In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Operating Agreement or the Stockholders Agreement, the terms and conditions of this Agreement shall control.
- (b) *Further Assurances.* Each party hereto agrees to cooperate with the other party by executing such other documents and taking such other actions as may be necessary or appropriate to carry out the provisions of this Agreement.
- (c) *Amendments.* This Agreement may not be amended except by a written agreement executed by all of the parties.
- (d) *Legend.* The Company agrees to imprint on all certificates representing Shares owned by Aruze or any transferee the restrictive legend set forth in Section 7(d) of the Buy-Sell Agreement (in addition to any other legend required by applicable laws).
- (e) *Transfers in Violation Void.* Any transfer of any Shares in violation of the Buy-Sell Agreement shall be null and void *ab initio*, and the Company shall not give effect to any such transfer.
- (f) *Notices.* Any and all notices, requests, claims, demands and other communications by any party hereto to any other party, required or desired to be given hereunder, shall be in writing and shall be deemed validly given and received (i) if served personally, (ii) if delivered by a nationally recognized overnight courier service, such as Federal Express, providing proof of delivery, (iii) if sent by telegram, telex, or telecopy, or (iv) three days after it is posted with the United States Postal Service if it is sent via certified mail, return receipt requested, postage prepaid. All communications hereunder shall be delivered to the respective parties at the following addresses:

If to Wynn:

Mr. Stephen A. Wynn  
c/o Wynn Resorts, Limited  
3145 Las Vegas Boulevard South  
Las Vegas, Nevada 89109  
Facsimile: 702.791.0167

If to the Company:

Wynn Resorts, Limited  
3145 Las Vegas Boulevard South  
Las Vegas, Nevada 89109  
Facsimile: 702.733.4596  
Attention: Legal Department

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or to such other address as the party to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

- (g) *Severability.* If any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in this Agreement.
- (h) *Specific Performance.* Each of the parties acknowledges that a breach of this Agreement will cause the other party hereto to sustain damages for which such other party would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that the parties shall be entitled to the remedy of specific performance and other equitable relief.
- (i) *Governing Law.* The laws of the State of Nevada applicable to contracts made in that State, without giving effect to its conflict of law rules, shall govern the validity, construction, performance, and effect of this Agreement.
- (j) *Jurisdiction.* Each party hereby irrevocably submits to the exclusive jurisdiction and venue of the state courts of the State of Nevada in any proceeding arising in connection with this Agreement. **Each party hereto hereby waives any right to a trial by jury in connection with any such action, suit or proceeding.**
- (k) *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement. This Agreement shall not be effective as to any party hereto until such time as this Agreement or a counterpart thereof has been executed and delivered by each party hereto.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by Wynn and a duly authorized officer of the Company on the day and year first written above.

/s/ STEPHEN A. WYNN

\_\_\_\_\_  
Stephen A. Wynn

**WYNN RESORTS, LIMITED,**  
a Nevada corporation

By: \_\_\_\_\_ /s/ STEPHEN A. WYNN



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[AGREEMENT](#)

## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made as of the 30th day of May, 2002, by and between Stephen A. Wynn ("Seller") and Valvino Lamore, LLC, a Nevada limited liability company ("Buyer").

### RECITALS

A. Seller is the sole member of World Travel, LLC, a Nevada limited liability company ("World Travel"), and owns a 100% member's interest in World Travel, which includes the right to all profit and loss, capital and distributions of World Travel (the "World Travel Interest").

B. Seller is the sole member of Las Vegas CharterJet, LLC, a Nevada limited liability company ("LV Charter," and together with World Travel, the "Companies"), and owns a 100% member's interest in LV Charter, which includes the right to all profit and loss, capital and distributions of LV Charter (the "LV Charter Interest," and together with the World Travel Interest, the "Interests").

C. Seller and Buyer have reached an agreement for the sale by Seller and the purchase by Buyer of the Interests on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises, covenants and representations hereinafter contained, and subject to the conditions hereinafter set forth, it is agreed as follows:

1. *Sale and Transfer of Interests.* Subject to the terms and conditions set forth in this Agreement, Seller hereby sells, transfers and assigns to Buyer, and Buyer hereby purchases from Seller, the Interests for consideration of \$9,735,340 (the "Purchase Price").

2. *Releases and Membership.* Seller hereby releases and relinquishes any and all right, title and interest which Seller now has in the Interests and Buyer hereby accepts the transfer and assignment of the Interests and, as a Member of each of the Companies, agrees to be bound by the terms and provisions of, to be subject to all restrictions and liabilities of the Seller set forth in, and to assume all obligations of a Member under, the Articles of Organization of each of the Companies and applicable Nevada law. The Operating Agreement of each of the Companies shall reflect that, following the purchase and sale of the Interests pursuant hereto, the sole member of each of the Companies shall be Buyer.

3. *Deliveries.* With this Agreement: (i) Seller is executing and delivering to Buyer a Bill of Sale and Assignment of Membership Interests duly; and (ii) Buyer is delivering to Seller the Purchase Price in immediately available funds.

4. *Guaranty.* Buyer shall deliver to Bank of America, N.A. that certain Continuing Guaranty, dated concurrently herewith, with respect to Bank of America, N.A. as lender and World Travel as borrower, and take all further actions necessary or advisable to cause Seller to be released from the Continuing Guaranty, dated February 28, 2002, that Seller delivered to Bank of America, N.A.

5. *Representation.* Seller represents and warrants to Buyer that Seller owns the Interests, free and clear of any mortgage, lien, pledge, charge, or security interest, or any option or right of first refusal requiring Seller to sell the Interests to a third party.

6. *Securities Laws.* Buyer understands and hereby acknowledges that the Interests are not registered under the Securities Act of 1933 or under the securities laws of any state of the United States, and must be held indefinitely unless they are so registered or an exemption from registration is available. Buyer is acquiring the Interests for Buyer's own account as principal, for investment and not with a view to, or for resale in connection with, any distribution of the Interests.

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### 7. *Miscellaneous.*

(a) *Notices.* Any and all notices or demands by any party hereto to any other party, required or desired to be given hereunder, shall be in writing and shall be deemed validly given and received (i) if served personally, (ii) if delivered by a nationally recognized overnight courier service, or (iii) three days after it is posted with the United States Postal Service if it is sent via certified mail, return receipt requested, postage prepaid. All notices shall be addressed as follows:

If to Buyer:

Valvino Lamore, LLC  
Attention: Marc H. Rubinstein, Senior Vice President—General Counsel  
3145 Las Vegas Boulevard South  
Las Vegas, Nevada 89109

If to Seller:

Mr. Stephen A. Wynn  
3145 Las Vegas Boulevard South  
Las Vegas, Nevada 89109

Any party hereto may change his or its address for the purpose of receiving notices or demands as hereinabove provided by a written notice given in the manner aforesaid to the other party. All notices shall be as specific as reasonably necessary to enable the party receiving the same to respond thereto.

(b) *Governing Law.* The laws of the State of Nevada applicable to contracts made in that State, without giving effect to its conflict of law rules, shall govern the validity, construction, performance and effect of this Agreement.

(c) *Consent to Jurisdiction.* Each party hereto consents to the jurisdiction of the Courts of the State of Nevada in the event any action is brought for declaratory relief or enforcement of any of the terms and provisions of this Agreement.

(d) *Attorneys' Fees.* In the event that any action or proceeding is instituted to interpret or enforce the terms and provisions of this Agreement, the prevailing party shall be entitled to its costs and reasonable attorneys' fees, in addition to any other relief it may obtain or be entitled to.

(e) *Interpretation.* In the interpretation of this Agreement, the singular may be read as the plural, and *vice versa*, the neuter gender as the masculine or feminine, and *vice versa*, and the future tense as the past or present, and *vice versa*, all interchangeably as the context may require in order to fully effectuate the intent of the parties and the transactions contemplated herein. Syntax shall yield to the substance of the terms and provisions hereof. Paragraph headings are for convenience of reference only and shall not be used in the interpretation of the Agreement.

(f) *Entire Agreement.* This Agreement sets forth the entire understanding of the parties, and supersedes all previous agreements, negotiations, memoranda, and understandings, whether written or oral. In the event of any conflict between this Agreement and any exhibits or schedules attached hereto, this Agreement shall control.

(g) *Modifications.* This Agreement shall not be modified, amended or changed in any manner unless in writing executed by each of the parties hereto.

(h) *Waivers.* No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver, and no waiver shall be binding unless evidenced by an instrument in writing and executed by the party making the waiver.

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(i) *Invalidity.* If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a Court of competent jurisdiction to be invalid, void or unenforceable, that provision shall be deemed severable and all terms, provisions, covenants, and conditions of this Agreement, and all applications thereof not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

(j) *Binding Effect.* This Agreement shall be binding on and inure to the benefit of the heirs, personal representatives, successors and permitted assigns of the parties hereto.

(k) *Counterparts.* This Agreement may be executed in multiple counterparts, which together shall constitute one and the same document.

*[signature page to follow]*

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IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year above written.

"SELLER"

/s/ STEPHEN A. WYNN

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Stephen A. Wynn

"BUYER"

VALVINO LAMORE, LLC

By: /s/ STEPHEN A. WYNN

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Stephen A. Wynn, *Managing Member*

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**EMPLOYMENT AGREEMENT**  
("Agreement")

-by and between-

**VALVINO LAMORE, LLC,**  
("Employer")

-and-

**MATT MADDOX**  
("Employee")

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**DATED: as of May 31, 2002**

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**EMPLOYMENT AGREEMENT**

**THIS EMPLOYMENT AGREEMENT ("Agreement")** is made and entered into as of the \_\_\_\_\_ day of May, 2002, by and between **VALVINO LAMORE, LLC ("Employer")** and **MATT MADDOX ("Employee")**.

**WITNESSETH:**

**WHEREAS**, Employer is a limited liability company duly organized and existing under the laws of the State of Nevada, maintains its principal place of business at 3145 Las Vegas Blvd. South, Las Vegas, Nevada, and is engaged in the business of developing, constructing and operating a casino/hotel complex at such principal place of business; and,

**WHEREAS**, in furtherance of its business, Employer has need of qualified, experienced personnel; and,

**WHEREAS**, Employee is an adult individual residing at 10164 Birch Bluff Lane, Las Vegas, Nevada 89145; and,

**WHEREAS**, Employee has represented and warranted to Employer that Employee possesses sufficient qualifications and expertise in order to fulfill the terms of the employment stated in this Agreement; and,

**WHEREAS**, Employer is willing to employ Employee, and Employee is desirous of accepting employment from Employer under the terms and pursuant to the conditions set forth herein;

**NOW, THEREFORE**, for and in consideration of the foregoing recitals, and in consideration of the mutual covenants, agreements, understandings, undertakings, representations, warranties and promises hereinafter set forth, and intending to be legally bound thereby, Employer and Employee do hereby covenant and agree as follows:

**1. DEFINITIONS.** As used in this Agreement, the words and terms hereinafter defined have the respective meanings ascribed to them herein, unless a different meaning clearly appears from the context:

(a) "**Affiliate**"—means with respect to a specified Person, any other Person who or which is (i) a principal of the specified Person, (ii) directly or indirectly controlling, controlled by or under common control with the specified Person, or (iii) any member, director, officer or manager of the specified Person. For purposes of this definition, "control", "controlling", "controlled" mean the right to exercise, directly or indirectly, more than fifty percent of the voting power of the stockholders, members or owners and, with respect to any individual, partnership, trust or other entity or association, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled entity.

(b) "**Anniversary**"—means each annual anniversary date of the Effective Date during the Term of this Agreement (as defined in Section 6 hereof).

(c) "**Cause**"—means

(i) the conviction of Employee of a felony by a court of competent jurisdiction;

(ii) the indictment of Employee by a state or federal grand jury of competent jurisdiction for embezzlement or misappropriation of Employer's funds or for any act of dishonesty or lack of fidelity towards Employer;

(iii) a decree of a court of competent jurisdiction that Employee is not mentally competent or is unable to handle his/her own affairs;

(iv) the written confession by Employee of any act of dishonesty towards Employer or any embezzlement or misappropriation of Employer's funds;

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(v) the payment (or, by the operation solely of the effect of a deductible, the failure of payment) by a surety or insurer of a claim under a fidelity bond issued to the benefit of Employer reimbursing Employer for a loss due the wrongful act or wrongful omission to act of Employee (the occurrence of which shall cause Employee to be indebted to Employer for the LESSER of either (A) the loss incurred by Employer or (B) the sums paid by Employer to Employee pursuant to this Agreement);

(vi) Employee's breach of the restrictive covenant set forth in Section 11 of this Agreement;

(vii) Employee's failure to maintain in force and in good standing any and all licenses, permits and/or approvals required of Employee by the relevant governmental authorities for the discharge of the obligations of Employee under this Agreement; or

(viii) Employer's material violation of any statutory or common law duty of loyalty to Employer, any of its Affiliates or Wynn;

**provided, however,** that Employee's disability due to illness or accident or any other mental or physical incapacity shall not constitute "Cause" as defined herein.

(d) "**Complete Disability**"—means the inability of Employee, due to illness or accident or other mental or physical incapacity, to perform his/her obligations under this Agreement for a period as defined by Employer's local disability plan or plans.

(e) "**Effective Date**"—means June 3, 2002.

(f) "**Prior Employment**"—means any prior employment Employee has had with either Employer or Employer's Affiliate.

(g) "**Wynn**"—means Stephen A. Wynn.

**2. PRIOR EMPLOYMENT.** This Agreement supersedes and replaces any and all prior employment agreements, change in control agreements and severance plans or agreements, whether written or oral, by and between Employee, on the one side, and Employer or any of Employer's Affiliates, on the other side, or under which Employee is a participant. From and after the Effective Date, Employee shall be the employee of Employer under the terms and pursuant to the conditions set forth in this Agreement.

**3. BASIC EMPLOYMENT AGREEMENT.** Subject to the terms and pursuant to the conditions hereinafter set forth, Employer hereby employs Employee during the Term hereinafter specified to serve in a capacity, under a title, and with such duties not inconsistent with those set forth in Section 4 of this Agreement, as the same may be modified and/or assigned to Employee by Employer from time to time; provided, however, that no change in Employee's duties shall be permitted if it would result in a material reduction in the level of Employee's duties as in effect prior to the change, it being understood that no change in Employee's titles or reporting responsibilities shall in itself be a basis for finding a material reduction in the level of duties.

**4. DUTIES OF EMPLOYEE.** Employee shall perform such duties assigned to Employee by Employer as are generally associated with the duties of **Vice President—Investor Relations & Treasurer** for Employer or such similar duties as may be assigned to Employee by Employer as Employer may determine, including, but not limited to (i) the efficient and continuous operation of Employer and Employer's Affiliates; (ii) the preparation of relevant budgets and allocation of relevant funds; (iii) the selection and delegation of duties and responsibilities of subordinates; (iv) the direction, review and oversight of all programs under Employee's supervision; and (v) such other and further duties specifically related to such duties as assigned by Employer to Employee. The foregoing notwithstanding,

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Employee shall devote such time to Employer's Affiliates as may be required by Employer, provided such duties are not inconsistent with Employee's primary duties to Employer hereunder.

**5. ACCEPTANCE OF EMPLOYMENT.** Employee hereby unconditionally accepts the employment set forth hereunder, under the terms and pursuant to the conditions set forth in this Agreement. Employee hereby covenants and agrees that, during the Term, Employee will devote the whole of Employee's normal and customary working time and best efforts solely to the performance of Employee's duties under this Agreement and that, except upon Employer's prior express written authorization to that effect, Employee shall not perform any services for any casino, hotel/casino or other similar gaming or gambling operation not owned by Employer or any of Employer's Affiliates.

**6. TERM.** Unless sooner terminated as provided in this Agreement, the term of this Agreement (the "**Term**") shall consist of four (4) years commencing as of the Effective Date of this Agreement and terminating on the fourth Anniversary of the Effective Date.

**7. SPECIAL TERMINATION PROVISIONS.** Notwithstanding the provisions of Section 6 of this Agreement, this Agreement shall terminate upon the occurrence of any of the following events:

(a) the death of Employee;

(b) the giving of written notice from Employer to Employee of the termination of this Agreement upon the Complete Disability of Employee;

(c) the giving of written notice by Employer to Employee of the termination of this Agreement upon the discharge of Employee for Cause;

(d) the giving of written notice by Employer to Employee of the termination of this Agreement following a disapproval of this Agreement or the denial, suspension, limitation or revocation of Employee's License (as defined in Section 9(b) of this Agreement);

(e) the giving of written notice by Employee to Employer upon a material breach of this Agreement by Employer, which material breach remains uncured for a period of thirty (30) days after the giving of such notice; or

(f) the giving of written notice by Employee to Employer of termination of this Agreement without cause.

In the event of a termination of this Agreement pursuant to the provisions of Subsection 7(a), (b), (c), (d), or (f), Employer shall not be required to make any payments to Employee other than payment of Base Salary and vacation pay accrued but unpaid and expenses incurred but not reimbursed through the termination date; specifically, in such event, Employee shall not be entitled to any benefits pursuant to any severance plan in effect by Employer or any of Employer's Affiliates. In addition, in the event of a termination of this Agreement pursuant to Subsection 7(f), the provisions of Subsection 11(a) shall continue to apply for the Term and the provisions of Subsection 11(b) shall continue to apply for one (1) year following the expiration of the Term.

**8. COMPENSATION TO EMPLOYEE.** For and in complete consideration of Employee's full and faithful performance of Employee's duties under this Agreement, Employer hereby covenants and agrees to pay to Employee, and Employee hereby covenants and agrees to accept from Employer, the following items of compensation:

(a) **BASE SALARY.** Employer hereby covenants and agrees to pay to Employee, and Employee hereby covenants and agrees to accept from Employer, a base salary at the rate of Two Hundred Thousand Dollars (\$200,000.00) per annum during the Term, payable in such installments as shall be convenient to Employer (the "**Base Salary**"). Such Base Salary shall be exclusive of and in addition to any other benefits which Employer, in its sole discretion, may make available to Employee, including, but not limited to, any discretionary bonus, stock option plan, profit sharing

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plan, pension plan, retirement plan, disability or life insurance plan, medical and/or hospitalization plan, or any and all other benefit plan which may be in effect during the Term. Such Base Salary shall be subject to merit reviews on each Anniversary Date and may be increased, but not decreased, as a result of such merit review(s).

(b) **BONUS COMPENSATION.** Employee also will be eligible to receive a bonus at such times and in such amounts as Employer, in its sole, exclusive and unreviewable discretion, may determine, but in no event shall Employee's annual bonus be less than Fifty Thousand Dollars (\$50,000.00) during any full calendar year of the Term of this Agreement. The goals, if any, that Employee must meet or exceed in order to become eligible for bonus compensation shall be determined by Employer in Employer's sole discretion, and disclosed to Employee before or at the commencement of the period for which such goals may apply.

(c) **EMPLOYEE BENEFIT PLANS.** Employer hereby covenants and agrees that it shall include Employee, if otherwise eligible, in any stock option plan, profit sharing plan, pension plan, retirement plan, disability or life insurance plan, medical and/or hospitalization plan, and any and all other benefit plan which may be placed in effect by Employer or any of its Affiliates for the benefit of Employer's employees during the Term. Unless prohibited by law or the terms of the applicable plan, Employee's eligibility for medical and/or hospitalization benefits shall commence on the Effective Date of this Agreement. Nothing in this Agreement shall limit Employer's or its Affiliates' ability to adopt, amend or terminate any such benefit plan at any time.

(d) **EXPENSE REIMBURSEMENT.** During the Term and provided the same are authorized in advance by Employer, Employer shall either pay directly or reimburse Employee for Employee's reasonable expenses incurred for the benefit of Employer in accordance with Employer's general policy regarding reimbursement, as the same may be amended, modified or changed from time to time. Prior to such payment or reimbursement, Employee shall provide Employer with sufficient detailed invoices of such expenses in accordance with the then applicable guidelines of the Internal Revenue Service so as to entitle Employer to a deduction for such expenses.

(e) **VACATIONS AND HOLIDAYS.** Commencing as of the Effective Date of this Agreement, Employee shall be entitled to (i) annual paid vacation leave in accordance with Employer's standard policy therefor to be taken at such times as selected by Employee and approved by Employer, but in no event less than two (2) weeks during any year of the Term, and (ii) paid holidays (or, at Employer's option, an equivalent number of paid days off) in accordance with Employer's standard policy therefor.

## 9. LICENSING REQUIREMENTS.

(a) Employer and Employee hereby covenant and agree that this Agreement may be subject to the approval of one or more gaming regulatory authorities (the "**Authorities**") pursuant to the provisions of the relevant gaming regulatory statutes (the "**Gaming Acts**") and the regulations promulgated thereunder (the "**Gaming Regulations**"). Employer and Employee hereby covenant and agree to use their best efforts to obtain any and all approvals required by the Gaming Acts and/or Gaming Regulations. In the event that (i) an approval of this Agreement by the Authorities is required for Employee to carry out his duties and responsibilities set forth in Section 4 of this Agreement, (ii) Employer and Employee have used their best efforts to obtain such approval, and (iii) this Agreement is not so approved by the Authorities, then this Agreement shall immediately terminate and shall be null and void.

(b) If applicable, Employer and Employee hereby covenant and agree that, in order for Employee to discharge the duties required under this Agreement, Employee may be required to apply for or hold a license, registration, permit or other approval (the "**License**") as issued by the Authorities pursuant to the terms of the relevant Gaming Act and as otherwise required by this Agreement. In the event Employee fails to apply for and secure, or the Authorities refuse to issue

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or renew Employee's License, Employee, at Employer's sole cost and expense, shall promptly defend such action and shall take such reasonable steps as may be required to either remove the objections or secure the Authorities' approval, respectively. The foregoing notwithstanding, if the source of the objections or the Authorities' refusal to renew Employee's License arise as a result of any of the events described in Subsection 1(c) of this Agreement, then Employer's obligations under this Section 9 shall not be operative and Employee shall promptly reimburse Employer upon demand for any expenses incurred by Employer pursuant to this Section 9.

(c) Employer and Employee hereby covenant and agree that the provisions of this Section 9 shall apply in the event Employee's duties require that Employee also be licensed by governmental agencies other than the Authorities.

**10. CONFIDENTIALITY.** Employee hereby warrants, covenants and agrees that, without the prior express written approval of Employer, Employee shall hold in the strictest confidence, and shall not disclose to any person, firm, corporation or other entity, any and all of Employer's confidential data, including but not limited to (a) information, drawings, sketches, plans or other documents concerning Employer's business or development plans, customers or suppliers or those of Employer's Affiliates; (b) Employer's or its Affiliates' development, design, construction or sales and marketing methods or techniques; or (c) Employer's trade secrets and other "know-how" or information not of a public nature, regardless of how such information came to the custody of Employee. For purposes of this Agreement, such confidential information shall include, but not be limited to, information, including a formula, pattern, compilation, program, device, method, technique or process, that (x) derives independent economic value, present or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (y) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The warranty, covenant and agreement set forth in this Section 10 shall not expire, shall survive this Agreement, and shall be binding upon Employee without regard to the passage of time or other events.

**11. RESTRICTIVE COVENANT/NO SOLICITATION.**

(a) Employee hereby covenants and agrees that, during the Term or for such longer period so long as Employer pays to Employee the compensation set forth in Subsection 8(a) of this Agreement, Employee shall not directly or indirectly, either as a principal, agent, employee, employer, consultant, partner, member of a limited liability company, shareholder of a closely held corporation, or shareholder in excess of two (2%) per cent of a publicly traded corporation, corporate officer or director, manager, or in any other individual or representative capacity, engage or otherwise participate in any manner or fashion in any business that is in competition in any manner whatsoever with the principal business activity of Employer or Employer's Affiliates, in or about any market in which Employer or Employer's Affiliates have or have publicly announced a plan for hotel or gaming operations. Employee hereby further covenants and agrees that the restrictive covenant contained in this Section 11 is reasonable as to duration, terms and geographical area and that the same protects the legitimate interests of Employer, imposes no undue hardship on Employee, and is not injurious to the public.

(b) Employee hereby further covenants and agrees that, during the Term and for a period of one (1) year following the expiration of the Term, Employee shall not directly or indirectly, and Employee shall not suffer others to, solicit or attempt to solicit for employment any management level employee of Employer or Employer's Affiliates with or on behalf of any business that is in competition in any manner whatsoever with the principal business activity of Employer or Employer's Affiliates, in or about any market in which Employer or Employer's Affiliates have or plan hotel or gaming operations.

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**12. BEST EVIDENCE.** This Agreement shall be executed in original and "Xerox" or photostatic copies and each copy bearing original signatures in ink shall be deemed an original.

**13. SUCCESSION.** This Agreement shall be binding upon and inure to the benefit of Employer and Employee and their respective successors and assigns.

**14. ASSIGNMENT.** Employee shall not assign this Agreement nor delegate his duties hereunder without the express written prior consent of Employer thereto. Any purported assignment by Employee in violation of this Section 14 shall be null and void and of no force or effect. Employer shall have the right to assign this Agreement freely.

**15. AMENDMENT OR MODIFICATION.** This Agreement may not be amended, modified, changed or altered except by a writing signed by both Employer and Employee.

**16. GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction where Employer's principal place of business is located in effect on the Effective Date of this Agreement, without regard to conflicts of law principles.

**17. NOTICES.** Any and all notices required under this Agreement shall be in writing and shall be either hand-delivered or mailed, certified mail, return receipt requested, addressed to:

TO EMPLOYER:	Valvino Lamore, LLC 3145 Las Vegas Boulevard South Las Vegas, Nevada 89109 Attn: Human Resources
WITH A COPY THAT SHALL NOT BE NOTICE TO:	Wynn Resorts, LLC 3145 Las Vegas Boulevard South Las Vegas, Nevada 89109 Attn: Legal Department
TO EMPLOYEE:	Matt Maddox 10164 Birch Bluff Lane Las Vegas, NV 89145

All notices hand-delivered shall be deemed delivered as of the date actually delivered. All notices mailed shall be deemed delivered as of three (3) business days after the date postmarked. Any changes in any of the addresses listed herein shall be made by notice as provided in this Section 17.

**18. INTERPRETATION.** The preamble recitals to this Agreement are incorporated into and made a part of this Agreement; titles of sections are for convenience only and are not to be considered a part of this Agreement.

**19. SEVERABILITY.** In the event any one or more provisions of this Agreement is declared judicially void or otherwise unenforceable, the remainder of this Agreement shall survive and such provision(s) shall be deemed modified or amended so as to fulfill the intent of the parties hereto.

**20. DISPUTE RESOLUTION.** Except for equitable actions seeking to enforce the provisions of Sections 10 and 11 of this Agreement, jurisdiction and venue for which is hereby granted to the court of general trial jurisdiction in the state and county where Employer's principal place of business is located, any and all claims, disputes, or controversies arising between the parties hereto regarding any of the terms of this Agreement or the breach thereof, on the written demand of either of the parties hereto, shall be submitted to and be determined by final and binding arbitration held in the state and county where Employer's principal place is located, in accordance with Employer's or Employer's Affiliates' arbitration policy governing employment disputes. This agreement to arbitrate shall be specifically enforceable in any court of competent jurisdiction.

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**21. WAIVER.** None of the terms of this Agreement, including this Section 21, or any term, right or remedy hereunder shall be deemed waived unless such waiver is in writing and signed by the party to be charged therewith and in no event by reason of any failure to assert or delay in asserting any such term, right or remedy or similar term, right or remedy hereunder.

**22. PAROL.** This Agreement constitutes the entire agreement between Employer and Employee with respect to the subject matter hereto and this Agreement supersedes any prior understandings, agreements, undertakings or severance policies or plans by and between Employer or Employer's Affiliates, on the one side, and Employee, on the other side, with respect to the subject matter hereof or Employee's employment with Employer or Employer's Affiliates.

**IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND THEREBY,** the parties hereto have executed and delivered this Agreement as of the year and date first above written.

**VALVINO LAMORE, LLC**

By: /s/ MARC SCHORR

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**EMPLOYEE**

/s/ MATT MADDOX

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Matt Maddox

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QuickLinks

[Exhibit 10.23](#)

[EMPLOYMENT AGREEMENT \("Agreement"\) -by and between- VALVINO LAMORE, LLC, \("Employer"\) -and- MATT MADDOX \("Employee"\). WITNESSETH](#)



**CONCESSION CONTRACT FOR THE OPERATION  
OF GAMES OF CHANCE OR OTHER GAMES IN CASINOS  
IN THE MACAU SPECIAL ADMINISTRATIVE REGION**

On the 24th of June of the year 2002 in Macau and at the Seat of the Government of the Macau Special Administrative Region, at Avenida da Praia Grande, before me, Chu Iek Chong, licensed, 2<sup>nd</sup> class technician of the Juridical Advisory Nucleus of the Finance Services Bureau, as alternate private notary of this Bureau in the absence of the head of this office, having been appointed by Dispatch number 216/2000 of the Head of the Executive, of 8 November, before me appeared as Parties:

**FIRST PARTY: The Macau Special Administrative Region**, represented by the Chief Executive, Ho Hau Wah, married, with professional address in Macau, at the Government House of the Macau Special Administrative Region, located at Avenida da Praia Grande, with the capacity and powers conferred for the present act by Article 45 of the Basic Law of the Macau Special Administrative Region.

**SECOND PARTY: Wynn Resorts (Macau), S.A.** with head office in Macau, at Avenida da Amizade, number 918, "World Trade Centre" building, 8<sup>th</sup> floor "C", registered at the Commercial and Automobile Central Registry Office under the number 14917, represented in this present act by its director Stephen Alan Wynn, married and residing at One Shadow Creek Drive, Las Vegas North, State of Nevada, United States of America, the capacity and powers of whom I have verified by certificate issued by the above mentioned Central Registry Office, which I have filed.

I verified the identity of the Parties by Passport No. 055142925, issued on 20<sup>th</sup> of January of 1998, by the San Francisco Passport Agency of United States of America. And for the first party, with the indicated capacity and powers, the following was stated:

A public tender was opened by Dispatch number 217/2001 of the Chief Executive, for the granting of 3 (three) concessions for the operation of games of chance or other games in casinos;

The public tender for the granting of 3 concessions for the operation of games of chance or other games in casinos had, as a first stage, the opening of the proposals for awarding, that was divided into two phases—the opening of the outward wrappings which were marked on the exterior with the indication "Documentos" and the opening of the outward wrappings which were marked on the exterior the indication "Propostas", which was followed by a phase of consultations for the presentation and analysis of the proposals for awarding, and ended with the preparation of a Documented Report, based on which the Chief Executive provisionally awarded the concessions for the operation of games of chance in casinos which were put up for tender;

"Wynn Resorts (Macau), S.A." hereinafter designated as the concessionaire, was provisionally awarded by Dispatch number 26/2002 of the Chief Executive, one of the concessions for the operation of games of chance or other games in casinos, that were the subject of the tender;

The concessionaire deposited a bank guarantee to guarantee the fulfilment of its legal or contractual obligations, as per article 84, number 1, of Administrative Rule number 26/2001.

Evidence was produced by the concessionaire to the Commission of the first public tender for the granting of concessions for the operation of games of chance in casinos that its capital stock, amounting to not less than MOP 200,000,000.00 (two hundred million patacas), is totally paid up in money and deposited in a local credit institution or in a branch or subsidiary of a credit institution authorized to operate in the Macau Special Administrative Region, under the terms of article 82, number 5, of Administrative Rule number 26/2001;

The minutes of the present concession contract for the operation of games of chance or other games in casinos in the Macau Special Administrative Region was approved by the concessionaire;

The concessionaire, the shareholders holding 5% or more of its capital stock and its directors have been submitted to a suitability verification process, which led to the preparation of a report stating their suitability;

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The concessionaire was submitted to verification process of its financial capacity to undertake a concession for the operation of games of chance or other games in casinos, which led to the preparation of a report stating that it has an adequate financial capacity;

By Dispatch number 142/2002 of the Chief Executive, "Wynn Resorts (Macau), S.A." was awarded one of the concessions for the operation of games of chance or other games in casinos that were the subject of tender.

And both Parties in their respective capacities said that the present administrative concession contract for the operation of games of chance or other games in casinos is mutually accepted and reciprocally agreed, being ruled by the conditions hereinafter described.

**CHAPTER I  
Object, type and term of the concession**

**Clause One  
Object of the concession**

ONE—The object of the concession awarded by the present concession contract is the operation of games of chance or other games in casinos in the Macau Special Administrative Region of the People's Republic of China, hereafter designated as the Macau Special Administrative Region or the grantee.

TWO—The concession does not cover the operation of:

- 1) Mutual betting;
- 2) Operations offered to the public except as provided for in number 7 of article 3 of Law number 16/2001;
- 3) Interactive games;
- 4) Games of chance or any other type of gaming, betting or operations on board ship or aircraft, except as established in paragraph 1) of number 3 and number 4 of article 5 of Law number 16/2001.

**Clause Two**  
**Objectives of the concession**

The concessionaire is committed to:

- 1) Ensure the adequate operation and management of games of chance or other games in casinos;
- 2) Employ in the management and operation of games of chance or other games in casinos, solely persons suitable for those functions and for assuming those responsibilities;
- 3) Manage and operate the games of chance or other games in casinos in a fair and honest manner, free of criminal influence; and
- 4) Safeguard and protect the interests of the Macau Special Administrative Region in the receiving of taxes resultant from the operation of their casinos and other gaming areas.

**Clause Three**  
**Applicable Law and proper jurisdiction**

ONE—The present concession contract is exclusively governed by the law of the Macau Special Administrative Region.

TWO—The concessionaire renounces litigation in any other jurisdiction outside of the Macau Special Administrative Region, as it recognizes and submits to the exclusive jurisdiction of the courts of the Macau Special Administrative Region to decide any litigation or conflicts of interests that may arise.

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**Clause Four**  
**Compliance with the legislation of the Macau Special Administrative Region**

The concessionaire shall comply with the applicable legislation applicable in the Macau Special Administrative Region, and shall renounce to invoke legislation from outside the Macau Special Administrative Region, namely in order to be considered exempt from fulfilling the obligations or the conduct to which it is committed.

**Clause Five**  
**Participation in the operation of games of chance or any other games in casinos in other jurisdictions**

ONE—If the Concessionaire engages in any licensing process or contract to operate casino gaming or other forms of gaming in any other jurisdictions, including the participation in operation merely through a management contract, it shall inform the Government of such engagement or contract. If the Concessionaire is aware that any of its directors, any of its controlling shareholders, including the ultimate controlling shareholder, or if any one who directly or indirectly holds 10% or over 10% of the company capital of the Concessionaire has the aforesaid engagement or contract, it shall also inform the Government immediately.

TWO—For the purposes of the above the Concessionaire should submit to and inform the Government, or make due diligence to obtain, any documents, information or data that the Government may require as long such documents, information and data are not subject to confidentiality under the laws of the respective jurisdiction.

**Clause Six**  
**Concession system**

The concession system is included in the legal framework, which comprises the juridical system for the operation of games of chance or other games in casinos, approved by Law number 16/2001, Administrative Rule number 26/2001, the rules for the operation of games of chance, namely those foreseen under article 55 of Law number 16/2001, and further complementary regulations of the referred Law number 16/2001, as well as the present concession contract.

**Clause Seven**  
**Operation of the concession**

The concessionaire shall operate the concession under the terms and conditions established in the present concession contract.

**Clause Eight**  
**Term of the concession**

ONE—The term of the concession granted under the present contract is of twenty years, beginning on 27<sup>th</sup> day of June of the year two thousand and two and terminating on 26<sup>th</sup> day of June of the year two thousand and twenty two.

TWO—The provisions of the previous article do not inhibit the applicability of the clauses of the present concession contract that may last beyond the term of the concession.

**CHAPTER II**  
**Locations for the operation and functioning of the casinos**  
**and other gaming areas**

**Clause Nine**  
**Locations for the operation of the concession**

ONE—In carrying out its activity, the concessionaire may only operate games of chance or other games, in casinos and other gaming areas previously authorized and classified by the Government.

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TWO—The allocation of any other premises to the operation of the concession requires the authorization of the Government.

**Clause Ten**  
**Types of games, gaming tables and electric or mechanic gaming machines**

ONE—The concessionaire is authorized to operate all types of gaming established under number 3 of article 3 of Law number 16/2001, as well as other types of games authorized under the terms of numbers 4 and 5 of the same article. The concessionaire is furthermore authorized to operate any electrical or mechanical gaming machines, including "*slot machines*", under the terms of the law.

TWO—The concessionaire shall annually submit, during the month of December, to the Games Supervision and Coordination Bureau, (Direcção de Inspeção e Coordenação de Jogos) hereinafter designated as DICJ, a list which shall specify the number of gaming tables and electrical or mechanical machines, including "*slot machines*", that it intends to operate during the following year, as well as their respective location.

THREE—The number of gaming tables and of electrical or mechanical machines, including "*slot machines*" to be operated by the concessionaire may be altered by means of prior communication to DICJ.

**Clause Eleven**  
**Continuous functioning of the casinos**

ONE—The concessionaire shall open the casinos every day of each year.

TWO—Without prejudice of the provisions of the previous article the concessionaire may establish a daily period of opening to the public of the casinos and the activities they integrate.

THREE—The schedule of the daily period of opening to the public of the casinos and the activities they integrate, shall be submitted in advance to the Government, and affixed at the entrance to the casinos.

FOUR—The alteration to the daily period in which casinos and the activities they integrate are open to the public shall be submitted to the Government with a minimum advance of three days.

**Clause Twelve**  
**Suspension of operations of the casino and other gaming areas**

ONE—The concessionaire shall request from the Government, with a minimum advance of three days, by means of a documented petition, authorization to suspend the operations of one or more casinos and other gaming areas for a period of one or more days.

TWO—The authorization referred to in the previous article is waived in emergency situations or in cases of *force majeure*, namely those resulting from serious accident, catastrophe or natural calamity, that may entail serious risk to the safety of persons, in which case the concessionaire shall inform the Government as soon as possible, of the suspension of operation of the casino or other gaming areas.

**Clause Thirteen**  
**Electronic equipment for surveillance and control**

ONE—The concessionaire shall install, in the casinos and other gaming areas, electronic equipment for surveillance and control of high international quality and approved by DICJ. To that effect, the concessionaire shall submit a written request to the same Bureau, identifying the equipment it intends to install, enclosing the technical specifications thereof. However, the DICJ may, at any moment, request the presentation of specimens or samples of the referred equipment.

TWO—The concessionaire is further committed to install electronic equipment for surveillance and control approved by the DICJ, in other areas attached to the casinos and other gaming areas or in access and connecting areas, whenever so requested by the same Bureau.

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THREE—The concessionaire shall promote the installation of new electronic equipment for surveillance and control, approved by DICJ, whenever a substantiated request is made by the same Bureau namely in order to maintain the high international quality referred in number ONE.

FOUR—The concessionaire shall inform the proper authorities as soon as possible, of any acts or facts which constitute crime or administrative infraction of which it has knowledge, as well as any other illegal acts or facts that it may consider as serious.

### **CHAPTER III Concessionaire Company**

#### **Clause Fourteen Corporate purpose, head office and form of company**

ONE—The concessionaire is committed to have, as an exclusive corporate purpose, the operation of games of chance or other games in casinos.

TWO—The corporate purpose of the concessionaire may, depending on Government authorization, include activities related to the operation of games of chance or other games in casinos.

THREE—The concessionaire shall maintain its head office within the Macau Special Administrative Region under the form of Limited Liability Company.

#### **Clause Fifteen Capital stock and shares**

ONE—The concessionaire shall maintain a capital stock amounting to not less than MOP 200,000,000.00 (two hundred million patacas).

TWO—The total capital stock of the concessionaire is represented exclusively by registered nominative shares.

THREE—An increase of the concessionaire's capital through public subscription requires authorization by the Government.

FOUR—The issuing of preferential shares by the concessionaire requires authorization by the Government.

FIVE—Without prejudice of the established in the previous article, the creation or the issuing of types or series of shares representing the concessionaire's capital stock, as well as their conversion of one type of shares into another, requires Government authorization.

SIX—The concessionaire shall make all efforts, to have the total capital stock of the concessionaire's shareholders who are corporate bodies, and the total capital stock of the holders of capital shares who are corporate bodies, and so on, up to the ultimate holders of capital shares, whether these are individual or corporate bodies, be exclusively represented by registered nominative shares, except in relation to corporate bodies that are quoted on the stock exchange in what refers to the transacted shares.

#### **Clause Sixteen Transfer and encumbering of shares**

ONE—The transfer or encumbering, for any reason, of the property or other rights on registered shares representing the concessionaire's capital stock or the carrying out of any other act that may involve the granting of voting rights or other social rights to a person other than the holder, requires government authorization.

TWO—In the case referred to in the previous article, the concessionaire shall always refuse the registry and shall not recognize as shareholder any entity that may acquire or possess shares representing its capital stock in violation of the provisions of the present concession contract or the

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law, and shall not carry out any action by which it, implicitly or explicitly recognises the transfer among living or encumbering as referred to in the previous article.

THREE—The transfer *mortis causa* of the property or other rights on shares representing the concessionaire's capital stock must be communicated to the Government, as soon as possible; the concessionaire shall, at the same time, make all efforts to have the transfer registered in its Shares Registration Book.

FOUR—Once obtained the authorization referred in number ONE, the holder of the property or other right on shares representing the concessionaire's capital stock, when transferring or encumbering or carrying out an act which involves the transfer to another party of the voting right or other social rights, shall immediately inform the concessionaire, who shall inform the DICJ, within thirty days of the register in the Shares Registration Book of the concessionaire or equivalent formality, and shall send copy of the documents that formalize that juridical transaction and furnish detailed information on any established terms and conditions.

FIVE—The concessionaire shall make all efforts to submit for Government approval any transfer between living parties, for whatever reason, of the property or other right on the capital shares of the holders representing the capital stock of the concessionaire, be they individual or corporate bodies and the capital stock of the holders of capital shares that are corporate bodies, whether these holders are individual or corporate bodies, and so on, up to the ultimate holders of capital shares, whether they are individual or corporate bodies, except for corporate bodies that are quoted on the exchange market in what refers to the shares therein traded, when this capital share directly or indirectly corresponds to a value of 5% or more of the concessionaire's capital stock.

SIX—The transfer *mortis causa* of the property or other right on the capital share of holders of 5% or more of capital shares representative the capital stock of the concessionaire's shareholders, whether individual or corporate bodies, and of the capital stock of the holders of 5% or more of capital shares of those that are corporate bodies, whether those holders are individual or corporate bodies, and so on, up to the ultimate holders of capital shares, whether these are individual or corporate bodies, should be submitted by the concessionaire to the Government, as soon as possible after the fact is known.

SEVEN—The concessionaire shall, furthermore, inform the Government, as soon as the fact is known, of the encumbering, for any reason, of the capital share representing the capital stock of its shareholders and of the capital shares held by holders of the capital stock of these shareholders, and so on, up to the

capital share of the ultimate holders when the same capital share indirectly corresponds to 5% or more of the concessionaire's capital stock except for the corporate bodies that are quoted on the stock exchange in what concerns the shares therein traded,

EIGHT—The previous article is equally applicable to the implementation of any acts that involve the granting of voting rights or other social rights to a person other than its holder, except as to corporate bodies that are quoted on the stock market in what refers to the shares therein traded.

NINE—The provisions of number FOUR are applicable to the transfer, under any title, of the property or other right on the capital shares referred to in number FIVE, with the appropriate adaptations.

TEN—In the case of a dominant shareholder of the concessionaire not wishing to continue to be a shareholder of the same, by virtue of having received written instructions to that end from an agency charged with the regulation of the activity of operation of games of chance or other games in casinos of another jurisdiction in which it is a concessionaire or is licensed to operate games of chance in casinos or in which it is the dominant partner of the concessionaire or company licensed to operate games of chance in casinos, the Government, if it considers that such written instructions result from acts not of the responsibility of the concessionaire or the referred dominant partner, authorizes that the dominant partner transfer the ownership of the capital stock it holds in the concessionaire, without prejudice of the necessity of authorization of the Government as to the acquisition of said capital stock by a third party.

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**Clause Seventeen**  
**Issue of bonds**

The issue of bonds by the concessionaire requires Government authorization.

**Clause Eighteen**  
**Quoted on the stock exchange**

ONE—The concessionaire or a company of which it is the dominant partner may not be quoted on the stock exchange, without prior Government authorization.

TWO—The concessionaire shall also make all efforts so that the corporate bodies that are its dominant partners and whose principal activity consists on the execution, directly or indirectly, of projects referred to in the Investment Plan attached to the present concession contract, do not request or proceed to be quoted on the stock exchange without previously informing the Government.

THREE—The request for authorization referred in number ONE, and the advance information of the Government referred in the previous number must be, respectively, formulated or effected by the concessionaire and documented with all the necessary data, without prejudice of the Government requesting additional documents, data or information.

**Clause Nineteen**  
**Share and capital stock structure**

ONE—The concessionaire shall submit to the Government annually, during the month of December, its share structure as well as the structure of the capital stock of the corporate bodies, *maxime* companies, holders of 5% or more of the concessionaire's capital stock, as well as the structure of the capital stock of the corporate bodies who are holders of 5% or more of the capital stock, and so on up to the individual or corporate bodies who are the ultimate shareholders, except in relation to corporate bodies that are quoted on the stock exchange in what refers to the shares therein traded, or submit a declaration attesting that these did not suffer any alteration.

TWO—The concessionaire shall also endeavour to obtain and deliver to the Government, together with the update or the declaration referred to in the previous paragraph, a declaration signed by each of its shareholders and the persons referred to in the previous number, duly authenticated, attesting that they are holders of the number of shares declared, and that these are registered nominative shares, accompanied by a copy of the shares representing the respective equity.

**Clause Twenty**  
**Prohibition to concentrate positions in governing bodies**

ONE—The concessionaire shall not appoint to the Board of Directors, the Board of the General Meeting, the Audit Board or any other governing body, any person who holds a position in a governing body of another concessionaire, sub-concessionaire or concessionaire's management company, operating in the Macau Special Administrative Region.

TWO—The concessionaire shall inform the government, in the shortest possible period of time, of the appointment of any person to assume a position in the Board of Directors, the Board of the General Meeting, the Audit Board or any other governing body of the concessionaire.

THREE—The Government shall inform the concessionaire of the appointment of any person to assume a position on the Board of Directors, the Board of the General Meeting, the Audit Board or any other governing body of other concessionaires, sub-concessionaires or concessionaire's management companies, operating in the Macau Special Administrative Region.

**Clause Twenty One**  
**Management**

ONE—The delegation of the management of the concessionaire, including the appointment of the Executive-Director, the scope of his powers and the term of the delegation, as well as any alteration,

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namely when involving replacement, temporary or definitive of the Executive-Director, is subject to Government authorization. For that purpose, the concessionaire shall send to the Government a draft of the resolution of its Board of Directors, containing the proposal for the delegation of the management of the concessionaire, including the identification of the Executive-Director, the scope of his powers and the term of the delegation, references relative to replacement in situations of impediment, as well as any deliberation relative to replacement, temporary or definitive, of the Executive-Director. A delegation of the management of the concessionaire does not have any effect, in any form, without the authorization of the Government in relation to every element.

TWO—If the Government does not approve any or some of the terms of the delegation referred in the previous paragraph, the concessionaire is bound to send to the Government, within fifteen days from the day the concessionaire receives the notification of non-acceptance, a new resolution draft, and in case the person appointed as Executive Director is not accepted by the Government, a new Annex II of the Administrative Rule number 26/2001 should be submitted by the new Executive Director.

THREE—The concessionaire shall ensure that no powers of attorney granting, based on a stable relation, powers that are conferred on the Board of Directors, to carry out any business in relation to the operation of the company on behalf of the concessionaire, with the exception of acts of the mere running of current business, namely with public offices and services, except with the authorization of the Government.

### **Clause Twenty Two** **Articles of Association and shareholders agreements**

ONE—Any change to the concessionaire's articles of association requires the approval of the Government.

TWO—The project for the change of the concessionaire's articles of association shall be sent, for approval, to the Government, with a minimum advance of thirty days in relation to the date of the Shareholders General Assembly in which the change will be discussed.

THREE—The concessionaire shall deliver to the Government an authenticated copy of the change to its articles of association, within thirty days after the execution.

FOUR—The concessionaire shall inform the Government of any shareholders agreement of which it gains knowledge. To that effect, and without prejudice of other courses of action it can or shall take, the concessionaire is bound to enquire from its shareholders, in the 15 days preceding any shareholder's General Assembly, or in the course of a General Assembly if it was not called, on the existence of shareholders agreements namely in relation to the exercise of voting rights or other social rights, and to inform the Government of the result of such enquiries.

FIVE—The government must, within sixty days, notify the concessionaire of the approval of the change of the Articles of Association and of the shareholders agreements.

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### **Clause Twenty Three** **Duty to inform**

ONE—Without prejudice of other obligations to inform established in the system of concessions referred to in clause six, the concessionaire shall:

- 1) Inform the Government, with the shortest possible delay, of any circumstances that may affect its normal functioning, such as those that may be related to its liquidity or solvency, the existence of any law proceedings against it or any one of its directors, shareholders with 5% or more of its capital stock and main employees with positions of relevance in the casino, any act or fact that takes place in the casinos and other gaming areas that may be considered a crime or administrative infraction that may come to its notice and any adverse attitude directed at the concessionaire or members of its governing bodies, by a responsible member of an entity or a worker of the Public Administration of the Macau Special Administrative Region, including agents of the Security Forces and Services.
- 2) Inform the Government, with the shortest possible delay, of any and every event that injure, hinder or substantially increase the financial burden or the difficulty in fully complying with the obligations resulting from the present concession contract, or that may cause the termination of the concession contract under the terms established in chapter XIX;
- 3) Inform the Government, with the shortest possible delay, as to any of the following facts or occurrences:
  1. Regular or incidental, periodical or extraordinary remuneration of its directors, financiers and main employees with positions of relevance in the casino, whether these are received as salaries, wages, remunerations or other, and well as any mechanism for their participation in profits;
  2. Existing benefits or benefits to be created, including share in the profits;
  3. Contracts for management and services, existing or to be proposed.
- 4) Deliver to the Government, with the shortest possible delay, authenticated copies of:
  1. Contracts or other instruments that refer or describe any remuneration mentioned in number 1 of the previous paragraph;
  2. Contracts or other instruments that refer or describe any benefits or forms of distribution of profits, existing or to be created;
  3. Contracts for management and services, existing or to be proposed.

- 5) Inform the Government, with the shortest possible delay as to any serious alteration, imminent or foreseeable, to its economic and financial situation, as well as to the economic and financial situation:
  1. Of its dominant partners;
  2. Of entities closely associated, namely those that have taken any commitment or pledged any guarantee towards the financing of the investments and obligations that the concessionaire must carry out or accept by reasons of the contract; and
  3. Of the shareholders that hold 5% or more of its capital stock who, in accordance with the terms of paragraph 2) of number 1 of article 18 of Law number 16/2001, have assumed the commitment or pledged a guarantee for the financing of the investments and obligations that the concessionaire must carry out or accept by reasons of contract.

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- 6) Inform the Government, with the shortest possible delay, when the average annual turnover with a third party has reached MOP 250,000,000.00 (two hundred and fifty million patacas) or more;
- 7) To annually submit to DICJ, during the month of January, a document referring to all its bank accounts and respective balance;
- 8) To deliver, in the shortest possible period of time, any complementary or additional information requested by the Government;
- 9) To deliver to DICJ and to the Financial Services Bureau, hereinafter designated as DSF, with the shortest possible delay, all elements and information that these entities may require for the complete fulfilment of their functions.

TWO—The Government may determine that the obligations foreseen in 3) and 4) of the previous paragraph be fulfilled annually.

#### **CHAPTER IV Management Company**

##### **Clause 24 Requirement to inform in advance and request Government authorization**

ONE—The concessionaire shall inform the Government, with a minimum prior notice of ninety days, of its intention to enter into a contract with a management company.

TWO—The concessionaire shall request authorization from the Government whenever it intends to sign a management contract with a management company by which the mentioned company will assume its managing powers.

THREE—For the purposes of the previous paragraph, the concessionaire shall submit, together with the request for authorization, an authenticated copy of the articles of association of the management company or equivalent document and the draft of the respective management contract.

#### **CHAPTER V Suitability**

##### **Clause Twenty Five Suitability of the concessionaire**

ONE—The concessionaire shall keep its suitability qualifications for the term of the concession, in accordance to legal terms.

TWO—For the purposes of the previous paragraph, the concessionaire is subject to on-going and permanent monitoring and supervision by the Government, in accordance with legal terms.

THREE—The concessionaire undertakes to defray, as soon as possible, the costs incurred with the verification of its suitability; for that purpose, the DICJ shall issue a document, which will specify those costs that shall constitute sufficient evidence of same.

##### **Clause Twenty Six Suitability of the shareholders, directors and main employees of the concessionaire and management companies**

ONE—The concessionaire's shareholders who hold 5% or more of its capital stock, its directors and its main employees with relevant positions in the casino must retain their suitability qualifications for the term of the concession, in accordance with legal terms.

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TWO—For the purposes of the previous paragraph, the concessionaire's shareholders who hold 5% or more of its capital stock, its directors and its main employees with relevant positions in the casino, are subject to a continuous and permanent monitoring and supervision by the Government, in accordance with legal terms.

THREE—The concessionaire shall make all efforts for the shareholders that hold 5% or more of its capital stock, its directors and main employees with relevant positions in the casino, to retain their suitability qualifications during the term of the concession, considering that their good name reflects on the good name of the concessionaire.

FOUR—The concessionaire shall request its shareholders who hold 5% or more of its capital stock, its directors and its main employees with relevant positions in the casino, to inform the Government with the shortest possible delay, of any and every factor that may be relevant to the good repute of the concessionaire or their own.

FIVE—For the purposes of the previous paragraph, the concessionaire shall enquire, every six months, from the shareholders who hold 5% or more of its capital stock, its directors and its main employees with relevant positions in the casino, whether they have knowledge of any fact that may relate to the good repute of the concessionaire or their own, although the concessionaire, having knowledge of any relevant fact, is bound to inform the Government with the shortest possible delay.

SIX—The concessionaire shall inform the Government, with the shortest possible delay upon gaining knowledge of any and every fact that may relate to the good repute of its shareholders who hold 5% or more of its capital stock, its directors and its main employees with relevant positions in the casino.

SEVEN—The concessionaire shall make all efforts for the managing companies it may contract, as well as holders of 5% or more of its capital stock, its directors and main employees with relevant positions in the casino, to retain their good name reflect on the good name of the concessionaire.

EIGHT—The regulations in number THREE of the previous clause are applicable to the process of verification of suitability of the concessionaire's shareholders and the managing companies that hold 5% or more of its capital stock, its directors and main employees with relevant positions in the concessionaire's casino, and of the managing companies with whom it may establish contracts.

**Clause Twenty Seven**  
**Special duty to cooperate**

Without prejudice of the general duty to cooperate established in clause sixty seven, the concessionaire shall immediately submit to the Government any document, information or data that the Government may deem necessary to verify its continued suitability.

**Clause Twenty Eight**  
**Special duty to inform**

ONE—The concessionaire shall inform the Government, with the shortest possible delay after obtaining knowledge, of the cessation of a licence or concession for the operation of games of chance or other games in casinos in any jurisdiction of any shareholder who holds 5% or more of its capital stock.

TWO—The concessionaire shall inform the Government, with the shortest possible delay after obtaining knowledge, of any investigation related to a fact that could lead an agency that governs the activity of the operation of games of chance or other games in casinos in another jurisdiction to punish, suspend or in any way affect the licence or concession for the operation of games of chance or other

games in casinos that any shareholder who holds 5% or more of its capital stock may have in that jurisdiction.

**CHAPTER VI**  
**Financial and financing capacity**

**Clause Twenty Nine**  
**Financial capacity of the concessionaire**

ONE—The concessionaire shall maintain its financial capacity to operate the concession and to fulfil timely and totally the obligations pertaining to any aspect of its activity, investments and obligations committed by contract or under the terms of the present concession contract, especially as to the Investment Plan attached to the present concession contract.

TWO—For the purposes established in the previous paragraph the concessionaire and the shareholders holding 5% or more of its capital stock are subject to continuous and permanent monitoring and supervision by the Government, in accordance with legal terms.

THREE—The concessionaire undertakes to defray, as soon as possible, the costs incurred with the verification of its financial capacity and that of the shareholders holding 5% or more of its capital stock; for that purpose, the DICJ shall issue a document, which will specify those costs that shall constitute sufficient evidence of same.

**Clause Thirty**  
**Loans or similar contracts**

ONE—The concessionaire shall inform the Government of any loan granted or similar contract signed with a third party, for an amount of more than MOP 30,000,000.00 (thirty million patacas).

TWO—The concessionaire shall not grant any loan or sign any similar contract with its directors, shareholders or main employees with relevant positions in the casino, without the authorization of the Government.

THREE—The concessionaire shall not sign any contract with a commercial businessman by which he may assume management powers or the possibility of intervening in the management of the concessionaire, namely through "step in rights", without the authorization of the Government.



**Clause Thirty One**  
**Assumption of risk**

ONE—The concessionaire is committed to all the obligations and shall be fully and exclusively responsible for all risks inherent to the concession in what concerns its financial capacity and its financing, without prejudice of the provisions of clauses forty and seventy five.

DOIS—The grantee shall not be subject to any obligation, and does not assume any responsibility or risk, in what concerns the financing of the concessionaire.

**Clause Thirty Two**  
**Obtaining Financing**

ONE—The concessionaire shall obtain the necessary financing for the timely and complete fulfilment of the obligations related to any aspect of its activity, investments and obligations to which it is contractually bound or that it may assume under the terms of the present concession contract, especially of the Investment Plan attached to the present concession contract.

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TWO—The grantee shall not be held liable for any exceptions or means of defence that may result from contractual relationships established by the concessionaire with third parties, including financing entities and shareholders of the concessionaire, in order to obtain the financing referred in the previous paragraph.

**Clause Thirty Three**  
**Legal reserves**

The concessionaire shall maintain the reserves legally required.

**Clause Thirty Four**  
**Special duty to cooperate**

One—Without prejudice of the general duty to cooperate established in clause sixty seven, the concessionaire shall immediately submit to the Government any document, information or data that the Government may deem necessary to verify its continued financial capacity.

TWO—The concessionaire shall inform the Government, with the shortest possible delay, of any loans, mortgages, declarations of debt, guarantees or any other obligation contracted or to be contracted to finance any aspect of its activity, in the amount of MOP 8,000,000.00 (eight million patacas) or more.

THREE—The concessionaire shall send to the Government, with the shortest possible delay, authenticated copies of documents relating to any loans, mortgages, declarations of debt, guarantees or any other obligation contracted or to be contracted for the financing of any aspect of its activity.

FOUR—The concessionaire shall endeavour to obtain and submit to the Government a declaration subscribed by each one of its dominant partners, including its determinant and ultimate partner, in which they accept to comply with this special duty to cooperate and shall present any documents and supply any information, data, authorizations or proof that they may be asked for to that effect.

**CHAPTER VII**  
**Investment Plan**

**Clause Thirty Five**  
**Investment Plan**

ONE—The concessionaire shall carry out the Investment Plan attached to the present concession contract in the terms therein presented.

TWO—The concessionaire shall namely:

- 1) Use skilled labour for all projects;
- 2) Give preference, when contracting firms and workers for the execution of the projects referred to in the Investment Plan attached to the present concession contract, to those that permanently conduct business or are residents of the Macau Special Administrative Region;
- 3) Respect, in the execution of the construction projects related to the projects referred to in the Investment Plan attached to the present concession contract, the technical norms and regulations in practice in the Macau Special Administrative Region, namely the Regulation on Foundations, approved by Decree-Law number 47/96/M of 26 August, and the Regulation for Safety and Work in the Structure of Buildings and Bridges, approved by Decree-Law number 56/96/M, of 16 September, as well as the specifications and homologation documents of official entities and the instructions of manufacturers or holders of patents;

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- 4) Document the projects referred to in the Investment Plan attached to the present concession contract, for the approval of the Direcção dos Serviços de Solos, Obras Públicas e Transportes, hereinafter designated as DSSOPT, with a quality control handbook, prepared by an entity with proven experience in similar services and of the same type, whose technical competence is recognized and approved by this Direction, with a work plan and respective financial and execution chronograms, with samples of the most significant materials and the curricula of those responsible for each speciality, apart from all other documents foreseen in the legislation in force, namely Decree-Law number 79/85/M of August 21; and if the quality control handbook is not submitted or not approved, the concessionaire shall be committed to follow the quality control handbook prepared

in the meantime by experts designated by the DSSOPT;

- 5) Carry out the work in perfect conformity with the approved projects, in accordance with legal and regulatory norms in force and in accordance with internationally recognized standards for construction and supply of the same type, as well as in accordance with art rules;
- 6) Respect deadlines in the construction and opening to the public of the projects referred to in the Investment Plan attached to the present concession contract;
- 7) Use, for the carrying out of the plans referred in the Investment Plan attached to the present concession contract, materials, systems and equipment certified and approved by recognized entities and in accordance with international standards, generally accepted as having high international quality;
- 8) Maintain the quality of all the plans referred to in the Investment Plan attached to the present concession contract, in accordance with high international standards of quality.
- 9) Ensure that commercial businesses comprised in their premises have high international quality standards;
- 10) Maintain a modern, efficient and high quality management, in accordance with high international quality standards;
- 11) Inform the Government, with the shortest delay possible, of any and every situation that significantly alters or may alter, both in the construction phase of its premises and in the operation phase of any aspect of its activity, the normal progress of work, as well as of any structural or other anomaly in their premises, by means of a detailed and documented report of these situations, possibly comprising any contribution from outside sources of recognized competence and repute, also indicating any measures taken or to be taken in order to solve those situations.

THREE—The concessionaire is responsible towards the grantee and third parties for any damage caused by deficiencies, errors or serious omissions in the conception and dimension of the plans, the execution of construction work and maintenance inherent to the Investment Plan attached to the present concession contract that may be attributed to it.

FOUR—The Government may authorize the alteration of the deadlines referred to in paragraph 6) of number TWO, without the need to revise the present concession contract.

FIVE—The grantee shall facilitate the direct or indirect execution of the plans referred to in the Investment Plan attached to the present concession contract, by the concessionaire, in accordance with the terms of the law.

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### **Clause Thirty Six Alteration to the projects comprised in the Investment Plan**

ONE—In the execution of the Investment Plan attached to the present concession contract, the Government may request any documentation or make alterations to the execution of these plans, to guarantee the fulfilment of the technical norms and regulations in force and the required quality standards.

TWO—The Government shall not make any alterations to the referred plans that would imply an increase in the global amount referred to in clause thirty nine.

### **Clause Thirty Seven Inspection**

ONE—The Government, namely through DSSOPT, shall oversee and inspect the construction work, namely the compliance with the work plan and the quality of materials, systems and equipment, in accordance with applicable legislation in regard to the requirements of the Investment Plan attached to the present concession contract.

TWO—The concessionaire shall be notified by this Direction on the appointment of the DSSOPT representatives to oversee and inspect the construction work; when the overseeing and inspection of the construction work is to be carried out by more than one representative, one will be appointed to be in charge.

THREE—The concessionaire shall deliver, for the purposes of number ONE, detailed monthly reports, in writing, showing the progress of the Investment Plan attached to the present concession contract. The said monthly reports shall include, at least:

- 1) The most relevant events, number of employees, quantities of materials, systems and equipment involved;
- 2) The work progress in relation to the work programme (progress control);
- 3) Updates to the financial and execution chronograms;
- 4) The requirements for plans, supplies, means to be used, materials, systems and equipment;
- 5) The main measures taken to guarantee compliance with the work programme;
- 6) Action to be taken to correct deviations.

FOUR—The concessionaire shall submit extraordinary reports, detailed and in writing, whenever deemed necessary, namely when the normal work progress related to the execution of the Investment Plan attached to the present concession contract may be jeopardized.

FIVE—The concessionaire shall submit, upon the request of the Government, within the established deadline, any documents, namely written and drawn relating to the Investment Plan attached to the present concession contract.

SIX—The concessionaire shall furthermore supply in addition to the documents mentioned in the previous paragraph, any clarification and information that may be requested.

SEVEN—If the Government has any doubts as to the quality of the work, it may require that tests be carried out, apart from those foreseen by the concessionaire, consulting the latter, if necessary, as to the rules of decision to be adopted.

EIGHT—The expenses incurred with the tests referred to in the previous paragraph and the correction of detected deficiencies will be paid by the concessionaire.

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NINE—The orders and notifications related with technical aspects of the work may be addressed, by the Government, namely through DSSOPT, directly to the technical director of the site.

TEN—The technical director of the site must follow the work closely and be present at the site whenever so required.

ELEVEN—The Government, namely through DSSOPT, may suspend and embargo, under the terms of law, the work in progress whenever there is evidence of non-conformity with the plans approved, or violation of the legal rules and regulations applicable by law and by virtue of any contract.

TWELVE—The powers of inspection on the compliance with the requirements resulting from the present concession contract do not involve any responsibility on the part of the grantee for the execution of the construction work: the concessionaire is exclusively responsible for any defect or fault in the conception, execution or operation of the said works, except for those that may have resulted from a decision of the grantee.

#### **Clause Thirty Eight Contracting and subcontracting**

Contracting and subcontracting of third parties does not exempt the concessionaire from its legal or contractual obligations.

#### **Clause Thirty Nine Allocation of the remaining value of the investments included in the Investment Plan**

If, on completion of the work of the Investments Plan attached to the present concession contract, the total value of the concessionaire's direct or indirect expenses, is inferior to the global amount anticipated of MOP 4,000,000,000.00 (four thousand million patacas) for the investments described in the awarding proposal submitted by the concessionaire as bidder to the first public tender for the awarding of three concessions for the operation of games of chance or other games in casinos and included in the above mentioned Investments Plan, the concessionaire shall spend the remainder in projects related to its activity, to be indicated by the concessionaire and accepted by the Government, or in projects of relevant public interest for the Macau Special Administrative Region, to be indicated by the Government.

#### **Clause Forty Insurance**

ONE—The concessionaire shall establish and keep up to date the insurance contracts that will guarantee an effective and comprehensive coverage of the risks inherent to the activities integrated in the concession. These insurance policies shall be contracted with authorized insurance companies operating in the Macau Special Administrative Region or if not feasible or too expensive for the concessionaire, with the Government's authorization, with outside insurers,

TWO—The concessionaire shall, specifically, ensure that the following insurance contracts exist and are maintained in force:

- 1) Insurance for work related accidents and professional illnesses;
- 2) Third party liability insurance for all its vehicles;
- 3) Third party liability insurance for ships, aircraft or other flying engines that are the property of the concessionaire or being used under the leasing system;
- 4) Third party liability insurance for the posting of advertising materials;

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- 5) General third party liability insurance related to the operation of games of chance or other games in casinos in the Macau Special Administrative Region, as well as the development of other activities integrated in the concession and that are not covered by any other insurance policy;
- 6) Insurance against damage to buildings, furniture, equipment and other goods allocated to the activities integrated in the concession;
- 7) Insurance of buildings (all risks, including third party liability) covering any construction work of, or on, buildings related to the activities integrated in the concession;

THREE—The insurance coverage mentioned in 6) of the previous paragraph is to be of the multi-risk type, and shall cover at least, the following:

- 1) Fire, lightning or explosion (whatever the nature);
- 2) Rupture of pipes, spillage or overflowing of tanks, boilers, plumbing, tanks, toilettes or equipment for the transport of water;
- 3) Floods, typhoons, tropical storms, volcanic eruptions, earthquakes or other convulsions of nature;
- 4) Fall or clashing of aircraft or other flying engines or objects fallen or thrown from them;
- 5) Vehicle crashes;
- 6) Larceny or theft;
- 7) Strikes, assaults, riots, disturbances of public order or other facts of a similar nature.

FOUR—The capital or the minimum limit to be insured, with reference to the insurance mentioned in TWO is the following:

- 1) In accordance with legislation in force for the insurance foreseen in items 1) to 4);
- 2) An amount to be determined by the Government for the insurance in item 5), taking into account, among other factors, the turnover of activities integrated in the concession and the accident rate of the previous year,
- 3) Equal to the net value of the goods to be covered by the insurance under item 6), net value meaning the gross value minus accumulated depreciation;
- 4) The value of the construction work for the insurance referred in item 7).

FIVE—the concessionaire shall further ensure that the entities they may contract have valid insurance against work related accidents and professional illnesses.

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SIX—The concessionaire shall make proof, before the Government, of the existence and full validity of the insurance contracts, by submitting a copy of these at the time they are contracted and upon renovation.

SEVEN—The concessionaire shall not start any construction or work without previously submitting to the Government the copies referred to in the previous paragraph.

EIGHT—Except by Government authorization, the concessionaire may not cancel, suspend, modify or substitute any insurance contracts, except in the case of a mere change of insurance company, in which case the concessionaire shall inform the Government of the fact as soon as possible.

NINE—The Government may, at the concessionaire's expense, and resorting to the bail deposited to guarantee the legal or contractual obligations of the concessionaire, directly pay the insurance, if the concessionaire has not done so.

## **CHAPTER VIII ASSETS**

### **Clause Forty One Assets of the Macau Special Administrative Region**

ONE—The concessionaire shall ensure the maintenance or replacement, in accordance to instructions of the DICJ, of the property/goods of the Macau Special Administrative Region that may be allocated to the operation of the concession through the temporary transfer of its use, fruition and utilization.

TWO—The concessionaire shall ensure the maintenance of the land, grounds or natural resources, whose management is the responsibility of the Government, under the terms of article 7 of the Basic Law of the Macau Special Administrative Region, and that have been or may be allocated to the operation of the concession, either by rental or by concession.

### **Clause Forty Two Other assets**

ONE—The casinos, as well as the equipment and all utensils pertaining to the games, must be located in the concessionaire's premises, and no expenses or encumbering may fall on the casinos, equipment and utensils, except with the Government's authorization.

TWO—In spite of the authorization referred to in the previous paragraph, the concessionaire shall ensure that the casinos, as well as the equipment and utensils pertaining to the games, even if located outside these, are free of any expense or onus at the time the concession terminates.

THREE—Except by Government authorization, the casinos may not be located in buildings, the use and fruition of which are entitled by leasing contracts, whatever their nature, or any other type of contract that does not confer to the concessionaire total property rights, even if atypical; the said authorization may namely impose the condition, in order to allow the reversal of the casinos to the Macau Special Administrative Region, that the concessionaire acquire the independent units where the casinos are located, up until one hundred and eighty days before the date foreseen in number ONE of clause forty three, except if the concession becomes extinct before that date, in which the acquisition must take place in the shortest possible period of time.

FOUR—When duly authorized, the concessionaire shall submit to the Government, a copy of the contracts referred to in the previous paragraph, as well as all the alterations and changes, even if retroactive.

FIVE—The concessionaire shall locate all its casinos in buildings or groups of buildings, even though they may constitute a single economic and functional unit, established as horizontal property, so that they are integrated in one or more independent units, with areas perfectly identified and defined.

SIX—For purposes of the previous paragraph, the concessionaire shall submit to the government, with the shortest possible delay, a certificate of the real estate registry in relation to the constitution of horizontal property, which shall include the specifications of all independent units, together with a blueprint where the respective areas are defined and marked.

SEVEN—The concessionaire shall register any alteration to the constitution deed for the horizontal property, submitting to the Government, through the DSF, as soon as possible, the respective real estate registry certificate.

EIGHT—The concessionaire shall furthermore submit for the approval of the Government the regulation of the condominium relating to the horizontal property.

**Clause Forty Three**  
**Reversal of the casinos and equipment and utensils allocated to the games**

ONE—On the 26<sup>th</sup> day of June two thousand and twenty two, except if the concession becomes extinct before that date, the casinos, as well as the equipment and utensils pertaining to the games, even though they may be placed outside these, shall revert cost-free and automatically to the grantee, and the concessionaire shall surrender them in perfect working order, without prejudice of the normal wear and tear resulting from the operation of the present concession contract, and free of any onus or charge.

TWO—The concessionaire shall immediately deliver the property referred to in the previous paragraph.

THREE—If the concessionaire does not immediately surrender the property referred to in ONE, the Government shall take immediate administrative possession of same, the expenses being paid for out of the bail to guarantee the compliance with the legal or contractual obligations of the concessionaire.

FOUR—When the concession terminates, the Government shall inspect the property referred to in clauses Forty One and Forty Two, in the presence of the representatives of the concessionaire, in order to ascertain the condition and maintenance of the mentioned property and a report shall be prepared.

FIVE—Should the dissolution or liquidation of the concessionaire occur, the distribution of its estate cannot be effected until the Government certifies, through the mandatory inventory mentioned in the next clause, that the property to be reverted is in perfect order and working condition, or until there is assurance, by means of a guarantee accepted by the Government, of payment of any amounts due to the grantee, by way of indemnity or any other title.

SIX—The ruling in the last part of number ONE does not preclude the normal renovation of equipment and utensils pertaining to the games.

**Clause Forty Four**  
**Inventory of property allocated to the concession**

ONE—The concessionaire shall prepare, in triplicate, and maintain updated, the inventory of all goods and rights pertaining to the Macau Special Administrative Region for the use of the concession, as well as all property that shall revert to the Macau Special Administrative Region, and shall annually and prior to the thirty first of May, update the maps corresponding to alterations that have taken place and send them to the DICJ and the DSF.

TWO—In the year of the final term of the concession, it is mandatory that the above-described inventory be prepared sixty days before termination.

THREE—In other cases of extinction of the concession, the inventory referred in ONE shall take place at a date and time determined by the Government.

**Clause Forty Five**  
**Improvements**

The improvements that, for any reason, are done to the property referred to in clause Forty One, as well as to the property reverting to the grantee, do not entitle the concessionaire to any compensation or indemnity.

**Clause Forty Six**  
**Granting of land for the use of the concessionaire**

ONE—The system of granting of land for the use of the concessionaire, namely for the operation of the concession, is established in the respective land granting contract.

TWO—The clauses of the land granting contract to be signed by the Government and the concessionaire are subject to the conditions of the present concession contract, in what is applicable.

**CHAPTER IX**  
**Premium**

**Clause Forty Seven**  
**Premium**

ONE—The concessionaire shall pay the Macau Special Administrative Region an annual premium, for the term of the concession, as payment for the awarding of a concession for the operation of games of chance or other games in casinos.

TWO—The amount of the annual premium to be paid by the concessionaire is composed of a fixed and a variable portion.

THREE—The amount of the fixed portion of the premium to be paid by the concessionaire is, under the terms of Dispatch number 215/2001 of the Chief Executive, of MOP 30,000,000.00 (thirty million patacas) per year.

FOUR—The amount of the variable part of the premium to be paid annually by the concessionaire shall be calculated based on the number of gaming tables and electric or mechanical machines, including "*slot machines*", operated by same.

FIVE—For the purposes of the previous number:

- 1) For each gaming table reserved for particular games and players, namely operated in a special area or room, the concessionaire shall pay, per year, MOP 300,000,00 (three hundred thousand patacas).
- 2) For each gaming table non-reserved for particular games and players, the concessionaire shall pay, per year, MOP 150,000,00 (one hundred and fifty thousand patacas);
- 3) For each electric or mechanic gaming machine, including "*slot machines*", operated by the concessionaire, the concessionaire shall pay, per year, MOP 1,000.00 (one thousand patacas).

SIX—Apart from the number of gaming tables that the concessionaire operates at a given time, the amount of the variable portion of the premium cannot be less than the amount that would result from the permanent operation of 100 (one hundred) gaming tables reserved for particular games and

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players, namely operated in gaming rooms or special areas, and 100 (one hundred) gaming tables non-reserved for particular games and players.

SEVEN—The concessionaire shall pay the amount of the fixed portion of the premium, up until the tenth day of the month of January of the year to which it refers: payment in monthly instalments is possible at the discretion of the Government.

EIGHT—The concessionaire shall pay monthly, up until the tenth day of the month following that to which it refers, the amount of the variable portion of the premium referring to the gaming tables, electric or mechanic gaming machines, including "*slot machines*" that it operated during the previous month.

NINE—For purposes of the calculation of the amount of the variable part of the premium referred in the previous number, consideration is given to the number of days that in a given month each gaming table and each electric or mechanic gaming machine, including "*slot machines*", was operated by the concessionaire.

TEN—The payment of the premium is carried out by submitting the respective payment invoice in the Receiving section of the Finance Department of the Macau Special Administrative Region.

**Chapter X**  
**Contributions under paragraphs 7) and 8) of article 22 of Law number 16/2001**

**Clause Forty Eight**  
**Contribution under paragraph 7) of article 22 of Law number 16/2001**

ONE—The concessionaire shall pay to the grantee a contribution corresponding to 1.6% (one point six percent) of the gross revenues of the gaming operation, that will be made available to a public foundation for the promotion, development and study of social, cultural, economic, educational, scientific, academic and charity activities, to be indicated by the Government.

TWO—The contribution referred above is paid monthly by the concessionaire, prior to the tenth day of the month following that to which it relates, by submission of the respective payment invoice in the Receiving section of the Finance Department of the Macau Special Administrative Region.

THREE—The contribution referred in number ONE will be the object of a special budget record by the grantee.

**Clause Forty Nine**  
**Contribution under item 8) of article 22 of Law number 16/2001**

ONE—The concessionaire undertakes to pay the grantee a contribution corresponding to 2.4% (two point four percent) of the gross revenues of the gaming operation, to be used for urban development, tourist promotion and the social security of the Macau Special Administrative Region.

TWO—The contribution mentioned in the previous paragraph is paid monthly by the concessionaire until the tenth day of the month following that to which it relates, by submitting the respective payment invoice in the Receiving Section of the Finance Department of the Macau Special Administrative Region.

THREE—The contribution referred to in number ONE will be the subject to a special budget record by the grantee.

FOUR—The Government may appoint one or more projects or one or more entities as beneficiaries of the allocation of part the amounts paid.

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FIVE—The Government and the concessionaire may agree to allocate, to one or more entities or one or more projects, funds, up to the maximum amount of 1.2% (one point two) of the gross revenue of the gaming operations, in such case the concessionaire may allocate directly the funds to such entities or projects, in which case the amount of the contribution referred to in ONE to be submitted to the Receiving Section of the Finance Department of the Macau Special Administrative Region, will be reduced accordingly.

**CHAPTER XI**  
**Fiscal obligations and submission of documents**

**Clause 50**  
**Special gaming tax**

ONE—The concessionaire shall pay the Macau Special Administrative Region the special gaming tax established by law, which shall be paid in duodecimals, by a monthly remittance to the Government up to the tenth day of the month following that to which it refers.

TWO—The payment of the special gaming tax may be effected in patacas or in a currency accepted by the Government.

THREE—The payment of the special gaming tax in patacas is made directly to the Treasury of the Macau Special Administrative Region.

FOUR—The payment of the special gaming tax in currency accepted by the Government is made by means of remittance of that currency to the Macau Monetary Authority who will place the corresponding amount in patacas at the order of the Treasury of the Macau Special Administrative Region.

**Clause Fifty One**  
**Tax withholding**

ONE—The concessionaire shall withhold, on a definitive basis, the legally established tax on commissions and other remunerations paid to game promoters, submitting the respective amounts monthly, up to the tenth day of the month following that to which it refers, to the Receiving section of the Finance Department of the Macau Special Administrative Region.

TWO—The concessionaire shall withhold, on a definitive basis, the legally established income tax for workers, submitting the respective amounts monthly, up to the tenth day of the month following that to which it refers, at the Receiving section of the Finance Department of the Macau Special Administrative Region, in accordance with the law.

**Clause Fifty Two**  
**Payment of other taxes, contributions, rates or emoluments due**

The concessionaire shall pay other taxes, contributions, rates or emoluments due in accordance with the legislation of the Macau Special Administrative Region from which it has not been exempted.

**Clause Fifty Three**  
**Document proving the non-existence of debts to the Treasury of the  
Macau Special Administrative Region**

ONE—The concessionaire shall supply to the Government annually, until the thirty first of March, a certificate issued by the DSF, referred to the previous year, confirming that the concessionaire has no debts to the Treasury of the Macau Special Administrative Region, for contributions and taxes, fines or accruals, being including in this concept the interest on deferred payments and the 3% of debts.

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TWO—The concessionaire shall furthermore supply to the Government, annually and up to thirty first of March, a document referred to the previous year, describing the fiscal situation of its executive director, the members of its governing bodies and of its shareholders holding 5% or more of its capital stock.

**Clause Fifty Four**  
**Document proving the non-existence of debts to the Social Security of the  
Macau Special Administrative Region**

The concessionaire shall supply the Government annually, until the thirty first of March, a certificate issued by the Social Security Fund of the Macau Special Administrative Region confirming that the concessionaire has its payments to the Social Security Fund of the Macau Special Administrative Region in order.

**Clause Fifty Five**  
**Furnishing of information**

ONE—The concessionaire shall submit to the Government every quarter, until the last day of the month following the end of the respective quarter, its trial balance relating to the previous quarter, except for the last quarter of each year that is sent until the last day of the month of February of the following year.

TWO—The concessionaire shall also submit to the Government, until thirty days before the date of the annual general meeting to approve the accounts, the following elements:

- 1) The set of accounting and statistic maps referring to the previous fiscal year;
- 2)

The full names, in all possible versions, of those who, during the respective year were part of management and fiscal boards, of the appointed attorneys, as well as of the person responsible for the accounts department; and

- 3) A copy of the annual report of the board of directors, together with the report of the audit board and of the external auditors.

#### **Clause Fifty Six Accounting and internal control**

ONE—The concessionaire shall have its own accounting, a sound administrative organization and adequate control procedures, and shall follow, as to these matters, the instructions issued by the government, namely through the DICJ or the DSF.

TWO—In the format and rendering of the accounts, the concessionaire shall solely follow the criteria of the Official Accounting Plan in effect in the Macau Special Administrative Region, without prejudice of the Head of the Executive, by proposal of the director of the DICJ or the director of the DSF, eventually making mandatory the existence of certain books, documents or other accounting elements, as well as determining the criteria to be adopted by the concessionaire in the accounting records of its operations and the observance of special norms in their preparation or presentation.

#### **Clause Fifty Seven External audit of annual accounts**

The concessionaire shall carry out an annual audit to its accounts, conducted by an external independent agent of recognized international repute, previously accepted by the DICJ and the DSF, supplying in advance all the necessary documentation, namely that referred in article 34 of Law number 16/2001.

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#### **Clause Fifty Eight Extraordinary Audits**

The concessionaire shall at any moment, with or without advance notice, accept extraordinary audits, carried out by an external independent agent of recognized international repute or by another entity, as and when the DICJ or the DSF deem it necessary or convenient.

#### **Clause Fifty Nine Mandatory publications**

ONE—The concessionaire is committed to annually publishing, until the thirtieth of April, and in relation to the previous fiscal year ended at the thirty first of December, in the Official Gazette of the Macau Special Administrative Region, and in two of the most widely read newspapers of the Macau Special Administrative Region, one being necessarily in the Chinese language and the other in the Portuguese language, the following information:

- 1) Balance sheet, statement of results and attachments;
- 2) Summary of the activity report;
- 3) Report of the fiscal board
- 4) Summary of the external auditors' report
- 5) List of qualified shareholders, holding 5% or more of the capital stock, in any period of the year, with indication of the respective percentage value; and
- 6) The names of the members of the governing bodies.

TWO—The concessionaire shall submit to the Government, a copy of all the elements referred in the previous paragraph, and of other elements for publication, which is required by the concession system referred to in clause six, with the minimum advance of ten days prior to the date of publication.

#### **Clause Sixty Special duty of cooperation**

Without prejudice of the general duty to cooperate contemplated in clause sixty seven, the concessionaire shall cooperate with the Government, namely with the DICJ and the DSF, as to the supply of elements and information that may be solicited by them, and as to the analysis or inspection of its accounts, holding extraordinary audits and, in general, as to the duties entailed by the concession system referred to in clause six.

### **CHAPTER XII Guarantees**

#### **Clause Sixty One Bail as guarantee of fulfilment of the legal or contractual obligations of the concessionaire**

ONE—The bail, as guarantee of the fulfilment of the legal or contractual obligations of the concessionaire may be given in any one of the forms legally contemplated, as long as accepted by the Government.

TWO—The concessionaire shall maintain, in favour of the Government, the first demand autonomous bank guarantee, issued by the Banco Nacional Ultramarino, S.A. to guarantee:



- 1) the exact and timely fulfilment of the legal or contractual obligations to which the concessionaire is bound;

- 2) the exact and timely payment of the premium that the concessionaire is committed to pay for Macau Special Administrative Region under clause Forty Seven;
- 3) the payment of fines or other pecuniary penalties that may be levied on the concessionaire by reason of legal ruling or of any clause in the present concession contract;
- 4) the payment of any indemnity resulting from contractual responsibility for damage suffered and failed income due to the total or partial non-compliance of the obligations to which the concessionaire is bound by the present concession contract.

THREE—The concessionaire shall maintain in favour of the Government, the autonomous bank guarantee referred in the previous paragraph in the maximum value of MOP 700,000,000.00 (seven hundred million patacas) from the signing of the present concession contract until the thirty first of March of the year two thousand and seven, and with the maximum value of MOP 300,000,000.00 (three hundred million patacas) from the first of April of the year two thousand and seven until one hundred and eighty days after the term of the concession contract.

FOUR—The concessionaire shall make every effort to fulfil all necessary obligations to maintain in effect the autonomous guarantee referred in number TWO.

FIVE—The Government may resort to the autonomous bank guarantee referred in number TWO, independent of any prior judicial decision, whenever the concessionaire does not fulfil any of the legal or contractual obligations to which it is bound, does not proceed to effect exact and timely payment of the premiums to which it is bound, does not pay nor contest within the legal time limit the fines or other pecuniary penalties that have been levied by reason of legal ruling or clause of the present concession contract; the Government may also resort to the autonomous bank guarantee referred in number TWO if there is cause for payment of any indemnity resulting from contractual responsibility for suffered damage and failed income resulting from the total or partly non-fulfilment of the obligations to which the concessionaire is bound by the present concession contract.

SIX—Whenever the Government resorts to the autonomous bank guarantee referred in number TWO, the concessionaire shall take all the necessary steps to reinstate its full effect, within 15 days from the date of notification of the fact.

SEVEN—The autonomous bank guarantee referred to in number TWO may only be cancelled by means of Government authorization.

EIGHT—The Government may authorize the alteration of the terms or conditions referred in numbers THREE to SIX, as well as authorize the substitution of the autonomous bank guarantee referred in number TWO by another form legally accepted for the posting of bail as guarantee of fulfilment of the legal or contractual obligations of the concessionaire.

NINE—The costs incurred with the issue, maintaining and cancellation of bail as a guarantee of fulfilment of the legal or contractual obligations of the concessionaire are borne entirely by the concessionaire.

#### **Clause Sixty Two Specific bank guarantee for guarantee of the payment of the special gaming tax**

ONE—The concessionaire shall produce, on demand by the Government under number 5 of article 27 of Law number 16/2001, if there is justified concern that the concessionaire may not pay the probable monthly amounts of the special gaming tax, within the deadline and under the terms, conditions and amounts to be established by the Government, a special autonomous bank guarantee, on first demand, issued in favour of the Government to guarantee the payment of those same amounts.

TWO—The terms and conditions of the autonomous bank guarantee referred to in the previous paragraph may not be altered without Government authorization, the concessionaire being bound to fulfil all the obligations that result or may result from maintaining in effect the guarantee in the exact terms in which it was given.

THREE—The Government may resort to the autonomous bank guarantee referred in number ONE, independently of any previous judicial decision, whenever the concessionaire does not pay the special gaming tax owed to the grantee under the terms of the law and the present concession contract.

FOUR—Whenever the Government resorts to the autonomous bank guarantee referred in number ONE, the concessionaire shall take, within 15 days counting from the date of notification of the fact, all the necessary steps to reinstate its full effect.

FIVE—The autonomous bank guarantee referred to in number ONE may only be cancelled by the concessionaire one hundred and eighty days after the end of the concession and with Government authorization.

SIX—The costs incurred with the issue, maintaining and cancellation of the bail of the autonomous bank guarantee referred in number ONE are borne entirely by the concessionaire.

#### **Clause Sixty Three Other Guarantees**

The autonomous bank guarantee referred in number TWO of clause sixty one includes the guarantees established in number 3 of article 20 and in item 2 of article 22 of the Law number 16/2001 and on numbers 1 and 2 of article 84 of the Administrative Rule number 26/2001.

**CHAPTER XIII**  
**Inspection of fulfilment of the concessionaire's obligations**

**Clause Sixty Four**  
**Inspection, supervision and monitoring by the Government**

ONE—The power to inspect, supervise and monitor the fulfilment of the obligations of the concessionaire is exercised by the Government, namely through the DICJ and the DSF.

TWO—For all purposes the concessionaire shall, whenever so required by the Government and without need of advance notice, offer the Government, or any other entity appointed by the Government and duly mandated to that effect and identified, free access to any part of its premises, as well as free access to examine its accounting or bookkeeping, including any transactions, books, minutes, accounts and other registers or documents, statistics and registers of management used, supplying the Government or the entity appointed, with photocopies of what they may consider necessary.

THREE—The concessionaire shall abide by and comply with the determinations of the Government issued within the scope of its powers of inspection and verification, namely the instructions of the DICJ, including those relating to an eventual suspension of the operations in casinos and other gaming areas.

FOUR—The operation of the concession is subject to the permanent verification and inspection of the DICJ under the terms of applicable legislation.

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**Clause Sixty Five**  
**Daily inspection of the gross revenues of the game operation**

The concessionaire is subject to daily inspection, by the Government, through the DICJ, of its gross revenues from the game operation, in accordance with legal terms.

**CHAPTER XIV**  
**General duty to cooperate**

**Clause Sixty Six**  
**General duty of the Government to cooperate**

The Government shall cooperate with the concessionaire thus allowing it fulfil its legal and contractual obligations.

**Clause Sixty Seven**  
**General duty of the Concessionaire to cooperate**

For purposes of the provisions of the present concession contract, the concessionaire shall cooperate with the Government, producing any documents and giving any information, data, authorizations or proof that may be solicited.

**CHAPTER XV**  
**Other duties of the concessionaire**

**Clause Sixty Eight**  
**Operation of the casinos and other premises and annexes**

The concessionaire shall keep in normal operation all areas of the casinos and other premises and annexes that are used for the operation of the concession and for the uses for which they are intended or authorized.

**Clause Sixty Nine**  
**General duties of the concessionaire**

ONE—It is the special obligation of the concessionaire to promote and demand from all entities that may be contracted for the development of activities integrated in the concession, the observance of all rules of good organization and functioning, and the special measures related to the patrons of its casinos and other game zones and of its workers and other persons therein holding working positions.

TWO—The concessionaire undertakes to contract, for the prosecution of the activities integrated in the concession, entities duly licensed and authorized, with the necessary technical and professional qualifications.

**Clause Seventy**  
**Other Government authorizations**

Government authorization is required for the replacement, cancellation or change of proof documents and registers related to the activity of the concessionaire or to the acquisition of equipment and materials for the games.

**Clause Seventy One**  
**Government authorizations and approvals**

The authorizations and approval of the Government, and their possible refusals, do not exonerate the concessionaire from the timely fulfilment of the obligations assumed under the present concession

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contract, neither do they imply, on the part of the Government, of any responsibilities except when its acts have caused expenses or special and abnormal damage to the concessionaire.

**CHAPTER XVI**  
**Responsibility of the concessionaire**

**Clause Seventy Two**  
**Civil liability to the grantee**

The concessionaire is responsible towards the grantee for damage resulting from the total or partial non-fulfilment of its contractual obligations, due to facts it may be held responsible for.

**Clause Seventy Three**  
**Exoneration of the grantee in the extra-contractual responsibility of the concessionaire toward third parties**

ONE—The grantee shall not take or share any responsibility that may arise for the concessionaire from acts carried out by it or at its request that involve or might involve civil liability or any other.

TWO—The concessionaire will furthermore answer, under the general relationship of consigner-commissioner, for damages caused by entities it has contracted for the operation of the activities that integrate the concession.

**CHAPTER XVII**  
**Subjective changes to the concession**

**Clause Seventy Four**  
**Cession of contractual position, burden, transfer and alienation**

ONE—The concessionaire shall not cede, transfer, alienate or in any way burden, in total or in part, in express or tacit form, formally or informally, the operation of a casino or a gaming area or make any juridical deal that has the same result, except with Government authorization.

TWO—An action carried out in violation of the rulings of the previous paragraph, and without prejudice of other applicable sanctions or penalties, entails the payment to the Macau Special Administrative Region, of the following penal clauses:

- in the case of cession, transfer or alienation, as a whole—MOP 1,000,000,000.00 (one thousand million patacas);
- in the case of cession, transfer or alienation, as a part—MOP 500,000,000.00 (five hundred million patacas);
- in the case of encumbering, in total or in part—MOP 300,000,000.00 (three hundred million patacas).

THREE—The request for authorization referred in number ONE must be supported by all the necessary documents and the indication of all the details of the juridical deal that the concessionaire wishes to effect, without prejudice of the Government soliciting additional documents, data or information.

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**Clause Seventy Five**  
**Sub-concession**

ONE—The concessionaire, except with Government authorization, undertakes the obligation not to grant a sub-concession, in all or in part, or make any juridical deal that has the same result.

TWO—An action carried out in violation of the rulings of the previous paragraph, and without prejudice of other applicable sanctions or penalties, entails the payment, to the Macau Special Administrative Region, of the following penal clauses:

- In the case of sub-concession, as whole—MOP 500,000,000.00 (five hundred million patacas);
- In the case of sub-concession, as a part—MOP 300,000,000.00 (three hundred million patacas);

THREE—For the purposes of the authorization referred in number ONE, the concessionaire shall advise the Government of its intention to sub-concede, supplying all details that the Government may deem necessary, including all the correspondence exchanged between the concessionaire and the entity with whom it wishes to contract.

FOUR—The sub-concession does not exonerate the concessionaire from the legal or contractual obligations to which it is bound, except if, and in accordance with the terms of Government authorization, being further subsidiarily responsible before the Macau Special Administrative Region, independent of guilt, for damages resulting from the non-compliance with the total or part of the contractual obligations of the sub-concessionaire, owing to facts that may be attributed to it, benefiting from the "*privilege of exhaustion of remedies*".

**CHAPTER XVIII**  
**Non-fulfilment of contract**

**Clause Seventy Six**  
**Non-fulfilment of contract**

ONE—Without prejudice of the rulings in clauses seventy seven and seventy eight, the non-fulfilment attributable to the concessionaire of the duties and obligations resulting from the present concession contract, or from Government determinations, shall subject the concessionaire to the sanctions or penalties legally or contractually foreseen.

TWO—The concessionaire is exonerated from the responsibility referred to in the previous chapter in cases of *force majeure* or other events that clearly cannot be attributed to it, but only if the timely and total fulfilment has in fact been hindered.

THREE—The only cases considered of *force majeure*, with the consequences described in the next paragraph, are the unpredictable and irresistible events, exterior to the concessionaire, the effects of which are independent of the will or the personal circumstances of the concessionaire, namely acts of war, terrorism, disturbances of the public order, epidemics, atomic radiations, fire, lightning, serious flooding, cyclones, tropical storms, earthquakes and other natural cataclysms that directly affect the activities integrated in the concession.

FOUR—The concessionaire shall immediately advise the Government of any case of *force majeure*, and indicate, as soon as possible the obligations resulting from the present concession contract that it cannot fulfil due to the occurrence, and also, if it be the case, the measures it wishes to implement to reduce the impact of the said event and/or normalize the fulfilment of those obligations.

FIVE—In any of the cases referred in number THREE, the concessionaire shall reconstruct and/or restore the damaged property to its previous condition, as soon as possible, reinstating the management and operation of the games of chance or other games in casinos; should the concessionaire have no

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economic interest in the reconstruction and/or restoring of the referred property, it shall transfer to the grantee the amount of the insurance.

## **CHAPTER XIX Extinction and suspension of the concession**

### **Clause Seventy Seven Termination by mutual agreement**

ONE—The Government and the concessionaire may, at any moment, terminate the present concession contract of by mutual agreement.

TWO—The concessionaire shall be fully responsible for the cessation of the effects of any contracts of which it is part, and the grantee shall not be responsible for anything in this matter, unless otherwise established.

### **Clause Seventy Eight Redemption**

ONE—Unless otherwise legally established, the Government may, as from the fifteenth year of the concession, redeem it, by notifying the concessionaire by registered letter, with receipt notice, at least one year in advance.

TWO—Through the redemption, the grantee assumes all the rights and obligations of the concessionaire resulting from juridical deals validly contracted by it before the date of the notification referred to in the previous paragraph.

THREE—The obligations contracted by the concessionaire by virtue of the contracts it has signed after the notification referred in number ONE, shall only be assumed by the grantee if those contracts were, prior to their celebration, authorized by the Government.

FOUR—The assumption by the grantee of the obligations contracted by the concessionaire is made without prejudice of the right of regression for the obligations contracted by the concessionaire that exceed the normal management of the concession.

FIVE—Once the concession is redeemed, the concessionaire is entitled to a fair and equitable compensation corresponding to the losses resulting from the redemption of the Resort-Hotel-Casino referred in the Investment Plan annexed to the present contract. The amount of compensation shall be equal to the earnings of the Resort-Hotel-Casino referred in the Investment Plan annexed to the present contract before interest, depreciation and amortization for the fiscal year immediately preceding the date the redemption is declared, multiplied by the number of years remaining on the term of the concession contract.

### **Clause Seventy Nine Sequestration**

ONE—When the cessation or interruption occur or are imminent, as a whole or in part of the operation of the concession by the concessionaire, not authorized and not due to case of *force majeure*, or if there are serious disturbances or deficiencies in the organization and management of the concessionaire or in the general conditions of the installations and equipment, susceptible of compromising the regular operation of the concession, the Government may replace the concessionaire, directly or by resorting to third parties, ensuring the operation of the concession and promoting the necessary measures to ensure the objective of the present concession contract, for the duration of the cessation or interruption or if the disturbances and deficiencies continue.

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TWO—During the sequestration, the expenditures necessary for the maintenance and normalization of the operation of the concession are charged to the concessionaire, and the Government may, to that effect, resort to the bail to fulfil the legal or contractual obligations and to the guarantee posted by the dominant partner of the concessionaire.

THREE—As soon as the reasons for the sequestration are over and the Government judges it appropriate, the concessionaire is notified to resume, within a time limit that will be fixed, the normal operation of the concession.

FOUR—If the concessionaire does not want to or cannot resume the operation of the concession or if, having done so, the serious disturbances or deficiencies in its organization and operation continue to exist, the Government may declare the unilateral rescission for non-fulfilment of the present concession contract.

### **Clause Eighty Unilateral rescission for non-fulfilment**

ONE—The Government may terminate the concession, by means of unilateral rescission for non-fulfilment of the present concession contract, in case of non-fulfilment of the fundamental obligations by which the concessionaire is legally or contractually bound.

TWO—Reasons for unilateral rescission of the present concession contract are, specifically:

- 1) The deviation from the objective of the concession, either by operating non-authorized games, or by carrying out activities that are excluded from the corporate purpose of the concessionaire;
- 2) The abandonment of the operation of the concession or its unjustified suspension for a period of more than 7 consecutive days or 14 interpolate days within one calendar year;
- 3) The transmission, in total or in part of the operation, temporarily or definitively, effected in disrespect of what is established in the concession system as referred to in clause Six;
- 4) The default in payment of taxes, premiums, contributions or other retributions foreseen in the concession system as referred to in clause Six owed to the grantee and not impugned within the legal period;
- 5) The refusal or impossibility of the concessionaire to resume the concession under the terms of number FOUR of the previous clause, or when, having done so, the reasons for the sequestration continue to exist;
- 6) The reiterated opposition to the supervision and inspection or repeated disobedience of the determinations of the Government, namely through the directions of the DICJ;
- 7) The systematic non-observance of fundamental obligations foreseen in the concession system as referred to in clause Six;
- 8) The default on payment or reinforcement of the bails or guarantees foreseen in the present concession contract under the terms and within the deadlines established;
- 9) The bankruptcy or insolvency of the concessionaire;
- 10) The practice of serious fraudulent activity, damaging to the public interest;
- 11) The serious and reiterated violation of the rules of operation for the practice of games of chance or other games in casinos or of the integrity of the games of chance or other games in casinos.

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THREE—Without prejudice of the provisions of clause Eighty Three, and in the presence of one of the situations referred to in the previous paragraph or any other that, under the terms of the present clause, may motivate the unilateral rescission for non-fulfilment of the concession contract, the Government shall notify the concessionaire to, within an established deadline, fully comply with its obligations and correct, or repair the consequences of its acts, except if it is the case of a non-reparable violation.

FOUR—If the concessionaire does not fulfil its obligations or does not correct or repair the consequences of its acts, in the terms determined by the Government, the Government may unilaterally rescind the present concession contract by communicating this fact to the concessionaire, and also may notify in writing, the entities who guaranteed the financing of the investments and obligations assumed by the concessionaire, under the terms and for the purposes established in the concession system as referred to in clause Six, relative to financial capacity.

FIVE—The communication to the concessionaire of the decision to rescind referred to in the previous paragraph takes immediate effect, independent of any other formality.

SIX—In the case of well-founded urgency that cannot accommodate the delays of the process of solving the non-fulfilment foreseen in number THREE, the Government may, without prejudice of the observance of that process and the observance of the provisions of number FOUR, proceed immediately with the sequestration of the concession under the terms defined in the previous clause.

SEVEN—The unilateral rescission for non-fulfilment of the present concession contract, under the terms of the present clause, gives rise to a duty to compensate, on the part of the concessionaire, and the compensation shall be calculated in accordance with the general terms of the Law.

EIGHT—The unilateral rescission for non-fulfilment of the present concession contract entails the immediate and gratuitous reversion of its casinos to the grantee, as well as the equipment and utensils pertaining to the games even if located elsewhere.

### **Clause Eighty One Termination**

ONE—The present concession contract terminates on the date of the final term of the concession foreseen in clause Eight and the contractual relationship between the Parties shall end, without prejudice of the clauses of the present concession contract that shall continue beyond the end of the concession.

TWO—When there is a termination in accordance with the terms of the previous paragraph, the concessionaire shall be fully responsible for the cessation of the effects of any contract of which it is part, and the grantee shall not assume any responsibility in that matter.

**CHAPTER XX**  
**Revisions and alterations to the contract**

**Clause Eighty Two**  
**Revisions to the concession contract**

ONE—The present concession contract may be revised after negotiations between the Government and the concessionaire, in accordance with the terms of the law.

TWO—The revision of the present concession contract, as well as any addenda to the same, observes the formalities foreseen in article 91 of Administrative Rule number 26/2001.

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**CHAPTER XXI**  
**Pre-contentious phase**

**Clause Eight Three**  
**Consultations in pre-contentious phase**

ONE—The Parties shall effect consultations whenever there is a question or difference of opinion between them as to validity, application, execution, interpretation or integration of rules by which the present concession contract is governed.

TWO—The questions that arise do not exonerate the concessionaire from the timely and total fulfilment of the conditions of the present concession contract and the determinations of the Government that, within its scope, are issued, neither does it permit any interruption of the carrying out of any aspect of its activity, that shall continue to take place under the conditions established at the time the question is submitted.

THREE—The provisions of the previous paragraph relating to the compliance with Government determinations by the concessionaire is applicable also to successive determinations on the same matter, even if issued after the date of the beginning of consultations, as long as the first of these successive determinations was communicated to the concessionaire prior to that date.

**CHAPTER XXII**  
**Final provisions**

**Clause Eighty Four**  
**Obtaining licenses, permits or authorizations**

ONE—The present concession contract does not exempt the concessionaire from petitioning, paying costs for and/or make the effort to obtain all the licences or authorizations necessary to carry out any aspect of its activity or fulfilling the obligations foreseen in the present concession contract, as well as observing and fulfilling all the requisites necessary for obtaining and maintaining them valid.

TWO—The concessionaire must immediately inform the Government should any licences or authorizations referred to in the previous paragraph be withdrawn, terminated, suspended or revoked for any reason, or its effect ceased to be operative, indicating at the same time the measures it has taken or will take in order to recover or reactivate such licences, or authorizations.

THREE—No clause of the present concession contract may be considered as a replacement to the need to obtain any license, or authorization legally or contractually foreseen.

**Clause Eighty Five**  
**Rights to industrial and intellectual property**

ONE—The concessionaire shall respect, in the course of its activity, the rights to industrial and intellectual property, in accordance with the terms in force in the Macau Special Administrative Region, and the effects that may result from the violation of these rights shall be of the exclusive responsibility of the concessionaire.

TWO—The licenses or authorizations granted to the concessionaire, namely those relating to compliance with the Investment Plan attached to the present concession contract, presuppose that all rights of industrial and intellectual property have been respected by the concessionaire.

THREE—The concessionaire shall gratuitously cede to the grantee all its studies, projects, plans, blueprints, documents and other materials, of whatever nature that may prove useful to the functions attributed to the latter, under the terms of the present concession contract, or for the exercise of the rights to which it is entitled under the terms of the same.

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FOUR—In answer to the grantee's request, the concessionaire shall prepare any type of document or declaration, to confirm or register the rights referred to in the previous paragraph.

FIVE—Should the concessionaire not solve any dispute existing with third parties in relation to eventual violations of the rights of industrial or intellectual property attributed or to be attributed to the grantee under the terms of the present clause, the grantee may always act in their defence for which the concessionaire shall give all the assistance that may be required.

**Clause Eighty Six**  
**Notifications, communications, notices, authorizations and approvals**

ONE—the notifications, communications, notices, authorizations and approvals referred to in the present concession contract, unless otherwise determined, will be made in writing and be forwarded:

- 1) by hand, as long as covered by register;
- 2) by telefax, as long as covered by transmission receipt;
- 3) by mail, registered and with receipt notice.

TWO—Authorizations to be granted by the Government must always be in advance, and may establish conditions.

THREE—The lack of answer to a request for authorization and approval, or any other solicitation, expressed by the concessionaire, has the effect of refusal.

FOUR—For the purposes of the present concession contract, the following addresses and telefax numbers shall be considered as the permanent addresses the Parties:

Government of the Macau Special Administrative Region:  
Direcção de Inspeção e Coordenação de Jogos  
Avenida da Praia Grande, numbers 762-804, "China Plaza" building, 21<sup>st</sup> floor, Macau  
Fax: 370296

Concessionaire: Wynn Resorts (Macau), S.A.,  
Head Office: Avenida da Amizade, number 918,  
"World Trade Centre" building, 8<sup>th</sup> floor, "C", Macau.  
Fax: 336057

FIVE—The Parties may alter the addresses and telefax reception numbers indicated in the previous number by means of advance communication addressed to the other Party.

**Clause Eighty Seven**  
**Prohibition of practices restrictive of competition**

ONE—The concessionaire shall carry out its activities in loyal and healthy competition, respecting the principles applying to a market economy.

TWO—The concessionaire undertakes not to enter into agreements or combined deals, in whatever form, together with other concessionaires, sub-concessionaires or management companies of concessionaires that operate in the Macau Special Administrative Region, or with companies belonging to the respective groups, that are liable to impede, restrict or distort competition.

THREE—The concessionaire undertakes not to exploit abusively a dominant position in the market, or a substantial part of it that could impede, restrict or distort competition.

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**Clause Eighty Eight**  
**Games Promoters**

For the Government, the concessionaire is responsible for the activity exercised in the casinos and other gaming areas by its registered games promoters, as well as its directors and collaborators and should therefore supervise their activity.

**Clause Eighty Nine**  
**Promotion of the concessionaire's business**

ONE—The concessionaire shall promote, within the Macau Special Administrative Region and abroad, advertising and marketing campaigns for its business, namely its casinos.

TWO—The Government and the concessionaire shall combine their events and advertising and marketing campaigns with the events and campaigns aimed at promoting Macau abroad.

THREE—The concessionaire shall not allow, without the authorization of the Government, the use of images or long written references about its casinos and other premises and annexes allocated to the operation of the concession, in sites and *internet* pages, or any other place that aims at promoting interactive games.

**Clause Ninety**  
**Elements integrated in the concession contract**

The tender for adjudication entered by the concessionaire as an entrant for the first public tender for the attribution of three concessions for the operation of games of chance or other games in casinos, is considered to be integrated in the present concession contract for all purposes that are not explicitly or implicitly

contrary to it.

**Clause Ninety One**  
**Chips to be used in the operation of the concession**

ONE—The concessionaire shall comply with the instructions of the Government as to the issue and circulation of chips, independent of their type or nature.

TWO—Notwithstanding the possibility for the Government to determine the maximum amount of chips to be put into circulation, the quantity chips to be put into circulation is not subject to the consent of the Government.

THREE—The concessionaire has the obligation to guarantee the reimbursement, in cash or through cheque or equivalent credit document, of the chips that have been put into circulation.

FOUR—The concessionaire shall maintain a ratio of solvency, and constitute provisions and other rules of prudence to be indicated at each moment by the Government as to the total number of chips to be placed in circulation, in cash or through high level liquidity bonds in order to ensure the immediate payment of same.

**Clause Ninety Two**  
**Confidentiality**

ONE—The documents produced by the Government or by the concessionaire, in keeping with the conditions of law or the present concession contract, have a confidential character, and can only be made available to third parties with the authorization of the other Party.

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TWO—The Government and the concessionaire take all the necessary steps to ensure that, respectively, the workers of the Public Administration of the Macau Special Administrative Region, and the workers of the concessionaire are bound by the duty of secrecy.

THREE—The Government and the concessionaire undertake to enforce the duty of secrecy on other persons who have had or who might have access to confidential documents, namely through consulting, services and other contracts.

**Clause Ninety Three**  
**Claims register**

ONE—The concessionaire shall keep and maintain at the disposal of visitors of the casinos and other gaming areas, a claims register, specific for claims related to the operation of games of chance or other games in casinos.

TWO—The concessionaire shall affix in the casinos and other gaming areas, in a visible manner, a notice indicating the existence of a claims register.

THREE—The concessionaire undertakes to remit to the Government, within 48 hours, copy of the claims registered in the claims register, together with the concessionaire's report about the same.

**CHAPTER XXIII**  
**Transitory dispositions**

**Clause Ninety Four**  
**Professional Training Plan**

ONE—The concessionaire shall prepare plans regarding professional training for employees who come to occupy positions in the activities integrated in the concession, within a time limit established by the Government.

TWO—The concessionaire shall submit to the Government, within the time limit established, any other documents or additional information relative to the plans referred to in the previous paragraph.

**Clause Ninety Five**  
**Appointed Executive-Director**

ONE- The Government shall inform the concessionaire, within fifteen days from the signing of the present concession contract whether it authorizes that the person indicated in Attachment I of the Administration Rule number 26/2001, submitted by the concessionaire as bidder for the first public tender for the awarding of three concessions for the operation of games of chance or other games in casinos, to be the Executive Director for the concessionaire.

TWO—The provisions of numbers ONE and TWO of clause Twenty One are applicable to the first delegation of management by the concessionaire on an Executive Director after the awarding of the present concession contract.

**Clause Ninety Six**  
**Bank accounts**

The concessionaire shall submit to the Government within seven days from the signing of the present concession contract, a document stating all its bank accounts and respective balances.

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**Clause Ninety Seven**  
**Declaration relating to the duty to cooperate**

The concessionaire shall endeavour to obtain and submit to the Government, within fifteen days from the signing of the present concession contract, a declaration subscribed by each of its shareholders holding 5% or more of its capital stock, its directors and main employees with relevant positions in the casino, as well as its dominant partners, including the ultimate dominant partner, by which they accept to be subject to a special duty to cooperate with the Government and to produce any documents and supply whatever information, data, authorizations or proof that may be requested for that purpose.

**Clause Ninety Eight**  
**Fixed part and variable part of the premium**

ONE—The payment of the fixed part of the yearly premium foreseen in clause 47, in the respective proportion, is due only from the 26th day of June of the year two thousand and five, except if, before that date, the concessionaire begins the operation of a casino or gaming area in the Resort—Hotel—Casino complex, foreseen in the Investment Plan annex to the present concession contract, in which case payment becomes due at once.

TWO—The payment of the variable part of the yearly premium foreseen in clause 47 is only due from the date of starting of operation of the games of chance or other games in casinos, whether the starting of operations takes place in temporary installations or in the Resort-Hotel-Casino above mentioned. For the purpose of calculation of the variable part of the premium the concessionaire shall submit to the Government, up to ten days prior to the opening of its first casino or gaming area, whether it be in temporary installations or in the complex referred in the previous number, a list with the number of gaming tables and electric or mechanic machine, including "*slot machines*", that it intends to operate in that year, as well as their respective location.

THREE—In case the concessionaire opens its first casino or gaming area in temporary installations, the amount of the variable portion of the premium cannot be less than the amount that would result from the permanent operation of 20 (twenty) gaming tables reserved for particular games and players, namely operated in gaming rooms or special areas, and 20 (twenty) gaming tables non-reserved for particular games and players, until the beginning of operation of a casino or gaming area in the resort complex referred in number ONE.

FOUR—The amounts relative to the variable part of the yearly premium referred in number FIVE of clause 47 will be subject to revision by the Parties as from the third year of the awarding of the present concession contract.

**Clause Ninety nine**  
**Approval of the articles of association and shareholders agreements**

The Government shall notify the concessionaire, within sixty days of the signing of the present concession contract, as to whether it approves its articles of association as well as its shareholders agreements.

**Clause One Hundred**  
**Mandates or Power of Attorney**

The concessionaire shall inform the Government within fifteen days from the signing of the present concession contract, of each and every mandate or power of attorney existing on the date of the awarding of the present concession contract, verifying, based on a stable relationship, the powers inherent to the board of directors to conduct business relating to the operation of the company in the name of the concessionaire, with the exception of the powers for carrying out everyday current

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business, namely at public offices or services, for the purpose of authorization, or to submit, within the same timing, a declaration of non-existence of same.

**Clause One Hundred and One**  
**Actual participation in the operation of games of chance or other games in casinos under other jurisdictions**

The concessionaire shall inform the Government within fifteen days from the signing of the present concession contract, of the actual participation of any one of its administrators, of the dominant partner, including the ultimate dominant partner or any holder of capital share when corresponding, directly or indirectly, to an amount of 10% or more of its capital stock, in the operation of games of chance or other games in casinos, even if only through a management contract, in any other jurisdiction.

**Clause One Hundred and Two**  
**Composition of the governing bodies of the concessionaire**

The concessionaire shall inform the Government within seven days from the signing of the present concession contract as to the composition, at the time of awarding of the present concession contract, of the board of directors, the annual general meeting, the audit board and other governing bodies of the concessionaire.

**Clause One Hundred and Three**  
**Structure of shareholders and capital stock**

ONE—The concessionaire shall submit to the Government, within seven days from the signing of the present concession contract, the shareholder structure of the concessionaire on the date of the awarding of the present concession contract.

TWO—The concessionaire shall submit to the Government, within seven days from the signing of the present concession contract, the structure of the capital stock of corporate bodies, *maxime* companies, holding 5% or more of the capital stock of the concessionaire, as well as the structure of the capital stock of corporate bodies that hold 5% or more of the capital stock of same, and so on up to the individual or corporate bodies who are ultimate partners, on the date of the awarding of the present concession contract.

THREE—The concessionaire shall submit to the Government, within fifteen days from the signing of the present concession contract, the declarations referred to in number TWO of clause Nineteen, relative to the year two thousand and two.

**Clause One Hundred and Four  
Limit to the number of concessions**

ONE—The grantee shall not award, until the first of April of the year two thousand and nine, concessions for the operation of games of chance or other games in casinos, so that, at any given time, there are not more than three, as per provisions of the law.

TWO—Should the grantee, after the date referred to in the previous paragraph, award new concessions for the operation of games of chance or other games in casinos, the conditions of which are, in global terms, more favourable than those foreseen in the present concession contract, the Government shall extend them to the concessionaire by altering the present concession contract.

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**Clause One Hundred and Five  
Revision of the percentage of contributions**

The percentages of the contributions referred to in clauses Forty Eight and Forty Nine shall be the object of revision by the Parties during the year two thousand and ten.

**Clause One Hundred and Six  
Effective Date**

The present concession contract, written in both official languages, will come into effect as from 27<sup>th</sup> day of June of year 2002.

Thus it was granted

The Stamp Duty due, as per articles 17 and 24 of Stamp Duty Regulation, on the amount of MOP 115, 00 (one hundred and fifty patacas) and the Notary Fees Due, as per article 4 number 1 and 2 of the Notary Regulation, on the amount of MOP 708.600,00 (seven hundred and eighth thousand six hundred patacas) were paid by the Second Party and the proof of payment was filed.

All the documents mentioned in the concession contract are filed with the Notary Division of the Macau Finance Department under number 17039.

This deed has been read to the parties and its contents were explained out loud to all those present, and the representative of the second party had access to a translation into the English language as he does not understand either of the official languages.

/s/ HO HAU WAH

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/s/ STEPHEN A. WYNN

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/s/ ILLEGIBLE

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Notary

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**ANNEX TO THE CONCESSION CONTRACT  
INVESTMENT PLAN**

Without prejudice of the provisions of Clause thirty nine of the present concession contract, the concessionaire must build:

- A Resort-Hotel-Casino that must be concluded and open to the public on December 2006.
- Total Investment—4,000,000,000.00 (four thousand million patacas), which must be expended within 7 years upon the signing of this concession contract.

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**AMERICAN EMBASSY LISBON**

*Av. Das Forças Armadas  
1600-081 Lisboa, Portugal  
Tel: 21 -770 -2499  
Fax: 21- 727-2354*

Republic of Portugal )  
Providence of Estremadura )  
City of Lisbon )  
Embassy of the United States )  
Of America )

I, Victoria Perestrello, being duly sworn, do hereby declare that I am thoroughly acquainted with the Portuguese and English languages, that I am accustomed to make translations in these languages, and that the annexed translation(s) was (were) made by me and it is a (are) true and correct translation(s).

This document consists of 166 pages, each initialed by the translator.

/s/ VICTORIA PERESTRELLO

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Subscribed and sworn to before me this 29<sup>th</sup> day of July 2002.

/s/ DANIEL BAZAN

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**Daniel Bazan**  
**Consul**

QuickLinks

[Exhibit 10.24](#)

[CONCESSION CONTRACT](#)  
[ANNEX TO THE CONCESSION CONTRACT INVESTMENT PLAN](#)

DEUTSCHE BANK SECURITIES INC.  
BANC OF AMERICA SECURITIES LLC  
BEAR, STEARNS & CO. INC.

June 14, 2002

**AMENDED AND RESTATED COMMITMENT LETTER**

Valvino Lamore, LLC  
Wynn Resorts Holdings, LLC  
Wynn Las Vegas, LLC  
3145 Las Vegas Boulevard South  
Las Vegas, Nevada 89109

Attention: Mr. Stephen A. Wynn

**Re: \$1,000,000,000 Senior Secured Credit Facilities**

Ladies and Gentlemen:

This amended and restated commitment letter agreement (together with all exhibits and schedules hereto, the "**Commitment Letter**") will confirm the understanding and agreement among Deutsche Bank Trust Company Americas, as sole administrative agent (the "**Agent**"), Deutsche Bank Securities Inc., as joint advisor, joint book-running manager, and joint lead arranger ("**DBSI**"), Bank of America, N.A. ("**BofA**"), Banc of America Securities LLC, as joint advisor, joint book-running manager, joint lead arranger and sole syndication agent ("**BofA Securities**"), Bear Stearns Corporate Lending, Inc., as documentation agent ("**BSCL**"), and Bear, Stearns & Co. Inc., as joint advisor, joint book-running manager and arranger ("**Bear**" and, together with DBSI and BofA Securities, the "**Arrangers**", and, together with the Agent, DBSI, BofA, BofA Securities and BSCL, the "**Participating Institutions**"), Valvino Lamore, LLC ("**Valvino**"), Wynn Resorts Holdings, LLC ("**Wynn, LLC**"), and Wynn Las Vegas, LLC, a Nevada limited liability company (the "**Company**"), in connection with the proposed financing for the development and construction of a casino/resort planned to include more than 2,500 hotel rooms, more than 100,000 square feet of gaming space, an approximately 130 acre newly designed golf course and various other amenities (the "**Project**") for approximately \$2.45 billion on the site of the old Desert Inn located in Las Vegas, Nevada. References in this Commitment Letter to "we", "our" and "us" refer, collectively, to the Participating Institutions.

You have advised us that the total funds needed to finance the development and construction of the Project (including fees and expenses) will be approximately \$2.45 billion and that such funds will be provided from the following sources: (1) \$747.0 million of borrowings by the Company under a \$750.0 million Revolving Credit Facility (the "**Revolving Credit Facility**") and \$250.0 million of borrowings by the Company under a \$250.0 million Delay Draw Term Loan Facility (the "**Term Loan Facility**" and, together with the Revolving Credit Facility, the "**Credit Facilities**") among the Participating Institutions and the financial institutions party thereto, (2) the issuance by the Company of \$350.0 million in aggregate principal amount of Second Mortgage Notes (the "**Second Mortgage Notes**") with a maturity date at least one year beyond the maturity of the Credit Facilities, (3) \$150.0 million of borrowings by the Company under a \$150.0 million FF&E Facility (the "**FF&E Facility**"), (4) at least \$413.0 million of common equity contributed, directly or indirectly, to the Company in cash and property by Stephen A. Wynn, Aruze USA, Inc. and Baron Asset Fund (collectively, the "**Members**") prior to the date of this Commitment Letter, (5) at least \$355.0 million of common equity to be contributed, directly or indirectly, to the Company in cash by Wynn Resorts, Limited, a Nevada corporation ("**Wynn Resorts**"), which will be the parent company of Valvino, from the proceeds of an initial public offering of common stock by Wynn Resorts (the "**IPO**"), (6) approximately \$175.0 million of existing cash balances of the Company and amounts to be contributed thereto by certain affiliates,

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(7) approximately \$25.0 million in projected interest income and (8) approximately \$28.5 million in loans secured by an aircraft mortgage on a Bombardier Global Express aircraft.

You have further advised us that prior to the effective date of the Credit Facilities, (1) the Company will be converted from a Nevada limited liability company to a Nevada corporation (unless such conversion would have materially adverse tax consequences to the Company or any of its equity holders) and (2) the Members will contribute all of their equity interests in Valvino to Wynn Resorts in consideration for the issuance by Wynn Resorts to the Members of shares of Wynn Resort's common stock, that Valvino will become a direct wholly-owned subsidiary of Wynn Resorts, and the Company will become an indirect wholly-owned subsidiary of Wynn Resorts.

In addition, pursuant to an Engagement Letter (the "**Engagement Letter**") entered into between us and you, you retained DBSI, BofA Securities and Bear to act as the co-financial advisors, joint book-running managers and/or joint book-running placement agents for the Company and its affiliates in connection with the issuance of the Securities (as defined in the Engagement Letter) by Wynn Resorts, the Company and the other persons identified therein.

1. *The Commitments.*

(a) You have requested (i) that the Agent, BofA and BSCL (collectively with each other financial institution that becomes a lender under the Credit Facilities, the "**Senior Lenders**") commit to provide the entire amount of the Credit Facilities upon the terms and subject to the conditions set forth or referred to in this Commitment Letter, in the Summary of Terms of Credit Facilities attached hereto as Exhibit A (the "**Term Sheet**") and in the closing conditions attached hereto as Exhibits B-1 (the "**Closing Conditions**") and the funding conditions attached hereto as Exhibit B-2 (the "**Funding Conditions**").

(b) Based on the foregoing, and subject to the terms and conditions hereof, (i) the Agent is pleased to confirm by this Commitment Letter its commitment to you to provide or cause one of its affiliates to provide one-third of the amount of the Credit Facilities, (ii) BofA is pleased to confirm by this Commitment Letter its commitment to you to provide or cause one of its affiliates to provide one-third of the amount of the Credit Facilities and (iii) BSCL is pleased to confirm by this Commitment Letter its commitment to you to provide or cause one of its affiliates to provide one-third of the amount of the Credit Facilities (the aggregate commitment of the Agent, BofA and BSCL for the entire amount of the Credit Facilities, the "**Commitment**").

(c) Notwithstanding anything to the contrary in this Commitment Letter, the Engagement Letter or otherwise, in the event that (a) DBSI and the Agent (but not BofA Securities, BofA, BSCL or Bear) Terminate this Commitment Letter, this Commitment Letter shall be terminated only as to DBSI and the Agent, and shall remain in full force and effect as between you and BofA Securities, BofA, BSCL and Bear, (b) BofA Securities and BofA (but not DBSI, the Agent, BSCL or Bear) Terminate their obligations under this Commitment Letter, this Commitment Letter shall be terminated only as to BofA Securities and BofA, and shall remain in full force and effect as between you and DBSI, the Agent, BSCL and Bear or (c) BSCL and Bear (but not DBSI, the Agent, BofA Securities or BofA) Terminate their obligations under this Commitment Letter, this Commitment Letter shall be terminated only as to BSCL and Bear, and shall remain in full force and effect as between you and DBSI, the Agent, BofA Securities and BofA. For purposes of this Commitment Letter, "**Terminate**" means, with respect to any Person, that such Person asserts in writing that it is unwilling or unable to provide, or otherwise terminates in writing, its Commitment prior to the execution of definitive documentation for the Credit Facilities. "**Terminates**" and "**Termination**" shall have the correlative meanings.

(d) In the event of a Termination by BofA and BofA Securities, DBSI and the Agent or BSCL and Bear, as the case may be, pursuant to clause (c) above, the non-terminating Participating Institutions shall have the right, but not the obligation, in their sole discretion to assume the

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Commitment and all of the other rights, duties and obligations of the terminating Participating Institutions under this Commitment Letter; *provided* that in the event of a Termination by BofA and BofA Securities, DBSI and the Agent or BSCL and Bear, as the case may be, the Commitment of the non-terminating Participating Institutions shall remain in full force and effect, subject to the terms and conditions of this Commitment Letter, so long as by the Commitment Expiration Date you shall have caused a financial institution reasonably acceptable to the non-terminating Participating Institutions to commit to you to provide the amount of the Credit Facilities equal to the terminated Commitment and all of the other rights, duties and obligations of the terminating Participating Institutions under this Commitment Letter, in each case on the same terms and conditions of such terminated Commitment. For purposes of clarification, if, in the event of a Termination by BofA and BofA Securities, DBSI and the Agent or BSCL and Bear, as the case may be, pursuant to clause (c) above, the provisions of Section 1(g) of the Fee Letter (as defined below) (such provisions, the "**Other Financings Provisions**") would cease to be applicable to the terminating Participating Institutions, the Other Financings Provisions would not cease to be applicable to the non-terminating Participating Institutions solely as a result of such Termination.

(e) It is agreed that (i) DBSI will act as joint advisor, joint book-running manager and joint lead arranger for the Credit Facilities, (ii) that the Agent will act as the sole and exclusive Administrative Agent for the Credit Facilities, (iii) that BofA Securities will act as joint advisor, joint book-running manager and joint lead arranger and as the sole and exclusive Syndication Agent for the Credit Facilities, (iv) that Bear will act as joint advisor, joint book-running manager and arranger for the Credit Facilities and (v) BSCL will act as documentation agent for the Credit Facilities. Each of DBSI, the Agent, BofA Securities and Bear will perform the duties and exercise the authority customarily performed and exercised by it in its respective role. You agree that no other agents, joint agents, arrangers or book managers will be appointed, no other titles will be awarded and no compensation (other than that expressly contemplated by the Term Sheet or the Fee Letter referred to below) will be paid in connection with the Credit Facilities unless you and we shall so agree. You also agree that no other managers, underwriters, initial purchasers or placement agents will be appointed, no other titles will be awarded and no compensation will be paid in connection with the issuance of Securities pursuant to the Engagement Letter unless you and we shall so agree.

(f) The commitments and agreements of the Participating Institutions described herein are subject to the execution of the Engagement Letter and the negotiation, execution and delivery on or before September 30, 2002 of definitive documentation with respect to the Credit Facilities, satisfactory to the Participating Institutions and their counsel and to satisfaction of the other conditions set forth or referred to in the Term Sheet and the Closing Conditions (the date on which such conditions are satisfied, the "**Closing Date**"). The terms and conditions of such commitments hereunder and of the Credit Facilities are not limited to those set forth herein and in the Term Sheet; those matters that are not covered by the provisions hereof or of the Term Sheet shall be consistent with the Term Sheet and shall be subject to the approval and agreement of the applicable Senior Lenders and the Company.

2. **Fees and Expenses.** In consideration of the execution and delivery of this Commitment Letter by the Participating Institutions, you agree to pay the fees and expenses set forth in Annex A-I to the Term Sheet and in the Amended and Restated Credit Facilities Fee Letter among the Participating Institutions and you dated the date hereof (the "**Fee Letter**").

### 3. **Indemnification.**

(a) You hereby agree to indemnify and hold harmless each of the Participating Institutions, the other Senior Lenders and each of their respective affiliates and each of their respective officers, directors, partners, trustees, employees, affiliates, shareholders, advisors, agents, attorneys, attorneys-in-fact and controlling persons (each, an "**indemnified person**") from and against any and all losses, claims, damages and liabilities to which any such indemnified person may become subject arising

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out of or in connection with this Commitment Letter, the Credit Facilities, the use of the proceeds therefrom, the development, construction and operation of the Project, any of the other transactions contemplated by this Commitment Letter or the Fee Letter, any other transaction related hereto or thereto or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any indemnified person is a party hereto or thereto, and to reimburse each indemnified person upon demand for all legal and other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including, without limitation, in connection with the enforcement of the indemnification obligations set forth herein); *provided, however*, that no indemnified person shall be entitled to indemnity hereunder in respect of any loss, claim, damage, liability or expense to the extent that it is found by a final, non-appealable judgment of a court of competent jurisdiction that such loss, claim, damage, liability or expense resulted solely from the gross negligence or willful misconduct of such indemnified person. In no event will any indemnified person be liable for consequential, special or punitive damages as a result of any failure to fund any of the Credit Facilities contemplated hereby or otherwise in connection with the Credit Facilities; and provided, further, that any such matters relating to the Second Mortgage Notes or the IPO shall be addressed by the Engagement Letter. No indemnified person shall be liable for any damages arising from the use by unauthorized persons of Information or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by such persons.

(b) You further agree that, without the prior written consent of the Participating Institutions, which consent will not be unreasonably withheld, you will not enter into any settlement of a lawsuit, claim or other proceeding arising out of this Commitment Letter or the Fee Letter or the transactions contemplated hereby or thereby, unless such settlement includes an explicit and unconditional release from the party bringing such lawsuit, claim or other proceeding of all indemnified persons. No indemnified person seeking reimbursement pursuant to the foregoing indemnity will, without your prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, claim, suit, investigation or proceeding for which indemnity is afforded hereunder unless such indemnified person reasonably believes that the matter in question involves potential criminal liability or that failure to do so reasonably could have a material adverse effect on such person or its affiliates.

(c) The indemnification provisions set forth in this Section 3 shall be in addition to any rights that the Participating Institutions or any other indemnified person shall have at common law, or in equity or otherwise.

4. *Expiration of Commitment.* The Commitment shall expire at 11:30 p.m., New York City time, on June 14, 2002, unless at or prior to such time you shall previously have executed and returned to the Agent, BofA and Bear a copy of this Commitment Letter and the Fee Letter. If you do execute and deliver to the Agent, BofA and Bear this Commitment Letter and the Fee Letter, the Agent, BofA and Bear agree to hold the Commitment available for you until 5:00 p.m., New York City time, on October 15, 2002. The date and time of expiration of the Commitment is sometimes referred to herein as the "**Commitment Expiration Date.**"

5. *Confidentiality.*

(a) This Commitment Letter and the Fee Letter and the terms and conditions contained herein and therein shall be subject to the confidentiality provisions set forth in Exhibit C.

(b) You acknowledge that each of the Participating Institutions and their respective affiliates (the term "Participating Institutions" being understood to refer hereinafter in this paragraph to include their respective affiliates) may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests

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regarding the transactions described herein and otherwise. None of the Participating Institutions shall use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or their other relationships with you in connection with the performance by the Participating Institutions of services for other companies, and none of the Participating Institutions will furnish any such information to other companies. You also acknowledge that none of the Participating Institutions has any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained from other companies.

6. *Assignment and Syndication.*

(a) The parties hereto agree that the Participating Institutions shall have the right to syndicate the Credit Facilities and/or the Commitment to a group of financial institutions or other investors, identified by us in consultation with you. The Participating Institutions shall manage all aspects of any such syndication, including decisions as to the selection of institutions to be approached and when they will be approached, the acceptance of commitments, the amounts offered, the amounts allocated and the compensation provided, and you agree to use all commercially reasonable efforts to assist each of the Participating Institutions in such syndication process, including, without limitation, (i) ensuring that the syndication efforts benefit materially from the existing lending relationships of the Company and its affiliates, (ii) arranging for direct contact between senior management and advisors of the Company and its affiliates and the proposed Senior Lenders, (iii) assisting in the preparation of Confidential Information Memoranda and other marketing materials to be used in connection with any syndication, including causing such Confidential Information Memoranda to conform to market standards as reasonably determined by the Participating Institutions and (iv) hosting, with the Participating Institutions, meetings of prospective Senior Lenders and, in connection with such Senior Lender meetings, consulting with the Participating Institutions with respect to the presentations to be made at such meetings, and making available appropriate officers and representatives to rehearse such presentations prior to such meetings, as reasonably requested by the Participating Institutions. You also agree that, at your expense, you will work with the Participating Institutions to procure a rating for the Credit Facilities by Moody's Investors Service, Inc. and Standard & Poor's Ratings Group.

(b) To assist the Participating Institutions in their syndication efforts, you agree promptly to prepare and provide to the Participating Institutions all information with respect to the Project, the Company and its affiliates and the other transactions contemplated hereby, including all financial information and projections (the "**Projections**"), as they may reasonably request. You hereby represent, warrant and covenant that (i) all information other than the Projections (the "**Information**") that has been or will be made available to the Participating Institutions by you or any of your representatives, as supplemented from time to time prior to the Closing Date, is or will be, when furnished, complete and correct in all material respects and does not or will not, as so supplemented, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (ii) the Projections that have been or will be made available to the Participating Institutions by you or any of your representatives have been or will be prepared in good faith based upon reasonable assumptions, it being recognized by the Senior Lenders that the Projections are not to be viewed as fact and that actual results during the period or periods covered thereby may differ from the projected results set forth therein by a material amount. You understand that in arranging and syndicating the Credit Facilities we may use and rely on the Information and Projections without independent verification thereof and that you will promptly notify us of any changes in circumstances that could be expected to call into question the continued reasonableness of any assumption underlying the Projections.

(c) To ensure an orderly and effective syndication of the Credit Facilities, you agree that, from the date hereof until the earlier of the termination of the syndication as determined by the Arrangers and 90 days following the Closing Date, you will not, and will not permit any of your affiliates to, syndicate

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or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of, any debt facility, or debt or preferred equity security, of Wynn Resorts, Valvino, Wynn, LLC, the Company or any of their subsidiaries (other than, with respect to all such actions other than announcements or authorizations of announcements, the indebtedness contemplated hereby, the Second Mortgage Notes and the FF&E Facility, and other debt permitted as contemplated by the Credit Facilities, such as purchase money debt), including any renewals

or refinancings of any existing debt facility, without the prior written consent of each of the Arrangers, in each case, if such actions could, in the reasonable judgment of the Arrangers, be expected to interfere with the syndication of the Credit Facilities. The parties recognize that in connection with Wynn Resorts' potential investment in, and financing of, a casino project in Macau, The Peoples Republic of China, it may become necessary for Wynn Resorts to approach and discuss such project with offshore investors and financial institutions, and each of the Participating Institutions agrees that Wynn Resorts shall be permitted to undertake such discussions so long as the same are properly coordinated with the Participating Institutions so as to prevent, to the Participating Institutions' reasonable satisfaction, material interference with the syndication of the Credit Facilities.

7. *Company to reaffirm its Obligations.* The Company hereby agrees that it will cause Wynn Resorts upon Wynn Resorts becoming the parent company of Valvino to become jointly and severally liable effective as of the date of this Commitment Letter for any and all liabilities and obligations of the Company relating to or arising out of any of the Company's duties, responsibilities and obligations hereunder and under the Fee Letter. If the Company converts from a Nevada limited liability company to a Nevada corporation as contemplated in this Commitment Letter, then promptly following such conversion the Company shall reaffirm in writing to the Participating Institutions that it shall perform and observe all of its duties, responsibilities and obligations hereunder and under the Fee Letter by executing and delivering its acknowledgment that it is bound by the terms of this Section 7.

8. *Survival.* The provisions of this Commitment Letter relating to the payment of fees and expenses, indemnification and contribution and confidentiality and the provisions of Section 7 will survive the expiration or termination of any commitment hereunder or this Commitment Letter (including any extensions) and the execution and delivery of definitive financing documentation.

9. *Choice of Law; Jurisdiction; Waivers.*

(a) This Commitment Letter and the Fee Letter shall be governed by and construed in accordance with the laws of the State of New York. To the fullest extent permitted by applicable law, you hereby irrevocably submit to the non-exclusive jurisdiction of any New York State court or Federal court sitting in the County of New York in respect of any suit, action or proceeding arising out of or relating to the provisions of this Commitment Letter or the Fee Letter and irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined in any such court. The parties hereto hereby waive, to the fullest extent permitted by applicable law, any objection that they may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in any such court, and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. The parties hereto hereby waive, to the fullest extent permitted by applicable law, any right to trial by jury with respect to any action or proceeding arising out of or relating to this Commitment Letter or the Fee Letter.

(b) No Senior Lender shall be liable in any respect for any of the obligations or liabilities of any other Senior Lender under this letter or arising from or relating to the transactions contemplated hereby.

10. *Miscellaneous.*

(a) This Commitment Letter and the Fee Letter may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the

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same instrument. Delivery of an executed signature page of this Commitment Letter and the Fee Letter by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

(b) You may not assign any of your rights or be relieved of any of your obligations hereunder without the prior written consent of each of the Senior Lenders. In connection with any syndication of all or a portion of the Commitments, the rights and obligations of each of the Senior Lenders hereunder may be assigned, in whole or in part, as provided above, and upon such assignment, such Senior Lender shall be relieved and novated hereunder from the obligations of such Senior Lender with respect to any portion of its Commitment that has been assigned as provided above and under the heading "Assignments and Participations" in Exhibit A attached hereto.

(c) This Commitment Letter and the attached Exhibits set forth the entire understanding of the parties hereto as to the scope of the Commitment and the obligations of the Senior Lenders hereunder. This Commitment Letter shall supersede all prior understandings and proposals, whether written or oral, between any of the Senior Lenders and you relating to any financing or the transactions contemplated hereby including that certain Commitment Letter dated as of May 27, 2002 among the Agent, DBSI and you. This Commitment Letter shall be in addition to the agreements of the parties contained in the Fee Letter and the Administrative Agent Fee Letter (as defined in the Fee Letter).

(d) This Commitment Letter and the Fee Letter have been and are made solely for the benefit of the parties hereto and thereto, as applicable, the indemnified persons, and their respective successors and assigns, and nothing in this Commitment Letter or the Fee Letter, expressed or implied, is intended to confer or does confer on any other person or entity any rights or remedies under or by reason of this Commitment Letter, the Fee Letter, or the agreements of the parties contained herein or therein.

(e) You acknowledge that the Senior Lenders and the Participating Institutions may be (or may be affiliated with) full service financial firms and as such from time to time may effect transactions for their own account or the account of customers, and hold long or short positions in debt or equity securities or loans of companies that may be the subject of the transactions contemplated by this Commitment Letter. You hereby waive and release, to the fullest extent permitted by law, any claims you have with respect to any conflict of interest arising from such transactions, activities, investments or holdings, or arising from the failure of the Participating Institutions or one or more Senior Lenders or any of their respective affiliates to bring such transactions, activities, investments or holdings to your attention.

(f) The Arrangers also will provide financial advisory services to the Company with respect to the transaction to which this Commitment Letter relates. Subject to each of the Bank Syndicate Confidentiality Agreement between Valvino Lamore and DBSI, the Bank Syndicate Confidentiality Agreement between Valvino Lamore and BofA and/or BofA Securities and the Bank Syndicate Confidentiality Agreement between Valvino Lamore and BSCL and/or Bear, the Company agrees that the Arrangers have the right to place advertisements in financial and other newspapers and journals at their own expense describing their respective services to Wynn Resorts and the Company, provided that the Arrangers will submit a copy of any such advertisements to the Company for its approval, which approval shall not be unreasonably withheld, conditioned or delayed.

(g) The Company will have obtained title insurance commitments reasonably satisfactory to the Senior Lenders (without exceptions for mechanics' liens) (i) in respect of the Credit Facilities prior to printing the version of the offering memorandum to be distributed to potential lenders in connection with the syndication of the Credit Facilities and (ii) in respect of the Second Mortgage Notes prior to printing the version of the preliminary prospectus or offering memorandum, as applicable, to be distributed to potential purchasers in connection with the issuance of the Second Mortgage Notes.

(h) The duties and obligations of DBSI Securities and the Agent, on the one hand, the duties and obligations of BofA Securities and BofA, on the other hand, and the duties and obligations of BSCL and Bear, on the other hand, pursuant to this Commitment Letter shall be several, and not joint and several.

If you are in agreement with the foregoing, kindly sign and return to us the enclosed copy of this Commitment Letter.

Very truly yours,

DEUTSCHE BANK SECURITIES, INC.

By: /s/ ANDREW GOLDMAN

Name: Andrew Goldman

Title: Director

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: /s/ W.W. ARCHER

Name: William W. Archer

Title: Managing Director

BANC OF AMERICA SECURITIES LLC

By: /s/ ELTON R. VOGEL

Name: Elton R. Vogel

Title: Attorney-in-Fact

BANK OF AMERICA, N.A.

By: /s/ ELTON R. VOGEL

Name: Elton R. Vogel

Title: Attorney-in-Fact

BEAR STEARNS CORPORATE LENDING INC.

By: /s/ ILLEGIBLE

Name:

Title:

BEAR, STEARNS & CO. INC.

By: /s/ ILLEGIBLE

Name:

Title:



VALVINO LAMORE, LLC  
a Nevada limited liability company,

By: /s/ STEPHEN A. WYNN

Name: Stephen A. Wynn  
Title: *Managing Member*  
Date:

WYNN LAS VEGAS, LLC,  
a Nevada limited liability company,

By: Wynn Resorts Holdings, LLC,  
a Nevada limited liability company, its sole member

By: Valvino Lamore, LLC,  
a Nevada limited liability company, its sole member

By: /s/ STEPHEN A. WYNN

Name: Stephen A. Wynn  
Title: *Managing Member*

WYNN RESORTS HOLDINGS, LLC,  
a Nevada limited liability company,

By: Valvino Lamore, LLC,  
a Nevada limited liability company, its sole member

By: /s/ STEPHEN A. WYNN

Name: Stephen A. Wynn  
Title: *Managing Member*

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**EXHIBIT A TO COMMITMENT LETTER  
SUMMARY OF TERMS OF CREDIT FACILITIES**

Set forth below is a summary of certain of the terms of the Credit Facilities and the documentation related thereto. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Commitment Letter to which this Summary of Terms is attached and of which it forms a part.

**I. Project and Project Credit Support**

**Project**

The development and construction of a casino/resort planned to include more than 2,500 hotel rooms, more than 100,000 square feet of gaming space, an approximately 130 acre newly designed golf course and various other amenities for approximately \$2.45 billion on the site of the old Desert Inn Resort & Casino located in Las Vegas, Nevada (the "**Project**").

**Construction Arrangements**

The Company will enter into a construction contract with Marnell Corrao Associates, Inc. (the "**General Contractor**") to construct predominantly all of the improvements involved in the Project (excluding furniture, fixtures and equipment, the parking structure and the golf course). The construction contract shall commit the General Contractor to complete such construction by the Completion Date described below for a guaranteed maximum price no greater than \$902 million, and will include an unallocated contingency of at least \$45.0 million (such contract being hereafter referred to as the "**Construction Contract**"). The Company also will enter into separate construction contracts with other contractors for the parking structure and the golf course, each of which also shall call for completion by the Completion Date for a guaranteed maximum price no greater than a specified sum (which, in the case of the parking structure, shall not exceed \$11.5 million and in the case of the golf course shall not exceed \$22.5 million).

**Commencement Date**

Construction of the Project is expected to begin concurrently with the Closing Date, which is expected to be on or around September 30, 2002.

**Completion Date**

The date on which completion and the "Opening" (to be mutually agreed upon and defined in the Disbursement Agreement) of the Project has occurred shall be hereafter referred to as the "**Completion Date**".

**Anticipated Completion Date**

The anticipated Completion Date is expected to be on or around March, 2005.

**Completion Guarantee**

The completion guarantee (the "**Completion Guarantee**") will be provided by a special purpose entity (the "**Completion Guarantor**"). The Completion Guarantee shall assure completion of the Project, which shall include completion in full of the construction of the Project (including all furniture, fixtures and equipment, the parking structure and the golf course), availability of the initial working capital contemplated in the budget, receipt of all permits and licenses necessary to open and operate the Project and the presence of trained staff to achieve the Completion Date (collectively, the "**Completion Obligations**").

The Completion Guarantee will be capped at \$50.0 million and will be (i) cash collateralized by a first priority security interest in an interest-bearing account holding at least \$50.0 million in cash or other permitted investments, or (ii) secured by a letter of credit with a face amount of at least \$50.0 million or other collateral of equivalent quality and liquidity acceptable to the Senior Lenders. On the Completion Date, the completion guarantee will be released and any remaining amount of the collateral security therefore shall be released to or as directed by the Company.

**Scope Changes**

The Company shall agree that, as a condition to the approval of any change orders that will increase the anticipated costs of the Project, the Company shall fund the proceeds of equity contributions made to the Company into an account pledged to the Senior Lenders in an amount equal to the anticipated cost of such change orders, which amounts so funded shall be applied toward such anticipated increased costs.

**Project Liquidity Reserve**

The Company or a special purpose affiliate thereof (the "**Liquidity Reserve Provider**") will establish a securities account subject to a first priority perfected security interest in favor of the Senior Lenders. The account will be funded with cash or permitted investments in an amount equal to \$30.0 million and will secure Company's performance of the Completion Obligations and, after the Completion Date, will be available to meet the Company's working capital needs. None of the Company's direct or indirect shareholders shall be required to commit to replenish such account after disbursement of funds therefrom. Amounts remaining in the liquidity account will be released at such time as the Company shall have met the EBITDA targets set forth in the Closing Date projections for a full fiscal year after the Completion Date of the Project.

**Payment and Performance Bond**

The General Contractor will obtain and maintain a payment and performance bond from an issuer with a size and credit rating reasonably acceptable to the Senior Lenders (the "**Payment and Performance Bond**") in respect of its obligations under the Construction Contract in an amount of not less than \$150.0 million. Unless otherwise agreed by the Senior Lenders, the Company shall require the General Contractor to cause each subcontractor (with more than the lesser of 5% of the total construction price and \$25.0 million in aggregate fees) to, upon execution of its subcontract, provide a payment and performance bond from an issuer with a size and credit rating reasonably acceptable to the Senior Lenders to secure its obligations under its respective subcontract.

**Construction Contract Guarantee**

The obligations of the General Contractor under the Construction Contract will be guaranteed by Austi, Inc. (the "**Construction Contract Guarantee**" and, together with the Completion Guarantee, the Project Liquidity Reserve and the Payment and Performance Bond, the "**Project Credit Support**").

The Construction Contract Guarantee will guarantee all of the General Contractor's obligations under and in accordance with the Construction Contract but will be unsecured.

**Disbursement Agreement**

The Agent, the indenture trustee for the Second Mortgage Notes, the Company and the Disbursement Agent will enter into a disbursement agreement which will establish the sequence of funding and will include, among other things, the conditions to every advance of funds. Such conditions shall include those set forth in Exhibits B-I and B-II hereto.

II. **Parties and Key Dates****Borrower**

The Company.

<b>Guarantors</b>	Valvino Lamore, LLC, Wynn, LLC and all of the Company's restricted subsidiaries, and all existing and future affiliates of the Company as shall be necessary for the successful construction, completion and operation of the Project (the " <b>Guarantors</b> "; the Company and the Guarantors (other than Valvino Lamore, LLC) being, collectively referred to as the " <b>Credit Parties</b> "). The Guarantors shall fully and unconditionally guarantee the payment of all indebtedness and other obligations under the Credit Facilities. Wynn Resorts shall not be required to guarantee the Credit Facilities, but shall enter into a commitment not to incur any debt or guarantee any indebtedness or other payment obligations of any of its affiliates unless Wynn Resorts concurrently enters into a guaranty of the Credit Facilities; <i>provided, however</i> , that Wynn Resorts shall not become a Credit Party, and shall not be subject to the restrictive covenants and other provisions of the Credit Facilities by reason of entering into any such guaranty or such commitment to provide such a guaranty, and <i>provided further</i> , that such commitment shall expire, and any such guaranty shall be released, at such time as (i) the Company achieves a total debt to EBITDA ratio of 3.0 to 1.0 or less and (ii) the Credit Facilities are and will continue to be rated BB+ or higher by S&P and Ba1 or higher by Moody's immediately after giving effect to the expiration of such commitment and release of any such guaranty.
<b>Advisors</b>	Deutsche Bank Securities Inc., Banc of America Securities LLC and Bear, Stearns & Co. Inc. (in such capacity, the " <b>Advisors</b> ").
<b>Joint Lead Arrangers</b>	Deutsche Bank Securities Inc. and Banc of America Securities LLC (each, in such capacity, a " <b>Lead Arranger</b> ").
<b>Arrangers</b>	The Lead Arrangers and Bear, Stearns & Co. Inc. (in such capacity, the " <b>Arrangers</b> ").
<b>Joint Book-Running Managers</b>	Deutsche Bank Securities Inc., Banc of America Securities LLC and Bear, Stearns & Co. Inc. (each, in such capacity, a " <b>Book Running Managers</b> ").
<b>Syndication Agent</b>	Banc of America Securities LLC (in such capacity, the " <b>Syndication Agent</b> ").
<b>Administrative Agent</b>	Deutsche Bank Trust Company Americas (in such capacity, the " <b>Administrative Agent</b> ").
<b>Documentation Agent</b>	Bear Stearns Corporate Lending, Inc. (in such capacity, the " <b>Documentation Agent</b> ").
<b>Disbursement Agent</b>	An affiliate of the Administrative Agent (the " <b>Disbursement Agent</b> ").
<b>Senior Lenders</b>	A syndicate of banks, financial institutions and other entities arranged by the Arrangers (collectively, the " <b>Senior Lenders</b> ").
<b>Closing Date</b>	Expected to be on or around July 31, 2002.

### III. *Types and Amounts of Credit Facilities*

<b>Senior Term Loan Facility</b>	A seven-year term loan facility (the " <b>Term Loan Facility</b> ") in an aggregate principal amount equal to \$250.0 million (the loans thereunder, the " <b>Term Loans</b> "). Prior to the Completion Date, there will be no amortization of the Term Loans. From and after the Completion Date, the Term Loans shall be repayable in quarterly installments in amounts to be agreed upon until the date that is seven years after the Closing Date.
<i>Availability</i>	The Term Loans shall be made in one or more drawings between the Closing Date and the second anniversary of the Closing Date (the " <b>Term Loan Commitment Termination Date</b> "). No more than one draw shall be permitted in any calendar month. No Term Loan once repaid may be reborrowed. The Term Loan commitment will expire on the Term Loan Commitment Termination Date.
<i>Purpose</i>	The proceeds of the Term Loans shall be used to finance the development and construction of the Project, including pre-opening costs and expenses, and to pay related fees and expenses.
<b>Revolving Credit Facility</b>	A six year revolving credit facility (the " <b>Revolving Credit Facility</b> " and, together with the Term Loan Facility, the " <b>Credit Facilities</b> ") in an aggregate principal amount equal to \$750.0 million (the loans thereunder, the " <b>Revolving Credit Loans</b> ").
<i>Availability</i>	The Revolving Credit Facility shall be available on a revolving basis during the period commencing on the Closing Date and ending on the sixth anniversary thereof (the " <b>Revolving Credit Termination Date</b> ").
<i>Letters of Credit</i>	A portion of the Revolving Credit Facility not in excess of \$25 million shall be available for the issuance of standby letters of credit (the " <b>Letters of Credit</b> ") by one or more Senior

Lenders to be selected in the syndication process (each such Senior Lender in such capacity, an "**Issuing Lender**"). The face amount of any outstanding Letters of Credit will reduce availability under the Revolving Credit Facility on a dollar-for-dollar basis. No Letter of Credit shall have an expiration date after the earlier of (i) one year after the date of issuance and (ii) five business days prior to the Revolving Credit Termination Date; provided that any Letter of Credit with a one-year tenor may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (ii) above).

Drawings under any Letter of Credit shall be reimbursed by the Company (whether with its own funds or with the proceeds of Revolving Credit Loans) on the same business day. To the extent that the Company does not so reimburse the Issuing Lender, the Senior Lenders under the Revolving Credit Facility shall be irrevocably and unconditionally obligated to reimburse the Issuing Lender on a pro rata basis.

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*Swing Line Loans*

From and after substantial completion of the Project, a portion of the Revolving Credit Facility not in excess of \$10 million shall be available for swing line loans (the "**Swing Line Loans**") from the Administrative Agent (in such capacity, the "**Swing Line Lender**") on same-day notice. Any such Swing Line Loans will reduce availability under the Revolving Credit Facility on a dollar-for-dollar basis. Each Senior Lender under the Revolving Credit Facility shall acquire, under certain circumstances, an irrevocable and unconditional pro rata participation in each Swing Line Loan.

*Optional Conversion to Term Loans*

At such time as the total extensions of credit under the Revolving Credit Facility equal or exceed \$200.0 million, the Arrangers (by majority decision) shall have the right, but not the obligation, to convert between \$100.0 million and \$400.0 million of the outstanding Revolving Loans to Term Loans under the Term Loan Facility, on the same terms and conditions as the existing Term Loans or on such other terms and conditions as are otherwise acceptable to such Arrangers and agreed to by the Company. The amount so converted on the first such conversion shall be a minimum of \$100.0 million and \$25.0 million increments in excess thereof, and the amount so converted on the second and each subsequent conversion shall be a minimum of \$50.0 million and \$25.0 million increments in excess thereof. The commitments under the Revolving Credit Facility will be permanently reduced by the amount of the Revolving Credit Loans converted into Term Loans in accordance with the foregoing.

*Maturity*

The Revolving Credit Termination Date.

*Purpose*

The proceeds of the Revolving Credit Loans shall be used to finance the development and construction of the Project, to pay related fees and expenses (including pre-opening costs and expenses) and, following the Completion Date, for general corporate purposes of the Company and its restricted subsidiaries.

IV. **Certain Payment Provisions**

**Fees and Interest Rates**

As set forth on Annex A-I.

**Voluntary Prepayments and Commitment Reductions**

Loans may be prepaid in whole or in part (in minimum amounts and upon notice periods to be agreed upon), without premium or penalty; *provided* that Reserve Adjusted Eurodollar Loans that are prepaid on any day other than the last day of an interest period applicable thereto shall be accompanied by customary breakage costs. Voluntary prepayments of the Term Loans shall be applied ratably in accordance with the then outstanding amounts thereof and may not be reborrowed. To the extent any such payments or commitment reductions would be made prior to the Completion Date, the Project must satisfy the In Balance Requirement (as defined below).

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**Mandatory Prepayments and Commitment Reductions**

The following amounts shall be applied to prepay the Term Loans and reduce the Revolving Credit Facility:

(i) 100% of the net cash proceeds of any sale or issuance or incurrence of indebtedness by any Credit Party after the Closing Date, other than the incurrence of indebtedness under the FF&E Facility, the Second Mortgage Notes and certain customary exceptions to be agreed upon;

(ii) 100% of the net cash proceeds from asset sales by the Credit Parties (or sale of the

Phase II Land prior to release thereof from the collateral), subject to permitted releases of collateral, reinvestment rights and customary exceptions to be agreed upon;

(iii) certain equity proceeds in a percentage to be determined from an issuance of equity by the Credit Parties, subject to certain customary exceptions to be agreed upon;

(iv) 100% of insurance recovery or condemnation proceeds, net of expenses incurred to obtain such recovery or proceeds, subject to reinvestment rights and certain customary exceptions to be agreed upon; and

(v) 75% of excess cash flow (to be defined in a mutually satisfactory manner) for each fiscal year of the Company (commencing with the fiscal year in which the Completion Date occurs), which percentage shall be reduced to 50% for each fiscal year during which the Company achieves a total debt to EBITDA Ratio of 3.5 to 1.0 or lower. Such prepayment shall be eliminated from and after such time as the Company achieves a total debt to EBITDA ratio of 2.5 to 1.00 for a given fiscal year.

All such amounts shall be applied, *first*, to the prepayment of the Term Loans and, *second*, to the permanent reduction of the Revolving Credit Facility. Each such prepayment of the Term Loans shall be applied ratably in accordance with the then outstanding amounts thereof and may not be reborrowed.

## V. Collateral

The obligations of the Credit Parties in respect of the Credit Facilities shall be secured by:

(1) subject to compliance with applicable gaming laws, a first priority pledge of (i) all of the capital stock of the Company and Wynn, LLC, (ii) all of the capital stock owned by the Company and Wynn, LLC and (iii) subject to obtaining any necessary governmental approvals, all of the capital stock in Desert Inn Water Company and Desert Inn Improvement Company (collectively, the "**Water Companies**") (it being understood that to the extent any of the foregoing pledges are prohibited by applicable laws, the relevant interests shall be subject to a negative pledge agreement);

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(2) mortgages or deeds of trust on all real property constituting the Project (including the adjacent parcel of land owned by Valvino ("**Phase II Land**") and the land underlying the golf course) and the appurtenant rights necessary for the development, construction and operation of the Project including, without limitation, the water rights associated therewith and all the real property owned by the Water Companies (subject to regulatory approvals). The Credit Documents will permit release of (i) the golf course parcels from the collateral from and after the third anniversary of the Completion Date of the Project so long as at the time of such release (a) the Company has (both in actuality and on a pro forma basis without the golf course) a total debt to EBITDA ratio of 3.0 to 1.0 or less and (b) the Credit Facilities are and will continue to be (immediately after giving effect to the release) rated BB+ or higher by S&P and Ba1 or higher by Moody's, (ii) portions of the golf course parcels in order to build residential or other non-gaming related developments thereon so long as (a) the Company shall have met the EBITDA targets set forth in the Closing Date projections for a full year after the Completion Date of the Project and (b) such development will not interfere with the use of the golf course or otherwise reasonably could be expected to impair the overall value of the Project, (iii) approximately 2 acres from the golf course to permit the construction of a home for Stephen A. Wynn so long as (a) Wynn, LLC receives (and contributes such funds to the Company) fair market value for such property and (b) such construction will not interfere with the use of the golf course or otherwise reasonably could be expected to impair the overall value of the Project and (iv) the Phase II Land from the collateral at such time as either (A) the Company shall have met the EBITDA targets set forth in the Closing Date projections for two consecutive calendar quarters after the Completion Date of the Project and a majority of the Senior Lenders agree to the release or (B) the Company shall have met the EBITDA targets set forth in the Closing Date projections for four consecutive calendar quarters after the Completion Date of the Project;

(3) a perfected first priority security interest in substantially all tangible and intangible assets of the Credit Parties, including, without limitation, all rights of the Credit Parties under all of the construction documents, but excluding (i) capital stock, except as provided in clause (1) above, (ii) the furniture, fixtures and equipment financed with the FF&E Facility, (iii) certain licenses to the extent security interests therein are not permitted by applicable law from time to time (which licenses shall be subject to a negative pledge agreement), and (iv) those assets as to which the Administrative Agent and the Syndication Agent shall determine in their sole discretion that the costs of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby; and

(4) a perfected second priority security interest on all furniture, fixtures and equipment financed with the FF&E Facility, other than those assets as to which the Administrative Agent and the Syndication Agent shall determine in their sole discretion that the costs of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby.

## VI. *Certain Conditions*

### **Conditions to Closing**

The closing of the Credit Facilities is subject to the conditions set forth on Exhibit B-I to the Commitment Letter.

### **Conditions to All Extensions of Credit**

The making of each extension of credit shall be subject to the conditions set forth on Exhibit B-II to the Commitment Letter.

## VII. *Certain Documentation*

### **Matters**

The definitive financing documentation (including any Project Credit Support documentation) with respect to the Credit Facilities (the "**Credit Documentation**") shall contain representations, warranties, covenants and events of default customary for financings of this type and other terms deemed appropriate by the Senior Lenders, including, without limitation:

### **Representations and Warranties**

Financial statements (including pro forma financial statements); absence of undisclosed liabilities; no material adverse change; corporate existence; compliance with law; corporate or organizational power and authority; enforceability of Credit Documentation; no conflict with law or contractual obligations; no material litigation; no default; ownership of property; indebtedness; liens; intellectual property; taxes; Federal Reserve regulations; ERISA; Investment Company Act; licenses; permits; franchises and regulatory approvals; subsidiaries; environmental matters; solvency; labor matters; accuracy of disclosure; creation, perfection and priority of security interests; and status of the Credit Facilities as senior debt.

### **Affirmative Covenants**

Delivery of financial statements, reports, accountants' letters, projections, officers' certificates and other information reasonably requested by the Senior Lenders; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of property and insurance; maintenance of books and records; right of the Senior Lenders to inspect property and books and records; notices of defaults, litigation and other material events; compliance with environmental laws; further assurances (including, without limitation, with respect to security interests in after-acquired property); and maintenance of interest rate and currency hedging agreements.

### **Post-Opening Financial Covenants**

Financial covenants typical of these types of facilities (including, without limitation, maximum total leverage, minimum fixed charge coverage, minimum EBITDA and minimum net worth).

### **Negative Covenants**

Limitations on: indebtedness (including preferred stock); liens; guarantee obligations; mergers, consolidations, liquidations and dissolutions; purchases and sales of assets; leases; dividends and other payments in respect of capital stock; capital expenditures; investments, joint ventures, partnerships, loans and advances; optional payments and modifications of subordinated and other debt instruments; transactions with affiliates; sale and leasebacks; changes in fiscal year; negative pledge clauses; and changes in lines of business; and restrictions on development of phase II of the Project on the Phase II Land.

### **Events of Default**

Nonpayment of principal, interest, fees or other amounts when due; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain affirmative covenants, to a grace period to be agreed upon); cross-default; bankruptcy events; certain ERISA events; material judgments; actual or asserted invalidity of any guarantee or Project Credit Support or security document or security interest; a change of control (the definition of which is to be agreed); failure to hold required gaming licenses; and failure to complete the Project by August 31, 2005 (the "**Outside Date**").

### **Voting**

Amendments and waivers with respect to the Credit Documentation shall require the approval of Senior Lenders holding not less than a majority of the aggregate amount of Term Loans and Revolving Credit Loans including participations in Letters of Credit and Swing Line Loans and unused commitments under the Credit Facilities, except that (i) with respect to the following items (and with respect to any consents affecting only the Term Loan Lenders, or,

as the case may be, Revolving Loan Lenders), such majority approval shall not be required and instead the consent of each Term Loan Lender or Revolving Credit Lender directly affected thereby shall be required: (a) extensions of the final maturity of any Loan, (b) reductions in the rate of interest or any fee or extensions of any due date thereof, (c) increases in the amount or extensions of the expiry date of any Senior Lender's commitment and (d) modifications to the pro rata provisions of the Credit Documentation and (ii) the consent of 100% of the Senior Lenders shall be required with respect to (a) modifications to any of the voting percentages, (b) releases of significant Guarantors or all or substantially all of the collateral, and (c) other fundamental matters to be agreed upon.

### **Assignments and Participations**

The Senior Lenders shall be permitted to assign and sell participations in their Loans and commitments, subject, in the case of assignments (other than assignments by a Senior Lender to another Senior Lender or to an affiliate of any Senior Lender (provided that if any funding obligations are assigned to an affiliate, such affiliate shall have demonstrable resources to comply with such obligations), of funded Term Loans, to the consent of the Administrative Agent, the Issuing Lender, the Swing Line Lender and so long as no Default or Event of Default has occurred and is continuing, the Company (which consent in each case shall not be unreasonably withheld). Non-pro rata assignments shall be permitted. In the case of partial assignments (other than to another Senior Lender or to an affiliate of a Senior Lender), the minimum assignment amount shall be \$5.0 million (in the case of the Revolving Credit Facility) or \$1.0 million (in the case of the Term Loan Facility) unless otherwise agreed by the Company and the Administrative Agent. Participants shall have the same benefits as the Senior Lenders with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to those matters with respect to which the affirmative vote of the Senior Lender from which it purchased its participation would be required as described under "Voting" above. Pledges of Loans to federal governmental agencies in accordance with applicable law shall be permitted without restriction. Promissory notes shall be issued under the Credit Facilities only upon request.

The Credit Facilities will provide for a mechanism which will allow each assignee to become a direct signatory to the Credit Facilities and will relieve the assigning Senior Lender of its obligations with respect to the assigned portion of its Loans and/or commitments.

### **Yield Protection**

The Credit Documentation shall contain customary provisions (i) protecting the Senior Lenders against increased costs or loss of yield resulting from changes after the effective date in reserve, tax, capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes and (ii) indemnifying the Senior Lenders for "breakage costs" incurred in connection with, among other things, any prepayment of a Reserve Adjusted Eurodollar Loan (as defined in Annex A-I) on a day other than the last day of an interest period with respect thereto.

### **Expenses and Indemnification**

The Company shall pay (i) all reasonable and itemized out-of-pocket expenses of the Administrative Agent, the Syndication Agent, the Arrangers, the Book Running Managers, the Documentation Agent and the Advisors associated with the syndication of the Credit Facilities and the preparation, negotiation, execution, delivery and administration of the Credit Documentation, including the payment of any fees and expenses to the Senior Lenders' Consultant (as defined in Exhibit B-1), and any amendment or waiver with respect to the Credit Documentation (including the reasonable fees, disbursements and other charges of counsel) and (ii) all out-of-pocket expenses of the Administrative Agent, the Syndication Agent, the Arrangers, the Advisors, the Book Running Managers, the Documentation Agent and the Senior Lenders (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Credit Documentation following a default thereunder.

The Administrative Agent, the Syndication Agent, the Arrangers, the Advisors, the Book Running Managers, the Documentation Agent and the Senior Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof (except to the extent found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted solely from the gross negligence or willful misconduct of the indemnified party).

### **Governing Law and Forum**

State of New York, or such other laws as shall be mandatorily required in connection with the creation, perfection or enforcement of any security interests granted or purported to be

**Counsel to the Administrative Agent, the  
Syndication Agent, the Arrangers, the Book  
Running Managers, the Documentation Agent and  
the Advisors**

Latham & Watkins.

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**Annex A-I  
Interest and Certain Fees**

**Criteria for Interest  
Rates and Unused Fees:**

The interest rates and unused fees described below may be subject to increase if the credit ratings for the Company's senior secured long term indebtedness (the "**Indebtedness**") issued by Standard & Poor's Ratings Group or Moody's Investors Service, Inc. are below B+ or B1, respectively.

**Interest Rates:**

At the Company's option, Loans may be maintained from time to time as (x) Base Rate Loans, which shall bear interest at the Base Rate (as defined below) in effect from time to time plus the Applicable Margin (as defined below) or (y) Reserve Adjusted Eurodollar Loans, which shall bear interest at the Eurodollar Rate (as determined by the Administrative Agent, and adjusted for maximum reserves) for the respective interest period plus the Applicable Margin.

"**Base Rate**" shall mean a rate per annum equal to the higher of (x) the rate that the Administrative Agent announces from time to time as its prime lending rate and (y)  $\frac{1}{2}$  of 1% in excess of the overnight federal funds rate.

"**Applicable Margin**" shall mean, (1) in the case of Reserve Adjusted Eurodollar Loans, (i) with respect to the Revolving Credit Facility, initially 400 bps or, if the Indebtedness is initially rated BB- and Ba3 by S&P and Moody's, respectively, 350 bps, and following the Completion Date an amount based on a leverage grid to be determined, and (ii) with respect to the Term Loan Facility, 400 bps or, if the Indebtedness is initially rated BB- and Ba3 by S&P and Moody's, respectively, 350 bps with step-downs following the Completion Date to be determined; and (2) in the case of Base Rate Loans, amounts to be determined.

Interest periods of 1, 2, 3 and 6 months shall be available in the case of Reserve Adjusted Eurodollar Loans.

Interest in respect of Base Rate Loans shall be payable quarterly in arrears on the last business day of each quarter. Interest in respect of Reserve Adjusted Eurodollar Loans shall be payable in arrears at the end of the applicable interest period and every three months in the case of interest periods in excess of three months. Interest will also be payable at the time of repayment or prepayment of Loans and at maturity. All interest, commitment commission and other fee calculations shall be based on a 360-day year and actual days elapsed; provided that interest on Base Rate Loans calculated by reference to the prime lending rate shall be based on a 365/366-day year and actual days elapsed.

**Default Interest Rates:**

During any event of default under the Credit Facilities, the interest rate per annum otherwise payable under the Credit Facilities shall be increased to a rate per annum equal to the greater of (i) the rate which is 2% in excess of the rate otherwise applicable to the Base Rate Loans from time to time and (ii) the rate which is 2% in excess of the rate then borne by outstanding borrowings. Such interest shall be payable on demand.

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**Unused Fees:**

2.00% per annum or, if the Indebtedness is initially rated BB- and Ba3 by S&P and Moody's, respectively, 1.75% per annum of the unutilized commitments under the Revolving Credit Facility (for this purpose only, with Swing Line Loans being treated as if they did not utilize the commitments under the Revolving Credit Facility), as in effect from time to time, commencing on the Closing Date to and including the Revolving Credit Termination Date, payable quarterly in arrears and upon the termination of the Revolving Credit Facility. The unused fee will convert to grid-based pricing on a date to be determined after the Completion Date. The unused fee on the Term Loan Facility will start at 2.50% per annum and increase to 3.00% per annum on January 1, 2003, and to 4.00% per annum on July 1, 2003 based on the unutilized commitments under the Term Loan Facility; provided, however, if the Indebtedness is initially rated BB- and Ba3 by S&P and Moody's, respectively, the unused fee on the Term Loan Facility will start at 2.00% per annum and increase to 2.50% per annum on January 1, 2003, and to 3.50% per annum on July 1, 2003 based on the unutilized commitments under the Term Loan Facility.

**Letter of Credit Fees:**

The Applicable Margin as in effect from time to time for Revolving Loans that are maintained as Reserve Adjusted Eurodollar Loans to be shared proportionately by the Senior Lenders in accordance with their participation in the respective Letter of Credit, and a facing fee of 0.25% per annum (but not less than \$500 per annum per Letter of Credit) to be paid to the Issuing Lender for its own account, in each case calculated on the aggregate stated amount of all Letters of Credit for the stated duration thereof. In addition, the Issuing Lender will be paid its customary administrative charges and reasonable expenses in connection with each Letter of Credit issued by it.



Capitalized terms used but not defined herein have the meanings assigned to them in the Commitment Letter to which this Exhibit B is attached and of which it forms a part. The closing of the Credit Facilities is conditioned upon satisfaction of, among other things, the conditions precedent summarized below.

- (a) (i) Each party shall have executed and delivered satisfactory Credit Documentation, including intercreditor and disbursement agreements and interest rate and currency hedging agreements with respect to the sum of (A) 50% of the Term Loan Commitment plus (B) 50% of the portion of the Revolving Loan Commitment that may be converted into Term Loans; (ii) the Completion Guarantor shall have executed and delivered a satisfactory Completion Guarantee, (iii) the guarantor under the Construction Contract Guarantee shall have executed and delivered a satisfactory Construction Contract Guarantee, and (iv) the General Contractor shall have caused to be delivered a satisfactory (including with respect to size and credit rating of the issuer) Payment and Performance Bond with respect to its obligations under the Construction Contract, in each case in form and substance acceptable to the Senior Lenders.
- (b) There shall not exist (*pro forma* for the financing contemplated hereby) any default or event of default under the Credit Facilities, or under any other material indebtedness or agreement of any Credit Party.
- (c) The Company shall have received (i) the net proceeds from the issuance of its Second Mortgage Notes in principal amount of \$350 million, or other financing acceptable to the Senior Lenders of the same face amount in principal, each on terms satisfactory to the Senior Lenders, and (ii) the net proceeds from the \$355 million initial public offering of the common stock of its indirect parent company, Wynn Resorts. The capital structure of each Credit Party and provider of Project Credit Support shall be satisfactory to the Senior Lenders.
- (d) The Senior Lenders shall have received a binding commitment with respect to the FF&E Facility on terms and conditions and in an amount and from lenders reasonably acceptable to the Senior Lenders.
- (e) The Company shall have complied with all of its obligations under and agreements in the Commitment Letter, the Fee Letter and the Engagement Letter (to the extent then due, payable and/or required to be complied with).
- (f) The Company shall have obtained all payment and performance bonds from subcontractors as required by the Term Sheet.
- (g) There shall not have occurred or become known to the Senior Lenders any event, development or circumstance since the date of the Commitment Letter that has caused or could reasonably be expected to cause or result in a material adverse condition or material adverse change in or affecting (i) the Project, (ii) the condition (financial or otherwise), business results of operations, assets, liabilities, property, management, prospects or value of Wynn Resorts, Valvino, the Company and its subsidiaries, taken as a whole, or the Credit Parties, taken as a whole, or of any person or entity providing Project Credit Support, or that calls into question in any material respect the Projections previously supplied to the Senior Lenders or any of the material assumptions on which the Projections were prepared or (iii) the validity or enforceability of any of the Credit Documentation (including any Project Credit Support documentation), the security interests in the collateral encumbered by the Credit Documentation, or the rights and remedies of the Administrative Agent and the Senior Lenders thereunder (a "**Material Adverse Effect**").
- (h) Each of the Senior Lenders shall have completed its due diligence review of Wynn Resorts, the Company and each provider of Project Credit Support and their respective affiliates and their

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operations, and shall be satisfied with the results thereof. Such review will include, without limitation, an examination of (i) accounting, legal, regulatory, tax, labor, insurance, pension and environmental liabilities, actual or contingent, (ii) material contracts, leases and debt agreements and (iii) the general business, operations, financial condition, results of operations, assets, liabilities, management, prospects and value of Wynn Resorts, the Company and the Project.

- (i) The Senior Lenders shall not have become aware after the date hereof of any information or other matter affecting Wynn Resorts, the Company, any provider of Project Credit Support, the Project or the transactions contemplated hereby that is inconsistent in a material and adverse manner with any such information or other matter disclosed to the Senior Lenders prior to the date hereof.
- (j) There shall not have occurred any disruption or adverse change, as determined by each of the Arrangers in its sole discretion, in the financial or capital markets generally, or in the markets for bank loan syndication in particular or affecting the syndication or funding of bank loans that may have an adverse impact on the ability to syndicate the Credit Facilities.
- (k) Wynn Resorts, the Company and its subsidiaries shall have obtained insurance in amounts and coverages on terms and conditions (including any reinsurance requirements) and from insurance companies, in each case reasonably acceptable to the Senior Lenders, including delay in opening insurance and 120 days (commencing once the delay liquidated damages payable by the General Contractor have reached the cap under the Construction Contract) of delay liquidated damages insurance.
- (l) The Credit Parties shall have obtained title insurance (including, without limitation, mechanics' liens endorsements) satisfactory to the Senior Lenders.
- (m) The Arrangers shall have received a survey of the hotel casino and the site dated no earlier than 30 days prior to the Closing Date, and such other surveys of the hotel casino and the site as are required or reasonably requested by the title insurance company on specifications to be agreed upon with the Senior Lenders.
- (n) The Arrangers shall have received all plans and specifications (the "**Plans**") for the Project which have been prepared through such time, in each case, reasonably satisfactory to the Senior Lenders; *provided* that following the approval of the Plans by the Senior Lenders, material modifications to the Plans can be made only on terms set forth in the Credit Documentation.
- (o) The Arrangers shall have received from the Company a schedule (the "**Construction Schedule**") establishing a timetable for completion of the hotel and casino and all other work on the Project with projected monthly progress and other terms acceptable to the Senior Lenders.
- (p) The Arrangers shall have received from an appraising firm reasonably satisfactory to the Senior Lenders a FIRREA appraisal of the Project demonstrating a value of the Project of not less than \$2.45 billion upon completion.

- (q) There shall be sufficient liquid funds (including lending commitments but excluding cash collateralized or letter of credit backed funding commitments under the Completion Guarantee and the Project Liquidity Reserve) available to the Company to pay all costs (including interest carry through the Outside Date) to complete the Project plus an agreed upon contingency amount, as set forth in the Budget approved by the Senior Lenders and updated from time to time in accordance with the Credit Documentation (the "**In Balance Requirement**").
- (r) The Arrangers shall have received a reasonably detailed (such detail to depend on the then state of completion of the Plans for the Project) budget (the "**Budget**") for the Project that is satisfactory to the Senior Lenders, together with all supporting data reasonably requested by the Senior Lenders, it being acknowledged that upon completion of Plans, the part of the Budget referable

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thereto will be updated to the level of detail required for the parts of the Project with completed Plans and approved by Senior Lenders.

- (s) The Arrangers shall have received a report satisfactory to the Senior Lenders prepared by a consulting engineer selected by the Administrative Agent and acceptable to the Senior Lenders (the "**Senior Lenders' Consultant**") which, among other things, shall contain an analysis of the Plans, the Budget, the Construction Schedule, the construction contracts and all other reports submitted to the Senior Lenders. Following the closing, the Senior Lenders' Consultant shall serve as the construction monitor during the construction of the Project.
- (t) The Company shall have certified and the Senior Lenders' Consultant shall have confirmed in writing that the Project will be completed by the Outside Date.
- (u) The Arrangers shall have received copies, certified as to their accuracy and completeness by an executive officer of the Company, of the architects contracts and contracts made with the Project engineers relating to the Project.
- (v) The Arrangers shall have received copies, certified as to their accuracy and completeness by an executive officer of the Company, of the construction and procurement contracts, with contingency amounts, and otherwise in form and substance acceptable to the Senior Lenders that have theretofore been executed pertaining to the construction of the Project, and appropriate arrangements by which the Senior Lenders' Consultant can monitor such contracts and obtain comfort as to the likelihood of coordinated performance thereunder.
- (w) The Arrangers shall have received (i) a satisfactory operational and management plan for the hotel casino, (ii) copies of the site plans, all building permits, other permits, licenses and approvals (then issued) for the parts of the Project for which the plans and specifications have been completed, and (iii) base case projections in form and substance reasonably satisfactory to the Senior Lenders with respect to the Project.
- (x) All governmental and third party approvals (including landlords' and other consents) and consents including regulatory approvals (i) then required or, in the discretion of the Arrangers, then advisable or (ii) of a type that is not routinely granted by the applicable authority or is subject to material discretion by the applicable authority (other than the gaming license) and that will be necessary or, in the discretion of the Arrangers advisable in connection with the Project (including, without limitation, water rights and entitlements satisfactory to the Senior Lenders), the financing contemplated hereby and the continuing operations of Wynn Resorts, the Company and their respective subsidiaries shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the Project or the financing contemplated hereby.
- (y) The Senior Lenders shall have received satisfactory audited and unaudited (which have been reviewed by the independent accountants for the Company as provided in Statement on Auditing Standards No. 71) financial statements of the Credit Parties and other applicable entities and all other completed or probable acquisitions (including pro forma financial statements) meeting the requirements of Regulation S-X for a Form S-1 registration statement under the Securities Act of 1933, as amended, and all such financial statements shall be satisfactory in form to the Senior Lenders in their sole discretion.
- (z) The Senior Lenders shall have received a business plan for the five fiscal years of the Company following the Completion Date and a satisfactory written analysis of the business and prospects of Wynn Resorts, the Company and their respective subsidiaries for the period from the Closing Date through the final maturity of the Credit Facilities, all in form and substance satisfactory to the Senior Lenders.

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- (aa) The Senior Lenders shall have received the results of a recent lien, tax lien, judgment and litigation search in each relevant jurisdiction with respect to Wynn Resorts, Valvino, Wynn, LLC, the Company and their respective subsidiaries, any other Credit Parties, and the Project, and such search shall reveal no liens on any of the assets of Wynn Resorts, Valvino, Wynn, LLC, the Company or their respective subsidiaries, any other Credit Party or the Project except for liens permitted by the Credit Documentation or liens to be discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Administrative Agent.
  - (bb) The Senior Lenders shall have obtained a perfected, first priority security interest in the collateral, subject only to certain customary permitted liens to be agreed upon.
  - (cc) The Senior Lenders shall have received a solvency certificate from the chief financial officer of the Company which shall document the solvency of each of the Company and each of its subsidiaries after giving pro forma effect to the transactions contemplated hereby, all in form and substance satisfactory to the Senior Lenders.
  - (dd) The Senior Lenders shall have received a Phase I environmental report and surveys with respect to the real property owned or leased by the Company and its subsidiaries from a firm satisfactory to the Arrangers, all in form and substance satisfactory to the Senior Lenders.
  - (ee) The Senior Lenders shall be satisfied that senior managers acceptable to them shall be available to manage the Company and its subsidiaries, and the Company shall have obtained key man life insurance on Stephen A. Wynn in an amount and on terms satisfactory to the Senior Lenders.
  - (ff)

The Senior Lenders shall be satisfied (in their sole discretion) with the sufficiency of amounts available under the Revolving Credit Facility to meet the ongoing working capital needs of the Company and its subsidiaries following the Completion Date.

- (gg) The Senior Lenders shall have received legal opinions (i) from counsel to Wynn Resorts, the Company, its subsidiaries and the other major project participants, (ii) from such special and local counsel as may be required by the Administrative Agent, and (iii) delivered in respect of the Second Mortgage Notes, the IPO and the FF&E Facility, accompanied by reliance letters in favor of the Senior Lenders.
- (hh) The Senior Lenders shall have received such documents and other instruments as are customary for transactions of this type or as they may reasonably request.
- (ii) On or before the Closing Date, the Company shall have obtained and maintained a rating accorded the Company's debt securities by any "nationally recognized statistical rating organization" (as such term is defined by the Securities and Exchange Commission for purposes of Rule 436(g)(2) under the Securities Act) that is satisfactory to the Senior Lenders.
- (jj) The Senior Lenders shall have received consents to assignments, in form and substance acceptable to the Senior Lenders, from each of the General Contractor, the guarantor under the Construction Contract Guarantee, and each other party to a material project agreement.
- (kk) Arrangements reasonably satisfactory to the Senior Lenders have been entered into and are in full force and effect to ensure that a gaming license for the Project will be obtainable in the event that one of the major (direct or indirect) shareholders in the Company is unable to qualify for such license (it being understood that such arrangements may not involve any cash payments (other than pursuant to a subordinated promissory note approved by the Senior Lenders) to any such shareholder).

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**EXHIBIT B-II TO COMMITMENT LETTER  
CONDITIONS TO ALL EXTENSIONS OF CREDIT**

*Capitalized terms used but not defined herein have the meanings assigned to them in the Commitment Letter to which this Exhibit B is attached and of which it forms a part. The availability of the Credit Facilities is conditioned upon satisfaction of, among other things, the conditions precedent summarized below.*

- (a) The representations and warranties in the Credit Documentation (including, without limitation, the material adverse change and litigation representations and the representations relating to the other material agreements relating to the Project) shall be true and correct.
- (b) No default or event of default shall be in existence at the time of, or after giving effect to the making of, any extension of credit.
- (c) The In Balance Requirement shall be satisfied, as confirmed by the Senior Lenders' Consultant.
- (d) The Company shall have delivered to the Disbursement Agent a disbursement request, confirmed by the Senior Lenders' Consultant, certifying as to various matters including, without limitation, (i) funding sequence, (ii) accuracy of the Budget, (iii) budget line item allocations and (iv) application of proceeds.
- (e) The Disbursement Agent shall have received approvals from, among others, the Company, the Senior Lenders' Consultant and the architect and engineers, as applicable, as to the substantial conformity of construction undertaken to date with the Plans for the Project.
- (f) All of the Credit Documentation and each other material agreement applicable to the Project shall be in full force and effect, and the Senior Lenders shall continue to have a perfected, first-priority security interest, subject only to certain customary permitted liens to be agreed upon, in the collateral.
- (g) The Company shall have certified and the Senior Lenders' Consultant shall have confirmed in writing that the Project will be completed by the Outside Date.
- (h) All governmental and third party approvals (including landlords' and other consents) and consents including regulatory approvals (i) then required or, in the discretion of the Administrative Agent and the Syndication Agent, then advisable or (ii) of a type that is not routinely granted by the applicable authority or is subject to material discretion by the applicable authority (other than the gaming license) and that will be necessary or, in the discretion of the Administrative Agent and the Syndication Agent, advisable in connection with the Project (including, without limitation, water rights and entitlements satisfactory to the Senior Lenders), the financing contemplated hereby and the continuing operations of the Company, its subsidiaries and each of the Credit Parties shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the Project or the financing contemplated hereby.
- (i) There shall not have occurred or become known to the Senior Lenders any event, development or circumstance that has caused or resulted in or could reasonably be expected to cause or result in a Material Adverse Effect.
- (j) The Company shall have delivered to the Disbursement Agent, in the forms required under the Disbursement Agreement, acknowledgments of payment, lien releases, and title insurance endorsements.
- (k) All conditions set forth in the Disbursement Agreement for the disbursement of funds shall have been satisfied

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- (l) The Senior Lenders shall have received a binding commitment with respect to the FF&E Facility on terms and conditions and in an amount and from lenders acceptable to the Senior Lenders, and such binding commitment shall remain in full force and effect.

(m)

The Company shall have complied with all of its obligations under and agreements in the Credit Documentation (to the extent then due and required to be complied with).

- (n) The Senior Lenders shall have received such documents and other instruments as are customary for transactions of this type or as they may reasonably request.
- (o) Arrangements reasonably satisfactory to the Senior Lenders have been entered into and are in full force and effect to ensure that a gaming license for the Project will be obtainable in the event that one of the major (direct or indirect) shareholders in the Company is unable to qualify for such license (it being understood that such arrangements may not involve any cash payments (other than pursuant to a subordinated promissory note approved by the Senior Lenders) to any such shareholder).
- (p) The Company shall have procured, if available on commercially reasonable terms in the reasonable determination of the Senior Lenders' insurance consultant (taking into account the state of the insurance market at such time and the then current practices of comparable projects), terrorism insurance in size and substance satisfactory to the Senior Lenders.
- (q) The General Contractor shall have received subcontractor bids reasonably satisfactory to the Senior Lenders in respect of a specified percentage of the guaranteed maximum price under the Construction Contract, which percentage shall be mutually agreed upon between the Company and the Senior Lenders.
- (r) There shall be in place arrangements reasonably satisfactory to the Senior Lenders ensuring that the Company will have the benefit of the necessary water rights to develop and operate the Project as contemplated in the Credit Documentation.

In order to allow the lenders and the Senior Lenders' Consultant to remain engaged and up to date on the progress of construction, and in order to confirm that the required amount of equity is funded by the Company into the Project and to ensure a seamless transition from equity funding to funding under the Credit Facilities, a subset of the foregoing conditions shall be used to monitor the funding of equity into the Project prior to disbursement of Credit Facilities proceeds, it being understood that failure to meet any such subset of conditions shall not preclude or delay the funding of any such equity into the Project, but shall permit the Senior Lenders to withhold advances under the Credit Facilities.

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### EXHIBIT C TO THE COMMITMENT LETTER CONFIDENTIALITY RESTRICTIONS

*Capitalized terms used but not defined herein have the meanings assigned to them in the Commitment Letter to which this Exhibit C is attached and of which it forms apart.*

The Commitment Letter and the Fee Letter and the terms and conditions therein (the "**Confidential Information**") shall be kept strictly confidential and shall not, without the Participating Institutions prior written consent, be disclosed by you or your agents, representatives (including attorneys, accountants and financial consultants), affiliates, officers, directors or employees (collectively, the "**Representatives**"), in any manner whatsoever, in whole or in part except as provided in this Exhibit C. The Confidential Information shall be used by you and your Representatives solely for the purpose of evaluating, negotiating or effecting the Credit Facilities. Moreover, you agree to transmit the Confidential Information (including any information about the Commitment Letter and the Fee Letter, or its terms or conditions or any other facts relating thereto, including, without limitation, the fact that any Confidential Information has been made available to you) only to Representatives who need to know the Confidential Information for the purpose of evaluating or negotiating or effecting the Credit Facilities and who are informed by you of the confidential nature of the Confidential Information and who have agreed to act in accordance with your obligations contained in this Agreement. In any event, you shall be liable for any use of the Confidential Information by its affiliated Representative in breach of this Exhibit C.

In the event that you or any of your Representatives to whom you transmit any Confidential Information pursuant to the Commitment Letter or the Fee Letter is required by applicable law or regulation, by any stock exchange rule or regulation, or in response to any request or directive (whether or not having the force of law) from any central bank or other governmental or bank regulatory authority (collectively, the "**Legal Requirements**") to disclose any Confidential Information, you will provide the Participating Institutions with prompt written notice thereof so the Participating Institutions may (i) seek a protective order or other appropriate remedy, or (ii) consult with you with respect to efforts to resist or narrow the scope of such required disclosure. In the event that such protective order or other remedy is not obtained, you shall disclose only that portion of the Confidential Information that you are required under Legal Requirements to disclose, and, to the extent permitted by Legal Requirements, you shall exercise commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded all Confidential Information disclosed under this paragraph. Notwithstanding anything to the contrary herein, neither you nor any of your Representatives shall have liability to the Participating Institutions or any other person as a result of the disclosure of Confidential Information in accordance with this paragraph.

You acknowledge that, if you or any of your Representatives breach any of the limitations on disclosure or use or retention of Confidential Information set forth herein, each of the Participating Institutions is likely to suffer irreparable harm and, accordingly, in addition to any other remedies available to the Participating Institutions for such breach or a threatened breach, including the recovery of damages, the Participating Institutions shall be entitled to an injunction restraining you and your Representatives from any unauthorized disclosure or use, in whole or in part, of such Confidential Information in breach of this Exhibit C.

In the event that the Participating Institutions or any of their Representatives to whom they transmit any Confidential Information pursuant to the Commitment Letter or the Fee Letter is required by any Legal Requirements to disclose any Confidential Information, the Participating Institutions will provide you with prompt written notice thereof so you may (i) seek a protective order or other appropriate remedy, or (ii) consult with the Participating Institutions with respect to efforts to resist or narrow the scope of such required disclosure. In the event that such protective order or other remedy is not obtained, the Participating Institutions shall disclose only that portion of the Confidential

Information that we are required under Legal Requirements to disclose, and, to the extent permitted by Legal Requirements, the Participating Institutions shall exercise their commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded all Confidential Information disclosed under this paragraph. Notwithstanding anything to the contrary herein, neither the Participating Institutions nor any of their Representatives shall have liability to you or any other person as a result of the disclosure of Confidential Information in accordance with this paragraph.

Each party acknowledges that, if such party or any of its Representatives breaches any of the limitations on disclosure or use or retention of Confidential Information set forth herein, each of the other parties is likely to suffer irreparable harm and, accordingly, in addition to any other remedies available to such other party for such breach or a threatened breach, including the recovery of damages, such other party shall be entitled to an injunction restraining the party that is breaching or threatening to breach and its Representatives from any unauthorized disclosure or use, in whole or in part, of such Confidential Information in breach of this Exhibit C.

The foregoing shall not prohibit the disclosure of the terms of this Commitment Letter by Wynn Resorts and its affiliates (i) in filings with the Securities and Exchange Commission in connection with the initial public offering by Wynn Resorts and the issuance of the Second Mortgage Notes or with the Nevada Gaming Commission in connection with the licensing of the Project or Wynn Resorts and its affiliates or (ii) as required by applicable securities law.

QuickLinks

[AMENDED AND RESTATED COMMITMENT LETTER](#)

**AGREEMENT FOR GUARANTEE MAXIMUM PRICE  
CONSTRUCTION SERVICES**

**CHANGE ORDER**

**12 August 2002**

**Project: Le Rêve**

**Change in Order No.: 1**

**"Contractor":**  
MARNELL CORRAO ASSOCIATES, INC.  
4495 South Polaris Avenue  
Las Vegas, Nevada 89103

**"Owner":**  
WYNN LAS VEGAS, LLC  
3145 Las Vegas Boulevard So.  
Las Vegas, Nevada 89109

That certain **Agreement for Guaranteed Maximum Price Construction Services between Owner and Contractor for Le Rêve** dated as of June 4, 2002 ("**Contract**") is hereby modified as follows:

**1. SCOPE OF WORK**

The Scope of Work is changed as follows:

A. *Highrise Height Increase*

- (i) *Description.* Increase typical guestroom floor height by one foot per floor. All Work shall be in accordance with revised design criteria published 7/18/02 by Wynn Design and Development, including the revised Architectural section published by Butler Ashworth on 7/15/02.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per MCA Change Proposal No. 1 dated 8/9/02, \$7,930,581.00.

B. *Suite Wallcovering*

- (i) *Description.* Install Owner furnished wallcovering in lieu of providing finished paint surfaces at walls specified by Owner throughout the Executive, Parlor and Salon Suites.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per MCA Change Proposal No. 2 dated 8/9/02, \$87,125.00.

C. *Project Bid Extension*

- (i) *Description.* Increase costs due to extension of Highrise Subcontractor bids through September 2002, in support of the revised anticipated Project start date.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per MCA Change Proposal No. 3 dated 8/9/02, \$643,798.00.

D. *Revised Room Mix/Salon Suite Revisions*

- (i) *Description.* Provide all Work associated with the revised room mix and Salon suite modifications as shown in the Salon model room and including Wynn Design and Development correspondence dated 7/3/02 & 7/10/02 and revised Highrise drawings dated 6/24/02 as issued by Butler Ashworth.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per MCA Change Proposal No. 4 dated 8/9/02, \$1,592,895.00.

E. *Highrise Media Revisions*

- (i) *Description.* Revise guestroom audio/visual systems to incorporate the use of plasma televisions in lieu of traditional CRT/armoire units as depicted by Preliminary Design Drawings issued by Butler Ashworth dated 8/8/02.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total allowance per revised guestroom plans issued 8/8/02, \$779,000.00.

F. *Lanai Program Revisions*

- (i) *Description.* Reduce the Lanai Corridor width from 12' wide to 8' and modify plan to create a net footage reduction as specified by Owner. Incorporate a direct connection to VIP Pool Deck and add one guest elevator for a total of two (2).
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total decrease per Program Area revisions and revised Master Plans, both dated 7/19/02 (\$347,470.00).

G. *Villa Program Revisions*

- (i) *Description.* Modify Villa program to reflect the incorporation of dining rooms, pantries and the addition of a residential type elevator, one (1) each, in the two four bedroom Villas as specified by Owner.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per Program Area revisions and revised Master Plans, both dated 7/19/02 \$116,287.00.

H. *Lowrise Building Area Revision—Casino Level*

- (i) *Description.* Modify program areas to reflect square footage as provided in revised Master Plans and Program Area revisions, both dated 7/19/02. Revise retail store lease mix and adjust Tenant fit-out allowances to reflect current lease arrangements as provided by Owner to Contractor.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total decrease per Program Area revisions and revised Master Plans, both dated 7/19/02 (\$1,518,360.00).

I. *Lowrise Building Area Revision—Mezzanine Level*

- (i) *Description.* Modify program areas to reflect square footage as provided in revised Master Plans and Program Area revisions, both dated 7/19/02. Incorporate room reservations and PBX into Mezzanine level from Spa level as specified by Owner.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per Program Area revisions and revised Master Plans, both dated 7/19/02 \$1,021,426.00.

J. *Lowrise Building Area Revision—Sea Level*

- (i) *Description.* Modify program areas to reflect square footage as provided in revised Master Plans and Program Area revisions, both dated 7/19/02. Add property Executive Offices and increase mechanical room footage as specified by Owner. Relocate Arcade from Casino Level.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per Program Area revisions and revised Master Plans, both dated 7/19/02 \$2,853,419.00.

K. *Lowrise Building Area Revision—Basement*

- (i) *Description.* Modify program areas to reflect square footage as provided in revised Master Plans and Program Area revisions, both dated 7/19/02. Consolidate finance and accounting functions on basement level and increase footage as specified by Owner.

Provide 3,000 sq. ft. shell space for dry cleaning tenant. Revise Italian and Steak restaurant footage to reflect revised Master Plan dated 7/19/02

- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per Program Area revisions and revised Master Plans, both dated 7/19/02 \$5,078,835.00.

L. *Lowrise Building Area Revision—Parking/Pool Level*

- (i) *Description.* Modify program areas to reflect square footage as provided in revised Master Plans and Program Area revisions, both dated 7/19/02.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per Program Area revisions and revised Master Plans, both dated 7/19/02 \$179,015.00.

M. *Exterior Feature—Lake*

- (i) *Description.* Reduce open water area on Lake Feature per revised Master Plans dated 7/19/02. New plan creates distinct venues as opposed to one large lake feature.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total decrease per Program Area revisions and revised Master Plans, both dated 7/19/02 (\$776,336.00).

N. *Exterior Features—General*

- (i) *Description.* Reduce north bus/shuttle plaza and entry canopy, and increase exterior exit stairs, as specified by Owner.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total decrease per Program Area revisions and revised Master Plans, both dated 7/19/02 (\$3,985.00).

O. *Exterior Features—Main Pool*

- (i) *Description.* Reduce cabana count at main pool area and add pool bar as specified by Owner.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total decrease per Program Area revisions and Master Plans, both dated 7/19/02 (\$104,566.00).

P. *Exterior Features—Basement Level*

- (i) *Description.* Modify exterior patio footage per 7/19/02 master plan and eliminate Steakhouse moving patio allowance of \$500,000.00
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total decrease per Program Area revisions and revised Master Plans, both dated 7/19/02 (\$1,285,859.00).

Q. *Exterior Features—Casino Level*

- (i) *Description.* Modify exterior patio footage per 7/19/02 revised Master Plans. Add lakeside viewing balconies at retail promenade, channel and registration lobby as specified by Owner. Add 12 cabana structures at VIP pool deck.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per Program Area revisions and revised Master Plans, both dated 7/19/02 \$1,093,068.00.

R. *Site Improvements—Valet*



- (i) *Description.* Modify valet circulation ramps and add direct access to Ferrari service area as specified by Owner.
- (ii) *Increase/Decrease to Guaranteed Maximum Price.* Total increase per Program Area revisions and revised Master Plans, both dated 7/19/02 \$119,700.00.

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**Total Scope of Work Change Order No. 1 amount      \$17,458,573**

**2. INCREASE TO GUARANTEED MAXIMUM PRICE.**

The Guaranteed Maximum Price set forth in *Section 3.1* of the Contract is by this Change Order hereby increased from \$901,883,710.00 to \$919,342,283.00, based on the Changes described in Paragraph 1 above. The detailed breakdown of the foregoing increase is contained in the Revised Contractors Work and Guaranteed Maximum Price Breakdown labeled as *Revised Exhibit F* and dated 12 August 2002, and attached to this Change Order. Accordingly, the original Guaranteed Maximum Price Breakdown attached as *Exhibit F* to the Contract is hereby deleted and substituted therefore is the Revised Contractors Work and Guaranteed Maximum Price Breakdown attached hereto. From and after the date of this Change Order, all references in the Contract Documents to the "Guaranteed Maximum Price Breakdown" attached as *Exhibit F* to the Contract, shall mean and refer to the Revised Contractors Work and Guaranteed Maximum Price Breakdown attached hereto as *Revised Exhibit F*. From and after the date of this Change Order, any and all references in the Contract Documents to the "Guaranteed Maximum Price" shall mean the amount of \$919,342,283.00.

**3. PROJECT SCHEDULE**

The original Project Schedule attached as *Exhibit B* to the Contract is hereby deleted and substituted therefore is the Revised Project Schedule dated August 12, 2002 and attached to this Change Order and labeled *Revised Exhibit B*. From and after the date of this Change Order, all references in the Contract Documents to the term "Project Schedule," shall mean and refer to the Revised Project Schedule dated August 12, 2002 and attached hereto as *Revised Exhibit B*. The Contract Time of 910 calendar days from Date of Commencement, and the Guaranteed Date of Substantial Completion, as defined in *Section 4.1* of the Contract, remain unchanged by this Change Order.

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All initial capitalized terms used in this Change Order shall have the meaning ascribed to them in the Contract, unless otherwise defined herein. This Change Order is effective as of August 12, 2002.

**OWNER:**

WYNN LAS VEGAS, LLC  
a Nevada limited liability company,

By: Wynn Resorts Holdings, LLC,  
a Nevada limited liability company,  
its sole member

By: Valvino Lamore, LLC,  
a Nevada limited liability company,  
its sole member

By: /s/ Stephen A. Wynn

\_\_\_\_\_  
Name: Stephen A. Wynn  
Its: Managing Member

**CONTRACTOR:**

MARNELL CORRAO ASSOCIATES, INC.  
a Nevada corporation

By: /s/ Perry Elman

\_\_\_\_\_  
Name: Perry Ellman  
Its: President

**ARCHITECT:**

BUTLER ASHWORTH ARCHITECTS, LLC

By: /s/ Glen Ashworth

\_\_\_\_\_  
Name: Glen Ashworth  
Its: Vice President and Secretary

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QuickLinks

[Exhibit 10.26](#)

[AGREEMENT FOR GUARANTEE MAXIMUM PRICE CONSTRUCTION SERVICES CHANGE ORDER 12 August 2002](#)

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**Exhibit 23.2**

**INDEPENDENT AUDITORS' CONSENT**

We consent to the use in this Amendment No. 1 to Registration Statement No. 333-90600 of Wynn Resorts, Limited on Form S-1 of our report dated June 6, 2002, appearing in the Prospectus, which is part of this Registration Statement, and of our report dated June 6, 2002 relating to the financial statement schedule appearing elsewhere in this Registration Statement. We also consent to the reference to us under the headings "Selected Financial Data," "Experts" and "Independent Accountants" in such Prospectus.

DELOITTE & TOUCHE LLP

Las Vegas, Nevada  
August 19, 2002

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QuickLinks

[Exhibit 23.2](#)

[INDEPENDENT AUDITORS' CONSENT](#)

**CONSENT OF PERSON NAMED TO BECOME A DIRECTOR**

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Wynn Resorts, Limited in Amendment No. to the registration statement on Form S-1 of Wynn Resorts, Limited dated August 20, 2002 and any amendments thereto.

Signature

/s/ Kazuo Okada

Name: Kazuo Okada

Dated: August 9, 2002

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**CONSENT OF PERSON NAMED TO BECOME A DIRECTOR**

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Wynn Resorts, Limited in Amendment No. 1 to the registration statement on Form S-1 of Wynn Resorts, Limited dated August 20, 2002 and any amendments thereto.

Signature

/s/ Elaine P. Wynn

Name: Elaine P. Wynn

Dated: August 19, 2002

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**CONSENT OF PERSON NAMED TO BECOME A DIRECTOR**

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Wynn Resorts, Limited in Amendment No. 1 to the registration statement on Form S-1 of Wynn Resorts, Limited dated August 20, 2002 and any amendments thereto.

Signature

/s/ Robert J. Miller

Name: Robert J. Miller

Dated: August 19, 2002

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**CONSENT OF PERSON NAMED TO BECOME A DIRECTOR**

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Wynn Resorts, Limited in Amendment No. 1 to the registration statement on Form S-1 of Wynn Resorts, Limited dated August 20, 2002 and any amendments thereto.

Signature

/s/ John A. Moran

Name: John A. Moran

Dated: August 19, 2002

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**CONSENT OF PERSON NAMED TO BECOME A DIRECTOR**

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Wynn Resorts, Limited in Amendment No. 1 to the registration statement on Form S-1 of Wynn Resorts, Limited dated August 20, 2002 and any

