

CORR 2001/1223/00051



ROWEN CRAIGIE
Chief Executive Officer

Telephone [REDACTED]
Facsimile [REDACTED]

16 April 2004

Mr Peter Cohen
Acting Director of Gaming & Betting
Acting Director of Casino Surveillance
Office of Gambling Regulation
Level 5, 35 Spring Street
Melbourne Vic 3000



Dear Mr Cohen

Proposed Amendments to the Casino Agreement

Further to my letter of 22 March 2004 regarding a number of proposed amendments to the Casino Agreement, please find attached a draft copy of the Casino Agreement with marked-up amendments included.

As advised previously, the following matters are included in the attached document:

1. A clause providing that at least 75% of Crown Board meetings will be held in Melbourne each year;
2. A clause providing that at least 75% of Crown's Senior Management meetings will be held in Melbourne each year;
3. A clause providing that a Company Secretary of Crown will be located in Melbourne;
4. A clause providing that the CEO of Crown and those senior executives of Crown directly responsible to the CEO will be located in Melbourne;
5. A clause providing that any changes to the composition or Charter of the Audit Committee or the Compliance Committee will be notified to the Authority;
6. Revisions to clause 22 to delete a number of redundant clauses including the single purpose entity provision;
7. The deletion from clause 22 of the requirement to obtain the Authority's approval of the Company auditor as this is provided for in section 127 of the Casino Control Act;
8. The deletion of clause 23 as section 108 of the Casino Control Act 1991 provides the requisite powers for requesting information in relation to the casino operations;
9. An amendment to clause 27.1 (n) to allow for the approval of games other than those devised or developed by the Company;



10. A revision to clause 29 and a number of other complimentary clauses to narrow the focus from "Assets and Rights" to "Casino Assets";
11. The deletion of a number of redundant clauses including clauses 6 to 12 and clauses 14 to 20;
12. A number of housekeeping changes deleting reference to such things as the Temporary Casino.

Crown has given further consideration to the following matters:

- **Confidentiality**

An amendment has been made to clause 36 to allow for the Casino Licence to be publicly available however it is not considered appropriate for the Casino Agreement to become a public document due to the commercial and sensitive nature of various matters it contains.

- **Market Share of Commission Based Play (CBP)**

As indicated in my previous letter, it is not possible to include a clause to guarantee that a minimum level or minimum market share of CBP will be maintained in the face of increasing world wide competition.

- **Clause 22 – Debt to Equity Ratio**

No change has been made to current arrangements.

- **Insurance**

Amendments to the insurance provisions at clause 35 have been included in the attached document.

I would appreciate your review and consideration of these amendments so that the revised Casino Agreement can be settled as soon as possible.

Yours sincerely



Rowen Craigie
Chief Executive Officer

Encl.

BLAKE DAWSON WALDRON
LAWYERS

Consolidated Casino Agreement

Incorporating:

First
Second
Third
Fourth
Fifth
Sixth
Seventh
Eighth

Variation Agreements and the Master Security Agreement

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24 June 1999

Level 39
101 Collins Street
Melbourne Vic 3000
Telephone: (03) 9679 3000
Facsimile: (03) 9679 3111

Ref: ABG:881489

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COMMERCIAL IN CONFIDENCE

VICTORIAN CASINO CONTROL AUTHORITY
("Authority")

CROWN LTD.
ACN 006 973 262
("Company")

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MELBOURNE CASINO PROJECT

CASINO AGREEMENT

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MELBOURNE CASINO PROJECT
CASINO AGREEMENT

AGREEMENT dated 21 September 1993

BETWEEN VICTORIAN CASINO CONTROL AUTHORITY a statutory authority established under the *Casino Control Act* with its office at 459 Collins Street, Melbourne ('*Authority*')

AND CROWN LTD. ACN 006 973 262 with its registered office at 8 Whiteman Street Southbank Victoria ('*Company*')

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Deleted: Hudson Conway House, 311 Glenferrie Road, Malvern.

RECITALS

- A. The Authority has power to grant a casino licence under the provisions of the *Casino Control Act*.
- B. The Company has made application for a casino licence and pursuant to such application has provided information and submissions, including the Melbourne Casino Complex Development Proposals and the Temporary Casino Complex Development Proposals, to the Authority.
- C. The Authority has, in accordance with sections 9 and 10 of the *Casino Control Act*, carried out investigations and enquiries in relation to the Company and other persons required to be investigated.
- D. Subject to the terms and conditions of this document and the Management Agreement, the Authority has agreed to grant the Casino Licence to the Company.
- E. The Casino Licence will enable the Company to operate a casino from temporary premises.
- F. The Minister, acting for and on behalf of the State, and the Company have entered into the Management Agreement pursuant to section 15 of the *Casino Control Act* as a condition precedent to the grant of the Casino Licence to the Company.
- G. The Minister has given approval to the Authority pursuant to sections 14 and 142 of the *Casino Control Act* to provide an undertaking to the Company as to exclusivity, to enter into this document and to act for and on behalf of the State in respect of certain matters referred to in this document.

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2.

AGREEMENT

1. DIVISION INTO PARTS

This document is divided into Parts as follows:

PART 1	-	PRELIMINARY
PART 2	-	DEVELOPMENT AND COMPLETION
PART 3	-	COMPLETION
PART 4	-	CORPORATE STRUCTURE AND RELATED MATTERS
PART 5	-	GRANT OF THE CASINO LICENCE
PART 6	-	ENCUMBRANCES AND ASSIGNMENTS
PART 7	-	TERMINATION
PART 8	-	COMPLEMENTARY AGREEMENTS
PART 9	-	GENERAL

PART 1 - PRELIMINARY

2. DEFINITIONS

In this document, unless the context otherwise requires or the contrary intention appears, terms defined in the *Casino Control Act* have the same meanings and the following terms have the meanings indicated if they start with a capital letter:

'Agent'¹ means National Australia Bank Limited ACN 004 044 937 and any successor to it as agent under the Facility Agreement;

'Agreement Act' means the Casino (Management Agreement) Act 1993;

'Ancillary Facilities' means all facilities ancillary to the Melbourne Casino, identified in the Development Proposals to be constructed on or located within the Site, including an hotel, restaurant, retail, recreation, entertainment and car parking facilities, residential and office accommodation, staff facilities, staff car parking, coach storage facilities and open space areas;

'Assets and Rights' means all the present and future undertaking, property, assets and rights of or held by the Company;

'Associate' has the same meaning as in sections 10 to 17 of the Corporations Law;

¹ Successor to NAB is ANZ Capel Court Limited under clause 3.5 of the Master Security Agreement

² C:\Documents and Settings\j028175\Local Settings\Temporary Internet Files\OLK1E\Casino Agreement Mods 2.DOC

Deleted: bill referred to in clause 3.2(a) of the Management Agreement when that bill is passed and comes into operation as an Act of Parliament as contemplated by that clause

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Deleted: the Temporary Casino Site or

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3.

'ASX' means Australian Stock Exchange Limited;

'Australian Accounting Standards' means:

- (a) accounting standards as defined in (or having effect under the *Corporations Law* as if they were accounting standards defined in) section 9 of the *Corporations Law*;
- (b) the requirements of the *Corporations Law* in relation to the preparation and content of accounts; and
- (c) generally accepted accounting principles and practices in Australia consistently applied, except those principles and practices inconsistent with (a) or (b);

'Authorisation' includes a consent, approval, licence, permit, franchise, permission, filing, registration, resolution, direction, declaration and exemption;

'Authority' means the Victorian Casino Control Authority or its successor;

'Bank Guarantees' means the guarantees or letters of credit to be provided by the Company pursuant to clauses 18.1 and 22.9 of the Management Agreement;

'Business Day' means a day (other than a Saturday or Sunday) on which banks (as defined in the *Banking Act 1959* (Commonwealth)) are generally open for business in Melbourne;

'Casino Asset' means an asset or undertaking of the Company which forms part of the Secured Property and which consists of:

- (a) the Casino Licence;
- (b) the Melbourne Casino;
- (c) _____
- (d) all gaming equipment used in the Melbourne Casino;
- (e) all revenue derived from the Melbourne Casino (other than revenues which have been deposited or are standing to the credit of the Debt Protection Account or the Debt Service Reserve Account (each as defined in the Facility Agreement) in accordance with the Facility Agreement and any Authorised Investments (as defined in the Facility Agreement) from either of those accounts (or the proceeds of any such Authorised Investment); or

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4.

(f) all other assets of the Company necessary for the operation of the Melbourne Casino;

and a reference to the 'Casino Assets' includes any part of them;

'Casino Control Act' means the *Casino Control Act 1991* (Victoria);

'Casino Licence' means a casino licence as defined in the *Casino Control Act* in relation to the Melbourne Casino in the form of the licence set out in Schedule One;

'Company' means Crown Ltd. ACN 006 973 262, which will be the casino operator for the purposes of the *Casino Control Act*;

'Commissioning' means the checking, testing and acceptance of the operational readiness of and the procedures for the various components of the Melbourne Casino (including all staff, facilities and equipment) by the Authority;

'Complementary Agreement' means each of the agreements listed in Schedule Two;

'Construction Agreement' means the proposed building agreement between the Company and a proposed builder substantially in the form of the draft agreement a copy of which has been signed on behalf of the Authority and the Company and dated the date of this document for the purposes of identification;

'Contractor's Deed' has the same meaning as in the Supplemental Development Agreement;

'Control Acts' means the *Building Control Act 1981* and the *Planning and Environment Act*;

'CUB' means Carlton and United Breweries Limited ACN 004 056 106;

'Deal with' means deal with property in any way other than enter into an arm's length agreement to sell dependent for effect on the Authority's consent, including, but not limited to, offer for sale, grant an option in respect of, create or Dispose of a right in respect of, render or permit to be subject to an Encumbrance, convert, deposit, compromise and allow a counterclaim or right of act-off to arise in respect of;

"Deed of Undertaking and Guarantee"² means the agreement under which, amongst other things, the Holding Company and other related companies guarantee to the

~~Deleted:~~ or the Temporary Casino

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~~Deleted:~~ 'Casino Supervision and Control Charge' means:¶
(a) . for the period from the Licensing Date until 30 June 1994, \$5,000,000; and¶
(b) . for each Financial Year from 1 July 1994 until 30 June 1997, \$5,000,000;¶

~~Deleted:~~ Casino

~~Deleted:~~ or the Temporary Casino as the case may be

~~Deleted:~~ 'Completion' means the completion of the construction, the Fit-Out and the Commissioning of the Temporary Casino or the Melbourne Casino, as the case may be, as specified in the Completion Standards and as determined pursuant to clause 20, and 'Complete' and 'Completed' have corresponding meanings;¶
'Completion Standards' means:¶
(a) . for construction, when all the requirements under this document and the *Casino Control Act* in relation to the Melbourne Casino or the Temporary Casino have been complied with;¶
(b) . for Commissioning, when all the procedures for the various components of the Melbourne Casino or the Temporary Casino (including all staff, facilities and equipment) are in place or immediately and reliably available to the Company such that the Melbourne Casino or the Temporary Casino, as the case may be, can be operated securely and so that there is no risk to the integrity of operation or compromise in the amenity of the Melbourne Casino or the Temporary Casino, as the case may be, which is not acceptable to the Authority; and¶

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² Amended by the Eighth Variation Agreement to the Casino Agreement effective 30 June 1999

COMMERCIAL IN CONFIDENCE

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Authority and the State, the due and punctual performance of certain obligations owed by members of the Group to the Authority and the State;

'**Development Agreement**' means the agreement dated 30 August 1993 between the Company and Hudson Conway Management Limited ACN 006 742 294 providing for the procuring of the construction of the Melbourne Casino Complex;

'**Dispose of**' means sell, transfer, assign, alienate, surrender, dispose of, deposit, Lease, part with possession of and enter into any agreement or arrangement to do or allow any of these things;

'**Director of Casino Surveillance**' means the person appointed under section 94 of the *Casino Control Act*;

'**Drawings**' means the plans, designs and working drawings relating to the Melbourne Casino Complex provided by the Company to the Authority and described in Schedule Two of the Management Agreement;

'**Encumbrance**' means a mortgage, charge, pledge, lien, assignment, hypothecation, retention of title (other than a retention of title in respect of trading stock), or any other right (including, without limitation, under a trust, agency, hire purchase, sale and repurchase, sale and leaseback or flawed asset arrangement) of a creditor to have its claims satisfied prior to other creditors with, or from the proceeds of or by recourse to any asset and includes any agreement, arrangement or document conferring such a right or having substantially the same economic effect;

'**Equity Funding Agreement (Federal)**' means the agreement dated 30 August 1993 between Danwick Pty Limited ACN 059 321 667, The Federal Hotels Limited ACN 004 108 249 and Hudson Conway Limited ACN 009 556 629;

'**Facility Agreement**'³ means the \$300,000,000 multi-option facility agreement dated 30 August 1993 between the Company, the Financiers and the Agent;

'**Finance Documents**' means the Facility Agreement and the Financiers' Securities;

'**Financial Year**' means from 1 July to 30 June (inclusive);

'**Financiers**'⁴ means National Australia Bank Limited, Australia and New Zealand Banking Group Limited, Hongkong Bank of Australia Limited, R & I Bank of Western

Deleted: 'Design and Construction Programme' means the programme for the design documentation, construction, Fit-Out, Commissioning and Completion of the Temporary Casino Complex or the Melbourne Casino Complex (as the case may be) set out in Schedule One of the Management Agreement, as amended from time to time with the prior written approval of the State;]

Comment: Section 94 is due to be repealed when the Gambling Regulation Act comes into force

Deleted: 'Documentation' means any document or proposal which the Company is required to submit to the Authority under clauses 6, 7, and 8.†

Deleted: Temporary Casino Complex or the

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³ The Security Sharing Deed dated 30 July 1997 and the Funding Documents (as defined in the Security Sharing Deed) replace the Facility Agreement under clause 3.5 of the Master Security Agreement

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⁴ C:\Documents and Settings\j028175\Local Settings\Temporary Internet Files\OLK1E\Casino Agreement Mods 2.DOC

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6.

Australia Limited and State Bank of New South Wales Limited and their successors, assigns and substitutes;

'Financiers' Securities'⁵ means the following securities given to the Agent as agent for the Financiers:

- (a) a first registered fixed and floating charge over the undertaking and all the assets of the Company including a mortgage over the Casino Licence;
- (b) a mortgage of the Site Lease and a mortgage of the Temporary Casino Leases;
- (c) each other security given to the Agent or the Financiers as security for the liabilities of the Company under the Facility Agreement;

'Fixed and Floating Charge' means the second registered fixed and floating charge given by the Company in favour of the Minister on behalf of the State;

'Force Majeure Event' has the same meaning ascribed to that term in the Management Agreement;

'Founding Shareholders Agreement' means the agreement dated 30 August 1993 between each Sponsor, CUB and the Company providing for the subscription for Shares by the Sponsors and Carlton & United Breweries Limited;

'Gross Gaming Revenue' means the total of all sums, including cheques and other negotiable instruments whether collected or not, received in any period by the Company from the conduct or playing of games within the Melbourne Casino, less the total of all sums paid out as winnings during that period in respect of such conduct or playing of games;

'Group' means the Company and its Subsidiaries and any other entity which the directions of the Company are required to consolidate in the consolidated profit and loss accounts and balance sheets of the Company under the Corporations Law⁶;

Deleted: 'Fit-Out' means the application of finishing material, gaming equipment, furniture, fittings, furnishings and such other built-in and loose items required to bring any part of the Temporary Casino or the Melbourne Casino (as the case may be) to completion to a stage to enable Commissioning to take place;†

Deleted: 'Further Amendment Act' means the bill referred to in clause 3.2(b) of the Management Agreement when that bill is passed and comes into operation as an Act of Parliament as contemplated by that clause;†

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⁴ The Secured Creditors (as defined in the Security Sharing Deed) succeed the Financiers under clause 3.5 of the Master Security Agreement

⁵ The Securities (as defined in the Security Sharing Deed) replace the Financiers' Securities under clause 3.5 of the Master Security Agreement

⁶ Amended by clause 2(a) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998

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7.

'Guarantee and Indemnity for Development Agreement' means the guarantee and indemnity dated 30 August 1993 by Hudson Conway Limited ACN 009 556 629 to the Company;

'Holding Company'⁷ means the Company's ultimate holding company, within the meaning of that expression as defined in section 9 of the *Corporations Law*, but read as though the reference in paragraph (b) to 'no body corporate' were a reference to 'no body corporate incorporated in Australia';

'Holding Company Group'⁸ means:

- (a) the Holding Company;
- (b) the Holding Company's Subsidiaries (including without limitation, the Company and its Subsidiaries); and
- (c) any other entity which the directors of the Holding Company are required to consolidate in the consolidated profit and loss accounts and balance sheets of the Holding Company under the *Corporations Law*;

'Lease' means an agreement or arrangement under which property is or may be used, occupied, retained, operated or managed by a person for consideration (of whatever form) including, but not limited to, a lease, licence, charter, hire purchase or hiring arrangement;

'Licensing Date' is 19 November 1993;

'Management Agreement' means the agreement between the Minister acting for and on behalf of the State, and the Company entered into pursuant to section 15 of the *Casino Control Act*;

'Master Security Agreement'⁹ means the agreement of even date between the State, the Authority, the Company, the Agent and the Sponsors relating, among other things, to the priority of the Encumbrances given by the Company;

Deleted: means the date which is 2 Business Days after the conditions precedent in clause 5.1 are satisfied

Deleted: 'Licensing Payment Amounts' means the amounts payable under clause 26.1(b);

⁷ Amended by the Eighth Variation Agreement to the Casino Agreement effective 30 June 1999

⁸ Amended by the Eighth Variation Agreement to the Casino Agreement effective 30 June 1999

⁹ Master Security Agreement is replaced by the Master Security Agreement dated 30 July 1997

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8.

'Melbourne Casino' means those areas identified in the Drawings for the Melbourne Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

'Melbourne Casino Complex' means the Melbourne Casino and Ancillary Facilities to be constructed on or located within the Site in accordance with the provisions of this document and the Management Agreement;

'Melbourne Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Melbourne Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;

'Minister' means the Minister for the time being administering the *Casino Control Act*;

'Mortgagee' means any person with any Encumbrance (whether as mortgagee, chargee or otherwise) affecting or in relation to the Assets and Rights of the Company;

'Note Agreement' means the deed dated 24 December 1993 between the Company, Permanent Trustee Australia Ltd and National Australia Bank Limited;¹⁰

'Note Agreement (Series 2)' means the deed dated 15 August 1996 between the Company, Permanent Trustee Australia Limited and National Australia Bank Limited;¹¹

'Operations Agreement' means the agreement dated 30 August 1993 between the Company and Crown Management Pty Ltd ACN 059 301 610 providing for the conduct of the operations of the Melbourne Casino;

Deleted: the Temporary Casino and

'Permitted Encumbrance' means an encumbrance of the kind permitted under clause 29.1;

'Planning Amendments' means the planning scheme amendments referred to in clause 9 of the Management Agreement;

¹⁰ Inserted by clause 2(a) of the Fourth Variation Agreement to the Casino Agreement dated 7 March 1995

¹¹ Inserted by clause 2.1(a)(i) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

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9.

'**Planning and Environment Act**' means the *Planning and Environment Act 1987* (Victoria);

'**Public Authority**' means any government or minister or any governmental, semi-governmental or judicial entity, department, instrumentality or authority;

'**Receiver**' means receiver, receiver and manager or agent for a mortgagee in possession, according to the nature of the appointment;

'**Related Party**' means the Sponsors and any Subsidiary of the Company;

'**Relevant Legislation**' means the *Casino Control Act* and the *Agreement Act* as amended;

'**Secured Property**' means at any time, any present or future right, property or undertaking of the Company, (other than an amount which has been deposited to, or which is standing to the credit of, the Debt Service Reserve Account or the Debt Protection Account (each as defined in the Facility Agreement) and any Authorised Investment (as defined in the Facility Agreement) from either of those accounts (or the proceeds of any such Authorised Investment)) under the Facility Agreement, of whatever kind or wherever situated which is subject at that time to both:

- (a) the Fixed and Floating Charge; and
- (b) any one or more of the Financiers' Securities;

and a reference to '**Secured Property**' includes any part of it;

'**Share**' means a fully paid ordinary share with a par value of \$0.50 in the capital of the Company;

'**Shareholders Agreement - Crown Management Pty Ltd**' means the agreement dated 30 August 1993 between Hudson Conway Limited ACN 009 556 629, Mulawa Casinos Pty Ltd ACN 060 766 001, The Federal Hotels Limited ACN 004 108 249 and Crown Management Pty Limited ACN 059 301 610;

'**Site**' has the same meaning as in the Management Agreement;¹²

Deleted: 'Premium Payment' means \$10,000,000 being the amount determined by the Treasurer of the State under section 112A of the *Casino Control Act* as the amount payable by the Company under the Management Agreement;

Deleted: ,
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¹² Amended by clause 2.1(b) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

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10.

'Site Lease' means the lease of part of¹³ the Site from the Minister for Finance on behalf of the State to the Company;

'Site Lease Supplemental Agreement' means the agreement between the Minister for Finance, the Company and the Agent;

'Solvency Report' means a report prepared in accordance with Australian Auditing Standard AUS904 'Engagement to Perform Agreed Upon Procedures' and paragraphs 21(a) to (e), 23 and 24 of Australian Auditing Standard AUS708 'Going Concern' and in a form approved by the Authority from time to time¹⁴;

'Sponsors' mean Hudson Conway Limited ACN 009 556 629 and The Federal Hotels Limited ACN 004 108 249 and for the purposes of clause 22.1(a) such other person as the Authority may approve;

'Sponsor's Guarantees' means the guarantees of even date by Hudson Conway Limited ACN 009 556 629 in favour of the Authority and in favour of the State;

'State' means the State of Victoria;

'State's Nominated Representative' means the person appointed from time to time by the minister for the time being administering the *Planning and Environment Act* in accordance with clause 6.4 of the Management Agreement;

'Subsidiary' means any body corporate which would be a subsidiary of the Company within the meaning of section 46 of the *Corporations Law* or any entity which would be a subsidiary of the Company under *Australian Accounting Standard AAS24*;

'Supplemental Casino Agreement'¹⁵ means the agreement under which the Holding Company guarantees to the Authority, the due and punctual performance of obligations owed by each member of the Holding Company Group to the Authority;

'Supplemental Development Agreement' means the agreement of even date between the Authority, the Company, the Sponsors and Hudson Conway Management Limited ACN 006 742 294 which is supplemental to the Development Agreement;

¹³ Amended by clause 2.1(c) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

¹⁴ Amended by clause 2(a) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998

¹⁵ Amended by the Eighth Variation Agreement to the Casino Agreement effective 30 June 1999

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11.

'Supplemental Operations Agreement' means the agreement of even date between the Authority, the Company, the Sponsors and Crown Management Pty Ltd ACN 059 301 610 which is supplemental to the Operations Agreement;

'Supplemental Sponsors' Agreement' means the agreement of even date between the Authority, the Company and the Sponsors which is supplemental to the Founding Shareholders Agreement;

'Total Assets' means the aggregate of all assets of the Group which according to Australian Accounting Standards are defined, or would be regarded, as assets¹⁶;

'Total Group Assets'¹⁷ means the aggregate of all assets to the Holding Company Group which according to Australian Accounting Standards are defined, or would be regarded, as assets;

'Total Group Liabilities'¹⁸ means the aggregate of all liabilities of the Holding Company Group which according to Australian Accounting Standards are defined, or would be regarded, as liabilities;

'Total Liabilities' means the aggregate of all liabilities of the Group which according to Australian Accounting Standards are defined, or would be regarded, as liabilities¹⁹;

'Transaction Document' means each of this document, the Management Agreement, the Casino Licence, the Site Lease, the Temporary Casino Leases, the Fixed and Floating Charge, the Sponsor's Guarantees, the Master Security Agreement, the Site Lease Tripartite Agreement, the Temporary Casino Lease Supplemental Agreements, the Supplemental Sponsors' Agreement, the Supplemental Development Agreement, the Contractor's Deed, the Bank Guarantees, the Supplemental Operations Agreement, the Deed of Undertaking and Guarantee and the Supplemental Casino Agreement²⁰;

¹⁶ Amended by clause 2(a) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998

¹⁷ Amended by the Eighth Variation Agreement to the Casino Agreement effective 30 June 1999

¹⁸ Amended by the Eighth Variation Agreement to the Casino Agreement effective 30 June 1999

¹⁹ Amended by clause 2(a) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998

²⁰ Amended by the Eighth Variation Agreement to the Casino Agreement effective 30 June 1999

Deleted: 'Temporary Casino' means those areas identified in the Drawings for the Temporary Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;¶
 'Temporary Casino Complex' means the Temporary Casino and Ancillary Facilities to be constructed on or located within the Temporary Casino Site in accordance with the provisions of this document and the Management Agreement;¶
 'Temporary Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Temporary Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;¶
 'Temporary Casino Leases' means:¶
 (a) the lease from the Port of Melbourne Authority to the Company; and¶
 (b) the sub-lease between the Urban Land Authority, Alko Nominees (Vic) Pty Ltd ACN 006 837 289 and the Company;¶
 'Temporary Casino Leases Supplemental Agreements' means:¶
 (a) the agreement between the Port of Melbourne Authority, the Company and the Agent; and¶
 (b) the Temporary Casino Sub-Lease Supplemental Agreement;¶
 'Temporary Casino Site' means that part of the World Trade Centre on the land bounded by Spencer Street, Flinders Street Extension and the River Yarra identified in the Plan of Survey annexed to the lease referred to in paragraph (a) of the ... [2]
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COMMERCIAL IN CONFIDENCE

12.

'Trust Deed' means the deed dated 24 December 1993 between the Company and Permanent Trustee Australia Ltd relating to the issue by the Company of unsecured notes;²¹

'Trust Deed (Series 2)' means the deed dated 15 August 1996 between the Company and Permanent Trustee Australia Limited relating to the issue by the Company of unsecured notes;²²

'Underwriting Agreement' means both the underwriting agreements of 13 August 1993 and 23 August 1993 between the Company, E.L. & C. Baillieu Limited ACN 006 519 393, Rothschild Australia Securities Limited ACN 008 591 768, Macquarie Underwriting Limited ACN 001 374 572, Ord Minnett Securities Limited ACN 003 245 234, James Capel Australia Limited ACN 002 786 272 and the Sponsors; and

'Warranties' means the representations and warranties of the Company set out in Schedule Three.

3.

4. **VARIATION**

Subject to the prior approval in writing of the Minister, the parties may from time to time by agreement in writing vary any provision of this document.

5. **CONDITIONS PRECEDENT**

5.1 The provisions of this document other than the clauses referred to in clause 3 are conditional upon the satisfaction of the following conditions precedent:

- (a) execution of:
- (i) the Transaction Documents except for the Casino Licence and the Bank Guarantees;
 - (ii) the Finance Documents;
 - (iii) the Development Agreement;

Deleted: COMMENCEMENT OF CERTAIN PROVISIONS
This clause and clauses 2, 5, 6.3, 33, 34, 36, 37, and 39-48 (inclusive) commence on the date of this document.

²¹ Inserted by clause 2(a) of the Fourth Variation Agreement to the Casino Agreement dated 7 March 1995

²² Inserted by clause 2.1(a)(ii) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

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COMMERCIAL IN CONFIDENCE

13.

- (iv) the Operations Agreement;
 - (v) the Construction Agreement;
 - (vi) the Founding Shareholders Agreement;
 - (vi) the Underwriting Agreement;
 - (vii) the Equity Funding Agreement (Federal);
 - (viii) the Shareholders Agreement - Crown Management Pty Ltd; and
 - (ix) the Guarantee and Indemnity for Development Agreement;
- (b) each of the conditions precedent in each document referred to in paragraph (a) being satisfied other than:
- (i) conditions precedent contained in paragraph (14), (15), and (28) of Part 1 of Appendix A to and clause 4.2 of the Facility Agreement and those conditions precedent in Appendix A to the Facility Agreement that are factual or procedural matters that cannot be satisfied until the time of drawdown; and
 - (ii) the issue of the Casino Licence;
- (c) approval of the Planning Amendments; and
- (d) the coming into operation of those parts of the Agreement Act and the Further Amendment Act which relate to the construction, Fit-Out, Commissioning, Completion and operation of the Melbourne Casino Complex and the Temporary Casino Complex each in the form and substance reasonably satisfactory to the Company to enable the Company to comply with its obligations under the Transaction Documents.
- 5.2 The Authority will provide written notice to the Company and to the Minister of satisfaction of the conditions specified in clause 5.1 within 2 Business Days of the satisfaction of all of those conditions.
- 5.3 Each party shall use its best endeavours to ensure the satisfaction of the conditions in clause 5.1 as soon as possible after the execution of this document, and in any event no later than the date specified in clause 5.4.
- 5.4 This document shall terminate upon the Management Agreement terminating under clause 5.2 of that agreement.

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COMMERCIAL IN CONFIDENCE

14.

PART 2 - DEVELOPMENT AND COMPLETION

- 6. _____
- 6.1 _____
- 6.2 _____
- 6.3 23 24 25 26 _____
- 6.4 27 _____
- 6.5 28 _____
- 6.6 29 30 _____
- 7. _____
- 8. _____
- 9. _____
- 9.1 _____

- 23 Amended by clause 2.1(a) of the Variation Agreement to the Casino Agreement dated 19 November 1993
- 24 Amended by clause 2.1 of the Second Variation Agreement to the Casino Agreement dated 31 March 1994
- 25 Amended by clause 2.1 of the Third Variation Agreement to the Casino Agreement dated 25 May 1994
- 26 Amended by clause 2.1(a) of the Fifth Variation Agreement to the Casino Agreement dated 7 March 1995
- 27 Amended by clause 2.1(b) of the Variation Agreement to the Casino Agreement dated 19 November 1993
- 28 Amended by clause 2.1(b) of the Fifth Variation Agreement to the Casino Agreement dated 7 March 1995
- 29 Amended by clause 2.1(c) of the Fifth Variation Agreement to the Casino Agreement dated 7 March 1995
- 30 Amended by clause 2.1(d) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

Deleted: DOCUMENTS TO BE SUBMITTED TO THE AUTHORITY

Deleted: The Company must as soon as possible, but within 10 weeks from the Licensing Date submit to the Authority for its approval the following items:¶

(a) a schedule identifying the proposed nature and degree of access (including pedestrian and vehicular) to all facilities by people who may be attending the Melbourne Casino together with a report on the vehicular part of that proposal;¶

(b) a detailed development master plan or plans clearly indicating the intentions of the Company for the development of the Melbourne Casino. ... [3]

Deleted: As soon as practicable, but in any event no later than 3 months after ... [4]

Deleted: The Company must by

Deleted: 8 December 1994

Deleted: enter into a contract substantially in the form of the Construction Agreement ... [5]

Deleted: The Company must procure the execution of the Contractor's Deed before ... [6]

Deleted: Provision of Information and Documents¶

(a) The Company must ... [7]

Deleted: The Company acknowledges, undertakes and agrees that the Company ... [8]

Deleted: MELBOURNE CASINO WORKS¶

The Company must, at [... [9]

Deleted: SAFETY PROCEDURES¶

The Company must, at [... [10]

Deleted: VARIATIONS

Deleted: The Company must submit to the Authority details of any variations to the [... [11]

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COMMERCIAL IN CONFIDENCE

15.

9.2	Deleted: The Company must not make any such variations without the prior approval in writing of the Authority.
10.	Deleted: APPROVAL BY THE AUTHORITY
10.1	Deleted: If the Company is required by this document to submit to the Authority any documents or proposal for approval the Company must not proceed with carrying out any works or taking any action described in or contem... [12]
10.2	Deleted: If the Company is required by this docum... [13]
10.3	Deleted: If the Authority imposes conditions, req... [14]
10.4	Deleted: If the Company makes a further submis... [15]
10.5	Deleted: If: 1 (a) the Authority app... [16]
10.6	Deleted: In imposing any conditions to any apprq... [17]
11.	Deleted: TIME FOR APPROVAL
11.1	Deleted: If the Company submits any documents... [18]
11.2	Deleted: If the Authority has not responded in writin... [19]
11.3	Deleted: Clauses 11.1 and 11.2 apply only in relation to... [20]
12.	Deleted: DIRECTOR OF CASINO SURVEILLANCE
12.1	Deleted: The Authority must ensure that all documer... [21]
12.2	Deleted: Clauses 10 and 11 will apply in relation to... [22]
12.3	Deleted: Nothing in this document shall be take... [23]
13. PROVISION OF FACILITIES FOR INSPECTORS	
	Deleted: SITE ACCESS
	Deleted: The Company must at its expense provide, keep and maintain all facilities and surveillance systems in the Melbourne Casino required for the use of inspectors appointed under the <i>Casino Control Act</i> .
14.	Deleted: Persons authorised in writing by the Autho... [24]
14.1	Deleted: The Authority or the Director of Casino Surv... [25]
14.2	Deleted: If the Company receives a notice pursua... [26]
14.3	Deleted: G:\CASINO\CORP LEGL\AGREEMENT\C... [27]

COMMERCIAL IN CONFIDENCE

16.

14.4	Deleted: The Authority or the Director of Casino Surveillance and any persons authorised by any of them must not act unreasonably when exe ... [28]
14.5	Deleted: Subject to the Authority's or the Direc ... [29]
15.	Deleted: RECTIFICATION AND SUSPENSION C ... [30]
15.1	Deleted: If following any inspection, measuring of ... [31]
15.2	Deleted: If the Authority forms the opinion that ... [32]
16.	Deleted: PROJECT ADVISORY MEETINGS
16.1	Deleted: Project advisory meetings must be held ... [33]
16.2	Deleted: The principal purposes of these meet ... [34]
16.3	Deleted: The meetings must be ... [35]
16.4	Deleted: The State's Nominated Representat ... [36]
16.5	Deleted: The Company must provide accurate minut ... [37]
17.	Deleted: MULTIPLE COPIES OF PLANS ... [38]
18.	Deleted: DEVELOPMENT OF THE TEMPORARY ... [39]
18.1	Deleted: The Company must provide to the Authorit ... [40]
18.2	Deleted: The Company must provide to the Authorit ... [41]
18.3	Deleted: Clauses 9, 10, 11 and 12 apply (unless the cor ... [42]
18.4	Deleted: Clauses 13, 14, 15 and 16 apply (unless th ... [43]
PART 3 - COMPLETION	
19.	Deleted: OPENING OF THE MELBOURNE CASIN ... [44]
20.	Deleted: COMPLETION
20.1	Deleted: The Company must give not less than 7 Bus ... [45]
20.2	Deleted: On the date agreed between the Company ... [46]
20.3	Deleted: If the Authority is of the opinion that the Rel ... [47]
	Deleted: G:\CASINO\CORP LEGAL\AGREEMNT\C ... [48]

COMMERCIAL IN CONFIDENCE

17.

- 20.4
- 20.5
- 20.6
- 20.7
- 20.8

Deleted: If the Authority is of the opinion that the Relevant Works are Completed, the Authority must within 10 Business Days of the inspection under clause 20.2 issue a certificate to the Company stating the date on which it believes those Relevant Works reached Completion and those Relevant Works shall, for the purpose of this document, be taken to have been Completed on that date.

PART 4 - CORPORATE STRUCTURE AND RELATED MATTERS

- 21.
- 21.1
- 21.2

Deleted: Upon receipt of a notice from the Authority under clause 20.3, the Company must immediately attend to any matters stated in the notice as requiring attention and upon the Company attending to ... [49]

22. CONDITIONS RELATING TO COMPANY STRUCTURE

22.1 The following are conditions of this document:

Deleted: Any determination by the Authority that any Relevant Works have been Completed is not acceptance that the Company has complied with the Tran ... [50]

- (a) 31
 - (i) 32
 - (ii) 33
 - (iii) 34
- (aa) 35
- (ab) 36

Deleted: If the Authority does not deliver a notice to the Company under clause 20.3 or a certificate under clause 20.4 within the 10 Business Days period referred to in the ... [51]

Deleted: A certificate of Completion under clause 20 does not excuse the Company from compliance with all relevant legislation in relation to the Relevant Works

Deleted: WARRANTIES OF THE COMPANY

Deleted: The Company makes the Warranties to the Authority as at the date of this document and for each day up to and including the Licensing Date.

Deleted: Each Warranty shall be construed separately and the meaning of each shall in no way be limited by reference to any other representation or warranty contained in t ... [52]

31 Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999
 32 Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999
 33 Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999
 34 Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999
 35 Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

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COMMERCIAL IN CONFIDENCE

18.

- (ac) 37
- (ad) 38
- (b) 39
 - (i) 40
 - (ii) 41
- (c) the Company must obtain the prior written approval of the Authority to any appointment of a director or alternate director of the Company;
- (d) the Company must procure the vacation from office of any director or alternate director of the Company in accordance with any direction to that effect by the Authority;
- (e) the articles of association of the Company must provide at all times for a minimum of 5 directors to be appointed;
- (f) the Company will not knowingly permit a person or, upon becoming aware of a person being entitled, allow a person to continue to be entitled to a number of Shares which exceeds 5% of the total number of Shares on issue at any time, without the prior written approval of the Authority;⁴²

³⁶ Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

³⁷ Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

³⁸ Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

³⁹ Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

⁴⁰ Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

⁴¹ Deleted by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

⁴² Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999. Under the Supplemental Casino Agreement the Authority agrees that it will not regard the Company as breaching clause 22.1(f) of the Casino Agreement or article 2.7 of the Company's constitution if a person becomes entitled to more than 5% of the total number of Shares in the Company solely through that person's shareholding in PBL.

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COMMERCIAL IN CONFIDENCE

19.

- (g) where required by the Authority, the Company must enforce the disposal of Shares of any person in accordance with the procedures for such disposal set out in the articles of association of the Company;
- (h) if so requested by the Authority, the Company must when requested, at any time that it is a company within the meaning of Part 6.8 of the *Corporations Law*, issue notices pursuant to Sections 718 and 719 of the *Corporations Law* in respect of particular Shares;
- (i) except for the issue of partly paid shares in the Company to employees of the Company (not exceeding 5% of the fully diluted total issued capital of the Company), options issued to the Sponsors (not exceeding 15% of the fully diluted total issued capital of the Company) and subject to clause 22.1(m) unsecured debt securities issued in the ordinary course of business of the Company which do not materially increase the total indebtedness of the Company, the Company must not issue any shares of a class other than the Shares or any other security (as defined in section 92 of the *Corporations Law*) without the prior written approval of the Authority;
- (j) the Company must not, without the prior written approval of the Authority, issue or announce the issue of Shares, if such issue would require the approval of holders of Shares under rule 7.1 of the Listing Rules of ASX;⁴³
- (k) the memorandum and articles of association of the Company must not be amended without the prior written approval of the Authority;
- (l) _____
- (m) subject to clause 22.6, the Company must procure that at any time Total Liabilities does not exceed 60% of Total Assets without the prior written approval of the Authority⁴⁴;
- (ma) Total Group Liabilities must not at any time exceed 60% of Total Group Assets without the prior written approval of the Authority⁴⁵;

Deleted: no person may be appointed as auditor of the Company unless that person's appointment has first been approved in writing by the Authority;

⁴³ Amended by clause 2.1(f) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

⁴⁴ Amended by clause 2(c) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998

⁴⁵ Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

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COMMERCIAL IN CONFIDENCE

20.

- (n) the Company must provide to the Authority within 14 days of the end of each month details of all Shares issued by the Company and a list of the top 50 holders of Shares registered at the end of the previous month whenever the Company is listed on a Stock Exchange⁴⁶;
- (o) a director or alternate director of the Company must not gamble in the Temporary Casino or the Melbourne Casino;
- (p) ~~.....~~
- (q) ~~.....~~
- (r) the Holding Company Group, if it pursues anywhere in Australia a business similar to that of the Company, will use its best endeavours to ensure that such business is conducted in a manner:
- (i) which is beneficial both to that business and to the Company and which promotes tourism, employment and economic development generally in the State of Victoria; and
 - (ii) which is not detrimental to the Company's interests; and⁴⁷
- (s) unless the Company, the Holding Company, the State and the Authority agree otherwise, the Company must ensure that the State is at all times the beneficiary and holder of:
- (i) a first ranking unlimited fixed and floating charge over all the assets and undertakings of the Company; or
 - (ii) a first ranking fixed and floating charge, limited to an amount of not less than \$100,000,000.00, over all the assets and undertakings of the Company, together with a letter or letters of credit from banks or financial institutions acceptable to the State, in form and substance acceptable to the State, up to an aggregate amount of not less than \$100,000,000.00 (in addition to any other letter of credit or bank

Deleted: the Company must not carry on or conduct any business other than the businesses contemplated by or authorised under this document and the Casino Licence or any business incidental to or complementary with those businesses except with the prior written approval of the Authority;

Deleted: the Company must not establish or acquire a Subsidiary unless it relates to an incidental or complementary business referred to in paragraph (p) except with the prior written approval of the Authority;

⁴⁶ Amended by clause 2.1(g) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

⁴⁷ Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

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COMMERCIAL IN CONFIDENCE

21.

guarantee which must be provided to the State under the Management Agreement).⁴⁸

- (t) at least 75% of the meetings of the Company's Board of Directors are to be held in Melbourne each year;
- (u) at least 75% of the meetings held by the Company's senior management are to be held in Melbourne each year;
- (v) the Company's Company Secretary is to be located in Melbourne, or if more than one Company Secretary is appointed, at least one Company Secretary is to be located in Melbourne;
- (w) the Chief Executive Officer (CEO) of the Company and those senior executives of the Company who are directly responsible to the CEO are to be located in Melbourne;
- (x) any changes to the composition of the Company's Audit Committee or its Charter must be notified to the Authority within one month of the change taking effect;
- (y) any changes to the composition of the Company's Compliance Committee or its Charter must be notified to the Authority within one month of the change taking effect.

22.2 In clause 22.1, 'Share' or 'Shares' includes, as the context requires, any other class of voting security (as defined in section 92 of the *Corporations Law*) issued by the Company.

22.3 For the purposes of clause 22.1, a reference to a person being entitled to Shares has the same meaning as a reference in Part 6.7 of the *Corporations Law* to a person being entitled to voting shares in a company and that person's entitlement will be calculated in the manner prescribed for calculation of substantial shareholdings in Part 6.7 of the *Corporations Law* as if that Part applied.

22.4

22.5 For the purposes of clause 22.1, 'hold' or 'held' in relation to Shares means that those Shares are beneficially owned, and includes Shares registered in the name of a nominee holding under a bare trust.⁴⁹

⁴⁸ Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

Deleted: For the purpose of paragraphs 22.1(p) and (q), a business is incidental or complementary to the contemplated businesses if a dominant purpose of the business is to operate in support of and in conjunction with the contemplated businesses in order to increase or preserve the revenue of those contemplated businesses.

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COMMERCIAL IN CONFIDENCE

22.

- 22.6 Any approval given by the Authority under clauses 22.1(m) and 22.1(ma) may be given subject to such conditions as the Authority determines.⁵⁰
- 22.7 If at any time there is any change in Australian Accounting Standards or their application and such change will have a material impact on the compliance by the Company with clauses 22.1(m) and 22.1(ma), the Authority agrees to discuss with the Company amendments that may be required to the definitions relevant to clauses 22.1(m) and 22.1(ma) to ensure that the provisions of this document would have the same economic effect had such a change not been made. The Authority is not obliged to agree to any such amendments.⁵¹
- 22.8 For the purpose of monitoring compliance by the Company with clauses 22.1(m) and 22.1(ma), the Company must calculate the ratio of Total Liabilities to Total Assets and the ratio of Total Group Liabilities to Total Group Assets as at the last day of every month ('Calculation Day') and provide to the Authority written details of such calculation within not more than 10 Business Days after the Calculation Day.⁵²
- 22.9 If any ratio calculated under clause 22.8 is greater than 60%, the Company must procure that its auditor provides to the Authority a Solvency Report in respect of the Company and the Holding Company Group addressed to the Authority by not later than the 20th day of the month following Calculation Day.⁵³
- 22.10 If any ratio calculated under clause 22.8 is greater than 60%, the Company may make written submissions to the Authority for consideration by the Authority for the purposes of clause 22.12 in relation to the period within which the Company expects any ratio will not exceed 60% and the financial position of the Company and the Holding Company Group. Any such written submissions must be provided to the

⁴⁹ Amended by clause 2.1(h) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

⁵⁰ Amended by clause 2(d) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998. Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

⁵¹ Amended by clause 2(d) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998. Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

⁵² Amended by clause 2(d) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998. Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

⁵³ Amended by clause 2(d) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998. Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

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COMMERCIAL IN CONFIDENCE

23.

Authority by not later than the 20th day of the month following the Calculation Day.⁵⁴

22.11 For the purposes of clause 22.12, the Authority may by notice in writing to the Company require the Company to provide to the Authority within the period specified in the notice such further information as the Authority requires in relation to a Solvency Report or the financial position of the Company and the Holding Company Group.⁵⁵

22.12 If:

- (a) any ratio calculated under clause 22.8 is greater than 60%;
- (b) the Solvency Report provided under clause 22.9 concludes that there is a reasonable basis for believing that the Company will meet its debts as and when they fall due for the next 12 months;
- (c) the Authority is satisfied that the Company will comply with clauses 22.1(m) and 22.1(ma) within a period acceptable to the Authority;
- (d) the Authority is otherwise satisfied with the financial position of the Company and the Holding Company Group;

the Authority may determine not to issue a notice to the Company under clause 31.2 of this document in respect of the breach of clauses 22.1(m) and 22.1(ma).⁵⁶

23.

24. ATTENDANCE AT COMPANY MEETINGS

24.1 A representative of the Authority is entitled to attend and to speak at any meeting of the Company as though he or she were a shareholder of the Company, but this clause does not confer a right to vote on the Authority or its representative.

Deleted: INSPECTION OF RECORDS
The Company must upon demand make available for inspection by the Authority all records, accounts and information held by or on behalf of the Company and allow the Authority to take copies of or extracts from all such records, accounts and information.

⁵⁴ Amended by clause 2(d) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998. Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

⁵⁵ Amended by clause 2(d) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998. Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

⁵⁶ Amended by clause 2(d) of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998. Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

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COMMERCIAL IN CONFIDENCE

24.

24.2 The Company must deliver to the Authority copies of all notices and circulars that are forwarded to shareholders in the same manner and time frame as if the Authority were a shareholder.

25. DISCLOSURE

25.1 If the Company is admitted to the Official List of the ASX or is listed on any other stock exchange ('Exchange'), the Company must provide to the Authority a copy of:

- (a) all notices or other information provided by or on behalf of the Company to the ASX or Exchange; and
- (b) all notices or other information relating to the Company which are received by the Company from the ASX or Exchange,

on the same date that those notices or other information are provided to the ASX or Exchange or received by the Company.

25.2 The Company must immediately notify the Authority of any information necessary to ensure that the Authority is able to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company.

25.3 Without limiting the generality of clause 25.2, the Company must immediately notify the Authority of any event or circumstance which would be material to the Company having regard to the definition of materiality in Australian Accounting Standard AAS5.

25.4 The Company and any Subsidiary must, within 15 Business Days of the end of each quarter ending on the last day of September, December and March in each year, give to the Authority a quarterly financial report in the form of the report in Schedule Four.

25.5 The Company must provide to the Authority a copy of:

- (a) all notices or other information provided by or on behalf of the Company to the Australian Securities Commission; and
- (b) all notices or other information relating to the Company which are received by the Company from the Australian Securities Commission,

on the same date that those notices or other information are provided to the Australian Securities Commission or received by the Company.

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COMMERCIAL IN CONFIDENCE

25.

PART 5 - GRANT OF THE CASINO LICENCE

26. GRANT OF CASINO LICENCE

26.1 Subject to:

- (a) provision of the Bank Guarantees;
- (b) payment by the Company to the State of:
 - (i) the Premium Payment; and
 - (ii) a further amount of \$190,000,000; and
- (c) payment by the Company of the Casino Supervision and Control Charge due on the Licensing Date,

the Authority will grant the Casino Licence for the Melbourne Casino to the Company on the Licensing Date.

Deleted: the Temporary Casino and

26.2 While the Casino Licence remains in force, the Authority undertakes not to grant a casino licence to any person enabling any person other than the Company to operate a casino:

- (a) anywhere in the State prior to 6 years from the Licensing Date; and
- (b) in those parts of the State within a radius of 150 kilometres from the Site, prior to 12 years from the Licensing Date.

26.3 If after the Melbourne Casino opens for business:

- (a) the Melbourne Casino is Completely Destroyed by an Extension Event prior to the end of the exclusivity period in clause 26.2 (b); and
- (b) in the reasonable opinion of the Authority the Company acts diligently to reinstate the Melbourne Casino,

the period in clause 26.2(b) shall be extended by the Extension Period.

26.4 For the purposes of clause 26.3 and this clause 26.4, the following words or phrases have the following meanings:

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26.

'**Completely Destroyed**' means destruction or damage to the Melbourne Casino or any other Extension Event which causes the complete closure of the Melbourne Casino;

'**Extension Period**' means the lesser of:

- (a) 12 months; and
- (b) the period from the Destruction Date to the date on which the Melbourne Casino reopens for business;

'**Destruction Date**' means the date on which the Melbourne Casino is Completely Destroyed;

'**Extension Event**' means:

- (a) a Force Majeure Event; or
- (b) any other event or circumstance which is outside the control of the Company and has not been directly or indirectly caused by an act or omission of the Company or any of its Associates,

but does not include an event which would not have occurred if the Company had exercised reasonable care and diligence.

26.5 If the Company wishes to apply to the Authority for a further casino licence upon the expiration of the Casino Licence, it may do so in accordance with the following provisions:

- (a) if the Company is not in breach of any material provision of this document or of any other Transaction Document, the Company may at any time during the period commencing on the date being the first day of the fifth last year of the term of the Casino Licence and terminating on the date being the last day of the fifth last year of the term of the Casino Licence give notice in writing to the Authority that the Company wishes to apply for the grant of a new licence to operate a casino in the Melbourne Casino Complex;
- (b) following the giving of the notice under clause 26.5(a), the Authority shall within six months inform the Company of the basis on which the Authority is prepared to grant a new licence to operate a casino in the Melbourne Casino Complex and thereafter the Authority shall negotiate with the Company in good faith with a view to reaching agreement on a basis upon which the Authority is prepared to grant the new licence to the Company;

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COMMERCIAL IN CONFIDENCE

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- (c) the Authority shall have no obligation under this clause 26.5 other than to notify the Company of the basis on which the Authority is prepared to grant a new licence and thereafter to negotiate in good faith with the Company;
- (d) the Company shall have no right or expectation of any nature whatever to the grant of a new casino licence following the expiration of the Casino Licence; and
- (e) if by the first day of the last year of the term of the Casino Licence, agreement has not been reached between the Authority and the Company for the grant of a new casino licence to the Company, the Authority shall be free to grant a new casino licence to any other person with effect from or after the date of expiry of the Casino Licence on such terms and conditions as the Authority in its absolute discretion determines to be appropriate.

27. GAMES

27.1 The Authority will publish a notice pursuant to section 60 of the *Casino Control Act* to enable the conduct and playing in the Melbourne Casino of the following games, which must be conducted or played in accordance with the rules approved by the Authority under that section:

- (a) Blackjack;
- (b) American Roulette;
- (c) Baccarat;
- (d) Mini Baccarat;
- (e) Craps;
- (f) Two-up;
- (g) Mini-Dice;
- (h) Wheel of Fortune;
- (i) Sic-Bo;
- (j) Pai Gow;
- (k) Keno;

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- (l) Poker;
- (m) French Roulette; and
- (n) any other game if approved by the Authority,
- 27.2 The Authority approves for the Melbourne Casino all games which are approved as of the date of this document to be played on a gaming machine by the Victorian Gaming Commission and those games shall be taken to be included in the list in clause 27.1.
- 27.3 The Authority will use its good offices with the State to endeavour to procure that the State will approve:
- (a) the offering of linked jackpots for games conducted in the Melbourne Casino; and
- (b) the joining in the linking of games with other casinos, hotels, clubs and other venues for the purposes of providing linked jackpots on gaming machines or Club Keno.
- 27.4 In approving rules for games under section 60 of the *Casino Control Act* and giving directions under section 61, the Authority shall consult with the Company and shall have regard to the equivalent rules, commercial terms and regulations applicable to other casinos in Australia.

Deleted: , games or derivatives devised or developed by the Company

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28. CASINO OPERATING PRACTICES

The Company must strive to obtain the maximum Gross Gaming Revenue by conducting its operations in the Melbourne Casino as a discrete business operated in Melbourne in a proper and efficient manner having regard to the best operating practices in international casinos of a similar size and nature to the Melbourne Casino.

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PART 6 - ENCUMBRANCES AND ASSIGNMENTS

29. ENCUMBRANCES

29.1 The Company must not create or permit to subsist any Encumbrance over or in relation to any Casino Assets of the Company other than:

(a) _____

Deleted: and Rights

Deleted: Encumbrances solely over any Assets or Rights which are not Casino Assets and where the Encumbrances do not, together, accrue actual or contingent indebtedness exceeding, in the aggregate, \$1,000,000;

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- (b) liens arising solely by operation of law (or by an agreement to the same effect) in the ordinary course of the business of the Company where the amount secured:
 - (i) has been due for less than 30 days; or
 - (i) is being contested in good faith and by appropriate means;
- (c) without limiting paragraph (b), retention of title arrangements, where the amount payable:
 - (i) has been due for less than 30 days; or
 - (ii) is being contested in good faith and by appropriate means;
- (d) the Encumbrances referred to in clause 30; or
- (e) any other Encumbrances created or subsisting with the prior approval in writing of the Authority;

except with the prior approval in writing of the Authority and in compliance with any terms or conditions on which that approval is given.

29.2 Subject to clause 29.3, the Company must not dispose of any Casino Assets of the Company other than pursuant to a Permitted Encumbrance except with the prior approval in writing of the Authority.

Deleted: and Rights

29.3 Clause 29.2 does not apply to a disposal of:

- (a) Casino Assets in the ordinary course of the business of the Company; or
- (b) obsolete or surplus Casino Assets on ordinary commercial terms.

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29.4 In clause 29.2 'dispose' includes:

- (a) a disposition of any estate or interest in any manner including by way of sale, transfer, assignment, lease, letting, licence, surrender or abandonment; and
- (b) entering into an agreement or arrangement to effect a disposition,

whether in either case for valuable consideration or not.

30. PERMITTED ENCUMBRANCES

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- 30.1 The Authority has consented to the creation of Encumbrances by the Company under and in accordance with the securities identified in paragraph (a)⁵⁷ of the definition of Financiers' Securities in the Master Security Agreement⁵⁸.
- 30.2 The ranking as between the Encumbrances referred to in clause 30.1 and the Fixed and Floating Charge and other matters regarding the enforcement of Encumbrances will be regulated by the Master Security Agreement.
- 30.3 The Company must give prompt notice to the Authority of any Lease that the Company proposes to enter into for, or for the financing of:

- (a) any Casino Asset necessary for or incidental to the operation of the Melbourne Casino; or
- (b) any Casino Asset whatever having a value, either separately or when aggregated with the value of other Casino Assets or equipment leased from the same lessor or related bodies corporate of that lessor, exceeding \$1,000,000;

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and before entering into that Lease (or if it has already entered into such Lease, then on request by the Authority) the Company must procure that the lessor of any such equipment or Casino Asset enters into a supplemental agreement with the Authority regulating access to and entitlement to that equipment or asset on terms satisfactory to the Authority.

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PART 7 - TERMINATION

31. TERMINATION OF THIS DOCUMENT

- 31.1 This document will automatically terminate:
- (a) without notice to the Company if the Casino Licence is:
- (i) surrendered; or
- (ii) cancelled; or
- (b) when the Casino Licence expires due to the effluxion of time.

⁵⁷ Amended by clause 3.6 of the Master Security Agreement dated 30 July 1997

⁵⁸ Amended by clause 3.6 of the Master Security Agreement dated 30 July 1997

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31.

Such termination does not affect the ability of either party to enforce a right which may have accrued to it under this document prior to such termination.

31.2 Subject to the Master Security Agreement, it shall be a contravention of a condition of the Casino Licence enabling the Authority to serve a notice on the Company pursuant to section 20(2) of the *Casino Control Act* if any of the following events occurs:

- (a) the Company commits a breach of any provision of this document (other than clauses 32.1 and 32.2), and the Authority has given a notice ('Notice') to the Company detailing the particulars of the breach unless:
 - (i) if the breach is capable of remedy:
 - (A) it is remedied within the cure period allowed in the Notice which shall not be less than 60 days to the reasonable satisfaction of the Authority; or
 - (B) the Company:
 - (i) is diligently pursuing a course of action which could reasonably be expected to remedy the breach in a period of time reasonably acceptable to the Authority; and
 - (ii) is making satisfactory progress with such course of action; or
 - (ii) if the breach to which the Notice refers is not capable of remedy:
 - (A) the Company is complying to the reasonable satisfaction of the Authority with any reasonable requirements of the Authority in relation to the breach or is attending to the reasonable redress of the prejudice arising from the breach, default or event in the manner specified in the Notice; or
 - (B) the payment of damages constitutes in the reasonable opinion of the Authority, as the case may be, proper redress and the required amount of damages is paid within 15 Business Days of the date for payment as specified in the Notice;

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COMMERCIAL IN CONFIDENCE

32.

- (aa) an Event of Default (as described in the Deed of Undertaking and Guarantee) occurs under the Deed of Undertaking and Guarantee;⁵⁹
- (b) any of the following occurs and the Company does not within 10 Business Days of the occurrence of the event establish to the reasonable satisfaction of the Authority that despite the occurrence of the event the Company will be able to perform its obligations under the Transaction Documents:
 - (i) a provisional liquidator or administrator is appointed to the Company;
 - (ii) a Receiver is appointed to any of the Casino Assets;
 - (iii) any Encumbrance becomes enforceable and the holder of the Encumbrance takes possession of any of the Casino Assets; or
 - (iv) a judgment is obtained against the Company and execution or other process of any Court or other authority is issued against or is levied or enforced upon any of the Casino Assets;
- (c) a liquidator is appointed to the Company;
- (d) prior to Completion, the Financiers terminate their obligations under the Facility Agreement, or otherwise permanently refuse to permit any further drawings under the Facility Agreement or the facilities provided or available under the Facility Agreement, and the Company does not within 20 Business Days of the occurrence of the event establish to the reasonable satisfaction of the Authority that despite the occurrence of the event the Company will be able to perform its obligations under the Transaction Documents;
- (e) a Notice of Intention pursuant to the Supplemental Development Agreement is given by the Developer under that agreement and is not withdrawn within 10 Business Days;
- (f) a Notice of Intention pursuant to the Contractor's Deed is given by the Contractor under that deed and is not withdrawn within 10 Business Days;
- (g) except with the prior consent in writing of the Authority the members resolve to wind up the Company;
- (h) the Site Lease is terminated or surrendered;

⁵⁹ Amended by the Eight Variation Agreement to the Casino Agreement effective 30 June 1999

COMMERCIAL IN CONFIDENCE

33.

(i)

(j)

(k)

31.3 The Authority may in its absolute discretion extend any time period referred to in clause 31.2.

31.4 Nothing in clause 31.2 shall prevent the Authority from issuing a notice under section 20(2) of the *Casino Control Act* in order to issue a letter of censure or to impose a fine in accordance with the provisions of the *Casino Control Act*.

31.5 Subject to clause 26 of the Management Agreement, on termination of this document:

- (a) except as otherwise provided by this document all rights of the Company to, in or under this document will cease but without prejudice to the liability of any party in respect of any antecedent breach or default under this document or in respect of any indemnity or other payment obligation under this document;
- (b) all moneys owing or remaining unpaid (and whether actually or contingently) to the Authority will (to the extent not then due) become immediately due and payable and the Company must immediately pay all those moneys to the Authority; and
- (c) except as otherwise provided in this document, neither the Company nor any Sponsor or any other person will have any claim against the Authority with respect to any matter or thing in or arising out of this document and in particular, but without limiting the generality of the preceding paragraphs, the Company will have no claim to the repayment of all or any part of the Licensing Payment Amounts.

31.6 Without limiting the Authority's or the State's rights under the Fixed and Floating Charge or otherwise, in the event of the termination of this document neither the Company nor any other person is permitted (without the prior approval in writing of the Authority) to remove from the Casino Complex or the Site any gaming equipment, equipment, furniture or fittings necessary for or incidental to the operation of the Melbourne Casino or the Temporary Casino, as the case may be, and the Authority is and will be entitled for so long as it deems fit to use all that gaming equipment, equipment, furniture and fittings for the purpose of operating the Melbourne Casino.

Deleted: prior to Completion of the Melbourne Casino any one of the Temporary Casino Leases is terminated (other than by effluxion of time) or surrendered;

Deleted: prior to the subscription by the Founding Shareholders for all the Shares for which they have agreed to subscribe under the Founding Shareholders Agreement, any of the following occurs and the Company does not within 10 Business Days after the Authority has given notice to the Company remedy the event or redress the prejudice arising from the event or establish to the reasonable satisfaction of the Authority that despite the occurrence of the event the Company will be able to perform its obligations under the Transaction Documents:¶
 (i) a Founding Shareholder fails to comply with any obligation to subscribe for Shares in accordance with the provisions of the Founding Shareholders Agreement;¶
 (ii) a Receiver, provisional liquidator, liquidator or administrator is appointed to a Sponsor; or¶
 (iii) except with the prior consent in writing of the Authority the members resolve to wind up a Sponsor; or

Deleted: Shares having an aggregate subscription amount of \$210,000,000 have not been subscribed for by the Licensing Date by persons other than the Founding Shareholders and within 10 Business Days of the Licensing Date the Company has not established to the reasonable satisfaction of the Authority that the Com... [53]

Deleted: or the Temporary Casino Complex or the Temporary Casino Site

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COMMERCIAL IN CONFIDENCE

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- 31.7 The Company irrevocably appoints the Authority and each of its officers and any manager appointed by the Authority under the *Casino Control Act* jointly and severally to be its attorney and in its name and on its behalf to exercise, sign and do all assurances, deeds, instruments, agreements, acts and things which in the opinion of the Authority or such officer, manager are necessary or expedient to give effect to any right, power or remedy conferred under or in relation to any Transaction Document or the *Casino Control Act* or are necessary or expedient that the Company do.
- 31.8 The power of attorney granted under clause 31.7 survives termination of this document but may only be exercised if an event specified in clause 31.2 has occurred and has not been remedied or waived.

PART 8 - COMPLEMENTARY AGREEMENTS

32. COMPLEMENTARY AGREEMENTS

- 32.1 The Company undertakes that it will not, without the prior written consent of the Authority:
- (a) give or recognise any waiver under a Complementary Agreement;
 - (b) amend, supplement or otherwise modify a Complementary Agreement;
 - (c) assign (whether absolutely or by way of security), novate or otherwise transfer its rights or obligations under a Complementary Agreement;
 - (d) give or permit to be created any Encumbrance over its rights under a Complementary Agreement;
 - (e) terminate a Complementary Agreement; or
 - (f) agree to do any of the above,

where to do so would have a material and adverse effect on the Company's ability to operate the Melbourne Casino in accordance with this document.

- 32.2 The Company must comply with all of its obligations under the Complementary Agreements and must use its best endeavours to ensure that the other parties to the Complementary Agreements (other than the State and the Authority) comply with their respective obligations, where a failure to do so in either case would have a material and adverse effect on the ability of the Company to operate the Melbourne Casino in accordance with this document.

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32.3 The Company must comply with all of the obligations under the Company's memorandum and articles of association which are relevant or relate to the provisions in clause 22.

32.4 ⁶⁰

32.5 ⁶¹

32.6 Any agreement entered into by the Company pursuant to clause 32.4 shall be a Complementary Agreement for the purposes of this document.⁶²

32.7 The parties acknowledge that the underwriting agreement dated 23 August 1993 (being one of the agreements referred to in the definition of the Underwriting Agreement in clause 2) shall not be a Complementary Agreement for the purposes of this document.⁶³

32.8 The obligations of the Company under clause 32.4 do not derogate from the obligations of the Company under clause 22.1(m) of this document.⁶⁴

Deleted: The Company undertakes to the Authority that by 31 March 1994 the Company will obtain an enforceable commitment upon terms and from persons approved in advance by the Authority that such persons shall provide to the Company not less than \$50,000,000, whether by way of capital subscription or financial accommodation. Such funds shall be in addition to all funds committed to the Company as of the Licensing Date (whether debt or equity).

Deleted: The approval of the Authority under clause 32.4 shall not be unreasonably withheld.

PART 9 - GENERAL

33. COMPANY RELIES ON OWN JUDGMENT

33.1 Save where a statement, representation or warranty is given in its favour, under this document or any Transaction Document, the Company acknowledges that it is entering into this document in reliance on its own judgment and following review of the Site and the Temporary Casino Site and the business opportunity provided by, among other things, the Casino Licence, and not in reliance on any conduct of or

⁶⁰ Amended by clause 2.1(c) of the Variation Agreement to the Casino Agreement dated 19 November 1993

⁶¹ Amended by clause 2.1(c) of the Variation Agreement to the Casino Agreement dated 19 November 1993

⁶² Amended by clause 2.1(c) of the Variation Agreement to the Casino Agreement dated 19 November 1993

⁶³ Amended by clause 2.1(c) of the Variation Agreement to the Casino Agreement dated 19 November 1993

⁶⁴ Amended by clause 2.1(c) of the Variation Agreement to the Casino Agreement dated 19 November 1993

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36.

statements, warranties or representations made to the Company or to any other person by or on behalf of the Authority or any of its servants, agents or consultants.

- 33.2 Save for any statement, representation or warranty made in the Company's favour under this document or any Transaction Document, the Company acknowledges and agrees that no action lies against the Authority or any of its servants, agents or consultants and that no compensation of any kind is payable to the Company in relation to anything done or purported to be done or not done for the purposes of the establishment or operation of the Temporary Casino, Temporary Casino Complex, Melbourne Casino or Melbourne Casino Complex prior to the execution of this document.
- 33.3 Without limiting the generality of clause 33.2, the Company agrees not to take action or make any claim for compensation, damages, costs or expenses against the Authority or any of its servants, agents or consultants in relation to the condition of the Site or any third party rights in relation to the Site and hereby releases each of those persons from any action or claim whether or not that action or claim is known or foreseeable at the date of this document.
- 33.4 Nothing in this clause 33 limits any liability of Golder Associates Pty Ltd to the Company.

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34. INDEMNITY

- 34.1 The Company indemnifies and will keep indemnified the Authority and its servants, agents and consultants in respect of all actions, claims, demands or costs of third parties arising out of or in connection with any work carried out by or on behalf of the Company pursuant to this document or relating to the Company's operations (including but not limited to the operations of the the Melbourne Casino Complex) or arising out of or in connection with the construction, financing, maintenance or use of the Melbourne Casino Complex except expenses of the Authority which are covered by the Casino Supervision and Control Charge.
- 34.2 The indemnity in clause 34.1 does not apply to the extent that any actions, claims, demands or costs arise as a result of the negligence or wilful default of the Authority.

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35. INSURANCE

35.1 The Company must:

- (a) insure and keep insured all of its Assets and Rights:
- (i) for the risks and amounts set out in Schedule Five;

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(ii) with the interests of the State, the Authority and any Mortgagees noted by endorsement on the policy or if the Authority so directs, in the joint names of the Company and the State and the Authority for their respective rights and interests.

(iii)

(b) on request by the Authority, deliver certificates of currency in respect of those insurance policies;

(c) punctually pay all premiums and sums necessary (including stamp duty) for effecting and keeping current every insurance policy and, if requested by the Authority, hand to the Authority a copy of the receipt for any premium or sum paid.

(d)

(e)

35.1 A In the event the Company is unable to comply with clause 35.1(a) due to the prevailing market conditions in the insurance market, the Company must within 14 days advise the Authority and provide the Authority with details of the alternate insurance, if any, obtained by it.

35.2 The Company must not:

(a) do or allow to be done anything which might cause any policy of insurance to be prejudiced or rendered void, voidable or unenforceable;

(b) without the prior consent in writing of the Authority, cause, or take any steps to bring about, the cancellation of, or a material change or reduction in, the cover provided under any insurance policy; or

(c)

(d) make, enforce, settle or compromise a claim or do anything inconsistent with the powers or interests of the Authority.

35.3 Subject to the Master Security Agreement, all proceeds of insurance received by the Company as a result of any claim must be applied by the Company to rectify, remedy or repair the property involved or loss or damage which gave rise to the claim.

Deleted: ; and

Deleted: with underwriters approved by the Authority and, if through an insurance broker, through an insurance broker approved by the Authority;

Deleted: immediately deliver the insurance policies referred to in paragraph (a) to the Authority (unless the Company is unable to do so under the terms of a Permitted Encumbrance which has priority over the Fixed and Floating Charge, in which case copies will be sufficient) and, on request, deliver certificates of currency in respect of those insurance policies

Deleted: promptly on request.

Deleted: ;

Deleted: immediately after they are effected, deliver to the Authority all variations, alterations and additions to any existing insurance policies and all additional or substitute insurance policies (unless the Company is unable to do so under the terms of a Permitted Encumbrance which has priority over the Fixed and Floating Charge, in which case copies will be sufficient); and

Deleted: immediately after it becomes aware that it has occurred, notify the Authority of any occurrence which gives or might give rise to a claim or right to claim under any insurance policy.

Deleted: effect any insurance in respect of the Assets and Rights other than as specified in clause 35.1; or

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35.4 To the extent of any inconsistency with clause 7.9 of the Crown lease dated 19 November 2003 between the Minister for Finance of the State of Victoria and Crown Casino Limited, the provisions of clause 35 of the Agreement will prevail.

36. CONFIDENTIALITY

36.1 All documents and information provided by one party to another party under this document, other than the Casino Licence, must be kept confidential and not disclosed to any person without the consent of the other party unless:

- (a) the information is in the public domain;
- (b) disclosure is required by law;
- (c) the disclosure is necessary for the purpose of obtaining any consent, authorisation, approval or licence from any government or public body or authority;
- (d) it is necessary or desirable that the disclosure be made to any taxation or fiscal authority;
- (e) the disclosure is made on a confidential basis to the officers, employees or agents of a party or to the professional advisers of a party for the purposes of obtaining professional advice in relation to any Transaction Document or the enforcement of any Transaction Document or otherwise for the purpose of consulting those professional advisers;
- (f) the disclosure is made by the Company on a confidential basis to any actual or prospective financier or agent of a financier to the Company;
- (g) the disclosure is necessary in relation to any procedure for discovery of documents or any proceedings before any court, tribunal or regulatory body; or
- (h) the disclosure is necessary to obtain listing on the Australian Stock Exchange.

36.2 The obligations in clause 36.1 apply after termination of this document.

37. APPROVALS

37.1 The Authority in exercising any right, power, privilege or discretion conferred on it by this document must act having regard to:

- (a) the Authority's objects as set out in Section 140 of the *Casino Control Act*; and

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39.

- (b) the rights, powers, privileges and discretions conferred and the duties and obligations imposed on the Authority under the *Casino Control Act*.
- 37.2 Unless otherwise stated in this document, if the Company makes a written request for an approval or consent from the Authority under this document and the Authority has not responded in writing within the time specified below from receipt by the Authority of that written request, then the Authority will be taken to have given that approval or consent:
- (a) Clauses 22.1 (c), (f), (i), (j), (k), (l), (m), (p) and (q) - 20 Business Days;
 - (b) Clause 29.1 and 29.2 - 10 Business Days;
 - (c) Clause 31.6 - 20 Business Days;
 - (d) Clauses 32.1 and 32.4⁶⁵ - 10 Business Days;
 - (e) Clause 35.1(a) - 10 Business Days;
 - (f) Clause 36.1 - 10 Business Days;
 - (g) Clause 43 - 20 Business Days.
- 37.3 Nothing in this clause 37 shall fetter the powers, rights or obligations imposed or conferred on the Authority under any Act or regulation.

38. DAY OF PAYMENT

If any day for the payment of money under this document falls on a day which is not a Business Day, the payment will be due on the next day which is a Business Day.

39. NOTICES

- 39.1 A notice or approval required or to be given under this document must be:
- (a) in writing;
 - (b) delivered by hand or served by prepaid post or facsimile to the recipient at its address or facsimile number appearing in this clause or such other address or facsimile number as the recipient may have notified to the other party:

⁶⁵ Amended by clause 2.1(d) of the Variation Agreement to the Casino Agreement dated 19 November 1993

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40.

(i) in the case of the Authority:

Chairman
 Victorian Casino and Gaming Authority
 Level 5, 35 Spring Street
 MELBOURNE VIC 3000;
 Facsimile: [REDACTED]

Deleted: Control
 Deleted: 27, 459 Collins Street
 Deleted: 621 1803

(ii) in the case of the Company:

Chief Executive Officer
 Crown Ltd.
 8 Whiteman Street
 Southbank VIC 3006
 Facsimile: [REDACTED]

Deleted: Lloyd J Williams
 Deleted: Casino
 Deleted: 311 Glenferrie Road
 Deleted: MALVERN
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39.2 A notice or approval given in accordance with clause 39.1 is taken to be received:

- (a) if hand delivered, on the day of delivery if delivered before 4.00 pm on a Business Day and otherwise on the Business Day next following;
- (b) if sent by prepaid post, 3 days after the date of posting; or
- (c) if sent by facsimile, on the day on which the message confirmation is received if received before 4.00 pm on a Business Day and otherwise on the Business Day next following.

39.3 The provisions of clause 39 are in addition to any other mode of service permitted by law.

40. COSTS AND STAMP DUTY

40.1 Each party must pay its own costs of preparing and executing this document.

40.2 The Company must pay all stamp duty on this document and on any document executed to give effect to this document.

41. NO WAIVER

A failure of a party at any time to require full or part performance of any obligations under this document will not affect in any way the rights of that party to require that performance subsequently.

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41.

42. GOVERNING LAW

- 42.1 This document is governed by the laws applying in Victoria.
- 42.2 Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and courts entitled to the appeals from those courts.

43. ASSIGNMENT

- 43.1 The Company must not assign or attempt to assign or otherwise deal with this document or any right under this document without the prior written approval of the Authority other than pursuant to a Permitted Encumbrance.
- 43.2 The Authority may assign, transfer or dispose of its rights under this document or any other Transaction Document:
- (a) to the State or to any department or agency of the government of the State or statutory authority or corporation which has taken over the objects and functions of the Authority under the *Casino Control Act*; or
 - (b) with the approval in writing of the Company to any other person, such approval not to be unreasonably withheld;

provided that the assignee enters into an agreement with the Company agreeing to be bound by the provisions of this document and each other Transaction Document to which the Authority is a party.

44. FURTHER ASSURANCES

Each party must do or cause to be done anything necessary or desirable to give effect to this document, and will refrain from doing anything which might prevent full effect being given to this document.

45. COUNTERPARTS

- 45.1 This document may be executed in any number of counterparts.
- 45.2 All counterparts taken together will be deemed to constitute the one document.

46. SEVERABILITY

- 46.1 The parties agree that a construction of this document which results in all provisions being enforceable is to be preferred to a construction which does not so result.

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- 46.2 If, despite the application of clause 46.1, a provision of this document is illegal or unenforceable:
- (a) if the provision would not be illegal or unenforceable if a word or words were omitted, that word or those words are severed; and
 - (b) in any other case, the whole provision is severed,
- and the remainder of this document continues to have full force and effect.
- 46.3 Clause 46.2 does not apply where its application alters the basic nature of this document or is contrary to public policy.

47. INTERPRETATION

- 47.1 In this document, unless the context otherwise requires or the contrary intention appears:
- (a) the singular includes the plural and vice versa and words importing a gender include other genders;
 - (b) terms importing natural persons include partnerships, bodies corporate, associations, governments and governmental and local authorities and agencies;
 - (c) a reference to any legislation, statutory instrument or regulation is construed in accordance with the *Acts Interpretation Act 1901* (Cth) or the equivalent State legislation, as applicable, and includes any re-enactment or amendment to that legislation, statutory instrument or regulation;
 - (d) other grammatical forms of defined words or phrases have corresponding meanings;
 - (e) a reference to a clause, paragraph, schedule or annexure is a reference to a clause or paragraph of or schedule or annexure to this document and a reference to this document includes any schedules and annexures;
 - (f) where a party comprises two or more persons the provisions of this document binding that party bind those persons jointly and severally;
 - (g) terms defined in the *Corporations Law* as at the date of this document have the meanings given to them in the *Corporations Law* at that date;
 - (h) 'party' means a party to this document;

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- (i) a reference to a party to this document or any other document or agreement includes its successors and permitted assigns;
 - (j) a reference to a document or agreement, including this document, includes a reference to that document or agreement as novated, altered or replaced from time to time;
 - (k) a reference to '\$A', 'dollar', 'AUD' or '\$' is a reference to Australian currency;
 - (l) a reference to writing includes typewriting, printing, lithography, photography and any other method of representing or reproducing words, figures or symbols in a permanent and visible form; and
 - (m) a reference to a specific time for the performance of an obligation is a reference to that time in the State;
- 47.2 In this document headings are for ease of reference only and do not affect the construction of this document.
- 47.3 The Authority is providing the undertaking in clauses 26.2 and 26.3 with the approval of the Minister in accordance with section 14 of the *Casino Control Act*.
- 47.4 The Authority in entering into this document does so on behalf of the State pursuant to the authority granted to the Authority under section 142 of the *Casino Control Act*.
- 47.5 If any ambiguity, inconsistency or conflict exists or arises between this document and the Master Security Agreement, the provisions of the Master Security Agreement take precedence and apply to resolve that ambiguity, inconsistency or conflict.
- 47.6 The Company and the Authority acknowledge that, except as expressly provided for in this document:
- (a) nothing contained in or implied by this document prejudices or affects, or is intended in any way to impose any obligation or restriction on the Authority which conflicts with the obligations and duties of, and restrictions on, the Authority under the Relevant Legislation; and
 - (b) if there is any conflict between the provisions of this document or of any Transaction Document and the provisions of the Relevant Legislation, the provisions of the Relevant Legislation prevail.

48. GENERAL OBLIGATIONS

48.1 The Company must:

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- (a) maintain its corporate existence;
- (b) comply with all laws applicable to the matters arising under this document from time to time in force including, without limitation, the *Gaming Machine Control Act*, and all mandatory requirements of any Public Authority;
- (c) obtain and renew at the proper times and maintain all Authorisations required:
 - (i) for the Company to perform its obligations under this document;
 - (ii) for the Company to perform its obligations under each Transaction Document; and
 - (iii) to allow this document and each Transaction Document to be enforced against it;
- (d) obtain and renew at the proper times and maintain all licences and other Authorisations required or advisable or relied on for or in connection with the carrying on of the Company's business;
- (e) comply with the terms and conditions of each Lease to which it is a party where a failure to do so would have a material adverse effect on the Casino Assets or the operation of the Melbourne Casino;
- (f) comply with its payment obligations under any agreement for the purchase of property where a failure to do so would have a material adverse effect on the Casino Assets or the operation of the Melbourne Casino; and
- (g) protect the Casino Assets and at the Company's expense prosecute or defend all legal proceedings that are, or the defence of which is, necessary or advisable for the protection of the Casino Assets to the extent appropriate in accordance with prudent business practice; and
- (h) carry out all work reasonably and properly required by any Public Authority in relation to the Assets and Rights where a failure to do so would have a material adverse effect on the Casino Assets or the operation of the Melbourne Casino or the Temporary Casino.

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48.2 The Company must not, without the prior consent in writing of the State:

- (a) Deal with or Dispose of any of the Casino Assets other than by way of maintenance, repair or replacement;

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- (b) Deal with or Dispose of any of the Casino Assets other than in the ordinary course of the Company's business;
- (c) execute, create or permit to subsist any Encumbrance over or affecting the Casino Assets other than a Permitted Encumbrance;
- (d) pull down, alter, extend or remove any building, improvement or fixture forming part of the Casino Assets where to do so would materially adversely affect the Casino Assets or the operation of the Melbourne Casino or the Temporary Casino;
- (e) take on or under a Lease, or acquire for consideration, any Casino Asset other than in the ordinary course of the Company's business;
- (f) declare or pay a dividend if a demand has been properly made on the Company under this document or any Transaction Document and has not been satisfied in full; or
- (g) do anything or allow anything to be done in derogation of the rights of the Authority or any other party under any Transaction Document;

except to the extent permitted by clause 29.

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**SCHEDULE ONE
CASINO CONTROL ACT 1991 (VIC)
CASINO LICENCE**

VICTORIAN CASINO CONTROL AUTHORITY ('Authority') under Part 2 of the *Casino Control Act 1991 (Vic)* ('*Casino Control Act*') grants to **CROWN CASINO LTD ACN 006 973 262** with its registered office at Hudson Conway House, 311 Glenferrie Road, Malvern, Victoria ('Company') the right to conduct and play games and use gaming equipment in the Casino subject to the provisions of the *Casino Control Act* and the conditions set out in this licence.

CONDITIONS

1. Commencement

This licence comes into force on *19 November 1993*

2. Duration

This licence ceases to have effect on *18 November 2033*, unless sooner cancelled or surrendered under the *Casino Control Act*.

3. Location and Boundaries - Temporary Casino

3.1 The Temporary Casino must be located within the Temporary Casino Complex.

3.2 The boundaries of the Temporary Casino will be the boundaries of the Temporary Casino Complex or such other boundaries approved by the Authority.

4. Location and Boundaries - Melbourne Casino

4.1 The Melbourne Casino must be located within the Site.

4.2 The boundaries of the Melbourne Casino will be the same as the boundaries of the Site for the period from the grant of this licence until the earlier of:

(a) the repeal of paragraph (b) of the definition of Melbourne Casino site in section 128A(1) of the *Casino Control Act*; and

(b) Completion of the Melbourne Casino Complex.

4.3 The boundaries of the Melbourne Casino following the first to occur of either of the events referred to in paragraphs (a) and (b) of clause 4.2 will be:

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(a) the boundaries of the shaded areas in drawing Nos. SK105 and SK106 dated 17.11.93 and entitled Casino Gaming Areas RL 2.4 and RL 5.7 respectively as prepared by Bates Smart McCutcheon, Perrott Lyon Mathieson and Daryl Jackson Pty Ltd and attached to this licence; or

(b) such other boundaries approved by the Authority.

5. Conducting Temporary Casino

The Company must not conduct or play or authorise the conduct or playing of a game or the use of any gaming equipment in the Temporary Casino or open the Temporary Casino to the public for business or otherwise:

(a) until the Temporary Casino has been Completed in accordance with the provisions of the Management Agreement; nor

(b) after the Melbourne Casino is opened to the public.

6. Conducting Melbourne Casino

The Company must not conduct or play or authorise the conduct or playing of a game or the use of any gaming equipment in the Melbourne Casino or open the Melbourne Casino to the public for business or otherwise until the Melbourne Casino has been completed in accordance with the provisions of the Management Agreement.

7. Gaming Equipment - Temporary Casino

The Temporary Casino:

(a) must have not more than 200 gaming tables in operation while the Temporary Casino is open for business; and

(b) must have not more than 1300 gaming machines in operation while the Temporary Casino is open for business.

8. Gaming Equipment - Melbourne Casino

The Melbourne Casino:

(a) must have not less than 150 gaming tables and not more than 350 gaming tables in operation while the Melbourne Casino is open for business; and

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- (b) must have not more than 2,500 gaming machines in operation while the Melbourne Casino is open for business.

9. Mortgage etc of Casino Licence

The Company must not:

- (a) mortgage, charge or otherwise encumber this licence; or
 (b) transfer, assign or otherwise deal with this licence,

except in accordance with the terms and conditions of the Casino Agreement and the Master Security Agreement.

10. Amendment of Licence Conditions

Notwithstanding sections 16 and 17 of the *Casino Control Act*, the Authority will not amend the conditions of this licence without the prior written approval of the Company except as disciplinary action under section 20 of the *Casino Control Act*.

11. Breach of Licence

Clause 31.2 of the Casino Agreement and clause 25.2 of the Management Agreement set out events the occurrence of which constitute a contravention of this licence and which, subject to those clauses and the Master Security Agreement, enable the Authority to cancel, suspend or vary the terms of this licence pursuant to section 20 of the *Casino Control Act*.

12. Definitions and Interpretation

- 12.1 In these conditions, unless the context otherwise requires or the contrary intention appears, terms defined in the *Casino Control Act* have the same meanings and the following terms have the meanings indicated if they start with a capital letter:

'Ancillary Facilities' means all facilities ancillary to the Temporary Casino or the Melbourne Casino (as the case may be) identified in the Temporary Casino Complex Development Proposals or the Melbourne Casino Complex Development Proposals (as the case may be) to be constructed on or located within the Temporary Casino Site or the Site, including a hotel, restaurant, retail, recreation, entertainment and car parking facilities, residential and office accommodation, staff facilities, staff car parking, coach storage facilities and open space areas;

'Casino' means either the Temporary Casino or the Melbourne Casino, as the case may be;

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'Casino Agreement' means the agreement dated 21 September 1993 between the Authority and the Company;

'Completed' has the same meaning as in the Management Agreement;

'Drawings' means the plans, designs and working drawings relating to the Temporary Casino Complex or the Melbourne Casino Complex (as the case may be) provided by the Company to the Authority and described in Schedule Two of the Management Agreement;

'Management Agreement' means the agreement dated 20 September 1993 between the Minister, acting for and on behalf of the State, and the Company pursuant to section 15 of the *Casino Control Act*;

'Master Security Agreement' means the agreement dated 21 September 1993 between the State, the Authority, the Company, National Australia Bank Limited as agent for the financiers to the Company and the Sponsors;

'Melbourne Casino' means those areas within the boundaries described in clauses 4.2 or 4.3 (as the case may be) and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

'Melbourne Casino Complex' means the Melbourne Casino and Ancillary Facilities to be constructed on or located within the Site in accordance with the provisions of the Management Agreement and Casino Agreement;

'Melbourne Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Melbourne Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;

'Minister' means the Minister for the time being administering the *Casino Control Act*;

'Second Deed of Variation to the Management Agreement' means the second agreement to be entered into between the Minister on behalf of the State and the Company which varies the Management Agreement in a manner mutually agreed upon by those parties.

'Site' means the land described in plan numbered C.P. 112471A lodged in the Central Plan Office, Survey and Mapping, Victoria, being a plan of survey signed by the Surveyor-General;

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'State' means the State of Victoria;

'Temporary Casino' means those areas within the boundaries described in clause 3.2 and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

'Temporary Casino Complex' means the Temporary Casino and Ancillary Facilities to be constructed on or located within the Temporary Casino Site in accordance with the provisions of the Management Agreement and the Casino Agreement;

'Temporary Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Temporary Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification; and

'Temporary Casino Site' has the same meaning as in the Management Agreement.

12.2 In this licence, unless the context otherwise requires or the contrary intention appears:

- (a) a reference in this licence to a party to an agreement or document includes the party's successors and permitted substitutes or assigns;
- (b) a reference in this licence to an agreement or document is to the agreement or document as amended, novated, supplemented or replaced from time to time; and
- (c) a reference in this licence to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

DATED 19 November 1993

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51.

THE COMMON SEAL of)
VICTORIAN CASINO CONTROL)
AUTHORITY was affixed in)
accordance with the direction of the)
Members pursuant to a resolution)
dated 1993.)

.....
Chairman

.....
Chief Executive Officer

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**SCHEDULE TWO
COMPLEMENTARY AGREEMENTS**

- the Founding Shareholders' Agreement;
- the Development Agreement;
- the Construction Agreement;
- the Finance Documents;
- the Operations Agreement;
- the Underwriting Agreement;
- the Guarantee and Indemnity for Development Agreement;
- the Note Agreement;⁶⁶
- the Trust Deed⁶⁷.
- the Note Agreement (Series 2); and⁶⁸
- the Trust Deed (Series 2)⁶⁹.

⁶⁶ Amended by clause 2(b) of the Fourth Variation Agreement to the Casino Agreement dated 7 March 1995

⁶⁷ Amended by clause 2(b) of the Fourth Variation Agreement to the Casino Agreement dated 7 March 1995

⁶⁸ Amended by clause 2.1(i) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

⁶⁹ Amended by clause 2.1(i) of the Sixth Variation Agreement to the Casino Agreement dated 8 May 1997

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SCHEDULE THREE**WARRANTIES OF THE COMPANY**

1. The Company has been duly incorporated and is validly existing under the laws of its jurisdiction of incorporation, with full power and authority to enter into this document and perform its obligations under this document.
2. This document has been duly authorised, executed and delivered by the Company and constitutes (except to the extent limited by equitable principles, laws relating to penalties and laws affecting creditors' rights generally) a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, and no other proceedings on the part of the Company are necessary to authorise this document and the completion of the transactions contemplated under this document.
3. The execution and delivery by the Company of this document and the performance by the Company of its obligations under this document in accordance with its terms do not:
 - (a) conflict with the constitution or by-laws of the Company;
 - (b) constitute a violation of or default under any agreements or arrangements to which the Company is a party;
 - (c) except as provided in this document, cause the creation of any Encumbrance upon any of the property of the Company; or
 - (d) contravene any law.
4. A Receiver has not been appointed to the whole or any part of the assets or undertaking of the Company or any Related Party and no such appointment has been threatened or is envisaged by the Company.
5. Neither the Company nor any Related Party is in liquidation or administration and no order, petition, application, proceedings, meeting or resolution has been made, presented, brought, called or passed for the purposes of liquidating the Company or any Related Party or placing the Company or any Related Party under or in administration.
6. Neither the Company nor any Related Party is insolvent within the meaning of section 95A of the *Corporations Law* or otherwise and there is no unfulfilled or

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unsatisfied judgment or court order outstanding against the Company or any Related Party.

7. As at 16 August, 1993 the unaudited accounts of the Company for the period to 30 June 1993 have been prepared in accordance with Australian Accounting Standards to give a true and fair view of the state of affairs of the Company as at that date and as at the Licensing Date the audited accounts of the Company for the period to 30 June 1993 have been prepared in accordance with Australian Accounting Standards to give a true and fair view of the state of affairs of the Company as at that date.
8. All information provided in writing by or on behalf of the Company to the Authority was when given in all material respects true and accurate and not misleading by omission.
9. As at the Licensing Date, the Company will have an issued capital of at least \$350,000,000 comprising 350,000,000 fully paid Shares issued as follows:

Sponsors and Founding Shareholders	140,000,000
Institutional Equity	<u>210,000,000</u>
	350,000,000
10. Hudson Conway Limited ACN 009 556 629 and CUB have given notice to the Treasurer of their proposed interest in the Company in accordance with the provisions of the *Foreign Acquisitions and Takeovers Act 1975 (C'th)* and the Treasurer has informed them that there are no objections to Hudson Conway Limited and CUB acquiring a substantial shareholding in the Company.

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**SCHEDULE FOUR
QUARTERLY REPORT TO AUTHORITY**

The quarterly report to the Authority will consist of the following items:

- profit and loss account and cashflow statements comparing budget against actual for the year to date
- balance sheet at the last days of March, September and December
- budgeted profit and loss and cashflow statements to end of current financial year.

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**SCHEDULE FIVE
INSURANCES**

1. Industrial Special Risk - Replacement value of operating facilities
2. Public & Products Liability for a minimum \$120,000,000 any one occurrence
3. Directors and Officers' Liability/Company Reimbursement for a minimum \$5,000,000 all claims
4. Workers Compensation "WorkCover" - As provided by the Act
5. Motor Vehicle Comprehensive for market value of the insured vehicle and Third Party property Damage for a minimum \$10,000,000 any one occurrence
6. Motor Vehicle Compulsory Third Party (Personal Injury) - as provided by the Act

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EXECUTED as an agreement.

THE COMMON SEAL of VICTORIAN CASINO
CONTROL AUTHORITY is affixed in accordance with)
the directions of the Members pursuant to a resolution)
dated 5 September 1993)

Common Seal

D Richards (signed)

P J Connolly (signed)

.....
Chairman

.....
Chief Executive Officer

THE COMMON SEAL of CROWN CASINO LTD is)
affixed in accordance with its articles of association in the)
presence of:)

Common Seal

Peter Jonson (signed)

B J Hamilton (signed)

.....
Signature of Director

.....
Signature of Director

PETER JONSON
Name of Director
(please print)

BARRY J HAMILTON
Name of Director
(please print)

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SCHEDULE

(Attached to Seventh Variation Agreement to the Casino Agreement)

SOLVENCY REPORT⁷⁰

To: Victorian Casino and Gaming Authority

Purpose of report

This report is prepared for the purposes of clause 22.9 of the Casino Agreement between Crown Limited and the Victorian Casino and Gaming Authority, Crown Limited being required by clause 22.9 of that agreement to procure this report on account of it being in breach of clause 22.1(m) of the agreement. We have a copy of the Casino Agreement and are aware of its contents.

Calculation date

The calculation date for the preparation of this report is [*relevant calculation date*], on which date the debt/equity ratio for the purposes of clause 22.1(m) of the Casino Agreement was [*state ratio*]%.

[If the report is to be submitted later than the 20th day after the relevant calculation date, here insert an explanation for the delay and whether the party giving the report confirms the stated ratio as at the calculation date.]

Scope

[Here state the scope of the report, including any relevant Australian Auditing Standards relied upon, any disclaimers, etc. Also state whether or not the party giving the report is the external auditor of Crown Limited.]

1. We obtained [*audited unaudited accounts etc*] for [*period*] and performed the procedures [*detail procedures or incorporate by reference*].
2. We assessed the solvency of Crown Limited by [*state what was done*].

⁷⁰ (Approved by the Authority - clause 3 of the Seventh Variation Agreement to the Casino Agreement dated 2 July 1998)

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3. *[Here state what was looked for.]*
4. *[Here state to what extent (if any) the accounts have been audited and whether an audit has been performed on the solvency of Crown.]*

Findings

We report that *[for each thing done under paragraph 2 of the Scope, state whether there was improvement or deterioration etc].*

Opinion

For the purposes of this report, within its scope and pursuant to its findings, we *[confirm or are unable to confirm]* that nothing has come to our attention that causes us to believe that Crown Limited is not or will not be able to meet its debts as and when they fall due in the period of 12 months from the calculation date. We therefore confirm that there *[is/is not]* a reasonable basis for believing that Crown Limited will meet its debts as and when they fall due in that 12 month period.

[Signed]

Chartered Accountants

[Date]

NOTE ON DISCLAIMERS

The only disclaimer which is not acceptable is one which seeks to fetter the Authority in the way it deals with the report (such as one which states that the report is not to be distributed to any other party).

However, the context in which the report is provided is one of a regulator seeking to be satisfied with the financial position of a regulated entity. The more highly qualified or heavily disclaimed the report is, the less assistance it will provide to that end.

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