

Maddock Lonie & Chisholm

LAWYERS

DATED

27th May

1999

VICTORIAN CASINO AND GAMING AUTHORITY

- and -

CROWN LIMITED

MELBOURNE CASINO PROJECT

EIGHTH VARIATION AGREEMENT
TO THE CASINO AGREEMENT

A MEMBER OF
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MELBOURNE CASINO PROJECT
EIGHTH VARIATION AGREEMENT TO THE CASINO AGREEMENT

THIS AGREEMENT is made on 27th May 1999

BETWEEN

VICTORIAN CASINO AND GAMING AUTHORITY
a statutory authority established under the *Gaming and Betting Act 1994*
with its office at Level 5, 35 Spring Street, Melbourne

("Authority")

AND

CROWN LIMITED ACN 006 973 262
of Level 1, 99 Queensbridge Street, South Melbourne

("Company")

RECITALS

- A. The Authority and the Company entered into an agreement dated 21 September 1993 providing, among other things for the grant of the Casino Licence to the Company ("Casino Agreement").
- B. The Casino Agreement has been varied by the Master Security Agreement dated 30 July 1997 and by variation agreements dated 19 November 1993, 31 March 1994, 25 May 1994, 7 March 1995(2), 8 May 1997 and 2 July 1998.
- C. The parties have agreed to amend the Casino Agreement in the manner set out in this document.

THE PARTIES AGREE

1. DEFINITIONS

Unless the context otherwise requires or the contrary intention appears, terms defined in the *Casino Control Act 1991* or the Casino Agreement have the same meaning when used in this document.

2. CONDITIONS PRECEDENT

2.1 Conditions

This document has no force or effect unless and until:

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- 2.1.1 the Minister has given his approval to the Authority entering into this document under section 142 of the *Casino Control Act* and in accordance with clause 4 of the Casino Agreement;
- 2.1.2 the Authority is satisfied that Publishing and Broadcasting Limited ACN 009 071 167 is a suitable person to be associated with the management of the Melbourne Casino, for the purposes of sections 28 and 28A of the *Casino Control Act*; and
- 2.1.3 PBL acquires all the Shares in the Company.

2.2 Notification

The Authority must notify the Company within five Business Days of the conditions precedent set out in clause 2.1 being satisfied.

3. VARIATION OF CASINO AGREEMENT

The parties agree that the Casino Agreement is varied with effect from the date of this document in the following manner:

3.1 New Definitions

- 3.1.1 Insert the following definitions in clause 2 in their appropriate alphabetical order:

"Deed of Undertaking and Guarantee" means the agreement under which, amongst other things, the Holding Company and other related companies guarantee to the Authority and the State, the due and punctual performance of certain obligations owed by members of the Group to the Authority and the State;

"Holding Company" 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" 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*;

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“Supplemental Casino Agreement” 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;

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

“Total Group Liabilities” 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.

3.1.2 In the definition of “Transaction Document” in clause 2:

(a) replace the word “and” on the second last line with a comma; and

(b) after the last word, but before the semi-colon, insert “, the Deed of Undertaking and Guarantee and the Supplemental Casino Agreement”.

3.2 Provisions relating to Hudson Conway and CUB

Delete the following clauses:

3.2.1 clause 22.1(a);

3.2.2 clause 22.1(aa);

3.2.3 clause 22.1(ab);

3.2.4 clause 22.1(ac);

3.2.5 clause 22.1(ad); and

3.2.6 clause 22.1(b).

3.3 Provision relating to Founding Shareholder

Delete clause 22.1(f) and substitute with the following:

“(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;”.

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3.4 Provision relating to Gearing Ratio

3.4.1 Insert the following as clause 22.1(ma):

“(ma) Total Group Liabilities must not at any time exceed 60% of Total Group Assets without the prior written approval of the Authority;”.

3.4.2 In clause 22.6, replace the words “clause 22.1(m)” on the first line with “clauses 22.1(m) and 22.1(ma)”.

3.4.3 In clause 22.7, replace the words “clause 22.1(m)” wherever they appear in that clause with “clauses 22.1(m) and 22.1(ma)”.

3.4.4 In clause 22.8:

(a) replace the words “clause 22.1(m)” on the second line with “clauses 22.1(m) and 22.1(ma)”; and

(b) after the words “Total Assets”, insert “and the ratio of Total Group Liabilities to Total Group Assets”.

3.4.5 In clause 22.9:

(a) replace the words “the ratio” on the first line with “any ratio”; and

(b) after the words “in respect of the Company”, insert “and the Holding Company Group”.

3.4.6 In clause 22.10:

(a) replace the words “the ratio” wherever they appear in that clause with “any ratio”; and

(b) replace the words “the Group” wherever they appear in that clause with “the Holding Company Group”.

3.4.7 In clause 22.11, replace the words “the Group” on the last line with “the Holding Company Group”.

3.4.8 In clause 22.12:

(a) in paragraph (a), replace the words “the ratio” with “any ratio”;

(b) replace the words “clause 22.1(m)” wherever they appear in that clause with “clauses 22.1(m) and 22.1(ma)”; and

(c) in paragraph (d), replace the words “the Group” with “the Holding Company Group”.

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3.5 Provisions relating to Sole Purpose Covenant

3.5.1 In clause 22.1(p), delete the word "and" on the last line.

3.5.2 In clause 22.1(q), replace the full stop on the last line with a semi-colon.

3.5.3 Insert the following as clause 22.1(r):

"(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; and".

3.6 Provision relating to Letter of Credit

Insert the following as clause 22.1(s):

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

3.7 Provision relating to breach of Deed of Undertaking and Guarantee

Insert the following as clause 31.2(aa):

"(aa) an Event of Default (as described in the Deed of Undertaking and Guarantee) occurs under the Deed of Undertaking and Guarantee;"

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4. CONFIRMATION OF OTHER TERMS

The parties acknowledge and confirm that except as expressly varied by this document, the terms and conditions of the Casino Agreement remain in full force and effect.

5. GENERAL PROVISIONS

Clauses 36 and 40 to 47 (inclusive) of the Casino Agreement apply to this document as if expressly included in this document.

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EXECUTED by the parties as a deed.

THE OFFICIAL SEAL of VICTORIAN CASINO AND GAMING AUTHORITY is hereto affixed in accordance with the directions of the Authority in the presence of;

Sue Winneke

Chairman

SUE WINNEKE

Full name

Bill Lahey

Director of Gaming and Betting

WILLIAM JOHN LAHEY

Full name

THE COMMON SEAL of CROWN LIMITED ACN 006 973 262 was affixed in the presence of authorised persons;



[Signature]

Director

LLOYD WILLIAMS

Full name

8 WHITEMAN ST, SOUTH BANK...

Usual address

[Signature]

~~Director~~ SECRETARY

PETER KONEC

Full name

8 WHITEMAN ST SOUTH BANK

Usual address