

MINTER ELLISON

LAWYERS

40 MARKET STREET
MELBOURNE VICTORIAPOSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666**FACSIMILE**

DATE	7 May 1997
TO	Ms Sarah Harvey Victorian Casino and Gaming Authority Facsimile number 9651 3777
FROM	Nick Broome Minter Ellison, Melbourne Our reference NCB 1046899
SUBJECT	Sixth Variation Agreement

Dear Sarah

Attached is a copy of the letter from Hudson Conway.

Kind regards


 Nick Broome
NOTE

If you do not receive 2 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

M_MATTER259812_1

07/05 '97 WED 11:13 FAX 61 3 9685 4350

CROWN CORPORATE

VCGA**HUDSON CONWAY LIMITED**
A.C.N. 009 556 629TELEPHONE:
(03) 9693 1000FACSIMILE:
(03) 9693 1010

1 May 1997

The Chairman
Victorian Casino & Gaming Authority
Level 5
35 Spring Street
MELBOURNE VIC 3000

Dear Sir

On behalf of Hudson Conway Limited, I acknowledge the amendments made to Clause 22.1 of the Casino Agreement in so far as they affect Hudson Conway Limited.

Yours faithfully
HUDSON CONWAY LIMITED


DANNY V. AGNOLETTO
Company Secretary

LEVEL 1, 99 QUEENSBIDGE STREET, SOUTHBANK, VICTORIA, 3006, AUSTRALIA

PRIVATE BAG 86, SOUTH MELBOURNE, 3205



National Australia Bank Limited
A.C.N. 004044937

Agency
Corporate Finance &
Capital Markets

271 Collins Street
Melbourne

FAX HEADER SHEET

Telephone (03) 9659 6756
Facsimile (03) 9659 6927

To : **Mr Alan Rowe**
Company/Department: Victorian Casino and Gaming Authority
Facsimile Number : (03) 9651 3777

Postal Address
GPO Box 1451N
Melbourne
Victoria 3001
Australia

Date : 6 May, 1997

From : Brad Upton

Total Pages (including Header) : Two

*copy given to
Bill B.*

MESSAGE:

6/5

CROWN LIMITED

Refer attached.

~~Syria~~
*What needs to happen now?
Bill
7/5/97*

~~Syria~~
Sew thanks.

*Please have attached to
file Thanks.*

Bill

*Bill
No time
This*

*16/5/97
Robert
1st casino agreement
file
Please file
has Bill B done so - if*

*Further. We were awaiting
your consent before the deed.
The amendments to the deed now
have effect. The deed now
proposes an updated casino agreement
document. Syria 15/5*

so, pls return to me - 86 19/5/97

This message is intended solely for the use of the individual or entity named and may contain information that is confidential and privileged. If you are not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and destroy the original message. Thank you



National Australia Bank Limited
A.C.N. 004044937

Agency
Corporate Finance &
Capital Markets

271 Collins Street
Melbourne

Telephone (03) 9659 6756
Facsimile (03) 9659 6927

Postal Address
GPO Box 1451N
Melbourne
Victoria 3001
Australia

TO: Crown Limited
1/99 Queensbridge Street
Southbank

AND TO: The Chief Executive Officer
Victorian Casino and Gaming Authority
Level 5
35 Spring Street
Melbourne

We refer to clause 13.3 of the Master Authority Agreement dated 21 September 1993 and to the draft Sixth Deed of Variation to the Casino Agreement attached to a letter dated 22 April 1997 from Minter Ellison to Mallesons Stephen Jaques ("the Sixth Deed of Variation").

For the purposes only of clause 13.3 of the Master Security Agreement, National Australia Bank Limited as Agent consents to the variations to the Casino Agreement set out in the Sixth Deed of Variation, subject to the following conditions:

1. This consent is given only for the purposes of clause 13.3 of the Master Security Agreement.
2. This consent should not be taken as a consent or variation (whether express or implied) to or for the purposes of, or any agreement to consent or vary, any term of the Facility Agreement or any other Financing Document or constitute any amendment, direct or consequential to any of the provisions of the Facility Agreement or any other Financing Document.
3. This consent should not be taken as a waiver (whether express or implied) of, or an agreement to waive, any term or obligation of the Company or Hudson Conway Limited or any right of the Financiers or the Agent arising under or in connection with the Facility Agreement or any other Financing Document.

Dated this Sixth, day of May 1997.



for and on behalf of
National Australia Bank Limited
as Agent

01/04/97

10:35

613+92292666
MINTER ELLISON → VIC CASINO & GAM

NO. 777

001

MINTER ELLISONLAWYERS

40 MARKET STREET
MELBOURNE VICTORIAPOSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE

DATE	1 April 1997
TO	Rowena Scheffer Victorian Casino and Gaming Authority Facsimile number 9651 4999
FROM	Nick Broome Minter Ellison, Melbourne Our reference NCB 1046899
SUBJECT	Sixth Variation Agreement to the Casino Agreement

Dear Rowena

Attached is a copy of a fax I received from Crown last Thursday. I would be grateful if you could call me once you have had a chance to consider the letter.

Kind regards


Nick Broome

NOTE

If you do not receive 2 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

01/04/97

10:36

MINTER ELLISON → VIC CASINO & GAM

NO. 777

P02



26 March 1997

Mr Nick Broome
Partner
Minter Ellison
Lawyers
40 Market Street
MELBOURNE VIC 3000

Dear Nick

Sixth Variation Agreement to the Casino Agreement

We refer to your letter of 12 March 1997 (received on 17 March 1997) and the enclosed draft Sixth Variation Agreement to the Casino Agreement.

The draft is satisfactory, subject to the following amendments:

- The date of the Note Agreement and the Trust Deed (Series 2) was 15 August 1996. (Copies will be forwarded separately.)
- The percentage figure for the HCL group referred to throughout the proposed new clause 22.1(a) should be 30.8%. This was the HCL group's holding at the end of January 1997.
- Proposed paragraph 22.1(ab) should be amended to read (in the final two lines):
 "... is not less than the percentage of the total number of Shares on issue immediately before the offer;"

We would be pleased to receive execution copies which incorporate the above amendments.

Yours sincerely

Anthony Seyfort
Company Secretary

CROWN LIMITED ACN 006 078 263

LEVEL 1 99 QUEENSBIDGE STREET SOUTHBANK VICTORIA 3006 AUSTRALIA
TELEPHONE (61-3) 9685 4200 FACSIMILE (61-3) 9685 4350

AS-0708971

(2)

Comments

OK

NO

NO.

R.KS.

MINTER ELLISON

LAWYERS

40 MARKET STREET
MELBOURNE VICTORIAPOSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666**FACSIMILE**

DATE 18 March 1997

TO Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9651 4999

FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899

SUBJECT Sixth Variation Agreement to the Casino Agreement

Dear Rowena

I enclose a copy of a fax sent to me yesterday by the solicitors for CUB in relation to the proposed clause 22.1(ad). I would be grateful if you could call me once you have had a chance to consider the fax.

Kind regards


Nick Broome

*Discussed Bill 8. He thinks it's OK.
Discussed Nick Broome. He doesn't think there
is a problem with it. He'll wait to hear
whether the Authority allows a soft opening b/c
he raises the issue & cons.
Rias*

NOTE

If you do not receive 3 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

M_MATTER23/835_1

NC
9

S O L I C I T O R S

FACSIMILE TRANSMISSION

DATE: 17 March 1997
TO: Minter Ellison
ATTENTION: Nick Broome
FACSIMILE NUMBER: 9229 2666
DESTINATION: Melbourne
FROM: John Slattery
 Corrs Chambers Westgarth
 600 Bourke Street, Melbourne
OUR REFERENCE: CARL8003-173
OUR FACSIMILE NUMBER: (03) 9602 5544
OUR TELEPHONE NUMBER: (03) 9672 3000 (Switchboard)

TOTAL PAGES: 2 (including this page)

PLEASE NOTE: This facsimile transmission is received by other than the named addressee, you are requested immediately to notify us and return the original message to us at the postal address shown. The client entitled to the benefit of the solicitor-client/legal professional privilege attaching to this document is entitled to recover all copies of the document and to prevent its dissemination or use in any form by application to the courts. Privilege is not waived or lost by reason of a mistaken delivery of the document to other than the addressee.

PLEASE ADVISE BY FAX OR TELEPHONE IF THIS FAX IS ILLEGIBLE OR INCOMPLETE

Dear Nick

CROWN LIMITED

I refer to your letter of 31 January and to our telephone conversation on 13 March.

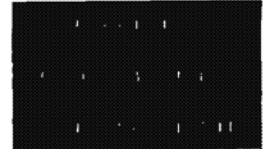
You have explained to me that as a result of the amendment proposed to the Casino Agreement, the only obligation imposed on CUB is that created by the proposed new paragraph 22.1(ad) as set out in your letter of 31 January, ie. that CUB may not sell its shares in Crown until after the Casino is opened for business (currently expected to be 2 May 1997). Please let me know if this understanding is incorrect.

CUB is happy with the proposed amendment but because it is not party to the Casino Agreement, or the Management Agreement, and we do not have access to those documents, we are unable to determine the precise meaning of proposed paragraph 22.1(ad) because of the use of defined terms. Whilst we realize that you are merely intending to be consistent in the documentation, you will appreciate that from CUB's point of view it would be better if any obligations to be imposed upon it were done in a way which did not involve recourse to documents to which it does not have access.

Accordingly, we suggest that the draft new paragraph 22.1(ad) be amended, as follows:

"(ad) CUB must not dispose of any Shares held by CUB until after the Melbourne Casino is open for business."

<p>SYDNEY Overseas Plaza Tower 17 Street Plaza Sydney NSW 2000 (02) 955 5000 Tel (02) 955 5000 Fax (02) 955 5000 OR 500 Melbourne</p>	<p>MELBOURNE Bourke Place 600 Bourke Street Melbourne VIC 3000 (03) 9602 5544 Tel (03) 9602 5544 Fax (03) 9602 5544 OR 500 Melbourne</p>	<p>BURBANK Carrington Place 12 Creek Road Brisbane QLD 4000 (07) 329 2000 Tel (07) 329 2000 Fax (07) 329 2000 OR 500 Melbourne</p>	<p>PERTH Cornerstone Bank Building 180 St George's Terrace Perth WA 6000 (08) 922 1000 Tel (08) 922 1000 Fax (08) 922 1000 OR 500 Melbourne</p>	<p>CANBERRA Adelaide Bank Centre 88 Macrossan Street Canberra ACT 2601 (06) 625 7000 Tel (06) 625 7000 Fax (06) 625 7000 OR 500 Melbourne</p>	<p>NEW ZEALAND Corporate Centre One 21 Chesham Court Auckland QLD 1017 (09) 836 8100 (New Zealand Central Office) Tel (011) 909 0000 Fax (011) 909 0000 OR 500 Melbourne</p>	<p>LONDON Post Plaza 100 Cannon Street London EC4N 6DF England Tel (0171) 599 0000 Fax (0171) 599 0000 OR 500 Melbourne</p>
---	--	--	--	---	--	---



S O L I C I T O R S

17 March 1997
Minter Ellison
CROWN LIMITED

Please let us know when the Amending Agreement has been finalised. Also if there is anything further you require of us or our client, please let us know.

Kind regards



John Slattery
Partner

M/S/17/0001/001

VICTORIAN CASINO AND GAMING AUTHORITY

CROWN LIMITED

ACN 006 973 262

MELBOURNE CASINO PROJECT

**SIXTH VARIATION AGREEMENT
TO THE CASINO AGREEMENT**

Draft: 27 February 1997

MINTER ELLISON
Lawyers
40 Market Street
MELBOURNE VIC 3000

DX 204 Melbourne
Telephone (03) 9229 2000
Facsimile (03) 9229 2666

NCB 1046899

MELBOURNE CASINO PROJECT

SIXTH VARIATION AGREEMENT TO THE CASINO AGREEMENT

AGREEMENT dated 1997

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, Southbank ('**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. reference to all the previous variations of this Agreement
- C. ~~B.~~ The Authority and the Company have agreed to vary certain provisions of the Casino Agreement as set out in this document further
- D. ~~C.~~ The Minister has given approval to the Authority entering into this variation agreement under section 142 of the *Casino Control Act* and clause 4 of the Casino Agreement. in accordance with

AGREEMENT

1. Definitions

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

2. Variation of Casino Agreement

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

- (a) the following definitions are included in clause 2 in their appropriate alphabetical order:
- (i) '**Note Agreement (Series 2)**' means the deed dated # 1996 between the Company, Permanent Trustee Australia Limited and National Australia Bank Limited;

- (ii) **'Trust Deed (Series 2)'** means the deed dated # 1996 between the Company and Permanent Trustee Australia Limited relating to the issue by the Company of unsecured notes;
- (b) the definition of **'Site'** in clause 2 is deleted and the following substituted:
- 'Site'** has the same meaning as in the Management Agreement;
- (c) the definition of **'Site Lease'** in clause 2 is varied by inserting the words 'part of' after the words 'the lease of';
- (d) clause 6.6 is deleted and the following substituted:
- 6.6 The Company acknowledges, undertakes and agrees that the Company is not permitted to terminate the Construction Agreement without the approval of the State in accordance with clause 9.3 of the Supplemental Development Agreement and without the approval of the Authority in accordance with clause 32.1 of this document;
- (e) paragraphs (a) and (b) of clause 22.1 are deleted and the following substituted:
- (a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)):
- (i) subject to paragraph (aa), Hudson Conway Limited (**'HCL'**) must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;
- (ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for, its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and
- (iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary;
- (aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;
- (ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for all Shares for which HCL or the relevant entity is entitled to subscribe under the offer if, following the allotment by the Company of all Shares to be issued under

the offer, the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;

- (ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than 33.5% of the total number of Shares then on issue;
- (ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;
- (b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of:
 - (i) 10% of the total number of Shares on issue; and
 - (ii) the number of Shares held by HCL and any relevant entity at the time of such Completion (calculated on the basis that there has been compliance with clauses 22.1(a) to (ac)).
- (f) paragraph (j) of clause 22.1 is deleted and the following substituted:
 - (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.
- (g) paragraph (n) of clause 22.1 is varied by deleting the words 'or Share transfers registered by the Company during the previous month' and substituting 'and a list of the top 50 holders of Shares ~~is recorded~~ registered at the end of the previous month';
- (h) the following clause is inserted as clause 22.5:

'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.'; and
- (i) Schedule Two is varied by inserting 'the Note Agreement (Series 2)' and 'the Trust Deed (Series 2)'.

3. Confirmation of other terms

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

4. General provisions

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

EXECUTED as an agreement.

**THE COMMON SEAL of VICTORIAN
CASINO AND GAMING AUTHORITY**)
is affixed in accordance with the directions)
of the members pursuant to a resolution)
dated 1997)

.....
Chairman

.....
Director of Gaming and Betting

.....
Name of Chairman (print)

.....
Name of Director of Gaming and Betting (print)

**THE COMMON SEAL of CROWN
LIMITED** is affixed in accordance with its)
articles of association in the presence of)
.....)

.....
Secretary

.....
Director

.....
Name of secretary (print)

.....
Name of director (print)

MINTER ELLISON
LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE

DATE 27 February 1997

TO Ms Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9651 4999

FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899

SUBJECT **Variation Agreement of the Casino Agreement**

Dear Rowena

As promised, I attach a draft of the Sixth Variation Agreement to the Casino Agreement.

I would be grateful for your comments before forwarding the draft to Crown Limited.

Kind regards


Nick Broome

NOTE

If you do not receive a page(s) including this one, please telephone MINTER ELLISON (03) 9229 2000 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

M MATTER127953_1

03/12/96 61 3 92292666
10:27 MINTER ELLISON LB

001

MINTER ELLISON

LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 7696
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE

DATE 3 December 1996

TO Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9651 3777

FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899

SUBJECT **Clause 22.1 of the Casino Agreement**

Dear Rowena

Attached as promised is my file note in relation to the submissions from Crown, HCL and CUB on the proposed amendment to clause 22 1(a)

Do you want me to redraft the proposed amendment having regard to those parts of the submissions which are acceptable?

Kind regards



Nick Broome

NOTE

If you do not receive 4 pages(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

03/12/96

10:27

MINTER ELLISON LB

002

FILE NOTE

AUTHOR Nick Broome

MATTER VCGA
Clause 22.1(a) of the Casino Agreement
1046899

SUBJECT Comments on submissions made in response to the draft amendment proposed to clause 22.1(a)

DATE 20 November 1996

TIME

Bearing in mind that the Authority is not obliged to make any changes to clause 22.1(a) of the Casino Agreement, my initial views on the submissions provided by Crown, HCL and CUB on the amendments proposed to clause 22.1(a) of the Casino Agreement are set out below.

I. Duration of provision

HCL, CUB and Crown suggest that the shareholding obligation should only apply until the completion of either the Melbourne Casino Complex (excluding the Lyric Theatre and the Southern Tower of the Hotel) or the Melbourne Casino (which is possibly about the same time, about March 1997). They say it should not apply until completion of the Melbourne Casino Complex (30 November 1999).

Crown suggests that the State has accepted that developments south of Whiteman Street (ie the Southern Tower and the Lyric Theatre) are outside the scope of the original Complex and that their Completion should not be the 'yardstick' for some of the original obligations. While the Lyric Theatre was treated separately for some purposes (ie Master Security Agreement), Crown's statement is probably not correct.

The original commitment in 22.1(a) was designed to secure the capital base of Crown and to ensure that Sponsors were committed to the Project. The clause currently contemplates that it will apply until completion of the Melbourne Casino Complex. Originally this was the same time as the completion of the Melbourne Casino (August 1996). Note that one of the mandatory corporate structure requirements in the Brief to Applicants was that Sponsor's equity must amount to at least 40% of total equity prior to the opening of the Casino. The Brief did not relate to the Complex. CUB's holding was included to ensure that the 40% requirement could be met.

Now that Crown is listed and has a secure capital base, and as HCL has guaranteed completion of the Melbourne Casino Complex, there would seem to be little downside at this time from removing the shareholding requirement after completion of the Melbourne Casino Complex (excluding the Lyric Theatre and the Southern Tower of the Hotel).

I note that a sell-down by HCL or dilution of HCL's interest could be regarded as a positive as it may reduce its influence on Crown, and create a greater diversity of ownership in Crown.

2. The applicable percentage should be 37% (the current combined holding), not 40%

The combined shareholding has been reduced because of placements by Crown. The Authority has accepted the need for amendment to the clause to deal with such placements which are generally in the interest of the Casino project.

The question is whether the clause should maintain the 40% requirement, so that it would apply to any future shares bought by HCL/CUB between 37% and 40%, or whether it should apply to the current shareholding. It could be argued that the amendments are a concession to HCL/CUB and that if they buy more to take them to 40% they should be obliged to keep them in accordance with the original requirements. On the other hand this would not take into account the value to the project of placements by Crown.

The issue becomes less important if the duration of the restriction is limited to completion of the Complex (excluding the Southern Tower and the Lyric Theatre).

3. Sales of subsidiary permitted if don't fall below percentage

Crown and HCL suggest that the amended clause should permit sales of subsidiaries which hold shares in Crown if the percentage shareholding is still above the requirement following such sale. This is appropriate.

4. Deal with nominees

Crown and HCL suggest that the clause should also contemplate shares in Crown held by nominees. This is appropriate.

5. No obligation on HCL to subscribe under a rights issue

HCL suggest that they should not be obliged to take up shares in Crown under a pro rata or entitlement offer during the period of the shareholding requirement. While I understand their concern that the shares could be offered on terms that HCL does not like (although this is highly unlikely given its effective control over Crown), the original commitment was to stay at 40%, which by necessity involved taking shares under any pro rata offering. This request should therefore be rejected.

6. Drafting change to proposed paragraph 22.1(ab)

Crown suggest that the drafting of proposed paragraph (ab) requires amendment or HCL/CUB would be required to increase their holdings if they start below 40%. I don't believe the clause has that effect, but we can deal with the drafting if necessary.

7. Restrictions should not apply to CUB

CUB's solicitors have suggested the original intention behind the clause has been achieved (such purpose being suggested as securing the capital base to ensure the sustainability of Crown) and it is therefore no longer appropriate to restrict CUB's ability to deal in the shares, particularly as CUB have no influence over Crown.

It would be right to suggest that CUB has no influence over Crown and that the current shareholding restriction would now seem to serve little purpose. On the other hand, if the restriction only applies until completion of the Melbourne Casino Complex (excluding the Lyric Theatre and the Southern Tower of the Hotel) it would not be too onerous for the restriction to stay in place. This was an obligation agreed by the parties in good faith. Given that CUB has no control over the delays or extensions to the project, it could be seen as unreasonable for CUB to have to hold the shares until completion of the Melbourne Casino Complex (ie 30 November 1999).

8. Amendment to clause 22.1(b)

HCL suggest that clause 22.1(b) should be amended to be consistent with any change to the duration of the restraint in clause 22.1(a). This is the logical and necessary result of any change to the period of the shareholding restriction in clause 22.1(a).

MINTER ELLISON
LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE

DATE 30 October 1996

TO Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9651 3777

FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899

SUBJECT Clause 22.1(a) of the Casino Agreement

Dear Rowena

Attached is a letter I received last night from Cors Chambers Westgarth in relation to clause 22.1(a) of the Casino Agreement.

I will call you shortly to discuss the letter.

Kind regards



Nick Broome

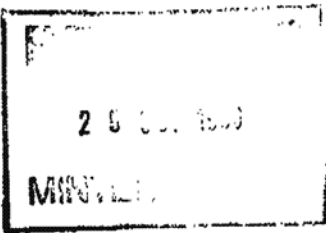
NOTE

If you do not receive 4 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

M. MINTER102150_1



B O L I C I T O R S

29 October 1996

Office: Melbourne
 Contact: John Slattery
 Direct Line: [REDACTED]
 Our Ref: CARL8151-610/JMS

Minter Ellison
 40 Market Street
 MELBOURNE VIC 3000

ATTENTION: Mr Nick Broome

Dear Nick

**CROWN LIMITED & CARLTON AND UNITED BREWERIES LIMITED
 AMENDMENTS TO CASINO AGREEMENT**

As discussed with you before you went on holiday, on behalf of CUB I sought a meeting with representatives of the Authority. I attach a copy of the response which I received from Alan Rowe.

CUB has up to now assumed (reasonably in our view) that completion of the complex (insofar as it determined the period of restriction on its ability to deal with its shares in Crown Limited) would relate to the opening of the Casino for business (expected on 1 March 1997).

CUB has seen a copy of the letter from Crown Limited to you dated 14 October, concerning the drafting of the proposed amendment to clause 22 of the Casino Agreement. CUB agrees with the submissions of both Crown Limited and Hudson Conway, in this regard, and supports their requested changes.

However, having regard to the fact that the original restrictions on sale were imposed to secure the capital base thereby ensuring the sustainability of Crown Limited, which has clearly been achieved, the Casino business being a proven success, and there being a strong market for shares in the Company, CUB believes it is therefore no longer appropriate to restrict CUB's ability to deal with its shares in Crown Limited.

CUB's position is different to that of Hudson Conway and it believes it is entitled to be treated differently. Hudson Conway is the largest shareholder in Crown Limited, and manages the Casino. It is in a position of influence viz-a-viz Crown Limited. CUB has a relatively small shareholding (3%) and is in no position to exert influence or control over Crown Limited and has no say whatsoever in the construction or design of the Casino complex. CUB has no board representation

SYDNEY
 Governor Phillip Tower
 1 Farrer Place
 Sydney NSW 2000
 GPO Box 9928 NSW 2001
 Tel (02) 210 6500
 Int +612 210 6500
 Fax (02) 210 6611
 DX 131 Sydney

MELBOURNE
 Bourke Place
 600 Bourke Street
 Melbourne VIC 3000
 GPO Box 9928 VIC 3001
 Tel (03) 6872 3000
 Int +613 6872 3000
 Fax (03) 6808 5544
 DX 336 Melbourne

PERTH
 Constance Place
 12 Creek Street
 Perth WA 6000
 GPO Box 9928 WA 6001
 Tel (07) 3226 6333
 Int +617 3226 6333
 Fax (07) 3229 8944
 DX 136 Perth

PERTH
 Commonwealth
 Bank Building
 150 St George's Terrace
 Perth WA 6000
 GPO Box 9928 WA 6001
 Tel (08) 321 8628
 Int +618 321 8628
 Fax (08) 322 4988
 DX 136 Perth

CANBERRA
 Adelaide Bank Centre
 40 Marcus Clarke Street
 Canberra ACT 8001
 GPO Box 9928 ACT 2801
 Tel (06) 657 7566
 Int +616 257 7566
 Fax (06) 257 7563
 DX 6748 Canberra

GOLD COAST
 Corporate Centre One
 2 Corporate Court
 Bundall QLD 4217
 PO Box 8180
 Gold Coast Mail Centre
 QLD 4217
 Tel (07) 5577 7777
 Int +617 5577 7777
 Fax (07) 5574 0478
 TX 4218 Bundall

LONDON
 5th Floor
 105 Cannon Street
 London EC4N 6AD
 England
 Tel (0171) 929 4865
 Int +44171 929 4865
 Fax (0171) 929 4184

- 2 -

29 October 1996
 Minter Ellison
AMENDMENTS TO CASINO AGREEMENT

S O L I C I T O R S


on Crown Limited. Given that the original purpose of the restriction has been achieved, CUB believes the restriction should now be lifted, so far as it is concerned.

Accordingly, CUB wishes to ensure that the proposed amendment to the Casino Agreement results in the restrictions which currently apply to CUB's holding in Crown Limited, ceasing to apply from the time of amendment.

Mr Ronc at Crown Limited has seen a copy of this letter and has indicated that Crown Limited does not object in any way to CUB's request. There would, of course, need to be some consequential changes to clause 22 to reflect the removal of the CUB shareholding from the restriction.

I look forward to hearing from you. Please let me know if it is intended to hold any meetings with any of the interested parties regarding this matter.

Yours faithfully
CORRS CHAMBERS WESTGARTH


 John Slattery
 Partner

c.c. Mr RK Dudfield - Carlton and United Breweries Limited
 Mr P Ronc - Crown Limited

W37178/JSlatery/83



VICTORIAN CASINO AND GAMING AUTHORITY

16 October 1996

Slattery
Messrs Chambers Westgarth
Melbourne AUSDOC

Dear Mr Slattery

CROWN LIMITED - AMENDMENT TO THE CASINO AGREEMENT

I refer to your letter of 11 October 1996 regarding CUB's concerns in relation to a possible amendment to clause 22.1(a) of the Casino Agreement between Crown Limited ("Crown") and the Victorian Casino and Gaming Authority ("the Authority").

To date the Authority has instructed its solicitor, Mr Nick Broome of Messrs Minter Ellison to liaise with you on the Authority's behalf regarding the proposed amendment. Your client wishes to meet with the Authority to discuss its concerns which include a particular concern that the form of wording for the proposed amendment extends the duration of the "restriction period", by which I assume you are referring to the Completion of the Melbourne Casino Complex.

The commitment of the Sponsors and CUB under the existing clause 22.1(a) has always been by reference to "*the date that the Melbourne Casino complex is Completed*". The proposed amendment does not affect this obligation and does not itself extend the duration of the restriction period. The Completion Date of the Melbourne Casino Complex is determined by the Management Agreement which has been ratified by Parliament. Currently that date is 30 November 1996 or such later date as is agreed by the State's Nominated Representative. It would be inappropriate and ineffective to attempt to vary the Completion Date of the Melbourne Casino Complex in the Casino Agreement and discussions with your client would not alter that position.

Regarding any other aspects of the draft clause which concern your client, the Authority understands that Mr Peter Ronec of Crown has prepared Crown's response to the form of wording for the amendment proposed by the Authority. As the Agreement is between the Authority and Crown, CUB should discuss its concerns with Crown so that a co-ordinated response is presented for the Authority's consideration. I have asked Mr Ronec to contact you for that purpose.

Yours sincerely

ALAN ROWE
Director of Gaming and Betting

cc Mr Peter Ronec, Crown Limited

Gaming Division
Level 1, Building D World Trade Centre, Melbourne 3005
Postal Address: PO Box 276, World Trade Centre, Melbourne 3005

Victoria ON THE MOVE

MINTER ELLISON

LAWYERS

40 MARKET STREET
MELBOURNE VICTORIAPOSTAL ADDRESS
GPO BOX 7696
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666**FACSIMILE**

DATE 28 October 1996

TO Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9651 3777

FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046859

SUBJECT Clause 22.1(a) of the Casino Agreement

Dear Rowena

Further to our discussion, I enclose a copy of a letter from Peter Ronc which includes a copy of a letter from Hudson Conway in relation to the proposed amendments to clause 22.1(a) of the Casino Agreement.

I will call you tomorrow to discuss the submissions.

Kind regards


Nick Broome
NOTE

If you do not receive 5 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

M_MATTER160902 1



14 October 1996

Mr Nick Broome
Partner
Minter Ellison
Lawyers
40 Market Street
MELBOURNE VIC 3000

Dear Nick

Clause 22.1(a) of the Casino Agreement

We refer to your letter dated 5 August 1996.

Crown provided a copy of the above letter to Hudson Conway and has received the attached response. Aside from Hudson Conway's position, Crown makes the following comments:

- "Melbourne Casino Complex" should be replaced with either "Melbourne Casino Complex (excluding the Lyric Theatre and the Southern Tower of the Hotel) as defined in the Management Agreement" or simply "Melbourne Casino". As you are aware, the State has accepted that since the new developments being undertaken by Crown south of Whiteman Street are outside the scope of the original Complex, their Completion should not be the yardstick for some of the original obligations which are really driven by the development on the main site.
- The restriction in paragraph (a)(iii) should only operate if the result of the relevant entity ceasing to be a subsidiary is that the holding of the Sponsors and CUB falls below the level then required under the clause.
- Paragraph (aa) should refer to 37%, not 40%, reflecting the number of shares currently held (rounded to the nearest percentage). Otherwise, the clause will have the effect that some Shares acquired in the future (if any) by Sponsors and CUB will not be able to be sold in the relevant period. In this regard, it is important to note that the percentage holding is less than 40% due to Crown issuing shares on a non-pro rata entitlement basis.

CROWN LIMITED ACN 006 978 262

LEVEL 1 99 QUEENSRIDGE STREET SOUTHBANK VICTORIA 3006 AUSTRALIA
TELEPHONE (61-3) 9685 2000 FACSIMILE (61-3) 9685 4850



- 2 -

- Paragraph (ab) should refer to "the percentage of the total number of Shares on issue immediately before the offer" rather than "40% of the total number of shares then on issue." Otherwise, the clause could in some circumstances require the Sponsors and CUB to increase their percentage holding.
- Finally, the clause should be amended to permit holding of shares by a nominee, as is in fact the case with some of Hudson Conway's shareholding at present.

We look forward to your response in due course and to reviewing the other suggested amendments to the Casino Agreement.

Yours sincerely



Peter Ronc
Chief General Manager - Finance & Corporate

attach.

HUDSON CONWAY LIMITED
A.C.N. 009 556 629

COPY

TELEPHONE:
(03) 9693 1000

FACSIMILE:
(03) 9693 1010

14 October 1996

Mr P A D Ronc
Crown Limited
Level 1
99 Queensbridge Street
SOUTHBANK VIC 3006

Dear Peter

CLAUSE 22.1(a) OF THE CASINO AGREEMENT

You recently forwarded us a copy of a facsimile transmission from Minter Ellison of 5 August 1996 enclosing a draft of a proposed amendment to clause 22.1(a) of the Casino Agreement.

This draft proposes fundamental changes to the Sponsors' and CUB's obligations which are not acceptable to Hudson Conway:

- The first change would involve a commitment by the Sponsors and CUB to subscribe for all shares offered under pro-rata or entitlement offers by Crown. This commitment would apply irrespective of the size, timing or pricing of the offers. In our view, the essence of Hudson Conway's original commitment was that it should take up an initial shareholding in Crown and retain that holding for a defined period. It is not prepared to extend this into an open ended commitment to subscribe for additional shares whenever Crown wishes to make a pro-rata or entitlement offer.
- The second fundamental change affects the duration of Hudson Conway's obligations. The proposed inclusion of the Lyric Theatre and the Southern Tower of the Hotel within the definition of the "Melbourne Casino Complex" would have the effect of extending Hudson Conway's undertakings for approximately 2 years. Once again, this extension is not acceptable to Hudson Conway. In our view, the duration of the undertaking should remain unchanged and linked to completion of the original complex.

LEVEL 1, 99 QUEENSBRIDGE STREET, SOUTHBANK, VICTORIA, 3006, AUSTRALIA

PRIVATE BAG 86, SOUTH MELBOURNE, 3205

HUDSON CONWAY LIMITED

There are a number of other comments we have in relation to the proposed amendment. These are as follows:

- The references in paragraphs (aa) and (ab) to "40% of the total number of shares then on issue" should be references to the current shareholding percentage as reduced by any permitted disposals or dilutions.
- Any undertaking regarding the ownership of a "relevant entity" should be qualified so that there would be no breach if the required shareholding level would still be maintained.
- The clause should permit shares to be held by a nominee.

In considering this issue the duration of the undertaking in Clause 22.1(b) should be amended in the same manner as we require for Clause 22.1(a).

I should be grateful if you could communicate these views to Minter Ellison and make it clear that Hudson Conway does not consent to the proposed amendment and seeks an amendment to Clause 22.1(b).

Yours sincerely

HUDSON CONWAY LIMITED

BARRY J HAMILTON

Director - Finance & Administration

16/10/96 10:50 61 3 92292666 MINTER ELLISON LB

001

MINTER ELLISON

LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE


DATE 16 October 1996

TO Ms Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9628 7300

FROM Kerry Duncan
Minter Ellison, Melbourne
Our reference KCHD 1046899

SUBJECT **Crown Limited - Amendment to the Casino Agreement**

Attached is a draft letter to Corrs Chambers Westgarth for your comments.

Regards

Kerry Duncan

NOTE
If you do not receive 2 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2985 as soon as possible.

IMPORTANT
The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

16/10/96

10:50

MINTER ELLISON LB

002

Attn: Mr John Slattery

Messrs Corrs Chambers Westgarth
Solicitors
DX 336
MELBOURNE

Dear Mr Slattery

Crown Limited - Amendment to the Casino Agreement

I refer to your letter of 11 October 1996 regarding CUB's concerns in relation to a possible amendment to clause 22.1(a) of the Casino Agreement between Crown Limited ('Crown') and the Victorian Casino and Gaming Authority ('the Authority').

To date the Authority has instructed its solicitor, Mr Nick Broome of Messrs Minter Ellison to liaise with you on the Authority's behalf regarding the proposed amendment. Your client wishes to meet with the Authority to discuss its concerns which include a particular concern that the form of wording for the proposed amendment extends the duration of the 'restriction period', by which I assume you are referring to the Completion Date of the Melbourne Casino Complex.

The commitment of the Sponsors and CUB under the existing clause 22.1(a) to hold shares has always been until *the date that the Melbourne Casino Complex is completed*. The proposed amendment does not affect this obligation and does not itself extend the duration of the restriction period. The Completion Date of the Melbourne Casino Complex is determined by the Management Agreement which has been ratified by Parliament. Currently that date is ~~the date~~ *the date* although discussions are taking place which may lead to that date being varied. However, it would be inappropriate and ineffective to attempt to vary the Completion Date in the Casino Agreement and discussions with your client would not alter that position.

not included
with date
is to respect
by the S.A.P.

Regarding any other aspects of the draft clause which concern your client, the Authority understands that Mr Peter Ronco of Crown is preparing Crown's response to the form of wording for the amendment proposed by the Authority. As the agreement is between the Authority and Crown, CUB should discuss its concerns with Crown so that a co-ordinated response is presented for the Authority's consideration. I have asked Mr Ronco to contact you for that purpose.

Yours sincerely

A Rowe

copy. Crown Limited

14/10/96 09:35 61 3 92292666 MINTER ELLISON LB

001

MINTER ELLISON

LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE

DATE 14 October 1996

TO Rowena Scheffler
Victorian Casino and Gaming Authority
Facsimile number 9628 7300

FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899


SUBJECT **Clause 22.1(a) of the Casino Agreement**

Dear Rowena

I spoke to Peter Ronc at Crown and he confirmed that he was chasing Hudson Conway for further information about the proposed amendment to clause 22.1(a) before coming back to us. He apologised for the delay but did not want to come back without a complete submission

I also spoke again with John Slattery at Corrs Chambers Westgarth. He agreed that he would express CUB's concerns and their desire for a meeting with the Authority in writing. I expect he will write to you direct in the next week

Kind regards


Nick Broome

NOTE

If you do not receive 1 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

JIA on Nick Broome

3/11

1. 1st suggestion is OK
2. OK to a Co which is a subsidiary which holds shares. can be sold off provided they remain over 40%
3. Keep 40% - not asking them to buy more they have to buy beyond 40% to sell
4. They have misinterpreted NICK'S
5. OK

←
Hudson

1. We do not impose an obligation which is their obligation anyway

2. Timing - complex, without the liquidated damages do apply to a late completion of

He'll draw up a note of advice.

15/10/96

ph Peter Ronec, Crown

- Asked him to confer with John S Lattery of Coms, acting for CUB, to coordinate their concerns.

Ronec says he only consulted with Hudson b/c Nick Boomey's letter told him to.

I advised him of the letters we are getting from CUB, via their lawyers. + asked him to coordinate the concerns of "their" people. - The VCA is not going to broker a deal ~~or~~ agreement stuck in between CUB on one side + Crown/Hudson on the other.

ph Kerry Duncan

Asked him to look at draft letter

to Coms re CUB + comment please

MINTER ELLISON
LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9617 4617
INTERNATIONAL +61 3 9617 4617
FACSIMILE (03) 9617 4666

FACSIMILE

DATE 6 February 1996

TO Rowena Scheffer
VICTORIAN CASINO AND GAMING AUTHORITY
Facsimile number 9628 7300

FROM Nick Broome
MINTER ELLISON MELBOURNE
Our reference NCB KCHD 1046899

SUBJECT Sponsors' shareholdings under clause 22.1(a) of the Casino Agreement

Dear Rowena

Attached is a draft of a letter in response to your letter of 25 January 1996 seeking advice in relation to the above. I would be grateful for your comments.

Kind regards

Nick Broome

NOTE

If you do not receive 7 page(s) including this one, please telephone MINTER ELLISON (03) 9617 4820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

1/ncb603702

Nick Broome (03) 9617 4820

NCB KCHD 1046899

5 February 1996

Ms Rowena Scheffer
 Legal Officer
 Victorian Casino and Gaming Authority
 Gaming Division
 Level 1, Building D
 World Trade Centre
 MELBOURNE VIC 3005

DRAFT

Dear Ms Scheffer

Sponsors' Shareholdings under clause 22.1(a) of the Casino Agreement

Thank you for your letter of 25 January 1996.

Background/Instructions

In a submission dated 23 January 1996, Crown Limited ('Crown') advised the Authority that Hudson Conway Limited ('HCL') and CUB together hold less than 40% of Crown's shares, and that as a result the condition in clause 22.1(a) of the Casino Agreement is not being satisfied.

The Authority has not received any written advice from HCL in relation to the matter. However, based on figures supplied by Crown, it appears that HCL and CUB have a combined holding of 184,987,339 shares in Crown. Crown's issued capital is now 494,788,971 fully paid ordinary shares. As a consequence, the combined percentage holding of HCL and CUB of the shares in Crown is 37.39%. HCL and/or CUB would therefore need to purchase 12,928,249 existing shares (or 2.61% of the existing share capital) to ensure compliance with the condition in clause 22.1(a) of the Casino Agreement. Alternatively, they would need to subscribe for 21,547,081 new shares.

We have been asked to advise the Authority in relation to the submission from Crown and the action that may be taken by the Authority in respect of the breach of the condition in clause 22.1(a) of the Casino Agreement.

To assist the Authority's decision as to how to proceed in this matter, we have set out below:

- ° the relevant obligations of Crown and HCL under the Transaction Documents;

Uncl603204

Ms Rowena Scheffer
5 February 1996

DRAFT

2

- an analysis of Crown's submission; and
- the alternative courses of action available to the Authority.

Relevant obligations

Clause 22.1(a) of the Casino Agreement provides that it is a condition of the Casino Agreement that the total number of fully paid shares held by Sponsors and CUB at any time until the date that the Melbourne Casino Complex is Completed must be not less than 40% of the total number of shares on issue at that time.

'Sponsors' is defined to mean HCL and The Federal Hotels Limited and, for the purposes of clause 22.1(a), such other person as the Authority may approve.

HCL is not a party to the Casino Agreement, but under the Supplemental Sponsors Agreement HCL has undertaken to the Authority to comply with, and use its best endeavours to ensure that the other Sponsor (ie The Federal Hotels Limited) complies with the conditions set out in clause 22 of the Casino Agreement relating to any shares in Crown as if it (and the other Sponsor) were parties to the Casino Agreement (see clause 3.2(a)). Accordingly, HCL itself is bound by the shareholding obligations set out in clause 22.1(a) of the Casino Agreement.

Under the Sponsor Guarantees, HCL has also guaranteed to the State and the Authority the performance of certain obligations of Crown under the Management Agreement and Casino Agreement respectively. This includes Crown's construction obligations.

We have assumed for the purposes of this letter that The Federal Hotels Limited will not acquire shares in Crown.

Crown's submissions

Crown has submitted that HCL and CUB should not be obliged to increase their shareholdings in Crown in circumstances where their combined percentage holding is diluted because of share placements to others. Crown has raised a number of points in support of its submission. We consider each below.

1. *CUB has no obligation to purchase shares.*

We agree that the Transaction Documents do not oblige CUB to acquire shares in Crown to ensure compliance with clause 22.1(a) of the Casino Agreement. CUB was not a Sponsor of Crown, but it was agreed that its holding could be included when determining the shareholding commitments for the purposes of clause 22.1(a).

2. *Under the Listing Rules of Australian Stock Exchange Limited ('ASX') a placement of shares by Crown to HCL would require prior approval of Crown shareholders by special resolution. At that meeting neither HCL nor Lloyd Williams would be entitled to vote. Any such share issue and the*

Vncb603204

Ms Rowena Scheffer
5 February 1996

DRAFT

3

resulting meeting might be controversial and approval for the placement could not be assured.

Although it is not made clear in Crown's submission, Crown must be referring to the approval required under Listing Rule 3E(8) of the Listing Rules of ASX. That Listing Rule provides that a director of a listed company (such as Crown), or any 'associate' (as defined in the *Corporations Law*) of the director, or any person or company whose association with such director or associate is such that in the opinion of the ASX the person or company should be regarded as an associate of the person, may only participate in an issue of shares by the company in certain circumstances. For a placement of shares the prior approval of shareholders is required by special resolution at a meeting where the proposed allottee and any relevant associates must not vote.

For Listing Rule 3E(8) to apply to an allotment of shares by Crown to HCL, HCL must be an associate of Lloyd Williams or regarded by the ASX as an associate of Lloyd Williams.

We do not propose to examine the *Corporations Law* definition of 'associate' in this letter, but based on the information known to us there must be some doubt that HCL is in fact an associate of Lloyd Williams. While it is clear that Mr Williams, as a director of HCL, is an associate of HCL, it does not necessarily follow that HCL is an associate of Mr Williams.

It is, of course, quite possible that the ASX could form a view that HCL should be regarded as an associate of Mr Williams even if they are not strictly associates under the Law, although this is not common in our experience.

In the circumstances it may be appropriate to seek further information from Crown to clarify if in fact Listing Rule 3E(8) would apply to a placement of shares by Crown to HCL.

We also note, however, that Listing Rule 3E(6) may apply to require shareholders of Crown to approve any further placements of shares in Crown in the short term. Subject to certain exceptions, Listing Rule 3E(6) prevents a listed company from issuing more than 10% of its shares in any 12 month period. We understand that the recent placements by Crown amount to just under 10% of the capital of Crown as issued 12 months ago, and as a result shareholder approval may be required to a placement to HCL. A special resolution would not be required, but HCL and its associates (such as Mr Williams) would not be able to vote at any such meeting.

While it is possible that a share placement to HCL could be regarded as controversial by Crown's shareholders and the market, we would have thought that the placement could be easily explained if it was required to satisfy obligations of Crown and HCL to the Authority. The market is aware of the requirements of clause 22.1(a) of the Casino Agreement

Inc603204

Ms Rowena Scheffer
5 February 1996

DRAFT

4

because they are noted in Crown's prospectus of December 1993.

We note that on 30 June 1996 HCL is to be granted options equivalent to 15% of Crown's then issued capital. These are not exercisable before 30 June 1999, but the exercise price is \$1.15 per share, much less than the current market price. We would imagine that any shareholder or market concerns about any new issue of shares to HCL could be assuaged if HCL traded off some of its rights in respect of the options.

3. *If HCL acquired more shares in Crown on market there may be problems under the Corporations Law (given the takeover prohibitions) and because of its effect on the market.*

By our calculations HCL would need to acquire approximately 2.61% of the existing shares in Crown to ensure compliance with clause 22.1(a) of the Casino Agreement.

As HCL currently is entitled to more than 20% of the shares in Crown, HCL may only acquire additional shares in Crown in circumstances provided by the *Corporations Law* or it may breach the takeover prohibition in section 615 of the *Corporations Law*. Under section 618 of the *Corporations Law* (the 'creep' provision), HCL may acquire up to 3% of the shares in Crown in any six month period. HCL would therefore be able to purchase the required shares in Crown on market without being in breach of the *Corporations Law*.

We do not have sufficient information or market expertise to comment upon the likelihood of HCL being able to acquire all such shares on market, and the effect any such acquisition would have on the Crown share price.

We note that the takeover prohibition also applies to any issue of shares by Crown to HCL, and while the operation of the creep provision can be anomalous, we would expect HCL to be able to obtain the necessary shares in Crown under a placement without breaching section 615 of the Law.

4. *Clause 22.1(a) of the Casino Agreement requires an assessment of compliance to be made at Completion of the Melbourne Casino Complex.*

In our opinion it is clear that clause 22.1(a) requires the 40% holding to be maintained at all times prior to Completion of the Melbourne Casino Complex. The condition requires the relevant holding to be 'at any time' before Completion. The percentage is determined by reference to all shares on issue at that time.

5. *The purpose of 22.1(a) of the Casino Agreement is to ensure that the Sponsors remain fully committed to the Melbourne Casino Project during the construction of the Melbourne Casino Complex. HCL has guaranteed such construction.*

Uacb603204

Ms Rowena Scheffer
5 February 1996

DRAFT

5

We confirm that it is our understanding that clause 22.1(a) was included in the Casino Agreement primarily to ensure ongoing Sponsor commitment to the development of the Melbourne Casino Complex. This is reinforced by clause 22.1(b) of the Casino Agreement, which allows HCL to sell down to 10% in the 12 months after Completion.

One of the imperatives of the Transaction Documents was to minimise any risk to the construction of the Melbourne Casino Complex. With this in mind, HCL was also required to guarantee the construction obligations of Crown under the Management Agreement and the Casino Agreement. It is therefore correct to say that HCL has guaranteed the construction of the Melbourne Casino Complex.

6. *As long as HCL subscribes for its entitlement under any pro-rata issues of shares by Crown, the condition in clause 22.1(a) of the Casino Agreement should be taken to have been complied with.*

Crown argue that as long as HCL and CUB hold their existing shares and maintain their proportional equity through taking up entitlements to any subsequent pro-rata share issues by Crown, the Authority should not be concerned if their percentage shareholding is diluted because of a placement of shares by Crown to third parties. Crown argue, in effect, that any such placements in fact assist with Crown's funding requirements and thus the Completion of the Melbourne Casino Complex. The placements are therefore consistent with the objective behind clause 22.1(a), even if they do cause some dilution of the holdings of HCL and CUB. As long as HCL and CUB do not sell down their holdings, any such dilution does not reduce the 'commitment' of HCL and CUB to the Project. We believe that this is not an unreasonable view to take.

We note that because HCL has guaranteed Crown's construction obligations, if the Authority requires HCL to buy further shares in Crown the strength of the guarantee given by HCL could be reduced.

Alternatives available to the Authority

1. *Enforce the condition*

The Authority could require HCL to comply with its obligations imposed on it under the Supplemental Sponsors Agreement. Ultimately, to enforce the requirement, the Authority may have to seek an order for specific performance against HCL (and possibly CUB and The Federal Hotels Ltd). It may also be necessary to serve notice on Crown of a breach of the Casino Agreement.

2. *Nominate an additional person for the purposes of clause 22.1(a)*

As noted above, the definition of 'Sponsor' for the purposes of clause 22.1(a) can include any other person

Wcb603204

Ms Rowena Scheffer
5 February 1996

DRAFT

6

approved by the Authority. The Casino Agreement therefore expressly contemplates that the commitment to the Project which clause 22.1(a) seeks from the Sponsors could also be demonstrated by another third party approved by the Authority.

To our knowledge, Crown has not to date suggested any other person may be appropriate for approval by the Authority in this context.

3. *Amend the condition*

It would be possible for the Authority to agree with Crown that the condition in clause 22.1(a) of the Casino Agreement be amended; for example, to reflect the suggestions put forward by Crown in its submission.

4. *Waive non-compliance but reserve rights*

If the Authority takes the view that any non-compliance is not material and does not at this time impact on the construction of the Melbourne Casino Complex, the Authority could resolve not to take action now but to reserve its right to do so at any time prior to Completion.

Prior to reaching a decision on how to proceed, it would be appropriate for the Authority to write to both HCL and Crown and advise them that the Authority is aware of the breach of clause 22.1(a) of the Casino Agreement and is considering the matter, and that any delay in dealing with the matter should not be taken as a waiver of the Authority's rights.

Please do not hesitate to call if you have any questions.

Yours faithfully
MINTER ELLISON

Uncl603204

25/01/96 10:31 VIC CASINO CONTROL INSPECTORATE → VIC CASINO GAMIN NO. 459 002
VIC GAMING COMM TEL No. 61-3-6287300 18 Jan 96 14:03 No. 007 P. 02
61 3 9685 4350
06 THU 11:05 FAX 61 3 9685 4350 CROWN CORPORATE 002



ASX ANNOUNCEMENT

18 JANUARY 1996

UNSECURED NOTES - INTEREST PAYMENT

The interest payment to be made on 15 February 1996 to holders of Crown Limited Unsecured Notes (CROHA) will be \$5.0411 per note. Notes have a face value of \$100 and the interest payment relates to the period 15 August 1995 to 14 February 1996 inclusive (184 days).

In accordance with Listing Rule 3J(23)(b) the books closing date is Wednesday 31 January 1996. Instruments of transfer will be accepted by Crown's Note Registrar, KPMG Registrars Pty Ltd, at Level 1, 161 Collins Street, Melbourne until 5.00pm on that date.

Interest will be paid by cheque or where requested by direct credit to a bank or building society account on 15 February 1996. All enquiries should be directed to KPMG Registrars.

CROWN LIMITED ACN 000 978 262
LEVEL 1 99 QUEENSBIDGE STREET SOUTH MELBOURNE VICTORIA 3205 AUSTRALIA
TELEPHONE (61-3) 685 4200 FACSIMILE (61-3) 685 4350

25/01/96

10:17

61 3 96904898
VIC CASINO CONTROL INSPECTORATE → 61 3 6287302

NO. 458

002

61 3 9685 4350
96 TUE 11:53 FAX 61 3 9685 4350 CROWN CORPORATE

002



ASX ANNOUNCEMENT

16 JANUARY 1996

SHARE ISSUE

In accordance with Listing Rule 3E(5), Crown Limited advises that it will be issuing 15.5 million fully paid ordinary shares. The issue proceeds will further improve Crown's financing mix and will be used to assist with the funding of the enhancements to the Southbank Entertainment and Casino Complex which were formally approved by the Victorian Parliament in December 1995.

The issue price is \$2.60 per share and the shares will rank pari passu with existing issued shares.

CROWN LIMITED ACN 006 973 262

L19960111 99 QUEENSBIDGE STREET SOUTH MELBOURNE VICTORIA 3205 AUSTRALIA
TELEPHONE (61-3) 685 4200 FACSIMILE (61-3) 685 4350

25/01/96 10:18 VIC CASINO CONTROL INSPECTORATE → 61 3 6287302
12:23 VIC CASINO GAMING AUTHORITY → VIC CASINO CONTROL
WED 17:09 FAX 61 3 9885 4350 CROWN CORPORATE

NO. 458 003

002



ASX ANNOUNCEMENT

20 DECEMBER 1995

SHARE ISSUE

In accordance with Listing Rule 3E(5), Crown Limited advises that it has issued 14,285,714 fully paid ordinary shares at an issue price of \$2.10 in accordance with its obligations arising from the Southbank Project Construction Agreement.

The Company is continuing to document and cost the project enhancements announced to the Australian Stock Exchange on 12 October 1995. As part of this process, the Southbank Project Construction Agreement has been amended to reflect the enhancements approved under the revised Management Agreement executed in October 1995. Crown has raised \$30 million by this share issue as part of the payment of the project enhancements referred to above.

The shares will rank pari passu with existing issued shares.

25/01/96

10:18

61 3 96904898
VIC CASINO CONTROL INSPECTORATE → 61 3 6287302

NO. 458

004

**ASX ANNOUNCEMENT****2 NOVEMBER 1995****PROPERTY TRANSACTION - ISSUE OF SHARES**

In accordance with Listing Rule 3E(5), Crown Limited advises that it has issued 5,500,000 fully paid ordinary shares in part consideration for the purchase of properties which form part of its Southbank Complex development. The shares were issued at \$1.79 per share and will rank pari passu with existing issued shares.

CROWN LIMITED ACN 006 973 262

LEVEL 1 99 QUEENSBRIDGE STREET SOUTH MELBOURNE VICTORIA 3205 AUSTRALIA
TELEPHONE (61-3) 685 4200 FACSIMILE (61-3) 685 4950

25/01/96 10:19 61 3 96904898 VIC CASINO CONTROL INSPECTORATE + 61 3 6287302 NO. 458 005
08:34 CROWN CASINO FAX NO. 6138829055 P. 02



ASX ANNOUNCEMENT

12 OCTOBER 1995

PROPERTY TRANSACTION - ISSUE OF SHARES

In accordance with Listing Rule 3E(5)(a)(iii), Crown Limited advises that it has entered an agreement for the issue of fully paid ordinary shares to the vendor of a property which Crown has agreed to purchase as part of its development of the Southbank project.

The shares will be issued between January and June 1996 at an issue price equal to the weighted average price of Crown Limited shares in the five business days preceding the date of issue. The number to be issued will be the number which will result in a consideration to the vendor of \$5.6 million. The shares will be immediately eligible to participate in dividends.

25/01/96

10:19

61 3 96904898
VIC CASINO CONTROL INSPECTORATE + 61 3 6287302
CROWN CASINO

NO. 458 006

FAX NO. 8136829055

P. 02



file ASC/ASX

ASX ANNOUNCEMENT

15 SEPTEMBER 1995

COMPLETION OF RIGHTS ISSUE

Crown Limited is pleased to announce that it has successfully completed its 2 for 7 Renounceable Rights Issue. Applications for new shares closed on 12 September 1995.

The level of take up of the new shares was very high, being over 99% of the new shares. The new shares to be taken up by the sub-underwriters, in their capacities as such, will be 0.33% by Hudson Conway Limited and 0.24% by Consolidated Press Holdings Limited (collectively being 0.13% of Crown's diluted capital).

The new shares will be allotted and issued, as previously announced, on Tuesday 19 September 1995 and FAST statements will be dispatched to shareholders on that date.

In accordance with the Listing Rules and the rules of the Crown Limited Share Option Plan, the exercise price of options on issue under that Plan will be adjusted in accordance with the formula in Appendix 29 to the Listing Rules. On this basis, the exercise price of each option on issue at the Ex Date (4 August 1995) will be reduced by 11.4378 cents.

CROWN LIMITED ACN 006 978 262

LEVEL 1 99 QUEENSBIDGE STREET SOUTH MELBOURNE VICTORIA 3205 AUSTRALIA
TELEPHONE (61-3) 685 4200 FACSIMILE (61-3) 685 4350

MINTER ELLISON

LAWYERS

cc-B.D ✓
S.G. ✓40 MARKET STREET
MELBOURNE VICTORIAPOSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666**FACSIMILE**

DATE 27 February 1997

TO Ms Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9651 4999FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899

SUBJECT Variation Agreement of the Casino Agreement

Dear Rowena

As promised, I attach a draft of the Sixth Variation Agreement to the Casino Agreement.

I would be grateful for your comments before forwarding the draft to Crown Limited.

Kind regards

Nick Broome

*Drafted E Nick on 11/3/97.
All OK, subject to Bill B also being
happy & draft***NOTE**

If you do not receive page(s) including this one, please telephone MINTER ELLISON (03) 9229 2000 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

M MATTR227953_1

VICTORIAN CASINO AND GAMING AUTHORITY

CROWN LIMITED

**MELBOURNE CASINO PROJECT
SIXTH VARIATION AGREEMENT
TO THE CASINO AGREEMENT**

Draft: 27 February 1997

**MINTER ELLISON
Lawyers
40 Market Street
MELBOURNE VIC 3000**

**DX 204 Melbourne
Telephone (03) 9229 2000
Facsimile (03) 9229 2666**

NCB 1046899

MELBOURNE CASINO PROJECT**SIXTH VARIATION AGREEMENT TO THE CASINO AGREEMENT**

AGREEMENT dated 1997

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, Southbank ('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 Authority and the Company have agreed to vary certain provisions of the Casino Agreement as set out in this document.
- C. The Minister has given approval to the Authority entering into this variation agreement under section 142 of the *Casino Control Act* and Clause 4 of the Casino Agreement.

In accordance with

AGREEMENT**1. Definitions**

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

2. Variation of Casino Agreement

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

(a) the following definitions are included in clause 2 in their appropriate alphabetical order:

- (i) 'Note Agreement (Series 2)' means the deed dated # 1996 between the Company, Permanent Trustee Australia Limited and National Australia Bank Limited;

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

(b) the definition of 'Site' in clause 2 is deleted and the following substituted:

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

(c) the definition of 'Site Lease' in clause 2 is varied by inserting the words 'part of' after the words 'the lease of';

(d) clause 6.6 is deleted and the following substituted:

6.6 The Company acknowledges, undertakes and agrees that the Company is not permitted to terminate the Construction Agreement without the approval of the State in accordance with clause 9.3 of the Supplemental Development Agreement and without the approval of the Authority in accordance with clause 32.1 of this document;

(e) paragraphs (a) and (b) of clause 22 are deleted and the following substituted:

(a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement));

(i) subject to paragraph (aa), Hudson Conway Limited ('HCL') must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;

(ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for, its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and

(iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary;

(aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;

(ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for all Shares for which HCL or the relevant entity is entitled to subscribe under the offer if, following the allotment by the Company of all Shares to be issued under

the offer, the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;

- (ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than 33.5% of the total number of Shares then on issue;
- (ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;
- (b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of:
- (i) 10% of the total number of Shares on issue; and
 - (ii) the number of Shares held by HCL and any relevant entity at the time of such Completion (calculated on the basis that there has been compliance with clauses 22.1(a) to (h)).
- (f) paragraph (j) of clause 22.1 is deleted and the following substituted:
- (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;
- (g) paragraph (n) of clause 22.1 is varied by deleting the words 'or Share transfers registered by the Company during the previous month' and substituting 'and a list of the top 50 holders of Shares ~~as recorded~~ ^{registered} at the end of the previous month';
- (h) the following clause is inserted as clause 22.5:
- '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.'; and
- (i) Schedule Two is varied by inserting 'the Note Agreement (Series 2)' and 'the Trust Deed (Series 2)'.

3. Confirmation of other terms

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

4. General provisions

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

EXECUTED as an agreement.

THE COMMON SEAL of VICTORIAN)
CASINO AND GAMING AUTHORITY)
is affixed in accordance with the directions)
of the members pursuant to a resolution)
dated 1997)

.....
Chairman

.....
Director of Gaming and Betting

.....
Name of Chairman (print)

.....
Name of Director of Gaming and Betting (print)

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

.....
Secretary

.....
Director

.....
Name of secretary (print)

.....
Name of director (print)

sh Nick Boone

11/3/97

To discuss ~~Variant~~ to ~~Consolidation~~ Agr
Under the Note Agreement Series ~~2~~

Counts second series

Second series of unsecured Notes.

Get the Minutes

Note Issue Consent Deed, - ~~the~~ Minutes
would have been a party to this agreement,
3-1 (c) ~~the~~ Authority

Sylvia & Bill involved in this.

The site definition - consequential change -
not picked up under the Management Agreement

Renumbered 6.6 (a) to 6.6



VICTORIAN CASINO AND GAMING AUTHORITY

21 July 1997

Mr Anthony Seyfort
Company Secretary
Crown Limited
8 Whiteman Street
SOUTHBANK 3006

Dear Anthony,

Sixth Deed of Variation to the Casino agreement

I enclose your counterpart of the Sixth Deed.

Yours sincerely,



Robert Chappell
Legal Adviser

Level 5

35 Spring Street

Melbourne

Vic 3000

PO Box 1988R

Melbourne

Vic 3001

Tel 03 9651 3333

Fax 03 9651 3777

COMMERCIAL IN CONFIDENCE

DATED 21 SEPTEMBER 1993

**VICTORIAN CASINO AND GAMING AUTHORITY
(‘Authority’)**

**CROWN LIMITED
ACN 006 973 262
(‘Company’)**

MELBOURNE CASINO PROJECT

CASINO AGREEMENT

**[CONFORMED COPY - AS VARIED BY
VARIATION AGREEMENTS 1 TO 6]**

Variation no 6 dated 8/5/97

**MINTER ELLISON
Lawyers
40 Market Street
MELBOURNE VIC 3000
DX 204 MELBOURNE**

**Telephone (03) 9229 2000
Facsimile (03) 9229 2666**



Faint, illegible text is visible in the center-right portion of the page, appearing as vertical columns of characters.

COMMERCIAL IN CONFIDENCE**TABLE OF CONTENTS****AGREEMENT**

1. DIVISION INTO PARTS

PART 1 - PRELIMINARY

2. DEFINITIONS
3. COMMENCEMENT OF CERTAIN PROVISIONS
4. VARIATION
5. CONDITIONS PRECEDENT

PART 2 - DEVELOPMENT AND COMPLETION

6. DOCUMENTS TO BE SUBMITTED TO THE AUTHORITY
7. MELBOURNE CASINO WORKS
8. SAFETY PROCEDURES
9. VARIATIONS
10. APPROVAL BY THE AUTHORITY
11. TIME FOR APPROVAL
12. DIRECTOR OF CASINO SURVEILLANCE
13. PROVISION OF FACILITIES FOR INSPECTORS
14. SITE ACCESS
15. RECTIFICATION AND SUSPENSION OF THE WORKS IN RELATION TO THE MELBOURNE CASINO
16. PROJECT ADVISORY MEETINGS
17. MULTIPLE COPIES OF PLANS
18. DEVELOPMENT OF THE TEMPORARY CASINO

PART 3 - COMPLETION

19. OPENING OF THE MELBOURNE CASINO
20. COMPLETION

PART 4 - CORPORATE STRUCTURE AND RELATED MATTERS

21. WARRANTIES OF THE COMPANY
22. CONDITIONS RELATING TO COMPANY STRUCTURE
23. INSPECTION OF RECORDS
24. ATTENDANCE AT COMPANY MEETINGS
25. DISCLOSURE

PART 5 - GRANT OF THE CASINO LICENCE

26. GRANT OF CASINO LICENCE
27. GAMES
28. CASINO OPERATING PRACTICES

PART 6 - ENCUMBRANCES AND ASSIGNMENTS

- 29. ENCUMBRANCES
- 30. PERMITTED ENCUMBRANCES

PART 7 - TERMINATION

- 31. TERMINATION OF THIS DOCUMENT

PART 8 - COMPLEMENTARY AGREEMENTS

- 32. COMPLEMENTARY AGREEMENTS

PART 9 - GENERAL

- 33. COMPANY RELIES ON OWN JUDGMENT
- 34. INDEMNITY
- 35. INSURANCE
- 36. CONFIDENTIALITY
- 37. APPROVALS
- 38. DAY OF PAYMENT
- 39. NOTICES
- 40. COSTS AND STAMP DUTY
- 41. NO WAIVER
- 42. GOVERNING LAW
- 43. ASSIGNMENT
- 44. FURTHER ASSURANCES
- 45. COUNTERPARTS
- 46. SEVERABILITY
- 47. INTERPRETATION
- 48. GENERAL OBLIGATIONS

SCHEDULE ONE - CASINO LICENCE

SCHEDULE TWO - COMPLEMENTARY AGREEMENTS

SCHEDULE THREE - WARRANTIES OF THE COMPANY

SCHEDULE FOUR - QUARTERLY REPORT TO AUTHORITY

SCHEDULE FIVE - INSURANCES

COMMERCIAL IN CONFIDENCE
MELBOURNE CASINO PROJECT
CASINO AGREEMENT

AGREEMENT dated 21 September 1993

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

AND **CROWN LIMITED** ACN 006 973 262 (formerly known as **CROWN CASINO LTD**) with its registered office at Hudson Conway House, 311 Glenferrie Road, Malvern, Victoria ('**Company**')

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.

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

'Agreement Act' means the 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;

'Ancillary Facilities' means all facilities ancillary to the Temporary Casino or the Melbourne Casino (as the case may be) identified in the Development Proposals to be constructed on or located within the Temporary Casino Site or 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;

'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 and Gaming Authority;

'**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) the Temporary Casino;
- (d) all gaming equipment used in the Melbourne Casino or the Temporary Casino;
- (e) all revenue derived from the Melbourne Casino or the Temporary 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
- (f) all other assets of the Company necessary for the operation of the Melbourne Casino or the Temporary 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 Temporary Casino and the Melbourne Casino in the form of the licence set out in Schedule One;

'**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;

'**Company**' means Crown Limited 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 or the Temporary Casino as the case may be (including all staff, facilities and equipment) by the Authority;

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

'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
- (c) for Fit-Out, when all of the Fit-Out is installed in place and operational with the exception only of minor omissions and maintenance items which, in the reasonable opinion of the Authority, do not affect the security, integrity, operation or amenity of the Melbourne Casino or the Temporary Casino;

'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;

[Note: The builder is Grocon Pty Ltd ACN 006 772 238]

'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 set-off to arise in respect of;

'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;

'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*;

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

'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;

'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' 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' means National Australia Bank Limited, Australia and New Zealand Banking Group Limited, HongkongBank of Australia Limited, Bank of Western Australia Limited [*formerly known as R & I Bank of Western Australia Limited*] and State Bank of New South Wales Limited and their successors, assigns and substitutes;

[Note: HongkongBank withdrew 1 March 1995]

'Financiers' Securities' 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;

'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;

'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;

'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;

'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 Temporary Casino or the Melbourne Casino (as the case may be) less the total of all sums paid out as winnings during that period in respect of such conduct or playing of games;

'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;

'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;

'Liabilities' means the aggregate amount of all liabilities to creditors (whether advances or otherwise and whether secured or unsecured) of the Company and any Subsidiary of the Company, including but not limited to the amount paid up and any accrued but unpaid dividends on any shares or other security (as defined in section 92 of the *Corporations Law*) issued by the Company or any Subsidiary which give an entitlement to the holder to require their repurchase or redemption by the Company or Subsidiary;

'Licensing Date' means the date which is 2 Business Days after the conditions precedent in clause 5.1 are satisfied; [19 November 1993]

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

'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*;¹

'Master Security Agreement' 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;

'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;

²**'Note Agreement'** means the deed dated 24 December 1993 between the Company, Permanent Trustee Australia Ltd and National Australia Bank Limited;

³**'Note Agreement (Series 2)'** means the deed dated 15 August 1996 between the Company, Permanent Trustee Australia Limited and National Australia Bank Limited;

'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 Temporary Casino and the Melbourne Casino;

'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;

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

¹ Varied by Agreements dated 14 November 1994 and 12 October 1995.

² Inserted by Agreement dated 7 March 1995.

³ Inserted by Agreement dated 8 May 1997.

'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;

'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*, the Agreement Act and the Further Amendment Act;

'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;

'Shareholders' Funds' means, in relation to the Company, the aggregate of:

- (a) the amount paid up or credited as paid up on the issued share capital of the Company (excluding the amount paid up or credited as paid up on any shares or other security (as defined in section 92 of the *Corporations Law*) issued by the Company which give an entitlement to the holder to require their repurchase or redemption by the Company); and
- (b) the amount standing to the credit (or debit) of the capital and revenue reserves of the Company (including but not limited to amounts standing to the credit of the share premium account, capital reserves and revenue reserves and retained profits or losses); less

- (c) the value of all intangible assets (including any future income tax benefits) except for the Casino Licence (which shall not be valued at greater than the amount paid by the Company to the State for the Casino Licence),

calculated in accordance with Australian Accounting Standards;

⁴'Site' has the same meaning as in the Management Agreement;

'Site Lease' means the lease of ⁵part of 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;

'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 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;

'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;

'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;

⁴ Varied by Agreement dated 8 May 1997.

⁵ Inserted by Agreement dated 8 May 1997.

'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, Allco 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 definition of Temporary Casino Leases;

'Temporary Casino Sub-Lease Supplemental Agreement' means the agreement between the Urban Land Authority, Allco Nominees (Vic) Pty Ltd ACN 006 837 289, the Company and the Agent;

'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 Leases Supplemental Agreements, the Supplemental Sponsors' Agreement, the Supplemental Development Agreement, the Contractor's Deed, the Bank Guarantees and the Supplemental Operations Agreement;

⁶'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;

⁷'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;

⁶ Inserted by Agreement dated 7 March 1995.

⁷ Inserted by Agreement dated 8 May 1997.

'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. 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.

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;
 - (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 paragraphs (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.

PART 2 - DEVELOPMENT AND COMPLETION

6. DOCUMENTS TO BE SUBMITTED TO THE AUTHORITY

- 6.1 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;
 - (c) all final schematic design drawings in relation to the Melbourne Casino;
 - (d) a proposal detailing the intended method of carrying out all phases of the development of the Melbourne Casino including the type of contract documentation to be used, the system (including the provision for review and approval by the Authority where required by the Authority) for the calling of tenders and appointment of sub-contractors, nominated sub-contractors, trade contractors and the method for completing construction, Fit-Out and Commissioning of the Melbourne Casino; and

- (e) such other documents, drawings or information reasonably required by the Authority in relation to the Melbourne Casino.

6.2 As soon as practicable, but in any event no later than 3 months after Completion of the Melbourne Casino, the Company must prepare and supply the Authority with:

- (a) a list of and 3 copies of all equipment and construction warranties in relation to the Melbourne Casino provided in favour of the Company;
- (b) 3 copies of instructions and maintenance manuals in relation to the Melbourne Casino for:
- (i) all hydraulic systems;
 - (ii) all mechanical systems; and
 - (iii) all electrical systems; and
- (c) 3 copies of as built drawings for all services in relation to the Melbourne Casino including:
- (i) hydraulic drawings;
 - (ii) mechanical drawings;
 - (iii) electrical drawings;
 - (iv) civil works drawings; and
 - (v) architectural drawings.

⁸6.3 The Company must by the 8 December 1994 enter into a contract substantially in the form of the Construction Agreement with a builder approved by the Authority acting reasonably providing for the construction of the Melbourne Casino Complex.

⁹6.4 The Company must procure the execution of the Contractor's Deed before or at the time that the Company enters into the contract referred to in clause 6.3.

¹⁰6.5 **Provision of Information and Documents**

- (a) The Company must:
- (i) within 14 days of receiving a request from the Authority; and in any event
 - (ii) by 24 May 1996, being the date by which the Company must make available the Gaming Floor and Back of House areas -

⁸ Amended by Agreement dated 7 March 1995.

⁹ Amended by Agreement dated 7 March 1995.

¹⁰ Amended by Agreement dated 7 March 1995.

provide to the Authority the documents and information referred to in clause 6.1 of the Casino Agreement in accordance with paragraph (b) of this clause.

- (b) The Company complies with its obligations pursuant to paragraph (a) of this clause if:
 - (i) the Company provides the documents or information requested by the Authority;
 - (ii) the Company advises:
 - (A) that it is unable, at that stage, to provide the information and/or documents;
 - (B) the reasons for the Company's inability to provide the information and/or documents; and
 - (C) the date by which the Company anticipates being able to provide the information and/or documents; and
 - (D) the Authority does not, within 10 days of the receipt of the advice pursuant to this paragraph give a notice to the Company that the documents and/or information must still be provided in response to the Authority's request; or
 - (iii) it advises the Authority that, in respect of the documents and/or information requested by the Authority, there has been no variation to or amendment of the documents or information previously provided by the Company to the Authority.
- (c) The Company may respond to a request from the Authority by a combination of the alternatives referred to in paragraph (b) of this clause as is appropriate in the circumstances.
- (d) The Authority may make requests pursuant to paragraph (a) of this clause from time to time as it considers appropriate in its absolute discretion.

¹¹6.6 The Company acknowledges, undertakes and agrees that the Company is not permitted to terminate the Construction Agreement without the approval of the State in accordance with clause 9.3 of the Supplemental Development Agreement and without the approval of the Authority in accordance with clause 32.1 of this document.

7. MELBOURNE CASINO WORKS

The Company must, at least 14 days prior to the commencement of any part of the Melbourne Casino, submit to the Authority for approval all working drawings and specifications relating to any such part, and in particular the following details:

¹¹ Inserted by Agreement 3 March 1995. Varied by Agreement dated 8 May 1997.

15 **COMMERCIAL IN CONFIDENCE**

- (a) drawings of the floor layouts for the Melbourne Casino showing the placement of gaming tables and closed circuit television cameras and other surveillance facilities;
- (b) drawings of the reflected ceiling showing the location of catwalks (if any), closed circuit television cameras, viewing panels, lights and other fittings and services;
- (c) plans of cashiers' cages, count rooms and all security areas, including access thereto;
- (d) plans of secure areas and facilities to be used for inspectors appointed under the *Casino Control Act*, police and the Company's surveillance and security staff;
- (e) the electrical installations, in particular for the:
 - (i) closed circuit television system for both surveillance of the Melbourne Casino and for use by inspectors appointed under the *Casino Control Act*;
 - (ii) alarm system;
 - (iii) telephone installations;
 - (iv) emergency link to local police headquarters;
 - (v) auxiliary power and lighting provisions; and
 - (vi) fire protection systems and flood control plans for the preceding items in paragraph (e);
- (f) the master-key system proposed; and
- (g) the proposed construction, supply or Fit-Out of the preceding items.

8. SAFETY PROCEDURES

The Company must, at least 14 days before the Company intends to open the Melbourne Casino for use by the public, submit to the Authority for its approval details of the following matters so far as they relate to that part of the Melbourne Casino which the Company intends to open:

- (a) fire and flood safety and damage control procedures;
- (b) emergency control procedures;
- (c) crowd control procedures;
- (d) armoured vehicle transfer arrangements; and
- (e) vehicle control and parking arrangements.

9. VARIATIONS

- 9.1 The Company must submit to the Authority details of any variations to the Drawings and the working drawings and specifications to be provided pursuant to the Control Acts, the Management Agreement or this document where any such variation in any way relates to the Melbourne Casino.
- 9.2 The Company must not make any such variations without the prior approval in writing of the Authority.

10. APPROVAL BY THE AUTHORITY

- 10.1 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 contemplated by the documents or the proposal until the Authority has approved the documents or proposal or the documents or proposal have otherwise been dealt with in accordance with this clause 10.
- 10.2 If the Company is required by this document to submit to the Authority any documents or proposal for approval, the Authority may:
- (a) approve the documents or proposal;
 - (b) subject to clause 10.6, approve the documents or proposal subject to any condition or conditions;
 - (c) require amendment as specified to the documents or proposal; or
 - (d) reject the documents or proposal.
- 10.3 If the Authority imposes conditions, requires amendment or rejects the documents or proposal pursuant to clause 10.2 the Company may, within 7 days of notification of the condition, amendment or rejection, make a further submission to the Authority as to why the condition should not be imposed, the amendment not be made or the documents or proposal not be rejected.
- 10.4 If the Company makes a further submission to the Authority as provided for in clause 10.3, the Authority shall give the further submission reasonable consideration and may:
- (a) approve the documents or proposal;
 - (b) subject to clause 10.6, approve the documents or proposal subject to any condition or conditions;
 - (c) require amendment as specified to the documents or proposal; or
 - (d) reject the documents or proposal.

- 10.5 If:
- (a) the Authority approves the documents or proposal, the Company must proceed with the work in accordance with the approved documents or proposal;
 - (b) the Authority imposes conditions in relation to the approval of the documents or proposal, the Company must comply with those conditions; or
 - (c) the Authority requires amendment to the documents or proposal, the Company must, within 14 days of notification of the requirements, submit to the Authority further documents or a further proposal amended in accordance with the requirements and such documents or proposal shall be dealt with in accordance with this clause 10.
- 10.6 In imposing any conditions to any approval under clause 10 of any document or proposal the Authority must not act unreasonably having regard to the effect of the Melbourne Casino Complex Development Proposals, the Temporary Casino Complex Development Proposals, the Planning Amendments and the design and planning objectives of the State.

11. TIME FOR APPROVAL

- 11.1 If the Company submits any documents or proposal to the Authority, the Authority must respond in writing to the Company in the manner contemplated in clause 10 within 14 days of receiving the documents or proposal from the Company or such further period agreed between the Authority and the Company.
- 11.2 If the Authority has not responded in writing to the Company as required by clause 10 within 14 days or such further period as agreed, the Authority will be taken to have given its approval.
- 11.3 Clauses 11.1 and 11.2 apply only in relation to clauses 6 - 20 inclusive.

12. DIRECTOR OF CASINO SURVEILLANCE

- 12.1 The Authority must ensure that all documents and proposals which are submitted to the Authority for approval under this document and which must also be approved by the Director of Casino Surveillance under section 59 of the *Casino Control Act* are provided by the Authority to the Director of Casino Surveillance who shall be responsible for providing any necessary approvals.
- 12.2 Clauses 10 and 11 will apply in relation to any approvals to be given by the Director of Casino Surveillance as if the Director of Casino Surveillance were the Authority.
- 12.3 Nothing in this document shall be taken as limiting or fettering the rights of the Director of Casino Surveillance under the *Casino Control Act*.

13. PROVISION OF FACILITIES FOR INSPECTORS

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 *Casino Control Act*.

14. SITE ACCESS

- 14.1 Persons authorised in writing by the Authority or the Director of Casino Surveillance may at all reasonable times have free access to the Site but in doing so such persons must not interfere with the progress of any works except for the purpose of exercising any powers conferred under the Transaction Documents or the *Casino Control Act*. Subject to the Authority's or the Director of Casino Surveillance's right to make random inspections without notice, the Authority or the Director of Casino Surveillance and the Company must co-operate in the co-ordination of the Authority's or the Director of Casino Surveillance's inspections, measurements and tests with the requirements of the Company in relation to any programmes for and the timely Completion of the Melbourne Casino, with the objective of achieving, to the maximum extent possible, inspections, measurements and tests at the most appropriate times during the execution of the works for the Melbourne Casino and prior to closing up of the relevant part of the works.
- 14.2 The Authority or the Director of Casino Surveillance may, from time to time, give to the Company reasonable notice in writing that:
- (a) the Authority or the Director of Casino Surveillance proposes to carry out, during the progress of the works in relation to the Melbourne Casino, inspections, measurements or tests; or
 - (b) the Authority or the Director of Casino Surveillance requires the Company to carry out, during the progress of the works in relation to the Melbourne Casino, inspections, measurements or tests as described in the notice.
- 14.3 If the Company receives a notice pursuant to clause 14.2, the Company must ensure that no part of the works in relation to the Melbourne Casino thereafter becomes inaccessible before any required inspection, measurement or test is completed, and:
- (a) if the notice is pursuant to paragraph 14.2(a), the Company must permit the Authority, the Director of Casino Surveillance or their respective agents to carry out the inspection, measurement or test; or
 - (b) if the notice is pursuant to paragraph 14.2(b), the Company must carry out the inspection, measurement or test, at its cost, in accordance with the conditions set out in the notice and at a time specified in the notice and must immediately thereafter provide to the Authority or the Director of Casino Surveillance a copy of the results of the inspection, measurement or test.
- 14.4 The Authority or the Director of Casino Surveillance and any persons authorised by any of them must not act unreasonably when exercising any powers under clause 14.
- 14.5 Subject to the Authority's or the Director of Casino Surveillance's right to make random inspections without notice and notwithstanding clause 14.3, if the Authority, the

Director of Casino Surveillance or any of their respective agents carry out any inspection, measurement or test or require the Company to carry out any inspection, measurement or test in respect of any part of the works in relation to the Melbourne Casino which has become inaccessible the Authority, the Director of Casino Surveillance or any of their respective agents must first give the Company notice in writing of the Authority's or the Director of Casino Surveillance's reasonable requirements in respect of the inspection, measurement or test.

15. RECTIFICATION AND SUSPENSION OF THE WORKS IN RELATION TO THE MELBOURNE CASINO

15.1 If following any inspection, measuring or examination of the works in relation to the Melbourne Casino the Authority is of the opinion that the works do not comply with any of the requirements in clauses 6 - 20 of this document or the reasonable requirements of the Authority which have been notified in writing to the Company or the requirements of any approved Documentation, the Authority may by notice to the Company specify:

- (a) in what respect the works do not comply; and
- (b) what action must be taken to rectify the non-compliance and the reasonable time within which that action is to be taken,

and the Company must comply with that notice.

15.2 If the Authority forms the opinion that the Company has failed for any reason to comply with a notice given pursuant to clause 15.1, the Authority may, without prejudice to any other right or remedy arising because of that failure, by notice to the Company direct the suspension of that part of the works in relation to the Melbourne Casino which is the subject of the notice given pursuant to clause 15.1 until the notice given pursuant to clause 15.1 is complied with.

16. PROJECT ADVISORY MEETINGS

16.1 Project advisory meetings must be held on a monthly basis and from time to time as may be required by the Authority during the design documentation, construction, Fit-Out and Commissioning of the Melbourne Casino.

16.2 The principal purposes of these meetings are to monitor design development, contract documentation and progress of the construction of the Melbourne Casino and to ensure compliance by the Company with its obligations under this document.

16.3 The meetings must be:

- (a) at a location determined by the Authority;
- (b) attended by at least 1 and not more than 4 representatives from each of the Authority and the Company; and
- (c) chaired by a person nominated by the Authority.

16.4 The State's Nominated Representative may attend the meetings.

- 16.5 The Company must provide accurate minutes to the Authority and the State's Nominated Representative within 3 days after each project advisory meeting.

17. MULTIPLE COPIES OF PLANS

The Company must provide to the Authority 3 copies (or such lesser number as may from time to time be agreed) of all plans, specifications and other material required to be provided pursuant to clauses 6 to 18 (inclusive) of this document.

18. DEVELOPMENT OF THE TEMPORARY CASINO

- 18.1 The Company must provide to the Authority for its approval all documents, drawings and information additional to the Temporary Casino Complex Development Proposals and the Drawings which are necessary for the design and construction of the Temporary Casino, including details of those items specified in clauses 6, 7 and 8 in so far as they relate to the Temporary Casino.

- 18.2 The Company must provide to the Authority for its approval any other documents, drawings or information requested by the Authority in relation to the Temporary Casino.

- 18.3 Clauses 9, 10, 11 and 12 apply (unless the context otherwise requires) in relation to any submissions by the Company to the Authority for the approval of documents and drawings or any proposal relating to the Temporary Casino Complex or to any application by the Company to vary any approved document or drawing as if the Temporary Casino Complex were the Melbourne Casino Complex and the Temporary Casino the Melbourne Casino.

- 18.4 Clauses 13, 14, 15 and 16 apply (unless the context otherwise requires) in relation to the Temporary Casino Complex and the Temporary Casino Site as if the Temporary Casino Complex were the Melbourne Casino Complex and the Temporary Casino Site the Site.

PART 3 - COMPLETION

19. OPENING OF THE MELBOURNE CASINO

It is a condition precedent to approval to open the Melbourne Casino that at least 2000 car parking spaces are available for use on the Site.

20. COMPLETION

- 20.1 The Company must give not less than 7 Business Days notice in writing to the Authority that the Company anticipates that the Temporary Casino or the Melbourne Casino, as the case may be, ('Relevant Works') will be Completed on the date specified in the notice.
- 20.2 On the date agreed between the Company and the Authority (and if no date is agreed, then on the date specified in the Company's notice under clause 20.1) the Authority must inspect the Relevant Works and consider all matters relevant to the Completion of the Relevant Works.

- 20.3 If the Authority is of the opinion that the Relevant Works are not Completed, the Authority must within 10 Business Days of the inspection under clause 20.2 give notice to the Company of this opinion and state in that notice the reason or reasons why the Authority is of this opinion.
- 20.4 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.
- 20.5 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 these matters, the Company must give a further notice in writing to the Authority pursuant to paragraph 20.1.
- 20.6 Any determination by the Authority that any Relevant Works have been Completed is not acceptance that the Company has complied with the Transaction Documents and any right which the Authority may have had prior to that determination is preserved absolutely.
- 20.7 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 those clauses, the Relevant Works will be taken to have been Completed on the date on which those Relevant Works were inspected under clause 20.2 and a certificate of Completion will be taken to have been issued by the Authority with a date of Completion on that date.
- 20.8 A certificate of Completion under clause 20 does not excuse the Company from compliance with all relevant legislation in relation to the Relevant Works.

PART 4 - CORPORATE STRUCTURE AND RELATED MATTERS

21. WARRANTIES OF THE COMPANY

- 21.1 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.
- 21.2 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 this document.

22. CONDITIONS RELATING TO COMPANY STRUCTURE

- 22.1 The following are conditions of this document:

- ¹² (a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)):

¹² Substituted by Agreement dated 8 May 1997.

- (i) subject to paragraph (aa), Hudson Conway Limited ('HCL') must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;
 - (ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for, its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and
 - (iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary;
- (aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;
 - (ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for all Shares for which HCL or the relevant entity is entitled to subscribe under the offer if, following the allotment by the Company of all Shares to be issued under the offer, the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;
 - (ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than 33.5% of the total number of Shares then on issue;
 - (ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;
 - (b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of:
 - (i) 10% of the total number of Shares on issue; and
 - (ii) the number of Shares held by HCL and any relevant entity at the time of such Completion (calculated on the basis that there has been compliance with clauses 22.1(a) to (ac));
 - (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) except for the persons who are Founding Shareholders under the Founding Shareholders Agreement, 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;
 - (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;
- 13
- (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;
 - (k) the memorandum and articles of association of the Company must not be amended without the prior written approval of the Authority;
 - (l) no person may be appointed as auditor of the Company unless that person's appointment has first been approved in writing by the Authority;
 - (m) at any time after the Melbourne Casino is Completed, the Liabilities of the Company must not exceed 60% of the sum of the Liabilities and Shareholders' Funds without the prior written approval of the Authority;
 - (n) the Company must provide to the Authority within 14 days of the end of each month details of all Shares issued by the Company¹⁴ and a list of the top 50 holders of Shares registered at the end of the previous month;

¹³ Substituted by Agreement dated 8 May 1997.

¹⁴ Varied by Agreement dated 8 May 1997.

- (o) a director or alternate director of the Company must not gamble in the Temporary Casino or the Melbourne Casino;
 - (p) 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; and
 - (q) 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.
- 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 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.
- ¹⁵22.5 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.

23. 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.

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.
- 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.

¹⁵ Inserted by Agreement dated 8 May 1997.

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.

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 Temporary Casino and the Melbourne Casino to the Company on the Licensing Date.

- 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:

'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;
 - (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 Temporary Casino and 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;
 - (l) Poker;
 - (m) French Roulette; and
 - (n) if approved by the Authority, games or derivatives devised or developed by the Company.
- 27.2 The Authority approves for the Temporary Casino and 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 Temporary Casino or 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.
- 28. CASINO OPERATING PRACTICES**

The Company must strive to obtain the maximum Gross Gaming Revenue by conducting its operations in the Temporary Casino and 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.

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 Assets and Rights of the Company other than:

- (a) Encumbrances solely over any Assets or Rights which are not Casino Assets and where the Encumbrances do not, together, secure actual or contingent indebtedness exceeding, in the aggregate, \$1,000,000;
- (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
 - (ii) 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 Assets and Rights of the Company other than pursuant to a Permitted Encumbrance except with the prior approval in writing of the Authority.

29.3 Clause 29.2 does not apply to a disposal of:

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

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

- 30.1 The Authority has consented to the creation of Encumbrances by the Company under and in accordance with the securities identified in paragraphs (a) and (b) of the definition of Financiers' Securities.
- 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 asset necessary for or incidental to the operation of the Melbourne Casino or Temporary Casino; or
 - (b) any asset whatever having a value, either separately or when aggregated with the value of other assets or equipment leased from the same lessor or related bodies corporate of that lessor, exceeding \$1,000,000;

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 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.

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.

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;
- (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;
- (i) prior to Completion of the Melbourne Casino any one of the Temporary Casino Leases is terminated (other than by effluxion of time) or surrendered;
- (j) 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
- (k) 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 Company will despite this be able to perform its obligations under the Transaction Documents.

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 or the Temporary Casino Complex or the Temporary Casino 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 or the Temporary Casino.
- 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 construct or operate the Temporary Casino or 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 construct or operate the Temporary Casino or the Melbourne Casino in accordance with this document.

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.

¹⁶32.4 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).

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

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

¹⁶ Inserted by Agreement dated 19 November 1993.

¹⁷ Inserted by Agreement dated 19 November 1993.

¹⁸ Inserted by Agreement dated 19 November 1993.

- ¹⁹32.7 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.
- ²⁰32.8 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.

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 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 the Temporary Casino Site or any third party rights in relation to the Site or the Temporary Casino 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.

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 Temporary Casino Complex and the Melbourne Casino Complex) or arising out of or in connection with the construction, financing, maintenance or use of the Temporary Casino Complex or the Melbourne Casino

¹⁹ Inserted by Agreement dated 19 November 1993.

²⁰ Inserted by Agreement dated 19 November 1993.

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.

35. INSURANCE

35.1 The Company must:

- (a) insure and keep insured all of its Assets and Rights:
 - (i) for the risks and in the amounts set out in Schedule Five and for such other risks and amounts which the Authority may from time to time reasonably require;
 - (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; and
 - (iii) with underwriters approved by the Authority and, if through an insurance broker, through an insurance broker approved by the Authority;
- (b) 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;
- (c) punctually pay all premiums and sums necessary (including stamp duty) for effecting and keeping current every insurance policy and, promptly on request, hand to the Authority the receipt for any premium or sum paid;
- (d) 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
- (e) 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.

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;
- (c) effect any insurance in respect of the Assets and Rights other than as specified in clause 35.1; or
- (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.

36. CONFIDENTIALITY

36.1 All documents and information provided by one party to another party under this document 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
- (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) Clauses 29.1 and 29.2 - 10 Business Days;
- (c) Clause 31.6 - 20 Business Days;
- (d) Clauses 32.1 and 32.4 - 10 Business Days;²¹
- (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:
 - (i) in the case of the Authority:

Chairman
Victorian Casino and Gaming Authority
Level 27, 459 Collins Street
MELBOURNE VIC 3000

²¹ Amended by Agreement dated 19 November 1993.

Facsimile: (03) 621 1803

[amended in accordance with this clause to:

*Director of Gaming and Betting
Victorian Casino and Gaming Authority
Level 1, Building D
World Trade Centre
MELBOURNE VIC 3005*

Facsimile: (03) 9628 7300]

(ii) in the case of the Company:

Lloyd J Williams
Chief Executive Officer
Crown Limited
311 Glenferrie Road
MALVERN VIC 3144

Facsimile: (03) 823 6105

[amended in accordance with this clause to:

*Mr Lloyd Williams
Chairman and Chief Executive Officer
Crown Limited
Level 1
99 Queensbridge Street
SOUTHBANK VIC 3006*

Facsimile: (03) 9685 4350]

- 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.

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 hear 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.

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;
- (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:
- (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 Temporary Casino or 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 Temporary Casino or 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.

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;
- (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 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.

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 *[insert commencement date]*.

2. Duration

This licence ceases to have effect on *[date to be determined]*, unless sooner cancelled or surrendered under the *Casino Control Act*.

3. Location and Boundaries - Temporary Casino

- 1 The Temporary Casino must be located within the Temporary Casino Complex.
- 2 The boundaries of the Temporary Casino within the Temporary Casino Complex must be those identified in the Drawings *[specify reference]* or as otherwise approved by the Authority.

4. Location and Boundaries - Melbourne Casino

- 1 The Melbourne Casino must be located within the Melbourne Casino Complex.
- 2 The boundaries of the Melbourne Casino within the Melbourne Casino Complex must be those identified in the Drawings *[specify reference]* or as otherwise 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 130 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 and not more than 200 gaming tables in operation while the Melbourne Casino is open for business; and
- (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

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 carparking facilities, residential and office accommodation, staff facilities, staff carparking, coach storage facilities and open space areas;

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

'Casino Agreement' means the agreement dated 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 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 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 identified in the Drawings of 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 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*;

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

'State' means the State of Victoria;

'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 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.

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 1993.

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

.....
Chairman

.....
Chief Executive Officer

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;²²
- . the Trust Deed;²³
- . the Note Agreement (Series 2); and²⁴
- . the Trust Deed (Series 2).²⁵

²² Inserted by Agreement dated 7 March 1995.

²³ Inserted by Agreement dated 7 March 1995.

²⁴ Inserted by Agreement dated 8 May 1997.

²⁵ Inserted by Agreement dated 8 May 1997.

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 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.

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.

SCHEDULE FIVE

INSURANCES

See Annexure A.

COMMERCIAL IN CONFIDENCE

EXECUTED as an agreement.

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

Common Seal

J.R. Richards

P.J. Connolly

.....
Chairman

.....
Chief Executive Officer

**THE COMMON SEAL of)
CROWN CASINO LTD. [as then)
known] is affixed in)
accordance with its articles)
of association in the presence)
of)**

Common Seal

Peter Jonson

B. Hamilton

.....
Signature of Secretary/Director

.....
Signature of Director

Peter Jonson

Barry J. Hamilton

.....
Name of Director
(please print)

.....
Name of Director
(please print)

VICTORIAN CASINO AND GAMING AUTHORITY
(‘Authority’)

CROWN LIMITED
ACN 006 973 262
(‘Company’)

MELBOURNE CASINO PROJECT
SIXTH VARIATION AGREEMENT
TO THE CASINO AGREEMENT

MINTER ELLISON
Lawyers
40 Market Street
MELBOURNE VIC 3000

DX 204 Melbourne
Telephone (03) 9229 2000
Facsimile (03) 9229 2666

NCB 1046899

MELBOURNE CASINO PROJECT**SIXTH VARIATION AGREEMENT TO THE CASINO AGREEMENT**

AGREEMENT dated 8 MAY 1997

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, Southbank ('**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 documents dated 19 November 1993, 31 March 1994 and 25 May 1994, and by two documents dated 7 March 1995, and the Authority and the Company have agreed to vary certain provisions of the Casino Agreement as set out in this document.
- C. The Minister has given approval to the Authority entering into this variation agreement under section 142 of the *Casino Control Act* and in accordance with clause 4 of the Casino Agreement.

AGREEMENT**1. Definitions**

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

2. Variation of Casino Agreement

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

(a) the following definitions are included in clause 2 in their appropriate alphabetical order:

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

- (ii) '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;
- (b) the definition of 'Site' in clause 2 is deleted and the following substituted:
- 'Site' has the same meaning as in the Management Agreement;
- (c) the definition of 'Site Lease' in clause 2 is varied by inserting the words 'part of' after the words 'the lease of';
- (d) clause 6.6 is deleted and the following substituted:
- 6.6 The Company acknowledges, undertakes and agrees that the Company is not permitted to terminate the Construction Agreement without the approval of the State in accordance with clause 9.3 of the Supplemental Development Agreement and without the approval of the Authority in accordance with clause 32.1 of this document.;
- (e) paragraphs (a) and (b) of clause 22.1 are deleted and the following substituted:
- (a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)):
- (i) subject to paragraph (aa), Hudson Conway Limited ('HCL') must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;
- (ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for, its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and
- (iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary;
- (aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;
- (ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for all Shares for which HCL or the relevant entity is entitled to subscribe under the offer if, following the

allotment by the Company of all Shares to be issued under the offer, the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;

- (ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than 33.5% of the total number of Shares then on issue;
- (ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;
- (b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of:
 - (i) 10% of the total number of Shares on issue; and
 - (ii) the number of Shares held by HCL and any relevant entity at the time of such Completion (calculated on the basis that there has been compliance with clauses 22.1(a) to (ac)).';
- (f) paragraph (j) of clause 22.1 is deleted and the following substituted:
 - '(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.';
- (g) paragraph (n) of clause 22.1 is varied by deleting the words 'or Share transfers registered by the Company during the previous month' and substituting 'and a list of the top 50 holders of Shares registered at the end of the previous month';
- (h) the following clause is inserted as clause 22.5:
 - '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.'; and
- (i) Schedule Two is varied by inserting 'the Note Agreement (Series 2)' and 'the Trust Deed (Series 2)'.

3. Confirmation of other terms

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

4. General provisions

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

EXECUTED as an agreement.

THE COMMON SEAL of VICTORIAN)
CASINO AND GAMING AUTHORITY)
is affixed in accordance with the directions)
of the members pursuant to a resolution)
dated 21 JANUARY 1997)

[Redacted Signature]

Chairman

JOHN C RICHARDS
Name of Chairman (print)

[Redacted Signature]

Acting Director of Gaming and Betting

BILL LAHEY
Name of Acting Director of Gaming and Betting
(print)

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



[Redacted Signature]

Secretary

ANTHONY LLOYD SENFORT
Name of Secretary (print)

[Redacted Signature]

Director

LLOYD JOHN WILLIAMS
Name of Director (print)


MINTER ELLISON

LAWYERS

6 May 1997

BY COURIER

Ms Sarah Harvey
 Legal Adviser
 Victorian Casino and Gaming Authority
 Level 5
 35 Spring Street
 MELBOURNE VIC 3000

Dear Sarah

Sixth Variation Agreement to the Casino Agreement

As discussed, I enclose 2 counterparts of the Sixth Variation Agreement to the Casino Agreement which have been executed by Crown Limited.

I am still waiting for consent from the NAB (as required under the Master Security Agreement) to the document and for an acknowledgement from Hudson Conway Limited of the new provisions in clause 22.1.

Please call if you have any questions.

Yours sincerely


 Nick Broome

enclosure

40 MARKET STREET
 MELBOURNE VICTORIA
 POSTAL ADDRESS
 GPO BOX 769G
 MELBOURNE VIC 3001
 AUSTRALIA
 DX 204 MELBOURNE
 TELEPHONE (03) 9229 2000
 INTERNATIONAL +61 3 9229 2000
 FACSIMILE (03) 9229 2666

CONTACT
 Nick Broome
 (03) 9229 2820

OUR REFERENCE
 NCB 1046899

Received
S4
7/5/97

M_MATTER269956_1



VICTORIAN CASINO AND GAMING AUTHORITY

VICTORIAN CASINO AND GAMING AUTHORITY

FACSIMILE COVER SHEET

TO: NICK BROOME
FAX NO: 9229 2666
FROM: SARAH HARVEY
 Legal Adviser
 Ph: 9651 3458
 Fax: 9651 4999 (Please ring to notify me that you are sending or have sent a fax).
SUBJECT: Casino agreement variation
DATE: 6 MAY 1997
NO OF PAGES (including cover sheet): 2

MESSAGE:

Copy of NAB's consent attached.

Regards

Sarah

CONFIDENTIALITY NOTE:

The information in this fax is confidential and for the use only of the individual or the entity above. If the reader of this message is not the intended recipient, you are informed that retention, dissemination, distribution, use or copying of this fax is prohibited. If you receive this fax in error, please notify the sender immediately by telephone and destroy it or return it to the sender at the address below. Thank you.

Level 5

35 Spring Street

Melbourne

Vic 3000

PO Box 1988R

Melbourne

Vic 3001

Tel 03 9651 3333

Fax 03 9651 3777

Victorian Casino and Gaming Authority
 Level 5
 35 Spring Street
 Melbourne, VIC, 3000.

document5

National Australia Bank

National Australia Bank Limited
A.C.N. 004044937

orig to NAB file

Copies to SG

NAB (file Crown)

*NAB
6/5/97*

Agency
Corporate Finance &
Capital Markets

271 Collins Street
Melbourne

Telephone (03) 9659 6756
Facsimile (03) 9659 6927

Postal Address
GPO Box 1451N
Melbourne
Victoria 3001
Australia

TO: Crown Limited
1/99 Queensbridge Street
Southbank


AND TO: The Chief Executive Officer
Victorian Casino and Gaming Authority
Level 5
35 Spring Street
Melbourne

We refer to clause 13.3 of the Master Authority Agreement dated 21 September 1993 and to the draft Sixth Deed of Variation to the Casino Agreement attached to a letter dated 22 April 1997 from Minter Ellison to Mallesons Stephen Jaques ("the Sixth Deed of Variation").

For the purposes only of clause 13.3 of the Master Security Agreement, National Australia Bank Limited as Agent consents to the variations to the Casino Agreement set out in the Sixth Deed of Variation, subject to the following conditions:

1. This consent is given only for the purposes of clause 13.3 of the Master Security Agreement.
2. This consent should not be taken as a consent or variation (whether express or implied) to or for the purposes of, or any agreement to consent or vary, any term of the Facility Agreement or any other Financing Document or constitute any amendment, direct or consequential to any of the provisions of the Facility Agreement or any other Financing Document.
3. This consent should not be taken as a waiver (whether express or implied) of, or an agreement to waive, any term or obligation of the Company or Hudson Conway Limited or any right of the Financiers or the Agent arising under or in connection with the Facility Agreement or any other Financing Document.

Dated this Sixth, day of May 1997.


for and on behalf of
National Australia Bank Limited
as Agent

**National
Australia Bank**

National Australia Bank Limited
A.C.N. 004044937

File Crown
orig to NAB file
copy to JG
(file crown)
MB
6/5/97

Agency
Corporate Finance &
Capital Markets

271 Collins Street
Melbourne

Telephone (03) 9659 6756
Facsimile (03) 9659 6927

Postal Address
GPO Box 1451N
Melbourne
Victoria 3001
Australia

TO: Crown Limited
1/99 Queensbridge Street
Southbank

AND TO: The Chief Executive Officer
Victorian Casino and Gaming Authority
Level 5
35 Spring Street
Melbourne

We refer to clause 13.3 of the Master Authority Agreement dated 21 September 1993 and to the draft Sixth Deed of Variation to the Casino Agreement attached to a letter dated 22 April 1997 from Minter Ellison to Mallesons Stephen Jaques ("the Sixth Deed of Variation").

For the purposes only of clause 13.3 of the Master Security Agreement, National Australia Bank Limited as Agent consents to the variations to the Casino Agreement set out in the Sixth Deed of Variation, subject to the following conditions:

1. This consent is given only for the purposes of clause 13.3 of the Master Security Agreement.
2. This consent should not be taken as a consent or variation (whether express or implied) to or for the purposes of, or any agreement to consent or vary, any term of the Facility Agreement or any other Financing Document or constitute any amendment, direct or consequential to any of the provisions of the Facility Agreement or any other Financing Document.
3. This consent should not be taken as a waiver (whether express or implied) of, or an agreement to waive, any term or obligation of the Company or Hudson Conway Limited or any right of the Financiers or the Agent arising under or in connection with the Facility Agreement or any other Financing Document.

Dated this Sixth, day of May 1997.



for and on behalf of
National Australia Bank Limited
as Agent

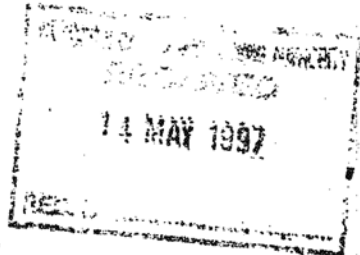
HUDSON CONWAY LIMITED
A.C.N. 009 556 629

96/00495
49592

TELEPHONE:
(03) 9693 1000

FACSIMILE:
(03) 9693 1010

1 May 1997



The Chairman
Victorian Casino & Gaming Authority
Level 5
35 Spring Street
MELBOURNE VIC 3000

Dear Sir

On behalf of Hudson Conway Limited, I acknowledge the amendments made to Clause 22.1 of the Casino Agreement in so far as they affect Hudson Conway Limited.

Yours faithfully
HUDSON CONWAY LIMITED



DANNY V. AGNOLETTO
Company Secretary

Sylvia
For your information.
Ben
15/5

→ *Sarah*
for the file.
PL copy to [redacted]
to Nick.
SS
15/5

LEVEL 1, 99 QUEENSBRIDGE STREET, SOUTHBANK, VICTORIA, 3006, AUSTRALIA

PRIVATE BAG 86, SOUTH MELBOURNE, 3205

Alan Nick Boone

22/4

He's spoken to Anthony Seyfert, who withdrew.

→ He's sent the documents for execution

+ He's asked them to get acknowledgment of Hodson

re clause 2.2.1 - so Hodson can't say they
didn't know.

RICS



VICTORIAN CASINO AND GAMING AUTHORITY
MESSAGE CONFIRMATION
FACSIMILE COVER SHEET

15/04/97 20:08

OFFICIAL CORRESPONDENCE VICTORIAN CASINO & GAMING AUTHORITY

DATE	TIME	S.R. TIME	DISTANT STATION ID	MODE	PAGES	RESULT
15/04	19:31	19:02	9229266	ECM-S	05	OK 0000

FROM: Rowena Scheffe

DATE: 15/4/97

NUMBER OF PAGES: (including cover sheet) 5

MESSAGE ① Copy of letter to Peter Ronec, + his response, re acquisition of Crown Management P/L. This will need monitoring by us.

~~_____~~
~~_____~~
~~_____~~

③ Attached is the "Certificate of Completion" used for the Temporary Casino.
 FAX NUMBER: 92292666 Do you think any charges should be made for the Authority's Certificate under the Casino Agreement?

CONFIDENTIALITY NOTE:

The information in this facsimile message (fax) is intended to be confidential and for the use of only the individual or entity above named. If the reader of this message is not the intended recipient, you are informed that retention, dissemination, distribution or copying of this fax is strictly prohibited. If you receive this fax in error please notify the Victorian Casino and Gaming Authority immediately by telephone and return it to the address given below. Thank you.

Difficulties: *If you experience any difficulty with the receipt of this transmission, please telephone (03) 9651 3333*

Level 5, 35 Spring Street, Melbourne 3000
 Postal Address: PO Box 1988R, Melbourne 3001
 Telephone: (03) 9651 3333 Facsimile (03) 9651 3777

ph Nick :

15/4/97

He explained to Anthony that the Authority won't consider any other charges of substance. Anthony seemed to accept. He'll find out whether Anthony wants to drop the 2 suggestions re stone %.

He'll also contact CWB's lawyers re explain
 .. we want to keep the reference to "Completed"
~~which~~ which, when "open for business" is
 on 8/5/97.

- See if we can get the Agreement signed ASAP

ph Nick Broome

14/4/97

re letter from Crown of 28/3/97 -
WYRE

point 1. - OK

point 2 - NO - % already determined in December

point 3 - NO - There is a substantive issue in which ^{the} Crown is
seeking to be able to sell shares down to 10.8%

∴



40 MARKET STREET
 MELBOURNE VICTORIA
 POSTAL ADDRESS
 GPO BOX 769G
 MELBOURNE VIC 3001
 AUSTRALIA
 DX 204 MELBOURNE
 TELEPHONE (03) 9229 2000
 INTERNATIONAL +61 3 9229 2000
 FACSIMILE (03) 9229 2666

4 April 1997

Ms Rowena Scheffer
 Legal Adviser
 Victorian Casino and Gaming Authority
 Level 5
 35 Spring Street
 MELBOURNE VIC 3000

CONTACT
 Nick Broome
 (03) 9229 2820

OUR REFERENCE
 NCB 1046899

Dear Rowena

Clause 22 of the Casino Agreement and Related Matters

I enclose a further account in relation to work done by us since 1 February 1997 in relation to issues arising out of clause 22.1 of the Casino Agreement and the preparation of the Sixth Variation Agreement to the Casino Agreement.

Please do not hesitate to call me if you have any questions in relation to the account. Thank you for your instructions.

Yours sincerely

A solid black rectangular box redacting the signature of Nick Broome.

Nick Broome

\$ 265 00

enclosure

M_MATTER250058_1

WITH COMPLIMENTS

NICK BROOME
Partner

40 MARKET STREET
MELBOURNE AUSTRALIA

DX 204 MELBOURNE

TELEPHONE +61 3 9229 2000
FACSIMILE +61 3 9229 2666

Attention: Ms Rowena Scheffer

96/00554

12 March 1997

49162



MINTER ELLISON

LAWYERS

MELBOURNE SYDNEY BRISBANE CANBERRA GOLD COAST LONDON HONG KONG BEIJING
ASSOCIATED OFFICES ADELAIDE PERTH AUCKLAND WELLINGTON JAKARTA SINGAPORE

VICTORIAN CASINO AND GAMING AUTHORITY
RECEIVED
14 MAR 1997
REC BY


MINTER ELLISON

LAWYERS

COPY

12 March 1997

Mr Peter Ronec
 Chief General Manager - Finance and Corporate
 Crown Limited
 Level 1
 99 Queensbridge Street
 SOUTHBANK VIC 3006

40 MARKET STREET
 MELBOURNE VICTORIA
 POSTAL ADDRESS
 GPO BOX 769G
 MELBOURNE VIC 3001
 AUSTRALIA
 DX 204 MELBOURNE
 TELEPHONE (03) 9229 2000
 INTERNATIONAL +61 3 9229 2000
 FACSIMILE (03) 9229 2666

CONTACT
 Nick Broome
 (03) 9229 2820

OUR REFERENCE
 NCB 1046899

Dear Peter

Sixth Variation Agreement to the Casino Agreement

As contemplated by my letter of 7 February 1997, I enclose a draft Sixth Variation Agreement to the Casino Agreement. You will see that the document deals with the provisions referred to in my letter of 7 February 1997 and otherwise amends the definitions of 'Site' and 'Site Lease' so that they are consistent with the Management Agreement.

I note that we do not have copies of the executed versions of the Trust Deed and Note Agreement for the second series of unsecured notes, and I would be grateful therefore if you could arrange for copies to be sent to me. You will see that we need to complete the dates of these documents in the enclosed draft.

The Authority requires this matter to be completed as soon as possible so I would be grateful for your early comments in relation to the draft. Please call me if you have any questions.

Yours sincerely

Nick Broome

Copy to Ms Rowena Scheffer, Victorian Casino and Gaming Authority

enclosure

M_MATTER235516_1

**VICTORIAN CASINO AND GAMING AUTHORITY
(‘Authority’)**

**CROWN LIMITED
ACN 006 973 262
(‘Company’)**

**MELBOURNE CASINO PROJECT
SIXTH VARIATION AGREEMENT
TO THE CASINO AGREEMENT**

Date: 12 March 1997

**MINTER ELLISON
Lawyers
40 Market Street
MELBOURNE VIC 3000**

**DX 204 Melbourne
Telephone (03) 9229 2000
Facsimile (03) 9229 2666**

NCB 1046899

MELBOURNE CASINO PROJECT

SIXTH VARIATION AGREEMENT TO THE CASINO AGREEMENT

AGREEMENT dated 1997

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, Southbank ('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 documents dated 19 November 1993, 31 March 1994 and 25 May 1994, and by two documents dated 7 March 1995, and the Authority and the Company have agreed to vary certain provisions of the Casino Agreement as set out in this document.
- C. The Minister has given approval to the Authority entering into this variation agreement under section 142 of the *Casino Control Act* and in accordance with clause 4 of the Casino Agreement.

AGREEMENT

1. Definitions

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

2. Variation of Casino Agreement

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

- (a) the following definitions are included in clause 2 in their appropriate alphabetical order:
 - (i) 'Note Agreement (Series 2)' means the deed dated # 1996 between the Company, Permanent Trustee Australia Limited and National Australia Bank Limited;

- (ii) 'Trust Deed (Series 2)' means the deed dated # 1996 between the Company and Permanent Trustee Australia Limited relating to the issue by the Company of unsecured notes;
- (b) the definition of 'Site' in clause 2 is deleted and the following substituted:
- "Site' has the same meaning as in the Management Agreement,"
- (c) the definition of 'Site Lease' in clause 2 is varied by inserting the words 'part of' after the words 'the lease of';
- (d) clause 6.6 is deleted and the following substituted:
- 6.6 The Company acknowledges, undertakes and agrees that the Company is not permitted to terminate the Construction Agreement without the approval of the State in accordance with clause 9.3 of the Supplemental Development Agreement and without the approval of the Authority in accordance with clause 32.1 of this document;
- (e) paragraphs (a) and (b) of clause 22.1 are deleted and the following substituted:
- (a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)):
- (i) subject to paragraph (aa), Hudson Conway Limited ('HCL') must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;
- (ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for, its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and
- (iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary;
- (aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;
- (ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for all Shares for which HCL or the relevant entity is entitled to subscribe under the offer if, following the

allotment by the Company of all Shares to be issued under the offer, the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;

- (ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than 33.5% of the total number of Shares then on issue;
- (ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;
- (b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of
 - (i) 10% of the total number of Shares on issue; and
 - (ii) the number of Shares held by HCL and any relevant entity at the time of such Completion (calculated on the basis that there has been compliance with clauses 22.1(a) to (ac)).';
- (f) paragraph (j) of clause 22.1 is deleted and the following substituted:
 - (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.;
- (g) paragraph (n) of clause 22.1 is varied by deleting the words 'or Share transfers registered by the Company during the previous month' and substituting 'and a list of the top 50 holders of Shares registered at the end of the previous month';
- (h) the following clause is inserted as clause 22.5:

'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. ; and
- (i) Schedule Two is varied by inserting 'the Note Agreement (Series 2)' and 'the Trust Deed (Series 2)'.;

3. Confirmation of other terms

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

4. General provisions

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

EXECUTED as an agreement.

**THE COMMON SEAL of VICTORIAN)
CASINO AND GAMING AUTHORITY)
is affixed in accordance with the directions)
of the members pursuant to a resolution)
dated 1997)**

.....
Chairman

.....
Acting Director of Gaming and Betting

.....
Name of Chairman (print)

.....
Name of Acting Director of Gaming and Betting
(print)

**THE COMMON SEAL of CROWN)
LIMITED is affixed in accordance with its)
articles of association in the presence of)
)**

.....
Secretary

.....
Director

.....
Name of Secretary (print)

.....
Name of Director (print)

MINTER ELLISON
 LAWYERS

40 MARKET STREET
 MELBOURNE VICTORIA

POSTAL ADDRESS
 GPO BOX 769G
 MELBOURNE VIC 3001
 AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
 INTERNATIONAL +61 3 9229 2000
 FACSIMILE (03) 9229 2666

FACSIMILE

DATE 27 February 1997

TO Ms Rowena Scheffer
 Victorian Casino and Gaming Authority
 Facsimile number 9651 4999

FROM Nick Broome
 Minter Ellison, Melbourne
 Our reference NCB 1046899

SUBJECT Variation Agreement of the Casino Agreement

Dear Rowena

As promised, I attach a draft of the Sixth Variation Agreement to the Casino Agreement.

I would be grateful for your comments before forwarding the draft to Crown Limited.

Kind regards



Nick Broome

NOTE

If you do not receive page(s) including this one, please telephone MINTER ELLISON (03) 9229 2000 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

M MATTER27953_1

VICTORIAN CASINO AND GAMING AUTHORITY

CROWN LIMITED

ACN 006 973 262

MELBOURNE CASINO PROJECT

**SIXTH VARIATION AGREEMENT
TO THE CASINO AGREEMENT**

Draft: 27 February 1997

MINTER ELLISON
Lawyers
40 Market Street
MELBOURNE VIC 3000

DX 204 Melbourne
Telephone (03) 9229 2000
Facsimile (03) 9229 2666

NCB 1046899

MELBOURNE CASINO PROJECT

SIXTH VARIATION AGREEMENT TO THE CASINO AGREEMENT

Handwritten signature and initials in a circle.

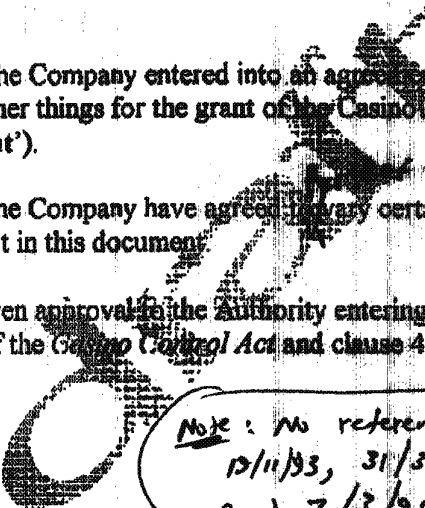
AGREEMENT dated 1997

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, Southbank ('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 Authority and the Company have agreed to vary certain provisions of the Casino Agreement as set out in this document.
C. The Minister has given approval to the Authority entering into this variation agreement under section 142 of the Casino Control Act and clause 4 of the Casino Agreement.



Note: no reference to previous variations 10/11/93, 31/3/94, 25/5/94, 7/3/95, and 7/3/95

AGREEMENT

1. Definitions

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

2. Variation of Casino Agreement

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

(a) the following definitions are included in clause 2 in their appropriate alphabetical order:

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

Handwritten question mark in a circle.

Issued \$200m on 16/8/96

18.5.96 16/8/96 # 201100

?

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

(b) the definition of 'Site' in clause 2 is deleted and the following substituted:

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

(c) the definition of 'Site Lease' in clause 2 is varied by inserting the words 'part of' after the words 'the lease of';

(d) clause 6.6 is deleted and the following substituted:

'6.6 The Company acknowledges, undertakes and agrees that the Company is not permitted to terminate the Construction Agreement without the approval of the State in accordance with clause 9.3 of the Supplemental Development Agreement and without the approval of the Authority in accordance with clause 32.1 of this document;

it debits 6.6 (b) has been effected notified

(e) paragraphs (a) and (b) of clause 22 are deleted and the following substituted:

(a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement));

(i) subject to paragraph (aa), Hudson Conway Limited ('HCL') must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;

(ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and

(iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary;

(aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;

(ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for all Shares for which HCL or the relevant entity is entitled to subscribe under the offer if, following the allotment by the Company of all Shares to be issued under

the offer, the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;

Ⓝ ✓

(ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than 33.5% of the total number of Shares then on issue;

Ⓝ ✓

(ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;

✓

(b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of:

one Ⓝ

(i) 10% of the total number of Shares on issue; and

(ii) the number of Shares held by HCL, and any relevant entity at the date of such Completion (calculated on the basis that there has been compliance with clauses 22.1(a) to (h)).

This clause was dropped only for Federal Hotels. It has no effect that don't want can never get this. Why complicate this achieve?

This was to accommodate Federal Hotel. No longer relevant

(f) paragraph (j) of clause 22.1 is deleted and the following substituted:

(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;

✓

(g) paragraph (n) of clause 22.1 is varied by deleting the words 'or Share transfers registered by the Company during the previous month' and substituting 'and a list of the top 50 holders of Shares as recorded at the end of the previous month';

✓

(h) the following clause is inserted as clause 22.5:

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; and

✓

(i) Schedule Two is varied by inserting 'the Note Agreement (Series 2)' and 'the Trust Deed (Series 2)'.

✓

3. Confirmation of other terms

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



4. General provisions

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



EXECUTED as an agreement.



THE COMMON SEAL of VICTORIAN CASINO AND GAMING AUTHORITY is affixed in accordance with the directions of the members pursuant to a resolution dated 1997

Chairman

Acting Director of Gaming and Betting



Name of Chairman (print)

John C Richards

Name of Director of Gaming and Betting (print)

Acting Bill Lacey



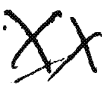
THE COMMON SEAL of CROWN LIMITED is affixed in accordance with its articles of association in the presence of

Secretary

Director

Name of Secretary (print)

Name of Director (print)





MINTER ELLISON

LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA
BX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

CONTACT
Nick Broome
(03) 9229 2820

OUR REFERENCE
NCB: 1846899

31 January 1997

Ms Rowena Scheffer
Legal Adviser
Victorian Casino and Gaming Authority
PO Box 1988R
MELBOURNE VIC 3001

Dear Rowena

Clause 22.1 of the Casino Agreement

I enclose copies of letters sent today to Peter Ronc at Crown Limited and John Slattery of Corrs Chambers Westgarth, the solicitor for CUB.

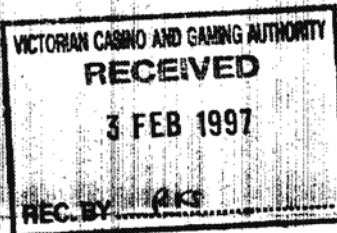
I will let you know as soon as I hear anything.

Kind regards

Yours sincerely


Nick Broome

enclosure



M_MATTER212104_1



MINTER ELLISON

LA YERS

COPY

40 MARKET STREET
MELBOURNE VICTORIA
POSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA
DX 104 MELBOURNE
TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

CONTACT
Nick Broome
(03) 9229 2820

OUR REFERENCE
NCB 1046899

31 January 1997

Mr Peter Ronec
Chief General Manager Finance and Corporate
Crown Limited
Level 1
99 Queensbridge Street
SOUTHBANK VIC 3006

Dear Peter

Clause 22.1 of the Casino Agreement

I enclose a draft of proposed amendments to clauses 22.1(a) and (b) of the Casino Agreement.

The Authority determined at its January meeting that the relevant percentage for inclusion in proposed clauses (aa), (ab) and (ac) should be 33.5%, being the percentage shareholding of Hudson Conway Limited in Crown Limited as at the time the Authority made its determinations in relation to this clause in December.

Please advise if you have any comments in relation to the draft clause. As previously advised, these comments should be kept to those which relate to drafting rather than substantive issues.

I look forward to hearing from you.

Yours sincerely

Nick Broome

enclosure

M_MATTER211611_1



MINTER ELLISON

COPY

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA
DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

CONTACT
Nick Broome
(03) 9229 2820

OUR REFERENCE
NCB 1046899

31 January 1997

Mr John Slattery
Corrs Chambers Westgarth
600 Bourke Street
MELBOURNE VIC 3000

Dear John

Carlton and United Breweries Limited: Clause 22 of the Casino Agreement

We refer to our recent discussions and correspondence.

It is proposed that clause 22.1 of the Casino Agreement be amended to provide as follows in relation to CUB:

'(ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business.'

Please let me know if you have any comments in relation to the above.

Yours sincerely

Nick Broome

enclosure

M_MATTER211620_1

PROPOSED AMENDMENTS TO CASINO AGREEMENT

Delete paragraphs (a) and (b) of clause 22.1 and substitute the following:

- (a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)):
 - (i) subject to paragraph (aa), Hudson Conway Limited ('HCL') must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;
 - (ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for, its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and
 - (iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary;
- (aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;
- (ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for all Shares for which HCL or the relevant entity is entitled to subscribe under the offer if, following the allotment by the Company of all Shares to be issued under the offer, the total number of Shares held by HCL and any relevant entity is not less than 33.5% of the total number of Shares then on issue;
- (ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than 33.5% of the total number of Shares then on issue;
- (ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;
- (b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of:
 - (i) 10% of the total number of Shares on issue; and
 - (ii) the number of Shares held by HCL and any relevant entity at the time of such Completion (calculated on the basis that there has been compliance with clauses 22.1(a) to (ac)).

Include the following as clause 22.5:

'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.'

The New Room

... ..
... ..
... ..
... ..
... ..

The history
... ..
... ..

... ..

S. Broome

MINTER ELLISON
LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE

DATE 10 January 1997

TO Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9651 3888

FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899

SUBJECT Clause 22.1 of the Casino Agreement

Rowena
re my typo
in para (a) &
query in para (a). SG. 14/1

Dear Rowena,

As promised, I attach a draft of proposed new clauses 22.1(a) and (b) of the Casino Agreement.

You will see that I have left the relevant percentage shareholding for Hudson Conway undefined at this stage. While the Authority's determination was in respect of its existing percentage holding, that percentage was diluted slightly after the determination by Crown's pre-Christmas placement.

I would be grateful for any comments that you or Bill might have.

Kind regards


Nick Broome

NOTE

If you do not receive 3 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

M_MATTER190289_1

PROPOSED AMENDMENTS TO CASINO AGREEMENT

Delete paragraphs (a) and (b) of clause 22.1 and substitute the following:

(a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)):

are some words left out here?

(i) subject to paragraph (aa), Hudson Conway Limited ('HCL') must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;

(ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for, its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and

(iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary;

(aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than #% of the total number of Shares then on issue;

for

(ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for ~~all Shares~~ which HCL or the relevant entity is entitled to subscribe under the offer if, following the allotment by the Company of all Shares to be issued under the offer, the total number of Shares held by HCL and any relevant entity is not less than #% of the total number of Shares then on issue;

(ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than #% of the total number of Shares then on issue;

(ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;

(b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of:

(i) 10% of the total number of Shares on issue; and

(ii) the number of Shares held by HCL and any relevant entity at the time of such Completion (calculated on the basis that there has been compliance with clause 22.1(a)).

56- to (ad)

Include the following as clause 22.5:

'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.'



MINTER ELLISON
LAWYERS

Attachment 2

CONTACT Nick Broome (03) 9229 2920

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA

OUR REFERENCE NCR 1046899
YOUR REFERENCE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

DX 204 MELBOURNE

24 December 1996

BY FACSIMILE

Mr Peter Ronec
Chief General Manager - Finance and Corporate
Crown Limited
Level 1
99 Queensbridge Street
SOUTHBANK VIC 3006

COPY

Dear Peter

Clause 22.1(a) of the Casino Agreement

I refer to our recent discussions and correspondence in relation to the amendments proposed to clause 22.1(a) of the Casino Agreement.

At its meeting on 18 December 1996 the Authority determined that the points of principle noted below must apply to any amendment to clause 22.1(a). In making its determination the Authority considered the written submissions from Crown Limited ('Crown'), Hudson Conway Limited ('HCL') and CUB. The Authority's determination on this matter is now final and we have been instructed to draft an amendment to clause 22.1(a) accordingly. No further submissions will therefore be accepted. In particular, we have been asked to remind you that the amendments are in response to a breach of the relevant provision.

The points of principle to be encapsulated in the new clause 22.1(a) are as follows:

1. HCL must maintain its existing percentage holding in Crown until the Completion of the Melbourne Casino Complex (excluding the Lyric Theatre). The requirement therefore applies until the Southern Tower of the Hotel is completed.
2. Accordingly, HCL must not dispose of shares in Crown if this will reduce its holding to below its existing percentage, and must take up its entitlement to shares in any pro-rata offering by Crown to the extent necessary to maintain this percentage holding.
3. CUB must maintain its existing percentage holding until the Completion of the Melbourne Casino.
4. The clause will contemplate holdings by subsidiaries and nominees.
5. In line with the submissions and the above principles, sales of HCL subsidiaries will be permitted if this does not reduce HCL's holding below its existing percentage.

M_MATTER195522_1

MELBOURNE SYDNEY BRISBANE CANBERRA GOLD COAST LONDON HONG KONG BEIJING
ASSOCIATED OFFICES ADELAIDE PERTH AUCKLAND WELLINGTON JAKARTA SINGAPORE


Crown Limited
24 December 1996

2

As a consequence of the change in the duration of the shareholding requirements, clause 22.1(b) will be amended to refer to the 12 month period after the Completion of the Melbourne Casino Complex (excluding the Lyric Theatre).

We will draft an appropriate amendment to clause 22.1(a) and circulate this in the New Year. In the meantime, please let me know if the above requires any clarification.

Yours sincerely



Nick Broome

Copy to Mr Barry Hamilton, Hudson Conway Limited

M_MATTER195522_1

003

WINTER ELLISON 613922292666

11:39

10/01/97

**MINTER ELLISON**

LAWYERS

Attachment 3

CONTACT

Nick Broome (03) 9229 2820

40 MARKET STREET
MELBOURNE VICTORIAPOSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIAOUR REFERENCE
YOUR REFERENCE

NCR 1046899

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

DX 104 MELBOURNE

24 December 1996

BY FACSIMILE

Mr John Slattery
Corrs Chambers Westgarth
Solicitors
Bourke Place
600 Bourke Street
MELBOURNE VIC 3000

COPY

Dear John

CUB - Clause 22 of the Casino Agreement

Further to our discussion yesterday, I confirm that the Victorian Casino and Gaming Authority has determined that the shareholding requirements in clause 22.1(a) of the Casino Agreement will not apply to CUB after the opening of the Melbourne Casino.

The necessary amendments to clause 22.1(a) of the Casino Agreement are expected to be completed in January 1997. If you have any questions in the meantime, please do not hesitate to call me.

Yours sincerely

Nick Broome

M_MATTER199113_1

MELBOURNE SYDNEY BRISBANE CANBERRA GOLD COAST LONDON HONG KONG BEIJING
ASSOCIATED OFFICES ADELAIDE PERTH AUCKLAND WELLINGTON JAKARTA SINGAPORE

PROPOSED AMENDMENTS TO CASINO AGREEMENT

Attachment 4

Delete paragraphs (a) and (b) of clause 22.1 and substitute the following:

- (a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)):
- (i) subject to paragraph (aa), Hudson Conway Limited ('HCL') must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;
 - (ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for, its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and
 - (iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary;
- (aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than #% of the total number of Shares then on issue;
- (ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for all Shares which HCL or the relevant entity is entitled to subscribe under the offer if, following the allotment by the Company of all Shares to be issued under the offer, the total number of Shares held by HCL and any relevant entity is not less than #% of the total number of Shares then on issue;
- (ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than #% of the total number of Shares then on issue;
- (ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;
- (b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of:
- (i) 10% of the total number of Shares on issue; and
 - (ii) the number of Shares held by HCL and any relevant entity at the time of such Completion (calculated on the basis that there has been compliance with clause 22.1(a)).

Include the following as clause 22.5:

'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.'

10/1/97

8 (c) Amendments to the Casino Agreement

Members considered a report on the status of all amendments to the Casino Agreement and the Master Security Agreement that are currently in progress.

Members noted that, in relation to the amendment to clause 22.1(a) of the Casino Agreement:

1. the Authority agreed at the 17 December 1996 meeting to write, in letters settled by Minter Ellison, to Crown Limited, Hudson Conway Limited and Carlton and United Breweries advising them of the Authority's decision as to the wording of the amendment and that the Authority will not consider any further dilution of the obligations of the sponsors or Carlton and United Breweries under the Agreement; and
2. the Minister gave his broad approval to the amendment of this clause in May 1996.

Members agreed that:

- the Authority note the status of the amendments to the Casino Agreement and the Master Security Agreement that are currently in progress;
- for the purposes of sub-clauses 22.1(aa), 22.1(ab) and 22.1(ac), the minimum percentage of shares Hudson Conway Limited must maintain if it wishes to dispose of Crown Limited shares, either directly or through a wholly owned subsidiary, shall be 33.5%; and
- subject to the approval of the Minister for Gaming, the Authority agree to amendment of the Casino Agreement by the deletion of clause 6.6 from the Agreement.

8(d) Approval of a New Game - Blue Moon

Members agreed to approve the following electronic gaming machine game tokenised to \$1 coin input to be used in the 8032 Video EGM in Tattersall's gaming network subject to the conditions mentioned below:

Game

Game Name	Paytable	Return to Player	Denomination	Coin Input
Blue Moon	99	90.47	5c, 10c	\$1

VICTORIAN CASINO AND GAMING AUTHORITY

GENERAL REPORT ON ALL 'IN-PROGRESS' AMENDMENTS TO THE AGREEMENTS FOR THE CASINO

PURPOSE

1.
 - a) To report on the status of all amendments that are currently in progress to the Casino Agreement and the Master Security Agreement;
 - b) to recommend that the Authority agree that, for the purpose of clause 22.1(a) the minimum percentage of Crown Limited shares HCL must continue to hold if it wishes to dispose of any such shares, either directly or through a wholly owned subsidiary, is to be 33.5%; and
 - c) to recommend that, subject to the Minister's approval, the Authority agree to the amendment of the Casino Agreement by deleting clause 6.6 from the Agreement.

BACKGROUND

2. There are currently five amendments to the Casino Agreement and one large set of amendments to the Master Security Agreement that are in progress. The details of these amendments are set out in the table at Attachment 1.

COMMENT

Clause 22.1(a) of the Casino Agreement

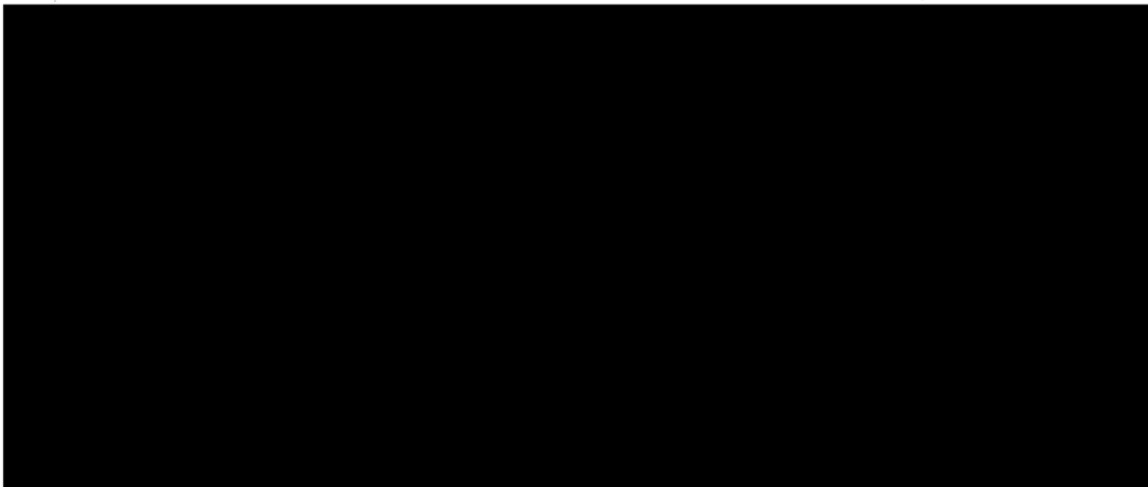
3. In relation to the amendment to clause 22.1(a) of the Casino Agreement, the Authority agreed at the 17 December 1996 meeting to write, in letters settled by Minter Ellison, to Crown Limited ("Crown"), Hudson Conway Limited ("HCL") and CUB advising them of the Authority's decision as to the wording of the amendment and that the Authority will not consider any further dilution of the obligations of the Sponsors or CUB under the Agreement. The Minister gave his broad approval to the amendment of this clause in May 1996.
4. Minter Ellison were instructed to draft this letter, to be sent from the Chairman. They misunderstood their instructions and believed they were to send the letter, which they did. They have acknowledged their mistake and apologised for it. A copy of the letter from Minter Ellison, sent on behalf of the Authority, is at Attachment 2. Minter Ellison also advised CUB of the Authority's decision regarding CUB's commitment to the Casino Project and a copy of the letter to CUB's solicitors, Corrs Chambers Westgarth, dated 24 December 1996 is at Attachment 3.
5. Minter Ellison has drafted a final version of clause 22.1(a) for the Authority's approval. This draft reflects the resolution of the Authority at the last meeting and if approved, will be forwarded to the other parties to the Agreement in anticipation of having the amended Agreement signed. A copy is at Attachment 4. This draft refers to the obligation of HCL to hold Crown shares rather than to the "Sponsors".

Under the original Casino Agreement, the Sponsors were HCL and The Federal Hotels Limited. However, as The Federal Hotels Limited has relinquished all of its Crown shares, the obligation to maintain a shareholding in Crown remains with HCL (and CUB until the Melbourne Casino is completed).

6. On 23 December 1996 Crown announced it would be issuing 32.75 million ordinary fully paid shares. The Acting Director asked Crown to provide further information on this matter. Crown advised that the shares would be issued on 7 January 1997. It also advised that after the issue, the total number of shares held by the HCL Group will be 169,115,921, which represents 31.85% of the total number of Crown shares. This percentage does not breach the proposed amended version of clause 22.1(a) which will require the number of shares held by HCL to be maintained but does not regulate the minimum percentage of shares held by HCL except where HCL wishes to dispose of any of its shares. Under the amended clause, HCL will not be allowed to dispose of any shares without the Authority's approval unless its shareholding exceeds a stated percentage. Minter Ellison have sought instructions on what is to be the stated percentage.
7. In Crown's letter of 14 October 1996 to Nick Broome of Messrs Minter Ellison, Crown submitted that the amended clause 22.1(a) should require HCL and CUB to hold a minimum of 37% of Crown shares (rather than 40%) if either company wished to dispose of their shares, thereby "*reflecting the number of shares currently held (rounded to the nearest percentage)*". Crown's proposal was accepted by the Authority at the last meeting. The Authority also agreed to allow CUB to sell its 3.5% shareholding after the Melbourne Casino has opened. It follows then, that HCL should only be able to sell off the proportion of shares that exceed 33.5% of the total on issue.
8. It is recommended that 33.5% should be the amount inserted in the draft of sub-clauses 22.1(aa), (ab) and (ac) as the minimum percentage of shares HCL must continue to hold if it wishes to dispose of any Crown shares.

Clause 6.6 of the Casino Agreement

9. In relation to the amendment to clause 6.6 of the Casino Agreement, the proposal is to provide for the Gaming Floor and Back of House areas to be made available for the purpose of installing gaming and surveillance equipment at least 12 weeks prior to the proposed opening of the Melbourne Casino, instead of "not later than 24 May 1996".



[REDACTED]

Master Security Agreement

12. NAB's consent to the third deed of variation to the Management Agreement was obtained on condition that a number of amendments be made to the Master Security Agreement. The Minister and the Authority agreed to this condition. The third deed of variation allowed the Casino hotel to be divided into two parts, of which the Southern Tower is not required to be completed until 30 November 1999 (along with the Lyric Theatre).
13. The draft amendments of 26 August 1996 to this Agreement are at Attachment 5. The response from NAB, through its solicitors, Messrs Mallesons Stephen Jaques, is at Attachment 6.
- [REDACTED]

RECOMMENDATION

16. That the Authority -
- a) note the status of the amendments that are currently in progress to the Casino Agreement and the Master Security Agreement;
 - b) agree that, for the purposes of sub-clauses 22.1(aa), (ab) and (ac) the minimum percentage of shares HCL must maintain if it wishes to dispose of Crown shares, either directly or through a wholly owned subsidiary, is to be 33.5%; and
 - c) subject to the Minister's approval, agree to the amendment of the Casino Agreement by deleting clause 6.6 from the Agreement.

Approved:

B. Farrell
 Brian Farrell, Acting Director of Gaming and Betting

MINTER ELLISON
LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE

DATE 10 January 1997

TO Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9651 3888 cc - S. Groblich
- B. Balgovan

FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899

SUBJECT Clause 22.1 of the Casino Agreement

Dear Rowena,

As promised, I attach a draft of proposed new clauses 22.1(a) and (b) of the Casino Agreement.

You will see that I have left the relevant percentage shareholding for Hudson Conway undefined at this stage. While the Authority's determination was in respect of its existing percentage holding, that percentage was diluted slightly after the determination by Crown's pre-Christmas placement.

I would be grateful for any comments that you or Bill might have.

Kind regards

NOTE

If you do not receive 3 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

M_MATTER190289_1

PROPOSED AMENDMENTS TO CASINO AGREEMENT

Delete paragraphs (a) and (b) of clause 22.1 and substitute the following:

- (a) unless the Authority approves in writing otherwise, prior to the Completion (as defined in the Management Agreement) of the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)):
 - (i) subject to paragraph (aa), Hudson Conway Limited ('HCL') must not Dispose of any Shares held by it, and must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;
 - (ii) subject to paragraph (ab), HCL must subscribe for (whether directly or through a nominee holding under a bare trust), and procure that any relevant entity subscribes for, its entitlement to Shares offered under a pro rata or entitlement offer of Shares to shareholders in the Company; and
 - (iii) subject to paragraph (ac), HCL must ensure that any relevant entity remains a wholly owned subsidiary.
- (aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of Shares held by HCL and any relevant entity is not less than #% of the total number of Shares then on issue;
- (ab) paragraph (a)(ii) does not require HCL or any relevant entity to subscribe for all Shares which HCL or the relevant entity is entitled to subscribe under the offer if, following the allotment by the Company of all Shares to be issued under the offer, the total number of Shares held by HCL and any relevant entity is not less than #% of the total number of Shares then on issue;
- (ac) paragraph (a)(iii) does not require a relevant entity to remain a wholly owned subsidiary of HCL if the total number of Shares held by HCL and any other relevant entities is not less than #% of the total number of Shares then on issue;
- (ad) CUB must not Dispose of any Shares held by CUB until after the Melbourne Casino is Completed and open for business;
- (b) at any time during the period of 1 year from the date that the Melbourne Casino Complex (excluding the Lyric Theatre (as defined in the Management Agreement)) is Completed (as defined in the Management Agreement), the aggregate number of Shares held by HCL and any relevant entity must not be less than the lesser of:
 - (i) 10% of the total number of Shares then on issue;
 - (ii) the number of Shares held by HCL and any relevant entity at the time of such Completion (calculated on the basis that there has been compliance with clause 22.1(a)).

Include the following as clause 22.5:

'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.'

10/1/97

my copy

(CONFIDENTIAL - FOR VCGA INTERNAL USE ONLY)
10/1/97

AMENDMENTS TO AGREEMENTS FOR THE CASINO/COMPLEX

CASINO AGREEMENT

Clause and (Officer responsible)	Issues	In principle approvals	Status
22.1(a) (R. Scheffer)	Amendment proposed by VCGA to replace the "minimum of 40%" requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements. Date of proposal - 18/3/96	VCGA - yes Minister - yes Crown - yes NAB - Crown to advise	Next step: Minters to settle wording for amendment and distribute to all parties. ✓ Done on 31/1/97.
22.1(b) (R. Scheffer)	Amendment necessary as a consequence of amendment to clause 22.1(a). Need to amend meaning of "date the Complex is completed".	VCGA - yes Minister - yes Crown - yes NAB - yes	Next step: Amendment to be drawn up by Minters and copy to be forwarded to Crown for comments from/consent of Crown and NAB (cc letter to VCGA). ✓ Done on 31/1/97
22.1(n) (P. Gavin)	Amendment proposed by Crown to reduce reporting requirements to VCGA, to all shares issued and a list of the top 50 shareholdings for the previous month. Date of proposal - 23/4/96	VCGA - yes Minister - not yet Crown - Yes NAB - not yet	Next step - Minister's approval to be obtained. Briefing note sent 11/1/97. Crown's and NAB's consent to be obtained. NAB's consent obtained on 2/1/97 Paul to send Nick proposal wording ✓ done Authority paper for 18/2/97 meeting.
22.1(j) (R. Scheffer)	Amendment proposed by Crown to allow for some exceptions to the 10% rule and so that this clause will mirror the equivalent provision in the ASX Listing Rules. Date of proposal - 2/9/96	VCGA - yes Minister - not yet Crown - Yes NAB - not yet	Authority agreed to amendment on 17/12/96 and Crown has been advised. Next step - Wording of amendment to be settled by Minters. But draft not to be sent to Crown/NAB until Minister's approval obtained. Briefing note sent to Minister on 9/1/97. Ap Minister's approval received mid January 97

<p>6.6 (R. Scheffer)</p>	<p>Amendment proposed by VCGA to provide for the Gaming Floor and Back of House areas to be made available for the purpose of installing gaming and surveillance equipment at least 12 weeks prior to the proposed opening of the Melb. Casino. Date of proposal - 23/7/96 (instructions received 25/11/96)</p>	<p>VCGA - yes Minister - not yet Crown - not yet NAB - not yet</p>	<p>Instructions given to Minters on 2/11/96 to draft the amendment. Minters have advised of impracticality of '12 weeks' period. Briefing note to Minister sent on 13/12/96; awaiting response. Next step: Further instructions, re period of time or deletion of clause, required. - Authority approval obtained on 21/1/97. 2nd briefing note to Minister re deletion of clause sent 6/2/97 - ministerial approval on 19/2/97</p>
-----------------------------------	---	--	---

MASTER SECURITY AGREEMENT ("MSA")

Clauses	Issues	In principle approvals	Status
<p>numerous (R. Scheffer)</p>	<p>The consent of NAB to the third deed of variation to the Management Agreement was conditional on a number of amendments to the MSA. (Deed signed in July 96)</p>	<p>VCGA - yes Minister - yes Crown - yes NAB - yes</p>	<p>Next step - Minters to negotiate directly with VGS, NAB and Crown/Hudcon re details.</p>

(CONFIDENTIAL - FOR VCGA INTERNAL USE ONLY)

10/1/97

AMENDMENTS TO AGREEMENTS FOR THE CASINO/COMPLEX

CASINO AGREEMENT

Clause and (Officer responsible)	Issues	In principle approvals	Status
22.1(a) (R. Scheffer)	Amendment proposed by VCGA to replace the "minimum of 40%" requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements. Date of proposal - 18/3/96	VCGA - yes Minister - yes Crown - yes NAB - Crown to advise	Next step: Minters to settle wording for amendment and distribute to all parties.
22.1(b) (R. Scheffer)	Amendment necessary as a consequence of amendment to clause 22.1(a). Need to amend meaning of "date the Complex is completed"	VCGA - yes Minister - yes Crown - yes NAB - yes	Next step: Amendment to be drawn up by Minters and copy to be forwarded to Crown for comments from/consent of Crown and NAB (cc letter to VCGA).
22.1(n) (P. Gavin)	Amendment proposed by Crown to reduce reporting requirements to VCGA, to all shares issued and a list of the top 50 shareholdings for the previous month. Date of proposal - 23/4/96	VCGA - yes Minister - not yet Crown - Yes NAB - yes	Next step - Minister's approval to be obtained. Crown's and NAB's consent to be obtained.
22.1(j) (R. Scheffer)	Amendment proposed by Crown to allow for some exceptions to the 10% rule and so that this clause will mirror the equivalent provision in the ASX Listing Rules. Date of proposal - 2/9/96	VCGA - yes Minister - not yet Crown - Yes NAB - not yet	Authority agreed to amendment on 17/12/96 and Crown has been advised. Next step - Wording of amendment to be settled by Minters. But draft not to be sent to Crown/NAB until Minister's approval obtained. Briefing note sent to Minister on 9/1/97.

All done ext 1

<p>6.6 (R. Scheffer)</p>	<p>Amendment proposed by VCGA to provide for the Gaming Floor and Back of House areas to be made available for the purpose of installing gaming and surveillance equipment at least 12 weeks prior to the proposed opening of the Melb. Casino. Date of proposal - 23/7/96 (instructions received 25/11/96)</p>	<p>VCGA - yes Minister - not yet Crown - not yet NAB - not yet</p>	<p>Briefing note to Minister sent on 13/12/96; awaiting response. Instructions given to Minters on 2/11/96 to draft the amendment. Minters have advised of impracticality of '12 weeks' period. Next step: Further instructions, re period of time or deletion of clause, required.</p>
-----------------------------------	---	--	--

MASTER SECURITY AGREEMENT ("MSA")

Clauses	Issues	In principle approvals	Status
<p>numerous (R. Scheffer)</p>	<p>The consent of NAB to the third deed of variation to the Management Agreement was conditional on a number of amendments to the MSA. (Deed signed in July 96)</p>	<p>VCGA - yes Minister - yes Crown - yes NAB - yes</p>	<p>Next step - Minters to negotiate directly with VGS, NAB and Crown/Hudcon re details.</p>

MINTER ELLISON
LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE

DATE 10 January 1997

TO Rowena Scheffer
Victorian Casino and Gaming Authority
Facsimile number 9651 3888

FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899

SUBJECT Clause 22.1 of the Casino Agreement

Dear Rowena,

As discussed, I attach a copy of my letter of 24 December 1996 to Peter Ronec conveying the determinations of the Authority in relation to the amendments to clause 22.1(a) of the Casino Agreement. A letter was also sent to John Slattery at Corra (for CUB) and a copy of this is also attached.

I will forward to you a draft of the proposed amendments to clauses 22.1(a) and (b) later today.

Kind regards


Nick Broome

NOTE

If you do not receive 4 page(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible.

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (revenue charges) immediately and then shred the document. Thank you.

M_MATTER190289.1



CONTACT

Risk Erooms (03) 9229 2820

19 MARKET STREET
MELBOURNE VICTORIAPOSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIAOUR REFERENCE
YOUR REFERENCE

NCH 1046899

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

DX 104 MELBOURNE

24 December 1996

BY FACSIMILE

Mr Peter Ronc
Chief General Manager - Finance and Corporate
Crown Limited
Level 1
99 Queensbridge Street
SOUTHBANK VIC 3006

COPY

Dear Peter

Clause 22.1(a) of the Casino Agreement

I refer to our recent discussions and correspondence in relation to the amendments proposed to clause 22.1(a) of the Casino Agreement.

At its meeting on 18 December 1996 the Authority determined that the points of principle noted below must apply to any amendment to clause 22.1(a). In making its determination the Authority considered the written submissions from Crown Limited ('Crown'), Hudson Conway Limited ('HCL') and CUB. The Authority's determination on this matter is now final and we have been instructed to draft an amendment to clause 22.1(a) accordingly. No further submissions will therefore be accepted. In particular, we have been asked to remind you that the amendments are in response to a breach of the relevant provision.

The points of principle to be encapsulated in the new clause 22.1(a) are as follows:

1. HCL must maintain its existing percentage holding in Crown until the Completion of the Melbourne Casino Complex (excluding the Lyric Theatre). The requirement therefore applies until the Southern Tower of the Hotel is completed.
2. Accordingly, HCL must not dispose of shares in Crown if this will reduce its holding to below its existing percentage, and must take up its entitlement to shares in any pro-rata offering by Crown to the extent necessary to maintain this percentage holding.
3. CUB must maintain its existing percentage holding until the Completion of the Melbourne Casino.
4. The clause will contemplate holdings by subsidiaries and nominees.
5. In line with the submissions and the above principles, sales of HCL subsidiaries will be permitted if this does not reduce HCL's holding below its existing percentage.

M_MATTER195522_1

MELBOURNE SYDNEY BRISBANE CANBERRA GOLD COAST LONDON HONG KONG BEIJING
ASSOCIATED OFFICES ADELAIDE PERTH AUCKLAND WELLINGTON JAKARTA SINGAPORE

Crown Limited
24 December 1996

2

As a consequence of the change in the duration of the shareholding requirements, clause 22.1(b) will be amended to refer to the 12 month period after the Completion of the Melbourne Casino Complex (excluding the Lyric Theatre).

We will draft an appropriate amendment to clause 22.1(a) and circulate this in the New Year. In the meantime, please let me know if the above requires any clarification.

Yours sincerely



Nick Broome

Copy to Mr Barry Hamilton, Hudson Conway Limited



VICTORIAN CASINO AND GAMING AUTHORITY

FAXED

FACSIMILE COVER SHEET

OFFICIAL CORRESPONDENCE

TO: Nick Broome

FROM: Rowena Scheffer

DATE: 14/1/97

NUMBER OF PAGES: (including cover sheet) 4.

MESSAGE:

Rowena's AS's Announcement of 23/12/96
letter from B. Farrell to P. Ronec of 24/12/96
letter from P. Ronec to B. Farrell of 9/1/97

FAX NUMBER: 9229 2666

*Matthew
to Nick
Broome
9229 2666*

CONFIDENTIALITY NOTE:

The information in this facsimile message (fax) is intended to be for the use of the individual or entity above named. If the reader of this message is not the intended recipient, the dissemination, distribution or copying of this fax is strictly prohibited. If you have received this message in error, please notify the Victorian Casino and Gaming Authority immediately by telephone. Thank you.

by the individual that retention, or please notify given below.

Difficulties: *If you experience any difficulty with the receipt of this transmission, please telephone (03) 9651 3333*

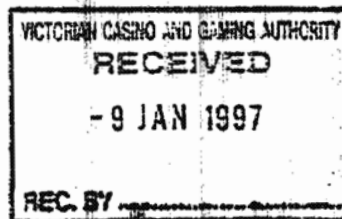
Level 5, 35 Spring Street, Melbourne 3000
Postal Address: PO Box 1988R, Melbourne 3001
Telephone: (03) 9651 3333 Facsimile (03) 9651 3777



96/00373

-8726

9 January 1997



R. Mr. Lohay.

Mr Brian Farrell
Acting Director of Gaming and Betting
Victorian Casino and Gaming Authority
Level 5
35 Spring Street
MELBOURNE VIC 3000

Dear Mr Farrell

Hindroy
Have there been any breaches
or other crimes of concern identified
as a result of this
Issue of 32.75 million new shares
infomission?
Bill.

We refer to your letter of 24 December 1996 (received 31 December 1996) and provide the following answers to your questions:

10 JAN 1997

1. 7 January 1997
2. 530,946,471 fully paid ordinary shares
3. Not to Crown's knowledge.
4. Unchanged at 185,187,350 fully paid ordinary shares. In respect of the Hudson Conway Group, the figure is 169,115,921. This represents 31.85% which we confirm is the percentage figure to be inserted in the new clause 22.1(a) of the Casino Agreement (please see correspondence from Mr Alan Rowe dated 1 July 1996 and subsequent correspondence with the Authority and its solicitors).
5. Including the 32.75 million new shares the subject of this letter, 51,657,500 shares will have been issued in the 12 months ending 8 January 1997.

Yours sincerely



Peter Ronc
Chief General Manager - Finance & Corporate

CROWN LIMITED ACN 006 973 262

LEVEL 1 99 QUEENSBRIDGE STREET SOUTHBANK VICTORIA 3006 AUSTRALIA

p 10701912

TELEPHONE (61-3) 9685 4200 FACSIMILE (61-3) 9685 4350



VICTORIAN CASINO AND GAMING AUTHORITY

24 DEC 1996

Mr Peter Ronec
Chief General Manager - Finance & Corporate
Crown Ltd
Level 1
99 Queensbridge Street
SOUTHBANK VIC 3006

Dear Mr Ronec

I refer to Mr Anthony Seyfort's facsimile of 23 December 1996 advising of the issue of 32.75 million new shares in Crown Limited.

I would appreciate if you could provide details on the following matters:

1. What is the date of issue of the new shares ?
2. When the new shares are issued, what will be the total number of shares issued in respect of Crown Ltd ?
3. Will the issue of the new shares result in any new person being entitled to more than 5% of the total number of issued shares ?
4. When the new shares are issued, what will be the total number of issued shares held by the Founding Shareholders ?
5. When the new shares are issued, what will be the total number of new shares issued by Crown Ltd in the 12 months ending on the date of issue of the new shares ?

If you have any questions in regard to this matter, please contact Lindsay Shaw on 9651 3390.

Yours sincerely


BRIAN FARRELL
Acting Director of Gaming and Betting



ASX ANNOUNCEMENT

23 DECEMBER 1996

PLACEMENT OF SHARES

In accordance with Listing Rule 3.10, Crown Limited advises that it has today placed 32.75 million ordinary fully paid shares at \$2.50 per share, which will represent 6.17% of the expanded capital of Crown. The placement was arranged by Prudential-Bache Securities (Australia) Limited and raises \$81.88 million.

The Directors consider the placement to be prudent at the current time. It will strengthen the Company's balance sheet, improve the financing mix and further enhance capacity to consider appropriate opportunities.

The new shares will rank equally in all respects with the Company's existing quoted shares as from their date of issue.

The Directors said the results for the first five months to November this year have compared favourably with the corresponding period last year.

The Southbank project is proceeding satisfactorily and will be open in March next year.

CROWN LIMITED ACN 006 973 262

LEVEL 1 99 QUEENSBRIDGE STREET SOUTHBANK VICTORIA 3006 AUSTRALIA
TELEPHONE (61-3) 9685 4200 FACSIMILE (61-3) 9685 4350



MINTER ELLISON

LAWYERS

CONTACT Nick Broome (03) 9229 2820

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIA

OUR REFERENCE NCR 1046809
YOUR REFERENCE

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

DX 204 MELBOURNE

24 December 1996

BY FACSIMILE

Mr John Slattery
Corrs Chambers Westgarth
Solicitors
Bourke Place
600 Bourke Street
MELBOURNE VIC 3000

COPY

Dear John

CUB - Clause 22 of the Casino Agreement

Further to our discussion yesterday, I confirm that the Victorian Casino and Gaming Authority has determined that the shareholding requirements in clause 22.1(a) of the Casino Agreement will not apply to CUB after the opening of the Melbourne Casino.

The necessary amendments to clause 22.1(a) of the Casino Agreement are expected to be completed in January 1997. If you have any questions in the meantime, please do not hesitate to call me.

Yours sincerely


Nick Broome

M_MATTER105113_1

MELBOURNE SYDNEY BRISBANE CANBERRA GOLD COAST LONDON HONG KONG BEIJING
ASSOCIATED OFFICES ADELAIDE PERTH AUCKLAND WELLINGTON JAKARTA SINGAPORE

Extract of Minutes of Authority Meeting for
December 1996

8 (k) Proposed Amendments to the Casino Agreement

Members considered a report canvassing amendments to clauses 22.1(a) and 22.1(j) of the Casino Agreement and agreed:

- to amend the Casino Agreement by substituting for the existing clause 22.1(a) the wording drafted by Minter Ellison, taking into account the recommendations discussed in paragraph 7 of the paper submitted;
- to write, in letters settled by Minter Ellison, to Crown Limited, Hudson Conway Limited and Carlton and United Breweries-
 - * advising each organisation of the Authority's decision as to the wording of the amendment; and
 - * reminding them that the Authority proposed the amendment as an alternative to taking action for Crown Limited's breach of the Agreement and will not, therefore, consider any further dilution of the obligations of the Sponsors or Carlton and United Breweries under the agreement or continue to negotiate the proposed amendment;
- to amend clause 22.1 (j) so that, without the prior written approval of the Authority, Crown Limited must not issue or announce the issue of shares if such issue or announcement would require shareholder approval under Rules 7.1 and 7.2 of the ASX Listing Rules.

my copy

(CONFIDENTIAL - FOR VCGA INTERNAL USE ONLY)

20/12/96

AMENDMENTS TO AGREEMENTS FOR THE CASINO/COMPLEX

CASINO AGREEMENT

Clause and (Officer responsible)	Issues	In principle approvals	Status
22.1(a) (R. Scheffer)	Amendment proposed by VCGA to replace the "minimum of 40%" requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements. Date of proposal - 18/3/96	VCGA - yes Minister - yes Crown - yes NAB - Crown to advise	Copy of Authority Paper of 17/12 sent to Minters on 20/12/96. Next step: Minters to draft letter from Chairman to Crown, Hudcon and CUB advising them of Authority's decision of 17/12/96 and attitude re no further negotiations. (Liaise with S. Grobtuch b/n 23/12/96 and 6/1/97). <i>nick sent letter from Minters by Christmas break.</i>
22.1(b)	Amendment necessary as a consequence of amendment to clause 22.1(a). Need to amend meaning of "date the Complex is completed".	VCGA - yes Minister - yes Crown - yes NAB - yes.	Next step: Amendment to be drawn up by Minters and copy to be forwarded to Crown for comments from/consent of Crown and NAB (cc letter to VCGA). Briefing Note to be sent to Minister.
22.1(n) (P. Gavin)	Amendment proposed by Crown to reduce reporting requirements to VCGA, to all shares issued and a list of the top 50 shareholdings for the previous month. Date of proposal - 23/4/96	VCGA - yes Minister - not yet Crown Yes NAB - not yet	Next step - Minister approval to be obtained. Crown's and NAB's consent to be obtained.

22.1(j) (R. Scheffer)	Amendment proposed by Crown to allow for some exceptions to the 10% rule and so that this clause will mirror the equivalent provision in the ASX Listing Rules. Date of proposal - 2/9/96	VCGA - yes Minister - not yet Crown - Yes NAB - not yet	Authority agreed to amendment on 17/12/96 and Crown has been advised. Next step - Wording of amendment to be settled by Minters. But draft not to be sent to Crown/NAB until Minister's approval obtained. <i>Blis to Minister sent on 9/1/97</i>
6.6 (R. Scheffer)	Amendment proposed by VCGA to provide for the Gaming Floor and Back of House areas to be made available for the purpose of installing gaming and surveillance equipment at least 12 weeks prior to the proposed opening of the Melb. Casino. Date of proposal - 23/7/96 (instructions received 25/11/96)	VCGA - yes Minister - not yet Crown - not yet NAB - not yet	Instructions given to Minters on 2/11/96 to draft the amendment. Briefing note to Minister sent; awaiting response. (<i>sent on 13/12/96</i>) Next step: Minters to send draft wording to Crown with request to advise of consent of Crown and NAB (cc. letter to VCGA) <i>* Ask chairman - delete the clause (superfluous as cent. won't be issued unless all machines + equip properly installed anyway) or put in expected time for amending the Agreement + opening of casino.</i>

MASTER SECURITY AGREEMENT ("MSA")

Clauses	Issues	In principle approvals	Status
numerous (R. Scheffer)	The consent of NAB to the third deed of variation to the management agreement was conditional on a number of amendments to the MSA. (Deed signed in July 96)	VCGA - yes Minister - yes Crown - yes NAB - yes	Next step - Minters to negotiate directly with VGS, NAB and Crown/Hudcon re details. Hopefully report to Authority meeting on 21/1/97 re progress.

17/12/96

VICTORIAN CASINO AND GAMING AUTHORITY

PROPOSED AMENDMENTS TO THE CASINO AGREEMENT

PURPOSE

1. To recommend the Authority resolve two proposed amendments to clauses 22.1(a) and 22.1(j) of the Casino Agreement ("the Agreement").

CLAUSE 22.1(a)

BACKGROUND

2. The current wording of clause 22.1(a) is:

"The total number of Shares held by Sponsors and CUB at any time until the date that the Melbourne Casino Complex is Completed must not be less than 40% of the total number of Shares on issue at that time."
3. Under the Agreement, the Sponsors are Hudson Conway Limited ("HCL") and The Federal Hotels Limited. The clause was breached as a result of a number of private placements of shares by Crown Limited ("Crown") to finance some property acquisitions and building works.
4. At the meeting on 18 March 1996, the Authority agreed to amend clause 22.1(a) of the Casino Agreement to replace the "minimum of 40%" requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements to any future pro rata share issue. Minter Ellison drafted a new version of clause 22.1(a) as follows:
 - "(a) Unless the Authority approves otherwise, prior to the Completion of the Melbourne Casino Complex:
 - (i) subject to paragraph (aa), Sponsors and CUB must not Dispose of any Shares held by them and each must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any shares;
 - (ii) subject to paragraph (ab), Sponsors and CUB must subscribe for, and procure that any relevant entity subscribes for, all Shares offered to them under a pro rata or entitlement offer of Shares to shareholders in the Company; and
 - (iii) Sponsors and CUB must ensure that any relevant entity remains a wholly owned subsidiary;
 - (aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of shares held by Sponsors and CUB and any relevant entity is not less than 40% of the total number of Shares then on issue;

(ab) paragraph (a)(ii) does not require a subscription for all Shares on offer if following the allotment by the Company of all Shares to be issued under the offer the total number of Shares held by Sponsors and CUB and any relevant entity is not less than 40% of the total number of Shares then on issue.”

5. Minter Ellison sent the draft wording to Crown on 5 August 1996. Comments from Crown and HCL were submitted to Minter Ellison on 14 October 1996 and are at Attachments 1 and 2. CUB has also raised some concerns about its position as a result of the proposed amendment. Although CUB is not a party to the Agreement, it has an obligation (albeit, not enforceable) to retain its shares in Crown. The letter of 29 October 1996 from CUB's solicitors, Corrs Chambers Westgarth, is at Attachment 3.

COMMENT

6. Minter Ellison provided advice on 20 November 1996 in relation to the three submissions (at Attachment 4). Their advice also summarises the three submissions and, for that reason, another summary has not been repeated in this paper. Having considered Minter Ellison's discussion of the submissions of Crown, HCL and CUB, the following recommendations are made.
- 7.a) The shareholding obligation should apply until the completion of the Melbourne Casino Complex, including the Southern Tower of the Hotel but not including the Lyric Theatre. This is because the Government has been firm in its resolve to see the Southern Tower completed as part of the Complex. Unlike the Lyric Theatre, the Southern Tower of the Hotel is integral to Crown's commitment to the Government. Therefore the obligation should continue until the Southern Tower is completed, which may not be until 30 November 1999.
- b) If the Authority accepts the above proposition, it would seem appropriate to reduce the minimum shareholding requirement from 40% to 37%.
- c) The amended clause should, as suggested by Crown and HCL, permit sales of subsidiaries which hold shares in Crown if the percentage shareholding is still above the 37% (or 40%) requirement following such sale.
- d) The amended clause should, as suggested by Crown and HCL, also contemplate shares in Crown held by nominees which have been approved by the Authority.
- e) HCL should continue to be obliged to take up shares in Crown under a pro rata or entitlement offer until the completion of the Casino Complex, including the Southern Tower, in November 1999.
- f) Crown and HCL have expressed a concern that paragraph (ab) requires the Sponsors and CUB to subscribe for shares on offer to increase their holdings up to 40%. Minter Ellison advises this is not the intention of this clause and this can be made clear when settling the wording for that paragraph. The intention is only to

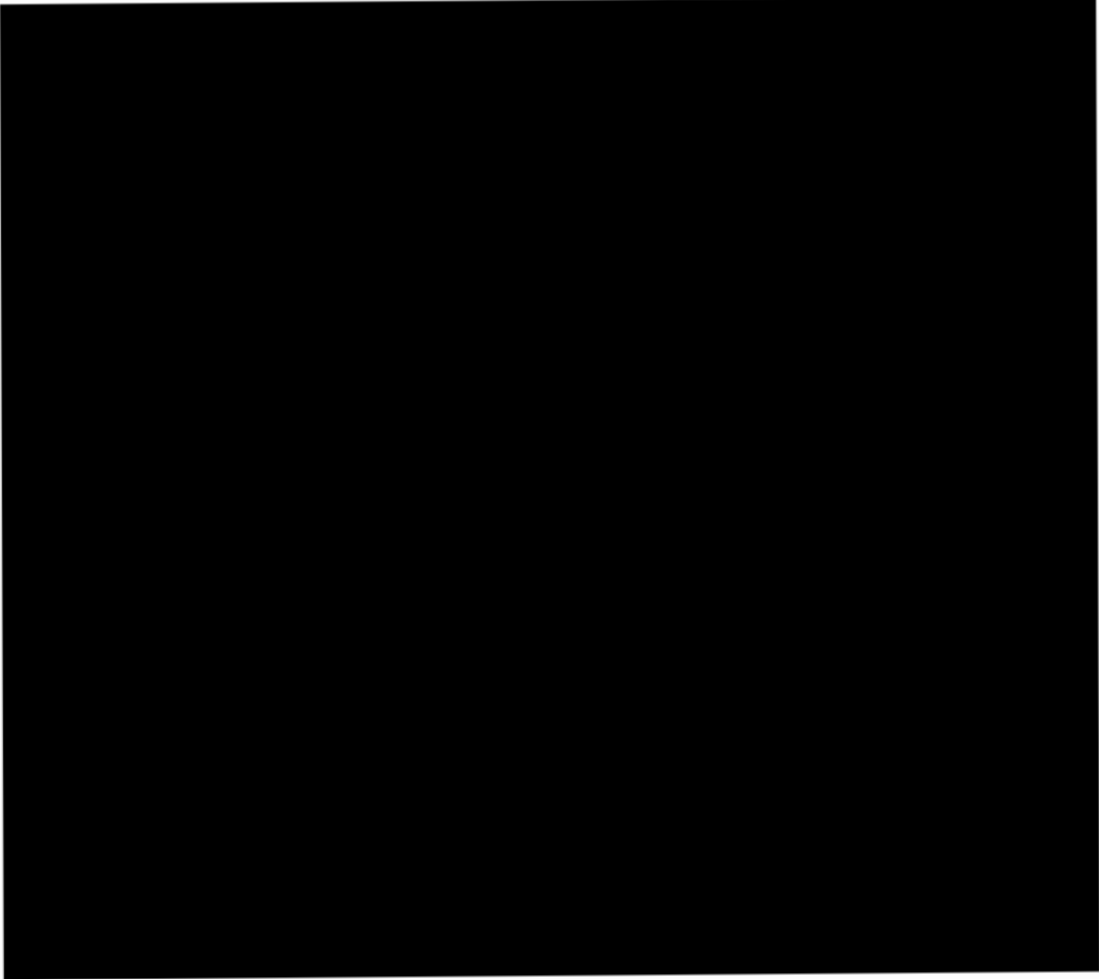
require the Sponsors and CUB to take up all shares offered to them on a pro rata basis.

- g) If CUB were to be permitted to sell its shareholding of approximately 3.5%, this would raise three options:
- i) the Sponsors would have to take up the CUB or equivalent shareholding to maintain the 37% (or 40%) minimum; or
 - ii) the Sponsors would have to find an acceptable replacement to take up CUB's shares and obligations under the Agreement; or
 - iii) the Authority could agree to allow CUB to sell its shareholding, but only after the Melbourne Casino has opened. This would mean, however, that the Authority would be tacitly agreeing to the 37% (or 40%) requirement being reduced again to approximately 33.5% (or 36.5%) from that point of time. Consideration of this option should take into account that CUB's shareholding is relatively small. CUB has not been involved in the various expansion proposals of the Complex and the Complex to which CUB originally committed itself will be completed when the Melbourne Casino opens. For these reasons this is the recommended option.
- h) Clause 22.1(b) deals with the obligation to hold shares for 12 months after "the date that the Melbourne Casino Complex is Completed". For the purpose of this clause, the date of Completion should be when the Complex, including the Southern Tower of the Hotel, is completed. Clause 22.1(b) would have to be amended to reflect this.

RECOMMENDATION

8. That the Authority agree:
1. to amend the Casino Agreement by substituting the existing clause with the wording drafted by Minter Ellison, taking into account the recommendations discussed in paragraph 7 above; and
 2. to write to Crown, HCL and CUB -
 - advising them of the Authority's decision as to the wording of the amendment; and,
 - reminding them that the Authority proposed the amendment as an alternative to taking action for Crown's breach of the Agreement. The Authority will therefore, not consider any further dilution of the obligations of the Sponsors or CUB under the Agreement or continue to negotiate the proposed amendment.

CLAUSE 22.1(j)**BACKGROUND**

9. Clause 22.1(j) of the Agreement requires, with some exceptions, that Crown must not in any given 12 month period issue, or announce the issue of, Shares totalling more than 10% of the total number of Shares on issue at the commencement of that 12 month period without the prior written approval of the Authority.
 10. In response to Crown's breach of this clause, Crown suggested that the clause be amended to mirror the provisions of Rules 7.1 and 7.2 of the ASX Listing Rules.
 11. At its meeting on 22 October 1996, the Authority agreed to ask Crown to advise it of what measures Crown has taken or will be taking to ensure that there will be no future breaches of the Agreement. Crown replied on 28 November 1996 and a copy of its letter is at Attachment 5.
- 

15. It is doubtful that Rules 7.1 and 7.2 would be amended in a way that detracts from the purpose of clause 22.1(j). An advantage to the amendment is that it will remove the inconsistency between Crown's obligations under the Agreement and under the ASX Listing Rules.

RECOMMENDATION

16. It is recommended that clause 22.1(j) be amended so that , without the prior written approval of the Authority, Crown must not issue or announce the issue of Shares if such announcement or issue would require shareholder approval under Rules 7.1 and 7.2 of the ASX Listing Rules.

Approved:
Alan Rowe, Director of Gaming and Betting

[Meeting 17 December 1996]
Source: Bill Balgowan, Casino Project Manager, and R. Scheffer, Legal Adviser

22.1(b). amended as a consequence of change to 22.1(a).

<p>22.1(j) (R. Scheffer)</p>	<p>Amendment proposed by Crown to allow for some exceptions to the 10% rule and so that this clause will mirror the equivalent provision in the ASX Listing Rules. Date of proposal - 2/9/96</p> <p><i>Recommendation that we incorporate the</i></p>	<p>N/A at this stage</p> <p><i>→ briefing note to Minister. Letter to Crown gone already.</i></p>	<p>VCGA deferred decision regarding amendment and sought further advice from Minters which was supplied on 21/11/96. Advice from Minter Ellison is -</p> <ol style="list-style-type: none"> 1. The purpose of 22.1(j) was to ensure that any share issue by Crown which may have a material effect on the structure of the ownership of Crown would require the approval of the Authority. The 10% threshold was taken not only from the ASX rule but also from the Brief to Applicants regarding mandatory requirements for corporate structure 2. 22.1(j) was never meant to replicate the ASX requirements but was adopted as a fair guide and Crown did not seek the exceptions in the ASX rule to be included in the Casino Agr. If Crown had sought the inclusion of the exceptions, Minters would have advised that it was reasonable. <p><i>Next step - Instructions from Authority need to be obtained. Authority paper for December meeting.</i></p>
<p>6.6 (R. Scheffer)</p>	<p>Amendment proposed by VCGA to provide for the Gaming Floor and Back of House areas to be made available for the purpose of installing gaming and surveillance equipment at least 12 weeks prior to the proposed opening of the Melb. Casino. Date of proposal - 23/7/96 (instructions received 25/11/96)</p>	<p>VCGA - yes Minister - not yet Crown - not yet NAB - not yet</p>	<p>Instructions given to Minters on 3/11/96 to draft the amendment. <i>(Briefing note to Minister to be prepared. - done)</i></p> <p><i>Next step</i></p> <p><i>Check up Nick on this. → ask Gauri to get NAB's consent.</i></p>

22.1(m) Amendment proposed by Crown to provide for the Gaming Floor and Back of House areas to be made available for the purpose of installing gaming and surveillance equipment at least 12 weeks prior to the proposed opening of the Melb. Casino. Date of proposal 6/12/96. VCGA - not yet Minister - not yet Crown - not yet NAB - not yet. To go to Authority meeting on 21/1/97. MASTER SECURITY AGREEMENT ("MSA")

Clauses	Issues	In principle approvals	Status
<p>numerous (R. Scheffer)</p>	<p>The consent of NAB to the third deed of variation to the management agreement was conditional on a number of amendments to the MSA. (Deed signed in July 96)</p>	<p>VCGA - yes Minister - not yet <i>Yes</i> Crown - not yet <i>Yes</i> NAB - not yet <i>Yes</i></p>	<p>Amendments drafted by Minters on 7/8/96 and sent to Crown and NAB on 26/8/96. Their response received on 1/11/96. Minters have suggested a meeting to discuss the matter in detail. <i>Next step - Briefing note to Minister to be prepared and meeting with Minters to be set up. Meeting on 11/12.</i></p>

nick - to negotiate directly with NAB + Crown / Advise re details. Once we hear back from Nick - do Authority Paper



7-11-96

**THE HONOURABLE ROGER M. HALLAM MLC
(‘State’)**

and

**CROWN LIMITED
ACN 006 973 262
(‘Company’)**

**FOURTH DEED OF VARIATION TO
THE MANAGEMENT AGREEMENT**

MELBOURNE CASINO PROJECT

42 MARKET STREET MELBOURNE AUSTRALIA
DN 104 MELBOURNE
TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2866

MELBOURNE SYDNEY BRISBANE CANBERRA GOLD COAST LONDON HONG KONG BEIJING
ASSOCIATED OFFICES ADELAIDE PERTH AUCKLAND WELLINGTON JAKARTA SINGAPORE

**THE HONOURABLE ROGER M. HALLAM MLC
(‘State’)**

and

**CROWN LIMITED
ACN 006 973 262
(‘Company’)**

**FOURTH DEED OF VARIATION TO
THE MANAGEMENT AGREEMENT**

MELBOURNE CASINO PROJECT

**MINTER ELLISON
Lawyers
40 Market Street
MELBOURNE VIC 3000**

**DX 204 Melbourne
Telephone (03) 9229 2000
Facsimile (03) 9229 2666**

NCB 1102556

FOURTH DEED OF VARIATION TO THE MANAGEMENT AGREEMENT

Melbourne Casino Project

DEED dated *7th November* 1996

BETWEEN **THE HONOURABLE ROGER M. HALLAM MLC**, the Minister of the Crown for the time being administering the *Casino Control Act* acting for and on behalf of the State of Victoria ('**State**')

AND **CROWN LIMITED ACN 006 973 262** with its registered office at Level 1, 99 Queensbridge Street, Southbank, Victoria ('**Company**')

RECITALS

- A. The State and the Company entered into an agreement dated 20 September 1993 ratified by and scheduled to the *Casino (Management Agreement) Act 1993* ('**Management Agreement**').
- B. The Management Agreement has been varied by:
- (a) a deed of variation dated 14 November 1994 ratified by and scheduled to the *Casino (Management Agreement) (Amendment) Act 1994*;
 - (b) a deed of variation dated 12 October 1995 ratified by and scheduled to the *Casino (Management Agreement) (Further Amendment) Act 1995*; and
 - (c) a deed of variation dated 3 June 1996 ratified by and scheduled to the *Gaming Acts (Amendment) Act 1996*.
- C. The parties have agreed to further vary the Management Agreement as provided in this document.

AGREEMENT

1. Definitions

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

2. Ratification and operation of provisions

- 2.1 Subject to the New Drawing (as defined in clause 3) being authorised by the Minister under section 16 of the *Casino (Management Agreement) Act 1993*, a minister of the State must introduce and sponsor a Bill in the Parliament of Victoria to ratify this document as soon as reasonably practicable after its execution.

- 2.2 Clause 3 of this document shall come into operation once.
- (a) the Bill referred to in clause 2.1 has come into operation as an Act; and
 - (b) the period for disallowance under section 16 of the *Casino (Management Agreement) Act 1993* has expired without the changes to the Drawings contemplated by the New Drawing (as defined in clause 3) being disallowed.
- 2.3 Clauses 1, 2, 4, 5, 6 and 7 of this document shall come into operation on the date of this document.
- 2.4 If the conditions in clause 2.2 are not satisfied by 31 December 1996 or such later date agreed by the parties, this document other than clause 5 will terminate. Following such termination neither party shall have any claim against the other with respect to any matter or thing antecedent to or arising out of or done, performed, or omitted to be done or performed under this document.

3. Variation of Management Agreement

Subject to the New Drawing (as defined below) being authorised by the Minister under section 16 of the *Casino (Management Agreement) Act 1993*, and to the payment by the Company to the State of the amount referred to in clause 4.1, the State and the Company agree to vary the Management Agreement in the following manner:

- (a) Part 4.0 of Schedule 5 is varied to the extent necessary so that the Off-Site Works in Queensbridge Square must be constructed in accordance with the drawing designated '93000 ASK-0326-Revision 2' and initialled for the purposes of identification by the State's Nominated Representative and the Company ('New Drawing'); and
- (b) Part 7.0 of Schedule 5 is varied to the extent necessary so that the Off-Site Works in the Clarendon Street Plaza must be constructed in accordance with the New Drawing.

4. Payment to the State

- 4.1 In consideration of the State agreeing to amend the Management Agreement in the manner provided in clause 3, the Company agrees to pay to the State \$469,750 ('Payment') on the date of this document.
- 4.2 The Payment will be paid by the State into a Trust Account established under Part 4 of the *Financial Management Act 1994* in order that the principal and interest shall be applied by the State to works for the general improvement of facilities in the Melbourne Casino area.
- 4.3 If the Company fails to make the Payment on the due date, without prejudice to any other right or remedy arising because of that failure, the Company must pay to the State interest (calculated daily) on the amount in default (including accrued interest) at the Default Rate for the period from the due date until payment is made (including all interest due under this clause).

4.4 A breach by the Company of this clause 4 shall be taken to be a breach of the Management Agreement for the purposes of clause 25.2 of the Management Agreement.

4.5 If clause 3 of this document does not come into operation and this document (other than clause 5) therefore terminates, the State shall refund to the Company the amount paid to the State under this clause 4 within 5 Business Days after such termination.

5. **Force Majeure Event**

The Company acknowledges that none of the negotiation, preparation and execution of this document, its ratification under clause 2 or any of the circumstances relating to or giving rise to the creation of this document has or will cause or create any Government Action or Force Majeure Event.

6. **Confirmation of other terms**

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

6.2 Without limiting clause 6.1, the Company acknowledges and confirms that:

- (a) subject to clause 16.3 of the Management Agreement, the Company shall be liable for liquidated damages under clause 17 of the Management Agreement if the Melbourne Casino is not Completed and open for business by the Completion Date; and
- (b) the Company must comply with the requirements of clause 13.1 of the Management Agreement in relation to materials, fittings, equipment and workmanship utilised in carrying out the construction of the Melbourne Casino Complex.

7. **General provisions**

Clauses 33 and 35 to 40 (inclusive) of the Management Agreement apply to this document as if expressly included in this document.

EXECUTED as a deed.

SIGNED by THE HONOURABLE)
ROGER M. HALLAM MLC for and on)
behalf of the State of Victoria in the presence)
of

[Redacted signature]

Signature of witness

[Redacted signature]

Hon Roger M. Hallam MLC

Timothy A. McLeod

Name of witness (print)

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



[Redacted signature]

Secretary

[Redacted signature]

Director

ANTHONY LLOYD SEYFORTH
Name of secretary (print)

BARRY JOHN HAMILTON
Name of director (print)

VICTORIAN CASINO AND GAMING AUTHORITY

AMENDMENT OF CLAUSE 22.1(a) OF THE CASINO AGREEMENT

1. PURPOSE

1. To advise the Members of progress regarding the proposed amendment of clause 22.1(a) of the Casino Agreement ("the Agreement").

2. BACKGROUND


- 2.1 On 18 March 1996 the Authority resolved to amend clause 22.1(a) of the Agreement to replace the 'minimum of 40%' requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements to any pro rata share issues.

3. COMMENT

- 3.1 The Minister's approval of the amendment was obtained. Minter Ellison were instructed to draft the amendment. The form of wording for the amended clause was forwarded to Crown for agreement. The approval of National Australia Bank must also be obtained before the amendment can take place.
- 3.2 In a recent progress report from Minter Ellison, Mr Broome reported that he has limited success in obtaining a response from Crown and NAB as to whether they accept the proposed draft or what changes to the draft they wish to negotiate. Crown is consulting with Hudson Conway regarding the wording. Subsequently, Mr Peter Ronec of Crown advised on 15 October 1996 that he has just forwarded to Minter Ellison a submission from Crown and Hudson Conway, regarding their concerns with the proposed draft.
- 3.3 CUB, whose interests may also be affected by the amendment, wish to become involved in the negotiations regarding the proposed amendment. The letter from CUB's solicitor, Mr John Slattery of Corrs Chambers Westgarth, dated 11 October 1996 is at attachment 1. The responding letter of 16 October 1996 from the Director is at attachment 2.

4. RECOMMENDATION

- 4.1. That the Authority note this report.

Approved: 
 Alan Rowe, Director of Gaming and Betting

[Meeting 20 October 1996
 Source: R. SCHEFFER, Legal Adviser



S O L I C I T O R S

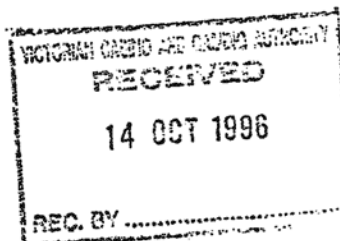
11 October 1996

Office: Melbourne
 Contact: John Slattery
 Direct Line: 9672 3359
 Our Ref: CARL8151-610/JMS

Ms Rowena Scheffer
 Legal Officer
 Victorian Casino & Gaming Authority
 1st Floor, Building D
 Flinders Street (Cnr Spencer Street)
 World Trade Centre
 MELBOURNE VIC 3000

P6/00441
 -18139
 Attachment 1

Dear Ms Scheffer

**CROWN LIMITED ("CROWN")**

I refer to earlier correspondence (in particular our letter of 17 July to Alan Rowe) and to discussions with Nick Broome of Minter Ellison.

In my recent discussions with Nick Broome, I indicated that CUB wished to have a meeting with representatives of the Authority to express its concerns in relation to the proposed amendment to clause 22 of the Casino Agreement. CUB's particular concern relates to the extended duration of the restriction period, as well as certain other aspects of the revised clause (such as the possible obligation to acquire additional shares in Crown). A meeting had been arranged for 8 October, but that meeting was cancelled.

I understand that Nick Broome is going to be on holidays, but in my discussions with him he indicated that if I wrote to you direct, to seek a meeting, you would be able to arrange that in his absence.

CUB is anxious to clarify the Authority's position in relation to these matters as soon as possible, and I would be grateful if you could let me have some suggested meeting times for next week, so that this matter can be progressed.

I anticipate that Mr Trevor O'Hoy and Mr Robert Dudfield, both of CUB will want to meet with the Authority, together with the writer.

If you require any further information prior to the meeting being held, please let me know.

I look forward to hearing from you.

With kind regards,
CORRS CHAMBERS WESTGARTH

John Slattery
 Partner

c.c. Nick Broome - Minter Ellison
 Rob Dudfield - Carlton and United Breweries Limited

/349801/JSlattey/S1

SYDNEY
 Governor Philip Tower
 1 Farrer Place
 Sydney NSW 2000
 GPO Box 9925 NSW 2001
 Tel (02) 210 6500
 Int +612 210 6500
 Fax (02) 210 6611
 DX 133 Sydney

MELBOURNE
 Bourke Place
 600 Bourke Street
 Melbourne VIC 3000
 GPO Box 9925 VIC 3001
 Tel (03) 9672 3000
 Int +613 9672 3000
 Fax (03) 9602 5544
 DX 336 Melbourne

BRISBANE
 Cornalco Place
 12 Creek Street
 Brisbane QLD 4000
 GPO Box 9925 QLD 4001
 Tel (07) 3228 9333
 Int +617 3228 9333
 Fax (07) 3228 2944
 DX 135 Brisbane

PERTH
 Commonwealth
 Bank Building
 150 St Georges Terrace
 Perth WA 6000
 GPO Box 9925 WA 6001
 Tel (08) 321 8531
 Int +619 321 8531
 Fax (08) 322 8853
 DX 126 Perth

CANBERRA
 Advance Bank Centre
 68 Marcus Clarke Street
 Canberra ACT 2601
 GPO Box 9925 ACT 2601
 Tel (06) 257 7566
 Int +616 257 7566
 Fax (06) 257 7563
 DX 5746 Canberra

GOLD COAST
 Corporate Centre One
 2 Corporate Court
 Bundel QLD 4217
 PO Box 9160
 Gold Coast Mail Centre
 QLD 4217
 Tel (07) 5577 7777
 Int +617 5577 7777
 Fax (07) 5574 0478
 DX 42160 Bundel

LONDON
 2nd Floor
 103 Cannon Street
 London EC4N 5AD
 England
 Tel (0171) 929 4955
 Int +44171 929 4955
 Fax (0171) 929 4164



Attachment 2.

VICTORIAN CASINO AND GAMING AUTHORITY

16 October 1996

Attn: Mr John Slattery
 Messrs Corrs Chambers Westgarth
 Solicitors
 DX 336
 MELBOURNE AUSDOC

Dear Mr Slattery

CROWN LIMITED - AMENDMENT TO THE CASINO AGREEMENT

I refer to your letter of 11 October 1996 regarding CUB's concerns in relation to a possible amendment to clause 22.1(a) of the Casino Agreement between Crown Limited ("Crown") and the Victorian Casino and Gaming Authority ("the Authority").

To date the Authority has instructed its solicitor, Mr Nick Broome of Messrs Minter Ellison to liaise with you on the Authority's behalf regarding the proposed amendment. Your client wishes to meet with the Authority to discuss its concerns which include a particular concern that the form of wording for the proposed amendment extends the duration of the "restriction period", by which I assume you are referring to the Completion of the Melbourne Casino Complex..

The commitment of the Sponsors and CUB under the existing clause 22.1(a) has always been by reference to "*the date that the Melbourne Casino complex is Completed*". The proposed amendment does not affect this obligation and does not itself extend the duration of the restriction period. The Completion Date of the Melbourne Casino Complex is determined by the Management Agreement which has been ratified by Parliament. Currently that date is 30 November 1996 or such later date as is agreed by the State's Nominated Representative. It would be inappropriate and ineffective to attempt to vary the Completion Date of the Melbourne Casino Complex in the Casino Agreement and discussions with your client would not alter that position.

Regarding any other aspects of the draft clause which concern your client, the Authority understands that Mr Peter Ronec of Crown has prepared Crown's response to the form of wording for the amendment proposed by the Authority. As the Agreement is between the Authority and Crown, CUB should discuss its concerns with Crown so that a co-ordinated response is presented for the Authority's consideration. I have asked Mr Ronec to contact you for that purpose.

Yours sincerely

ALAN ROWE
 Director of Gaming and Betting

cc Mr Peter Ronec, Crown Limited

Gaming Division
 Level 1, Building D World Trade Centre, Melbourne 3005
 Postal Address: PO Box 276, World Trade Centre, Melbourne 3005
 Telephone (03) 9628 7333 Facsimile (03) 9628 7300



VICTORIAN CASINO AND GAMING AUTHORITY

OFFICE OF GAMING
FAXED
17/10/96

MESSAGE CONFIRMATION
FACSIMILE COVER SHEET

17/10/96 09:06
OFFICIAL CORRESPONDENCE ID=VIC CASINO & GAMING AUTHORITY

TO: DATE 17/10 TIME 09:05 SIR-TIME 01:09 DISTANT STATION ID 61.3.96025544 MODE ECM-S PAGES 02 RESULT OK 0000

John Slattery

FROM: Rowena Scheffer

DATE: 17/10/96

NUMBER OF PAGES : (including coversheet) 2

MESSAGE:

Letter follows.

FAX NUMBER: 9602 5544.

CONFIDENTIALLY NOTE:

The information in this facsimile message (fax) is intended to be confidential and for the use of only the individual or entity above named. If the reader of this message is not the intended recipient, you are informed that retention, dissemination, distribution or copying of this fax is strictly prohibited. If you receive this fax in error please notify the Victorian Casino and Gaming Authority immediately by telephone and return it to the address given below. Thank you.

Difficulties: If you experience any difficulty with the receipt of this transmission, please telephone (03) 628 7333.





VICTORIAN CASINO AND GAMING AUTHORITY

16 October 1996

Attn: Mr John Slattery
 Messrs Corrs Chambers Westgarth
 Solicitors
 DX 336
 MELBOURNE AUSSOC

Dear Mr Slattery

CROWN LIMITED - AMENDMENT TO THE CASINO AGREEMENT

I refer to your letter of 11 October 1996 regarding CUB's concerns in relation to a possible amendment to clause 22.1(a) of the Casino Agreement between Crown Limited ("Crown") and the Victorian Casino and Gaming Authority ("the Authority").

To date the Authority has instructed its solicitor, Mr Nick Broome of Messrs Minter Ellison to liaise with you on the Authority's behalf regarding the proposed amendment. Your client wishes to meet with the Authority to discuss its concerns which include a particular concern that the form of wording for the proposed amendment extends the duration of the "restriction period", by which I assume you are referring to the Completion of the Melbourne Casino Complex..

The commitment of the Sponsors and CUB under the existing clause 22.1(a) has always been by reference to *"the date that the Melbourne Casino complex is Completed"*. The proposed amendment does not affect this obligation and does not itself extend the duration of the restriction period. The Completion Date of the Melbourne Casino Complex is determined by the Management Agreement which has been ratified by Parliament. Currently that date is 30 November 1996 or such later date as is agreed by the State's Nominated Representative. It would be inappropriate and ineffective to attempt to vary the Completion Date of the Melbourne Casino Complex in the Casino Agreement and discussions with your client would not alter that position.

Regarding any other aspects of the draft clause which concern your client, the Authority understands that Mr Peter Ronec of Crown has prepared Crown's response to the form of wording for the amendment proposed by the Authority. As the Agreement is between the Authority and Crown, CUB should discuss its concerns with Crown so that a co-ordinated response is presented for the Authority's consideration. I have asked Mr Ronec to contact you for that purpose.

Yours sincerely



ALAN ROWE
 Director of Gaming and Betting

cc Mr Peter Ronec, Crown Limited

Gaming Division
 Level 1, Building D World Trade Centre, Melbourne 3005
 Postal Address: PO Box 276, World Trade Centre, Melbourne 3005
 Telephone (03) 9628 7333 Facsimile (03) 9628 7300



VICTORIAN CASINO AND GAMING AUTHORITY

16 October 1996

Attn: Mr John Slattery
 Messrs Corrs Chambers Westgarth
 Solicitors
 DX 336
 MELBOURNE AUSDOC

Dear Mr Slattery

CROWN LIMITED - AMENDMENT TO THE CASINO AGREEMENT

I refer to your letter of 11 October 1996 regarding CUB's concerns in relation to a possible amendment to clause 22.1(a) of the Casino Agreement between Crown Limited ("Crown") and the Victorian Casino and Gaming Authority ("the Authority").

To date the Authority has instructed its solicitor, Mr Nick Broome of Messrs Minter Ellison to liaise with you on the Authority's behalf regarding the proposed amendment. Your client wishes to meet with the Authority to discuss its concerns which include a particular concern that the form of wording for the proposed amendment extends the duration of the "restriction period", by which I assume you are referring to the Completion of the Melbourne Casino Complex..

The commitment of the Sponsors and CUB under the existing clause 22.1(a) has always been by reference to "*the date that the Melbourne Casino complex is Completed*". The proposed amendment does not affect this obligation and does not itself extend the duration of the restriction period. The Completion Date of the Melbourne Casino Complex is determined by the Management Agreement which has been ratified by Parliament. Currently that date is 30 November 1996 or such later date as is agreed by the State's Nominated Representative. It would be inappropriate and ineffective to attempt to vary the Completion Date of the Melbourne Casino Complex in the Casino Agreement and discussions with your client would not alter that position.

Regarding any other aspects of the draft clause which concern your client, the Authority understands that Mr Peter Ronec of Crown has prepared Crown's response to the form of wording for the amendment proposed by the Authority. As the Agreement is between the Authority and Crown, CUB should discuss its concerns with Crown so that a co-ordinated response is presented for the Authority's consideration. I have asked Mr Ronec to contact you for that purpose.

Yours sincerely



ALAN ROWE
 Director of Gaming and Betting

cc Mr Peter Ronec, Crown Limited

Gaming Division
 Level 1, Building D World Trade Centre, Melbourne 3005
 Postal Address: PO Box 276, World Trade Centre, Melbourne 3005
 Telephone (03) 9628 7333 Facsimile (03) 9628 7300



VICTORIAN CASINO AND GAMING AUTHORITY

MESSAGE CONFIRMATION
FACSIMILE COVER SHEET

15/10/96 16:40

OFFICIAL CORRESPONDENCE

ID=VIC CASINO & GAMING AUTHORITY

TO: DATE 15/10 TIME 16:35 S-R TIME 16:24 DISTANT STATION ID Edinburgh MODE G3-S PAGES 05 RESULT OK 0000

FROM: Bowen Seto

DATE: 15/10/96

NUMBER OF PAGES : (including coversheet) 5

MESSAGE:

Your comments for the draft letter to Coms would be appreciated.

FAX NUMBER: 9229 2903

CONFIDENTIALLY NOTE:

The information in this facsimile message (fax) is intended to be confidential and for the use of only the individual or entity above named. If the reader of this message is not the intended recipient, you are informed that retention, dissemination, distribution or copying of this fax is strictly prohibited. If you receive this fax in error please notify the Victorian Casino and Gaming Authority immediately by telephone and return it to the address given below. Thank you.

Difficulties: If you experience any difficulty with the receipt of this transmission, please telephone (03) 628 7333.



DRAFT

Attn: Mr John Slattery

Messrs Corrs Chambers Westgarth
Solicitors
DX 336
MELBOURNE AUSDOC

Dear Mr Slattery

CROWN LIMITED - AMENDMENT TO THE CASINO AGREEMENT

I refer to your letter of 11 October 1996 regarding CUB's concerns in relation to a possible amendment to clause 22.1(a) of the Casino Agreement between Crown Limited ("Crown") and the Victorian Casino and Gaming Authority ("the Authority").

To date the Authority has instructed its solicitor, Mr Nick Broome of Messrs Minter Ellison to liaise with you regarding the proposed amendment. Your client wishes to meet with the Authority to discuss its concerns.

In your letter you state that a particular concern for your client is that the form of wording for the proposed amendment extends the duration of the "restriction period", by which I assume you are referring to the Completion of the Melbourne Casino Complex.

The commitment of the Sponsors and CUB under the existing clause 22.1(a) has always been by reference to "*the date that the Melbourne Casino complex is Completed*". The proposed amendment does not affect this concept and does not extend the duration of the restriction period.

→ The Authority cannot agree to a different date as the purpose of the Cas Agn is not relevant

Regarding other aspects of the draft clause, Mr Peter Ronec of Crown has prepared Crown's response to the form of wording for the amendment proposed by the Authority. CUB may wish to discuss its concerns with Crown so that a co-ordinated response is presented for the Authority's consideration. I have asked Mr Ronec to contact you for this purpose.

Yours sincerely

A. Rowe

**CORRS
CHAMBERS
WESTGARTH**

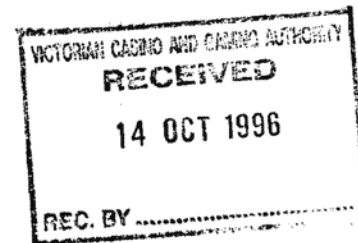
96/00441
+8139

S O L I C I T O R S

11 October 1996

Office: Melbourne
Contact: John Slattery
Direct Line: 9672 3359
Our Ref: CARL8151-610/JMS

Ms Rowena Scheffer
Legal Officer
Victorian Casino & Gaming Authority
1st Floor, Building D
Flinders Street (Cnr Spencer Street)
World Trade Centre
MELBOURNE VIC 3000



Dear Ms Scheffer

CROWN LIMITED ("CROWN")

I refer to earlier correspondence (in particular our letter of 17 July to Alan Rowe) and to discussions with Nick Broome of Minter Ellison.

In my recent discussions with Nick Broome, I indicated that CUB wished to have a meeting with representatives of the Authority to express its concerns in relation to the proposed amendment to clause 22 of the Casino Agreement. CUB's particular concern relates to the extended duration of the restriction period, as well as certain other aspects of the revised clause (such as the possible obligation to acquire additional shares in Crown). A meeting had been arranged for 8 October, but that meeting was cancelled.

I understand that Nick Broome is going to be on holidays, but in my discussions with him he indicated that if I wrote to you direct, to seek a meeting, you would be able to arrange that in his absence.

CUB is anxious to clarify the Authority's position in relation to these matters as soon as possible, and I would be grateful if you could let me have some suggested meeting times for next week, so that this matter can be progressed.

I anticipate that Mr Trevor O'Hoy and Mr Robert Dudfield, both of CUB will want to meet with the Authority, together with the writer.

If you require any further information prior to the meeting being held, please let me know.

I look forward to hearing from you.

With kind regards,
CORRS CHAMBERS WESTGARTH

John Slattery
Partner

c.c. Nick Broome - Minter Ellison
Rob Dudfield - Carlton and United Breweries Limited

/34960/JSlaterry/S1

SYDNEY
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
GPO Box 9925 NSW 2001
Tel (02) 210 6500
Int +612 210 6500
Fax (02) 210 6611
DX 133 Sydney

MELBOURNE
Bourke Place
600 Bourke Street
Melbourne VIC 3000
GPO Box 9925 VIC 3001
Tel (03) 9672 3000
Int +613 9672 3000
Fax (03) 9602 5544
DX 336 Melbourne

BRISBANE
Cornwall Place
12 Creek Street
Brisbane QLD 4000
GPO Box 9925 QLD 4001
Tel (07) 3228 9333
Int +617 3228 9333
Fax (07) 3229 2844
DX 135 Brisbane

PERTH
Commonwealth
Bank Building
150 St George's Terrace
Perth WA 6000
Tel (08) 321 8531
Int +619 321 8531
Fax (08) 322 8553
DX 126 Perth

CANBERRA
Adavance Bank Centre
60 Marcus Clarke Street
Canberra ACT 2601
GPO Box 9925 ACT 2601
Tel (06) 257 7566
Int +616 257 7566
Fax (06) 257 7563
DX 5746 Canberra

GOLD COAST
Corporate Centre One
2 Corporate Court
Bundall QLD 4217
PO Box 8160
Gold Coast Mail Centre
QLD 4217
Tel (07) 5577 7777
Int +617 5577 7777
Fax (07) 5574 0478
DX 42160 Bundall

LONDON
2nd Floor
103 Cannon Street
London EC4N 5AD
England
Tel (0171) 929 4855
Int +44171 929 4855
Fax (0171) 929 4164



MINTER ELLISON
LAWYERS

96/00441
48099

CONTACT

Nick Broome (03) 9229 2820

40 MARKET STREET
MELBOURNE VICTORIAPOSTAL ADDRESS
GPO BOX 769G
MELBOURNE VIC 3001
AUSTRALIAOUR REFERENCE
YOUR REFERENCE

NCB 1046899

TELEPHONE (03) 9229 2000
INTERNATIONAL +61 3 9229 2000
FACSIMILE (03) 9229 2666

DX 204 MELBOURNE

4 October 1996

Ms Rowena Scheffer
Legal Officer
Victorian Casino and Gaming Authority
Level 1
Building D
World Trade Centre
MELBOURNE VIC 3005



Dear Rowena

Clause 22.1(a) of the Casino Agreement

As discussed, I have not yet heard from Crown Limited or Hudson Conway Limited in relation to the amendment proposed to clause 22.1(a) of the Casino Agreement. On your instructions, I initially wrote to Peter Ronec on 5 August 1996 asking for his comments on the draft amendment and if he could liaise with Hudson Conway Limited in relation to the amendment. I wrote to him again on 24 September 1996 requesting his comments.

I am unsure as to whether Peter Ronec has passed the proposed amendment on to the financiers to Crown.

On your instructions I also wrote to John Slattery at Corrs Chambers Westgarth who is acting for CUB to advise him of the proposed amendment to clause 22.1(a) of the Casino Agreement. I have had several telephone discussions with John Slattery since, and he sought to organise a meeting with CUB on 8 October. As instructed, that meeting has been cancelled.

I will let you know as soon as I hear anything further.

Yours sincerely

Nick Broome

ph Nick 9/10/96
He will ph Peter Ronec & seek an
assurance of a response within a fixed
time limit -- get to me tomorrow
RKS.

M_MATTER1-6088_1



VICTORIAN CASINO AND GAMING AUTHORITY

MESSAGE CONFIRMATION
FACSIMILE COVER SHEET

OFFICIAL CORRESPONDENCE 23/08/96 15:23
ID=VIC CASINO & GAMING AUTHORITY

TO: Nick Broome
 DATE 23/08 TIME 15:21 S,R-TIME 02:07 DISTANT STATION ID 61 3 9229266 MODE ECM-S PAGES 05 RESULT OK 0000

FROM: Rowena Scheffer

DATE: 23/8/96

NUMBER OF PAGES: (including cover sheet) 5

MESSAGE:
letter follows.

FAX NUMBER: 9229 2666.

CONFIDENTIALITY NOTE:

The information in this facsimile message (fax) is intended to be confidential and for the use of only the individual or entity above named. If the reader of this message is not the intended recipient, you are informed that retention, dissemination, distribution or copying of this fax is strictly prohibited. If you receive this fax in error please notify the Victorian Casino and Gaming Authority immediately by telephone and return it to the address given below. Thank you.

Difficulties: If you experience any difficulty with the receipt of this transmission, please telephone (03) 9628 7333

Gaming Division
 Level 1, Building D World Trade Centre, Melbourne 3005
 Postal Address: PO Box 276, World Trade Centre, Melbourne 3005
 Telephone: (03) 9628 7333 Facsimile (03) 9628 7300



FAXED

VICTORIAN CASINO AND GAMING AUTHORITY

23 August 1996

Attn: Mr Nick Broome

Messrs Minter Ellison
Barristers and Solicitors
40 Market Street
MELBOURNE VIC 3000

Dear Mr Broome

AMENDMENT TO THE CASINO AGREEMENT AND CUB

I refer to my telephone conversation with you today. I confirm that the Authority would like your firm to advise CUB's solicitors, Messrs Corrs Chambers Westgarth, of the details of the proposed amendments to the Casino Agreement. I enclose for your attention the following copy documents:

1. Letter of 17/7/96 from Corrs Chambers Westgarth to the Authority
2. Letter of 23/8/96 from the Authority to Corrs Chambers Westgarth.

Yours sincerely,



ROWENA SCHEFFER
Legal Officer



VICTORIAN CASINO AND GAMING AUTHORITY

23 AUG 1996

Attn: Mr John Slattery

Messrs Corrs Chambers Westgarth
Solicitors
DX 336
MELBOURNE AUSDOC

Dear Mr Slattery

AMENDMENT TO THE CASINO AGREEMENT

I refer to your letters of 17 July 1996 and 5 August 1996.

In negotiating an amendment to the Casino Agreement with Crown Limited ('Crown'), the Victorian Casino and Gaming Authority ('the Authority') has not consulted your client because CUB is not a party to the Casino Agreement. There is no privity between CUB and the Authority in relation to CUB's holdings in Crown.

However, the Authority appreciates that CUB's interests may be affected indirectly by an amendment to the Casino Agreement. The Authority has instructed its solicitors, Messrs Minter Ellison, to advise you of the proposed amendment and to refer back the Authority any concerns CUB may have in this regard.

Mr Nick Broome may be contacted at Minter Ellison on 9229 2000 if you wish to discuss this matter directly with him. A copy of your correspondence has been forwarded to him.

Yours sincerely



ALAN ROWE
Director of Gaming and Betting

VICTORIAN CASINO AND GAMING AUTHORITY**MEMORANDUM**

TO: ALAN ROWE, DIRECTOR OF GAMING AND BETTING

FROM: ROWENA SCHEFFER, LEGAL OFFICER

SUBJECT: AMENDMENT OF CLAUSE 22.1(a) OF THE CASINO AGREEMENT

DATE: 23 August 1996

1. PURPOSE

- 1.1 To recommend that you sign the attached letter to Messrs Corrs Chambers Westgarth ('Corrs').

2. BACKGROUND

- 2.1 Corrs act for CUB and have written to you expressing a concern about the proposed amendment to clause 22.1(a) of the Casino Agreement. Their request is essentially to be informed of the details of the proposed amendment.

3. COMMENTS

- 3.1 Nick Broome has advised me that Peter Ronec has still not advised him of the view of Crown and National Australia Bank to the draft amendment drawn up by Nick. Rather than Authority officers acting as a go-between, between Corrs and Minters, it will be more efficient to allow Corrs to speak directly with Minters. The proposed letter advises Corrs of this arrangement. Minters are happy to do this for us.
- 3.2 Minters' advice and the two letters from Corrs are attached.

4. RECOMMENDATION

- 4.1 That you sign the attached letter.


ROWENA SCHEFFER
Legal Officer

9-05 LMSPEC

pt John Slattery - Com

satish, John Slattery of Com's.

9-00^{or} Instructed him to liaise directly with CURS's

pt Nick Broom

23/8/96

5/18/96

ph Nick Broome

instructed him to send draft
amendment to Peter Ronec, for discussion
with NAB.

He'll file this amendment with the
amendment required for the new store
time.

RKB

**CORRS
CHAMBERS
WESTGARTH**

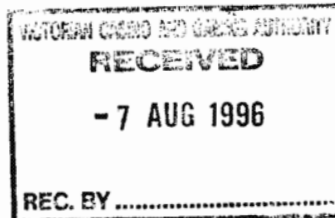
S O L I C I T O R S

*MS by Mr. Rowe 09/00303
→ Rowe 47648
pls respond
to them if only to give a
very brief holding reply. S.G.
9/8/96*

5 August 1996

Office: Melbourne
Contact: John Slattery
Direct Line: 03 9672 3359
Our Ref: CARL8151-610/SCK

Q 718
Mr Alan Rowe
Director
Victorian Casino & Gaming Authority
1st Floor, Building D
World Trade Centre
MELBOURNE VIC 3005



Dear Sir

CROWN CASINO LIMITED ("CROWN")

I refer to our letter of 17 July 1996, and would be grateful if you could let us have a response.

Yours sincerely
CORRS CHAMBERS WESTGARTH



John Slattery
Partner

c.c. R.K. Dudfield - Carlton and United Breweries Limited

*letter of 17 July - original
with Sylvia
& copy to
Bill B.*

SD

M/15778/jelattery/e3

SYDNEY
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
GPO Box 9925 NSW 2001
Tel (02) 210 6500
Int +612 210 6500
Fax (02) 210 6611
DX 133 Sydney

MELBOURNE
Bourke Place
600 Bourke Street
Melbourne VIC 3000
GPO Box 9825 VIC 3001
Tel (03) 9672 3000
Int +613 9672 3000
Fax (03) 9602 5544
DX 336 Melbourne

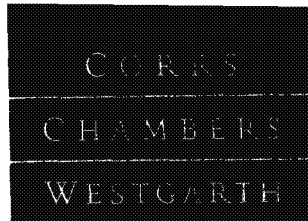
BRISBANE
Cornwall Place
12 Creek Street
Brisbane QLD 4000
GPO Box 9825 QLD 4001
Tel (07) 3228 9333
Int +617 3228 9333
Fax (07) 3229 2844
DX 135 Brisbane

PERTH
Commonwealth
Bank Building
150 St George's Terrace
Perth WA 6000
GPO Box 9825 WA 6001
Tel (09) 321 8531
Int +619 321 8531
Fax (09) 322 6953
DX 126 Perth

CANBERRA
Advance Bank Centre
60 Marcus Clarke Street
Canberra ACT 2601
GPO Box 9825 ACT 2601
Tel (06) 257 7586
Int +616 257 7586
Fax (06) 257 7583
DX 5748 Canberra

GOLD COAST
Corporate Centre One
2 Corporate Court
Bundall QLD 4217
PO Box 8180
Gold Coast Mail Centre
QLD 4217
Tel (07) 5577 7777
Int +617 5577 7777
Fax (07) 5574 0478
DX 42160 Bundall

LONDON
2nd Floor
103 Cannon Street
London EC4N 5AD
England
Tel (0171) 929 4855
Int +44171 929 4855
Fax (0171) 929 4164



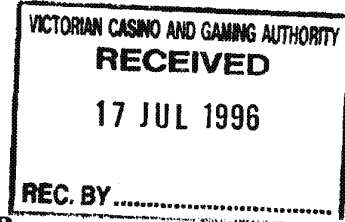
①
②
Ms. Groshen → Ramesh S.
M. Baljawan Don 18/7
SD
18/7

S O L I C I T O R S

17 July 1996

Office: Melbourne
Contact: Stephen Kroker
Direct Line: 03 9672 3494
Our Ref: CARL8151-610/SCK

Mr Alan Rowe
Director
Victorian Casino & Gaming Authority
1st Floor, Building D
World Trade Centre
MELBOURNE VIC 3005



BY COURIER

Dear Sir

CROWN CASINO LIMITED ("CROWN")

We refer to the telephone conversation of 8 July 1996 between you and John Slattery of this office, in which we:

- informed you that we acted on behalf of Carlton and United Breweries Limited ("CUB"); and
- requested details of the current application before the Authority to amend to clause 22 of the Casino Agreement, given that any amendment may affect CUB's rights and obligations. You will recall agreeing to consider this request.

On 12 July 1996, John Slattery called you in relation to the matter and, in your absence, was referred to Ian Manning of your office. He agreed to consider the request and revert to us this week.

On 16 July 1996 Paul Gavin of your office called Stephen Kroker of this office (in John Slattery's absence) and he asked us to put our request, together with reasons for it, in writing.

Accordingly, we confirm:

- that we act for CUB in relation to this matter;
- our request for details of the current application before the Authority to amend clause 22 of the Casino Agreement; and
- the reasons for this request is that CUB is party to a Founding Shareholders Agreement between Hudson Conway Limited, the Federal Hotels Limited, CUB and Crown, under which it has rights

SYDNEY
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
GPO Box 9825 NSW 2001
Tel (02) 210 6500
Int +612 210 6500
Fax (02) 210 6811
DX 133 Sydney

MELBOURNE
Bourke Place
600 Bourke Street
Melbourne VIC 3000
GPO Box 9825 VIC 3001
Tel (03) 9672 3000
Int +613 9672 3000
Fax (03) 9602 5544
DX 336 Melbourne

BRISBANE
Cornalco Place
12 Creek Street
Brisbane QLD 4000
GPO Box 9825 QLD 4001
Tel (07) 3228 8333
Int +617 3228 9333
Fax (07) 3229 2844
DX 135 Brisbane

PERTH
Commonwealth
Bank Building
150 St Georges Terrace
Perth WA 6000
GPO Box 9825 WA 6001
Tel (08) 321 6531
Int +618 321 6531
Fax (08) 322 6953
DX 126 Perth

CANBERRA
Advance Bank Centre
80 Marcus Clarke Street
Canberra ACT 2601
GPO Box 9825 ACT 2601
Tel (06) 257 7586
Int +616 257 7586
Fax (06) 257 7283
DX 5746 Canberra

GOLD COAST
Corporate Centre One
2 Corporate Court
Bundall QLD 4217
PO Box 6180
Gold Coast Mail Centre
QLD 4217
Tel (07) 5577 7777
Int +617 5574 0478
DX 42160 Bundall

LONDON
2nd Floor
103 Cannon Street
London EC4N 5AD
England
Tel (0171) 929 4955
Int +44171 929 4955
Fax (0171) 929 4164

- 2 -




17 July 1996
Victorian Casino & Gaming Authority
CROWN CASINO LIMITED ("CROWN")

and obligations regarding any proposed transfer of shares in Crown which were expressed to be "subject to the requirements in clause 22 of the Casino Agreement ...".

Accordingly, although CUB is not a party to the Casino Agreement, it is aware of the provisions of clause 22 of the Casino Agreement and is concerned that any amendment of clause 22 of the Casino Agreement may affect its rights and obligations under the Founding Shareholders Agreement.

We would therefore be grateful of details of the current application before the Authority.

Yours faithfully
CORRS CHAMBERS WESTGARTH



Stephen Kroker
Partner

15/07/96

14:43

MINTER ELLISON LP

1001

MINTER ELLISON

LAWYERS

40 MARKET STREET
MELBOURNE VICTORIA

POSTAL ADDRESS
GPO BOX 7690
MELBOURNE VIC 3001
AUSTRALIA

DX 204 MELBOURNE

TELEPHONE (03) 9229 2000
INTERNATIONAL (61) 3 9229 2000
FACSIMILE (03) 9229 2666

FACSIMILE

DATE 12 July 1996

TO Sylvia Grobtuch
Victorian Casino and Gaming Authority
Facsimile number 9628 7300


FROM Nick Broome
Minter Ellison, Melbourne
Our reference NCB 1046899

SUBJECT **Clause 22.1(a) of the Casino Agreement**

Dear Sylvia

Further to my discussions last week with Rowena, I attach an initial draft of a suggested amendment to clause 22.1(a) of the Casino Agreement. The following issues arise out of the draft.

- 1 **Timing - the existing clause is expressed to apply until Completion of the Melbourne Casino Complex.** 

- 2 **Holders of the shares - as you are aware, wholly owned subsidiaries of HCL in fact hold shares in Crown, not HCL itself.** 

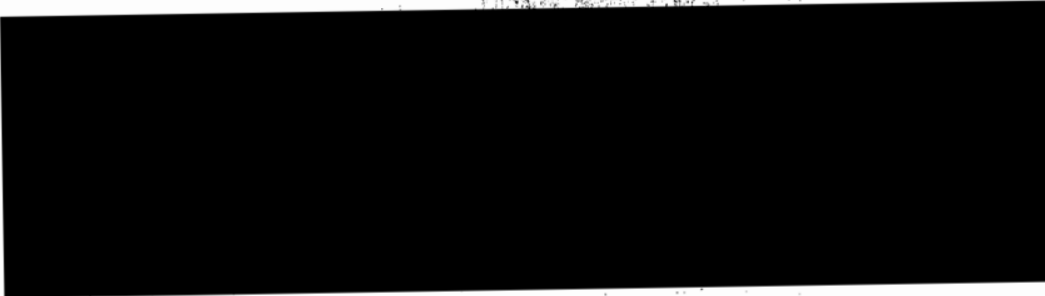
NOTE

If you do not receive 3 pages(s) including this one, please telephone MINTER ELLISON (03) 9229 2820 as soon as possible

IMPORTANT

The contents of this facsimile (including attachments) may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you

3.



Under the terms of the Supplemental Sponsors Agreement, IICL agreed with the Authority to comply with the requirements of clause 22 of the Casino Agreement.



CUB was not a party to the Casino Agreement



Please do not hesitate to call if you have any questions.

Kind regards



Nick Broome

PROPOSED AMENDMENT TO CASINO AGREEMENT

Delete paragraph (a) of clause 22.1 and substitute the following:

- (a) [unless the Authority approves otherwise,] prior to the Completion of the Melbourne Casino Complex:
- (i) subject to paragraph (aa), Sponsors and CUB must not Dispose of any Shares held by them, and each must procure that any wholly owned subsidiary that holds Shares (such shareholding entity a 'relevant entity') does not Dispose of any Shares;
 - (ii) subject to paragraph (ab), Sponsors and CUB must subscribe for, and procure that any relevant entity subscribes for, all Shares offered to them under a pro rata or entitlement offer of Shares to shareholders in the Company; and
 - (iii) Sponsors and CUB must ensure that any relevant entity remains a wholly owned subsidiary;
- (aa) paragraph (a)(i) does not prevent a Disposal of Shares if following such Disposal the total number of shares held by Sponsors and CUB and any relevant entity is not less than 40% of the total number of Shares then on issue;
- (ab) paragraph (a)(ii) does not require a subscription for all Shares on offer if following the allotment by the Company of all Shares to be issued under the offer the total number of Shares held by Sponsors and CUB and any relevant entity is not less than 40% of the total number of Shares then on issue;



VICTORIAN CASINO AND GAMING AUTHORITY
**MESSAGE CONFIRMATION
 FACSIMILE COVER SHEET**

08/07/96 12:56
 OFFICIAL CORRESPONDENCE VIC CASINO & GAMING AUTHORITY

TO: Nick Boome
 DATE: 08/07 TIME: 12:55 S:R-TIME: 00:56 DISTANT STATION ID: MINTER ELLISON MODE: 504-6 PAGES: 02 RESULT: OK 0000

FROM: Rowera Scheffe

DATE: 8/17/96

NUMBER OF PAGES: (including cover sheet) 2

MESSAGE:
letter following

FAX NUMBER: 9229 2666

CONFIDENTIALITY NOTE:

The information in this facsimile message (fax) is intended to be confidential and for the use of only the individual or entity above named. If the reader of this message is not the intended recipient, you are informed that retention, dissemination, distribution or copying of this fax is strictly prohibited. If you receive this fax in error please notify the Victorian Casino and Gaming Authority immediately by telephone and return it to the address given below. Thank you.

Difficulties: If you experience any difficulty with the receipt of this transmission, please telephone (03) 9628 7333

Gaming Division
 Level 1, Building D World Trade Centre, Melbourne 3005
 Postal Address: PO Box 276, World Trade Centre, Melbourne 3005
 Telephone: (03) 9628 7333 Facsimile (03) 9628 7300



VICTORIAN CASINO AND GAMING AUTHORITY

FAXED

8 July 1996

Attn: Mr Nick Broome

Messrs Minter Ellison
Barristers and Solicitors
40 Market Street
MELBOURNE VIC 3000

Dear Mr Broome

**RE: SPONSORS' SHAREHOLDINGS UNDER CLAUSE 22.1(a) OF THE
CASINO AGREEMENT**

I refer to my letter to you of 3 July 1996 in relation to the above mentioned matter.

CUB has enquired with the Authority whether its interests might be affected by the proposed amendment and if so, in what manner. CUB has expressed the opinion that it considers that it is one of the funding sponsors and therefore should be consulted on the amendment. CUB has also raised the query about the role of the completion date in relation to their commitment to the project.

Please call me on [REDACTED] if you require any further information.

Yours sincerely,

[REDACTED]
ROWENA SCHEFFER
Legal Officer



VICTORIAN CASINO AND GAMING AUTHORITY

MESSAGE CONFIRMATION
FACSIMILE COVER SHEET

OFFICIAL CORRESPONDENCE 03/07/96 16:01
ID=VIC CASINO & GAMING AUTHORITY

TO: Nick Broome
 DATE TIME S.R-TIME DISTANT STATION ID MODE PAGES RESULT
 03/07 16:00 00:58 MINTER ELLISON ECF-S 02 OK 0000

FROM: Rowena Scheffer

DATE: 3/7/96

NUMBER OF PAGES: (including cover sheet) 2

MESSAGE:

Letter following

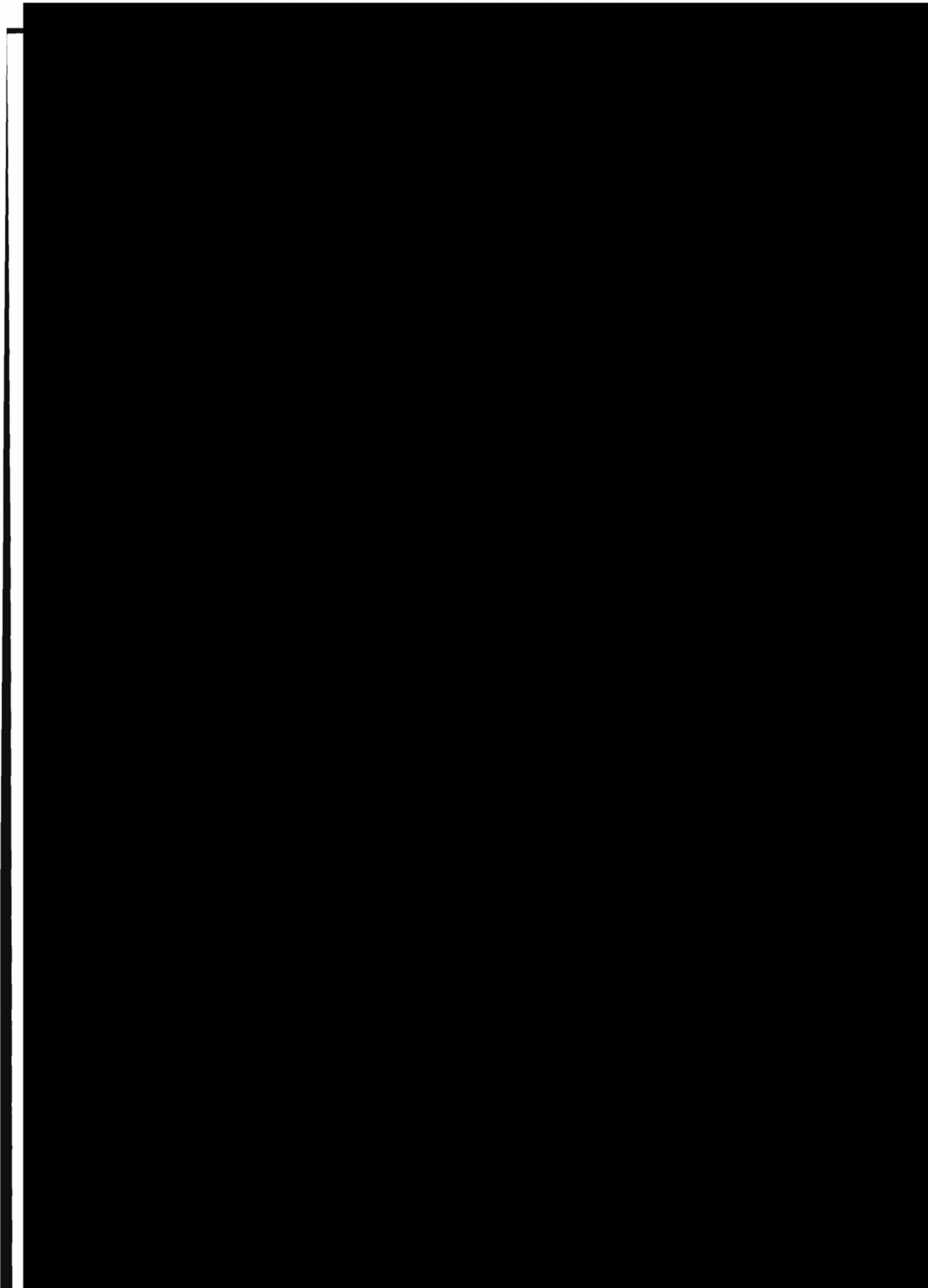
FAX NUMBER: 9 617 4666

CONFIDENTIALITY NOTE:

The information in this facsimile message (fax) is intended to be confidential and for the use of only the individual or entity above named. If the reader of this message is not the intended recipient, you are informed that retention, dissemination, distribution or copying of this fax is strictly prohibited. If you receive this fax in error please notify the Victorian Casino and Gaming Authority immediately by telephone and return it to the address given below. Thank you.

Difficulties: If you experience any difficulty with the receipt of this transmission, please telephone (03) 9628 7333

Gaming Division
 Level 1, Building D World Trade Centre, Melbourne 3005
 Postal Address: PO Box 276, World Trade Centre, Melbourne 3005
 Telephone: (03) 9628 7333 Facsimile (03) 9628 7300



Ronera

Re the 40% of shares matter

Peter Ronca wants some words for the draft amendment to the Casino agreement, so that he can show them to the NAB. Would you pls ask

Nick to draft some words ASAP. Peter requested this from Alan, so it is a top level priority.

Thanks.

Sq, 2/7

Received via Marsha
on 3/7

ph Nick:

3/7/96

4:00pm - He's out until 5:30-6:00pm

RLS

~~Slom~~ ECB
- 6 JUN 1996
/

B/655

**MINISTER FOR GAMING
CORRESPONDENCE**
(for external use only)

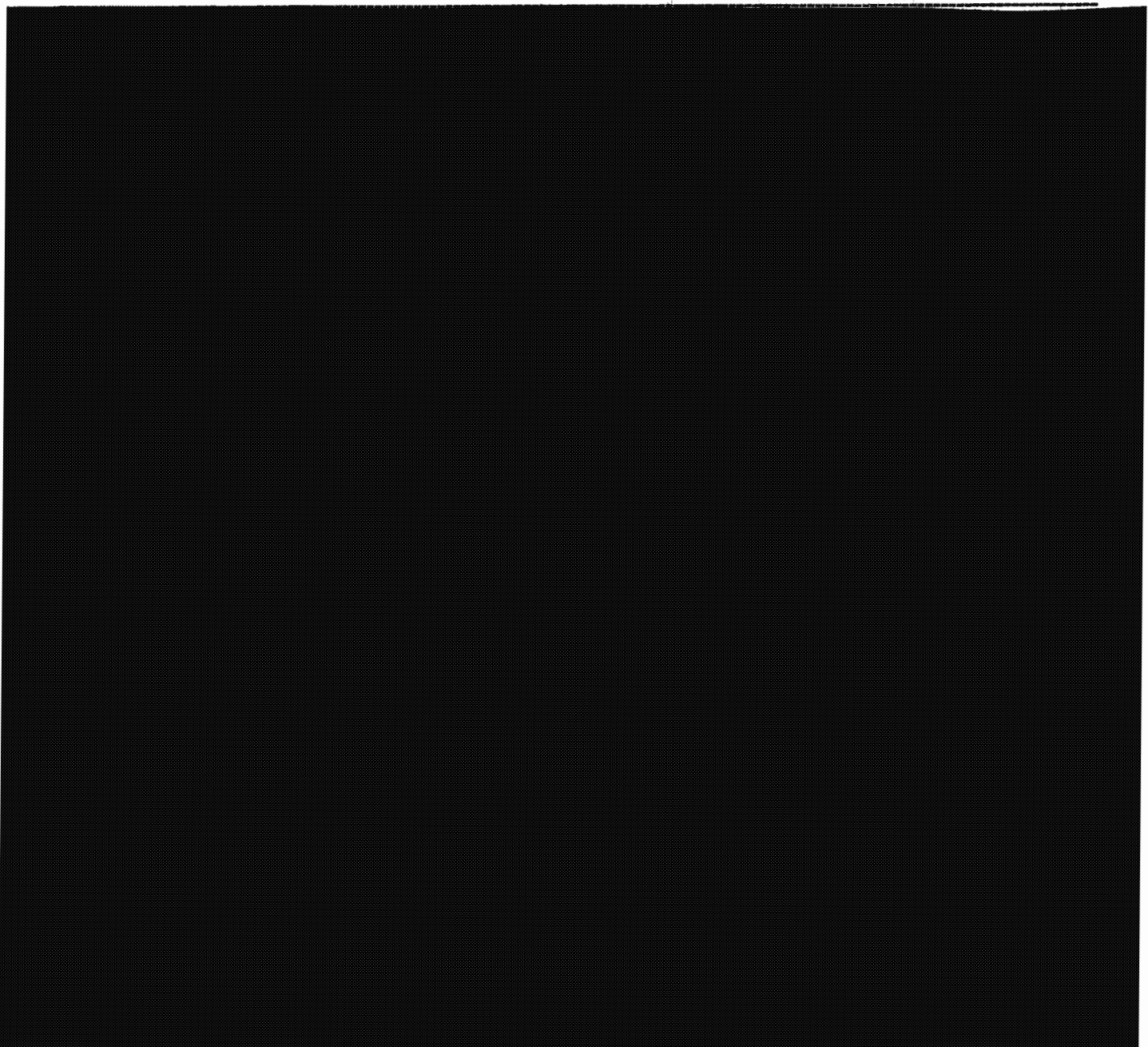
#

DTF Reference

VCGA Reference: **Correspondence No.**

Briefing No 300 0286

Queries in relation to correspondence forwarded to the Executive Coordination Branch should be referred to the Secretariat Officer on 9628 7393.





VICTORIAN CASINO AND GAMING AUTHORITY

51 JUL 1996

COMMERCIAL IN CONFIDENCE

Mr Lloyd Williams
Chairman
Hudson Conway Limited
311 Glenferrie Road
MALVERN VIC 3144

Dear Mr Williams

RE: CASINO AGREEMENT - CLAUSE 22.1(a)

I refer to the letter of 23 January 1996 from Mr Ronec of Crown Limited which stated that the Sponsors (Hudson Conway Limited and The Federal Hotels Limited) and CUB currently hold less than the minimum requirement of 40% of Crown Limited shares prescribed by clause 22.1(a) of the Casino Agreement ('the Agreement').

The Victorian Casino and Gaming Authority ('the Authority') will be agreeable to amending clause 22.1(a) of the Agreement to replace the "minimum of 40%" requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements to any future pro rata share issues.

You should be aware there are more stringent options for dealing with this breach which are available to the Authority. These are enforcing compliance with the Agreement in court or suggesting to you and Hudson Conway Limited that you find another "approved sponsor" to take up the extra shares to meet the 40% requirement of clause 22.1(a).

The Authority expressed its concern that Crown Limited allowed the breach of clause 22.1(a) to occur before it informed the Authority of the situation.

The Minister for Gaming has approved the proposed amendment to the Agreement. It will be necessary for you to obtain the consent of National Australia Bank to the amendment, as required by clause 13.3 of the Master Security Agreement. If you agree to the proposed amendment, please forward a letter of consent from the Bank as soon as possible.

Yours sincerely

ALAN ROWE
Director of Gaming and Betting



VICTORIAN CASINO AND GAMING AUTHORITY

21 JUL 1996

COMMERCIAL IN CONFIDENCE

Mr Lloyd Williams
Chairman
Hudson Conway Limited
311 Glenferrie Road
MALVERN VIC 3144

Dear Mr Williams

RE: CASINO AGREEMENT - CLAUSE 22.1(a)

I refer to the letter of 23 January 1996 from Mr Ronc of Crown Limited which stated that the Sponsors (Hudson Conway Limited and The Federal Hotels Limited) and CUB currently hold less than the minimum requirement of 40% of Crown Limited shares prescribed by clause 22.1(a) of the Casino Agreement ('the Agreement').

The Victorian Casino and Gaming Authority ('the Authority') will be agreeable to amending clause 22.1(a) of the Agreement to replace the "minimum of 40%" requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements to any future pro rata share issues.

You should be aware there are more stringent options for dealing with this breach which are available to the Authority. These are enforcing compliance with the Agreement in court or suggesting to you and Hudson Conway Limited that you find another "approved sponsor" to take up the extra shares to meet the 40% requirement of clause 22.1(a).

The Authority expressed its concern that Crown Limited allowed the breach of clause 22.1(a) to occur before it informed the Authority of the situation.

The Minister for Gaming has approved the proposed amendment to the Agreement. It will be necessary for you to obtain the consent of National Australia Bank to the amendment, as required by clause 13.3 of the Master Security Agreement. If you agree to the proposed amendment, please forward a letter of consent from the Bank as soon as possible.

Yours sincerely



ALAN ROWE
Director of Gaming and Betting

0/655

VICTORIAN CASINO AND GAMING AUTHORITY - BRIEFING NOTE

TO: MINISTER FOR GAMING
FROM: ALAN ROWE, Director of Gaming and Betting
DATE: 24 May 1996
SUBJECT: AMENDMENT OF CASINO AGREEMENT

1. PURPOSE

- 1.1 To recommend you agree to an amendment of clause 22.1(a) of the Casino Agreement ('the Agreement').

2. BACKGROUND

- 2.1 Clause 22.1(a) of the Agreement states that:
"the total number of shares held by Sponsors and CUB at any time until the date that the Melbourne Casino Complex is Completed must be not less than 40% of the total number of Shares on issue at that time;..."
- 2.2 On 23 January 1996, Crown Limited ('Crown') advised the Authority that the Sponsors (Hudson Conway Limited ('HCL') and The Federal Hotels Limited) and CUB are currently holding less than the minimum requirement of 40% of Crown Limited shares prescribed by clause 22.1(a) of the Agreement (Crown's letter is at attachment 1).
- 2.3 In response to this notification, the Members of the Authority decided in principle to amend clause 22.1(a) of the Casino Agreement to replace the "minimum of 40%" requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements to any pro rata share issues. In order to amend the Agreement, it is necessary to obtain your approval (under s. 142 of the *Casino Control Act 1991*) and the approval of the National Australia Bank (under clause 13.3 of the Master Security Agreement).

3. COMMENT

- 3.1 The purpose of clause 22.1(a) is to ensure that the Sponsors and CUB remain financially committed to the construction of the Casino Project until its completion. As HCL is still committed to the construction of the Project, this purpose continues to be satisfied. It is therefore not necessary to follow two other options which are either to enforce clause 22.1(a) in court or add another Sponsor who is prepared to take up the extra shares to meet the 40% requirement. Alternatively, the Authority could take no action now but reserve its right to do so at any time prior to Completion of the casino. This option is unsatisfactory because the Authority would be seen as tacitly consenting to a breach of the Agreement.
- 3.2 The recommended action has the advantage of accepting that the purpose of clause 22.1(a) is being complied with. It also maintains the Authority's control of the situation, to counter the fact that the Authority was advised by Crown of its dilemma, after Crown created the problem.

4. RECOMMENDATION

- 4.1 That you agree to the amendment of clause 22.1(a) of the Agreement to replace the "minimum of 40%" requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements to any pro rata share issues.



ALAN ROWE
 Director of Gaming and Betting

Approved/Not-Approved
 MINISTER

Author - R. Scheffe

8 (b) Hudson Conway and Others Holding 40% of Shares in Crown Limited

Following discussion, Members agreed to adopt the recommendations being put in principle but determined to seek advice from the appropriate source as to whether the Authority should inform the Australian Stock Exchange of the proposed course of action, before implementing the recommendations, which were:

1. that the Authority agree that clause 22.1(a) of the Casino Agreement should be amended to replace the 'minimum of 40%' requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements to any future pro rata share issue;
2. that Minter Ellison be requested to draft the proposed amendment;
3. that Crown Limited be advised of the Authority's decision and the form of the amendment to clause 22.1(a) of the Casino Agreement; and
4. that the letter to Crown Limited express the Authority's concern that Crown Limited created the breach of clause 22.1(a) of the Casino Agreement prior to informing the Authority.

8 (c) Approval of New Electronic Game Type and Game

Members agreed to approve the following electronic gaming machine type and game tokenised to \$1 at 1, 2, 5, 10 and 20 credits per coin to be used on the approved Horizon AVX series video EGM hardware platform, subject to the following conditions:

EGM Type: Horizon AVX series video EGM

Game

GameName	Program No	Maximum Bet	Returns %	Maximum Multiplier	TOP (SFC)
Fortune Turtle	FTI22113	50	89.07 93.01	5000	1,2 5,10,20

Conditions

1. A field trial of at least 10 machines is to be conducted in at least two venues for a minimum period of two weeks. A report on the results of the field trial is to be submitted to the VCGA and BMM.
2. If faults are identified by BMM in the continuing software evaluation (of the on-critical areas of source code) or during the examination and testing of the production model of the EGM or if new faults are identified during the field trial, all faults are to be addressed by Pacific and submitted for VCGA approval within four weeks of commencement of the field trial.

File copy for 18/3 Meeting

VICTORIAN CASINO AND GAMING AUTHORITY

HUDSON CONWAY AND OTHERS HOLDING 40% OF SHARES IN CROWN LIMITED

PURPOSE

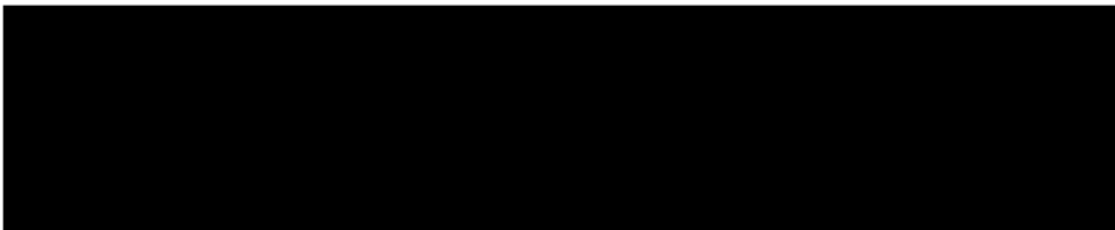
1. To provide advice about whether the Authority should inform the Australian Stock Exchange of the proposed amendment to the Casino Agreement.

BACKGROUND

2. On 20 February 1996 the Members agreed to adopt the recommendations in principle, subject to advice as to whether the Authority should inform the Australian Stock Exchange of the proposed course of action before implementing the recommendations. The main recommendation was -

that the Authority agree that clause 22.1(a) of the Casino Agreement should be amended to replace the 'minimum of 40%' requirement with a direction that the Sponsors and CUB must retain all of their shares and continue to take up all of their entitlements to any pro rata share issues.

COMMENT



4. In order to amend the Casino Agreement, there are two prerequisites:
 1. Section 142 of the *Casino Control Act* 1991 empowers the Authority to enter into agreements (on behalf of the State) with the approval of the Minister. This, by implication, would also apply to the amendment of these agreements. The Casino Agreement was entered into by the Authority under section 142, so any amendment to it requires the approval of the Minister.
 2. Under clause 13.3 of the Master Security Agreement, the State and the Authority have both agreed that they will not amend the Casino Agreement without the prior written consent of National Australia Bank.

- 5. If the Authority confirms its decision to amend the Casino Agreement the seeking of the Minister's approval will have to be deferred pending the election.

RECOMMENDATION

- 6. That the Authority agrees to proceed with the recommendations to amend the Casino Agreement it adopted in principle at the meeting on 20 February 1996.

Approved:
Alan Rowe, Director of Gaming and Betting

[MEETING: 18 March 1996]
Source: R. SCHEFFER, Legal Officer

File Copy
for 20/2/96 meeting

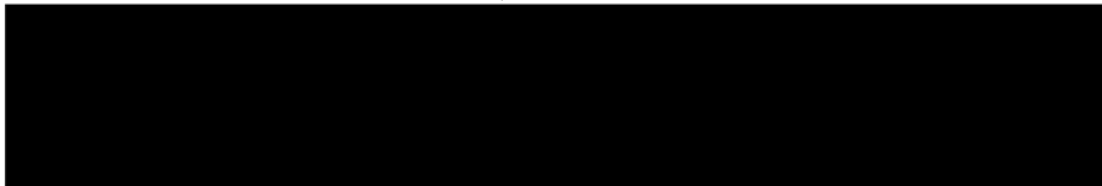
VICTORIAN CASINO AND GAMING AUTHORITY

HUDSON CONWAY AND OTHERS HOLDING 40% OF SHARES IN CROWN LIMITED

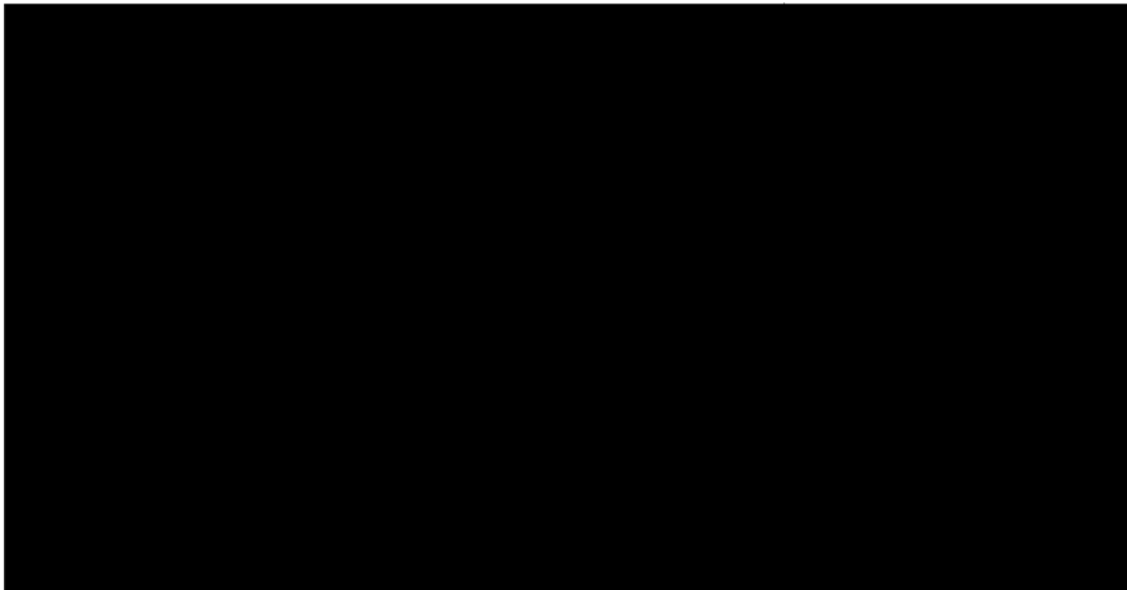
PURPOSE



BACKGROUND

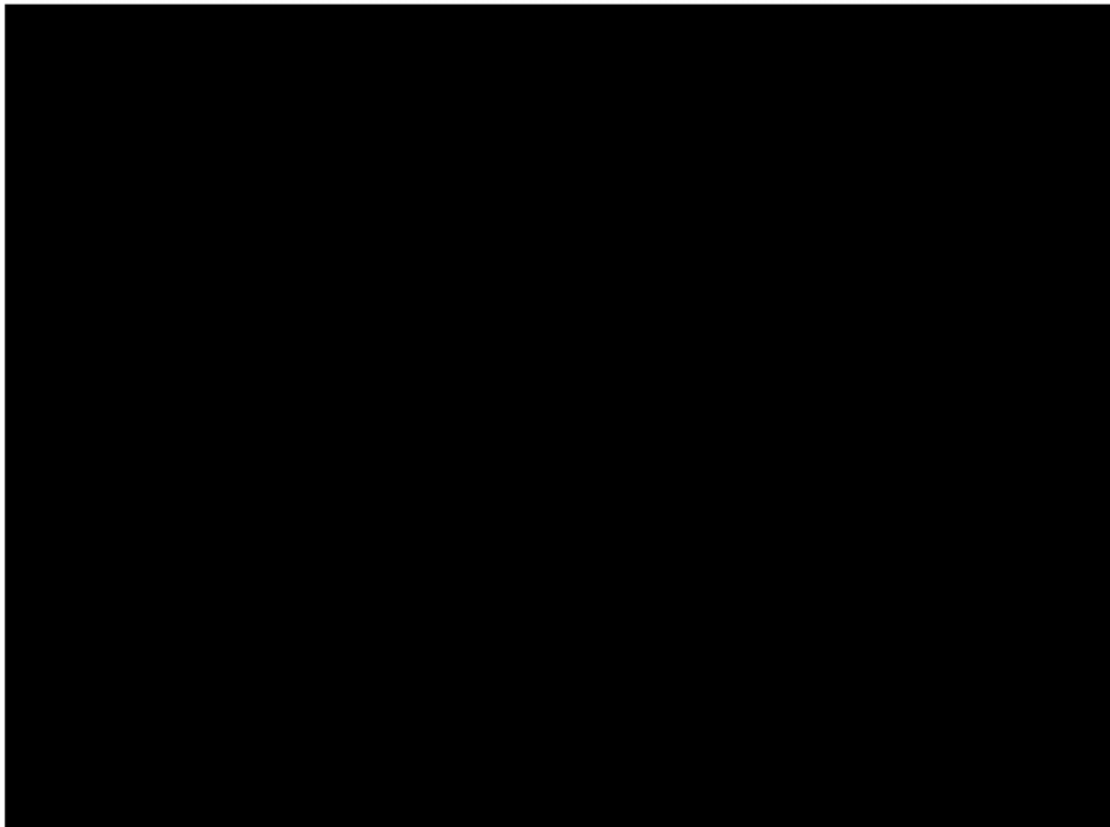


3. On 23 January 1996, Crown Limited ('Crown') advised the Authority that the Sponsors (Hudson Conway Limited ('HCL') and The Federal Hotels Limited) and CUB are currently holding less than the minimum requirement of 40% of Crown Limited shares prescribed by clause 22.1(a) of the Casino Agreement. A copy of the letter is 'Attachment 1'.

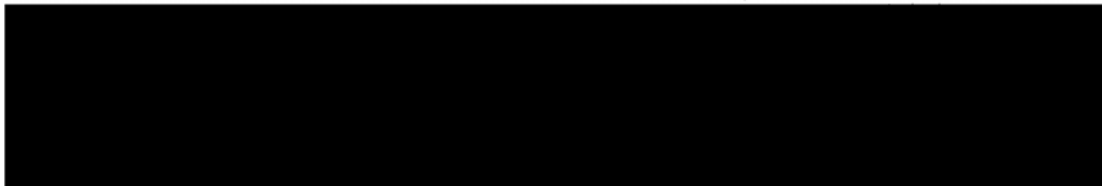




COMMENT



RECOMMENDATION






Approved:
Alan Rowe, Director of Gaming and Betting

MEETING [20 February 1996]
Source: R. SCHEFFER, Legal Officer



23 January 1996

 23/1
 Mr Alan Rowe
 Director of Gaming and Betting
 Victorian Casino and Gaming Authority
 Gaming Division
 Level 1, Building B
 World Trade Centre
 MELBOURNE VIC 3005

Dear Mr Rowe

Casino Agreement - Clause 22.1(a)

Hudson Conway Limited has lodged a substantial shareholder notice with Crown, a copy of which is attached. The attached notice shows that Hudson Conway Limited's percentage shareholding in Crown has been diluted recently due to Crown having made several placements of new shares. In light of this development, we have reviewed the relevant shareholding obligations and have detailed our considerations below.

As you are aware, Clause 22.1(a) of the Casino Agreement requires that the total number of shares held by Sponsors and CUB until the date that the Melbourne Casino Complex is completed must be not less than 40 percent of the total number of shares on issue at that date (being the date of completion of the Melbourne Casino Complex). We understand that the current shareholdings, in the form agreed to by the Authority, are Sponsors 168,915,910 (Hudson Conway Limited) and CUB 16,071,429, giving a total of 184,987,339 shares. The Sponsors and CUB have thus since the Licence Date increased their shareholding by approximately 45 million shares.

As you aware, Crown Limited has recently made several placements of new shares to fund particular property acquisitions and the construction program for the Casino Project. As a result of these share issues, Crown's issued capital has increased from 450,000,000 shares to 494,788,971 shares.

CROWN LIMITED ACN 006 873 262

LEVEL 1 99 QUEENSBIDGE STREET SOUTH MELBOURNE VICTORIA 3205 AUSTRALIA
 TELEPHONE (61-3) 685 4200 FACSIMILE (61-3) 685 4350



- 2 -

While the Sponsors and CUB have significantly increased their holdings of Crown shares since the Casino Agreement was executed, the overall percentage of issued shares held by them has now been diluted. This has occurred notwithstanding that the Sponsors and CUB fully took up their pro-rata rights entitlements to the recent rights issue, that Hudson Conway Limited jointly underwrote the rights issue and took up its share of the shortfall and that companies in the Hudson Conway Group have also purchased additional shares in Crown since the Licence Date. In short, the dilution of the interest of Sponsors and CUB cannot be attributed to any failure on their part to maintain and increase their financial commitment to a major equity holding in Crown. In fact, given the increase in Crown's share price, the Sponsors and CUB's equity exposure to the project has increased by over 250 percent.

Crown does not propose to offer to issue additional shares specifically to the Sponsors or CUB at this time. We have no reason to believe that CUB wishes to increase its proportional holding in Crown significantly, and of course it has no obligation to do so. Of the two Sponsors only Hudson Conway Limited might be regarded as having the financial resources necessary to accept a further significant allotment of shares. However, under the Listing Rules of the Australian Stock Exchange Limited an issue of equity securities to Hudson Conway Limited would require the prior approval of shareholders by special resolution at a general meeting at which any votes cast by Hudson Conway Limited, and Lloyd Williams and associates would be required to be disregarded. A share issue in which only Hudson Conway Limited was entitled to participate might, because of its special position in relation to Crown, be controversial, and in those circumstances approval of the proposal by special resolution could not be assured.

The purchase of further shares by Hudson Conway Limited also presents difficulties. The Corporations Law prohibits Hudson Conway Limited from purchasing more than 3 per cent of the issued capital of Crown in any six month period. In any case, having regard to the current market for Crown shares in terms of daily volume and share price, it would be very difficult to acquire sufficient shares by market purchase to restore the holding to 40 per cent of Crown's enlarged share capital. We also note that such action would drive the share price up in a way which might be regarded as distorting the market for Crown shares.

Clause 22.1(a) of the Casino Agreement assumes (as was the case) that the Sponsors and CUB held 40 percent of issued shares in Crown at the Licence Date (see Schedule Three to the Agreement). Paragraph (a) contemplates that an assessment may be made as at the date that the Melbourne Casino Complex is completed whether the total number of Crown shares held by Sponsors and CUB from the Licence Date until Completion has been not less than 40 percent of the total number of Crown shares on issue. The obvious purpose of the condition is to ensure that the Sponsors remain fully committed to the Casino Project during the construction phase; in this regard, you would be aware Hudson Conway Limited has guaranteed the completion of the project. It will not be practicable to determine whether the condition is satisfied until Completion, but even at that date the condition ought not to be regarded as requiring that the Sponsors, in order to comply with it, should purchase further shares in response to dilution of their holdings as a result of non pro-rata issues by Crown, or that Crown should be required to match third party share placements with placements to Sponsors.



- 3 -

Because the objective of the condition in paragraph (a) is to require ongoing Sponsor commitment to the Casino Project the condition simply does not deal with the case of an increase in capital between Licence Date and Completion by share issues made otherwise than pro-rata (although from other conditions, such issues were contemplated: see paragraph (i) and (j) of clause 22.1). We consider that neither Crown nor the Sponsors ought to suffer a financial imposition in those circumstances. Paragraph (a) ought therefore to be regarded as satisfied if at Completion the Sponsors continue to hold at least all of the shares which they held at the Licence Date and have taken up any subsequent entitlements, since by these means the Sponsors will have used their best endeavours to comply with the requirements of the condition.

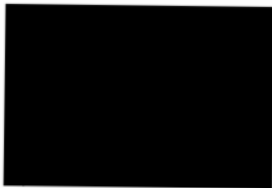
Accordingly, since -

- the Sponsors have continued to provide full and increasing financial support for the Casino Project during the development phase; and
- there are impediments to the acquisition by Hudson Conway Limited of further shares,

the Authority should, when assessing the satisfaction of the condition in clause 22.1(a) of the Casino Agreement as at Completion, regard the condition as fulfilled if the Sponsors and CUB have used best endeavours to comply with it by continuing to hold until Completion all of the shares acquired by them for the purpose of obtaining a 40 percent holding of shares in Crown on the Licence Date, and by maintaining their proportional equity through taking up their entitlements in any subsequent pro-rata share issue.

We look forward to discussing this matter with you.

Yours sincerely



Peter Ronec
Chief General Manager - Finance & Corporate

cc: Mr Barry Hamilton
 Hudson Conway Limited

ph Nick Broome

6/3/96

~~Ministers~~. Does the Authority have to advise the AS +
 NB: We have no obligation ^{of a change to the Casino Agreement?}

+ can see no reason, legal or
 commercial, why the Authority should
 do this only crown's business + not the
 Authority's. The Authority would be exceeding
 its powers.

Just call Peter Porec. to start the
 process

- I think we'll want something more formal - a letter
 I'll draft

 PICS

FROM MEETING NO. 54 - TUESDAY 20 FEBRUARY 1996 (continued)

<p>7.(c) <u>Disciplinary Action Against Special Employee Licence Holders</u></p> <p>(i) That a date be set for the hearing of oral submissions by Ms Stacey Amarant;</p> <p>(ii) That a letter be sent to Mr Antonio Dippolito giving notice of the Director's recommendation that disciplinary action be taken and providing him with the opportunity to make submissions to the Authority on the matter.</p>	<p>Submissions to be heard on 29 March 1996.</p>
<p>8.(b) <u>Hudson Conway and Others Holding 40% of Shares in Crown Limited</u></p> <p>That advice be sought from an appropriate source as to whether the Authority should inform the Australian Stock Exchange of its proposed course of action before implementing the recommendations agreed in principle.</p>	<p>Paper by legal Branch to be provided for March 96 meeting.</p>
<p>8.(h) <u>Research Projects For Consideration</u></p> <p>That a brief be developed by the Authority seeking the Minister's approval for funding from the Community Support Fund of up to \$240,000 to undertake specified research projects.</p>	<p>Brief referred to Minister 27 February 1996.</p>
<p>8.(j) <u>University of Melbourne Proposed Research Centre</u></p> <p>That the Research Subcommittee's report about the University of Melbourne proposal be referred back to the Subcommittee for preparation of a final report.</p>	

26/2/96

ph Nick Broome 9617 4820

We certainly under the MSA
have to get the Bank's consent ↗

Do need Minister's approval S-142

Minister's

There are notice provisions in the documents



file copy

VICTORIAN CASINO AND GAMING AUTHORITY

COMMERCIAL IN CONFIDENCE

Mr Lloyd Williams
 Chairman
 Hudson Conway Limited
 311 Glenferrie Road
 MALVERN VIC 3144

12 FEB 1996

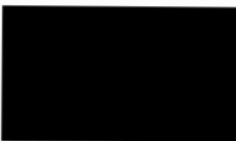
Dear Mr Williams

RE: CASINO AGREEMENT - CLAUSE 22.1(a)

The Victorian Casino and Gaming Authority ('the Authority') has been advised by Crown Limited that the Sponsors (Hudson Conway Limited and The Federal Hotels Limited) and CUB are currently holding less than the minimum requirement of 40% of Crown Limited shares prescribed by clause 22.1(a) of the Casino Agreement.

The Authority is currently considering this matter and any delay in responding to this situation should not be interpreted as the Authority waiving its right to respond in any way it considers appropriate.

Yours sincerely



ALAN ROWE
 Director of Gaming and Betting



VICTORIAN CASINO AND GAMING AUTHORITY

COMMERCIAL IN CONFIDENCE

Attn: Mr Peter Ronec

12 FEB 1996

Crown Limited
Level 1, 99 Queensbridge Street
SOUTHBANK VIC 3006

Dear Mr Ronec

RE: CASINO AGREEMENT - CLAUSE 22.1(a)

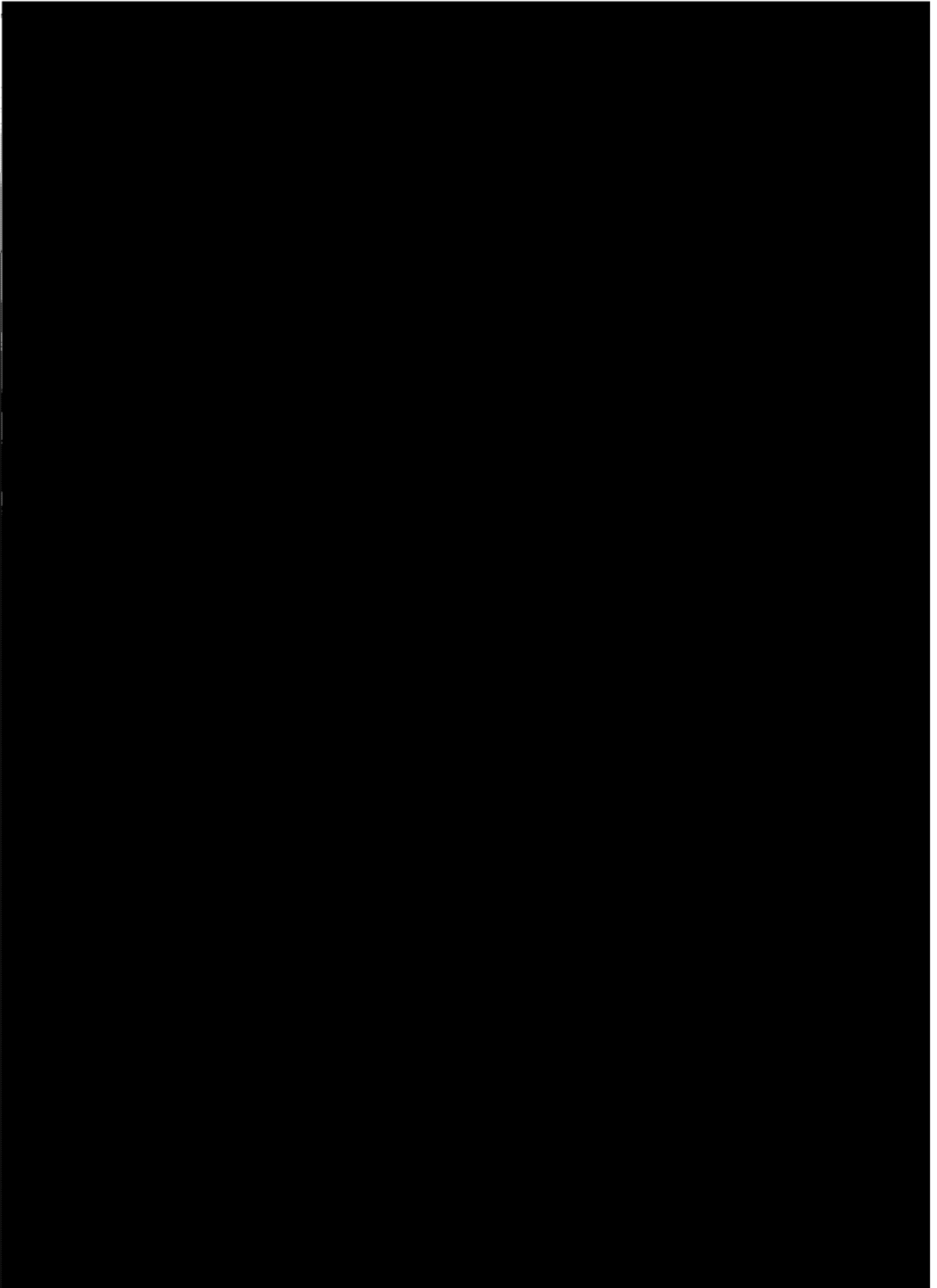
I refer to your letter of 23 January 1996 advising that the Sponsors (Hudson Conway Limited and The Federal Hotels Limited) and CUB are currently holding less than the minimum requirement of 40% of Crown Limited shares prescribed by clause 22.1(a) of the Casino Agreement.

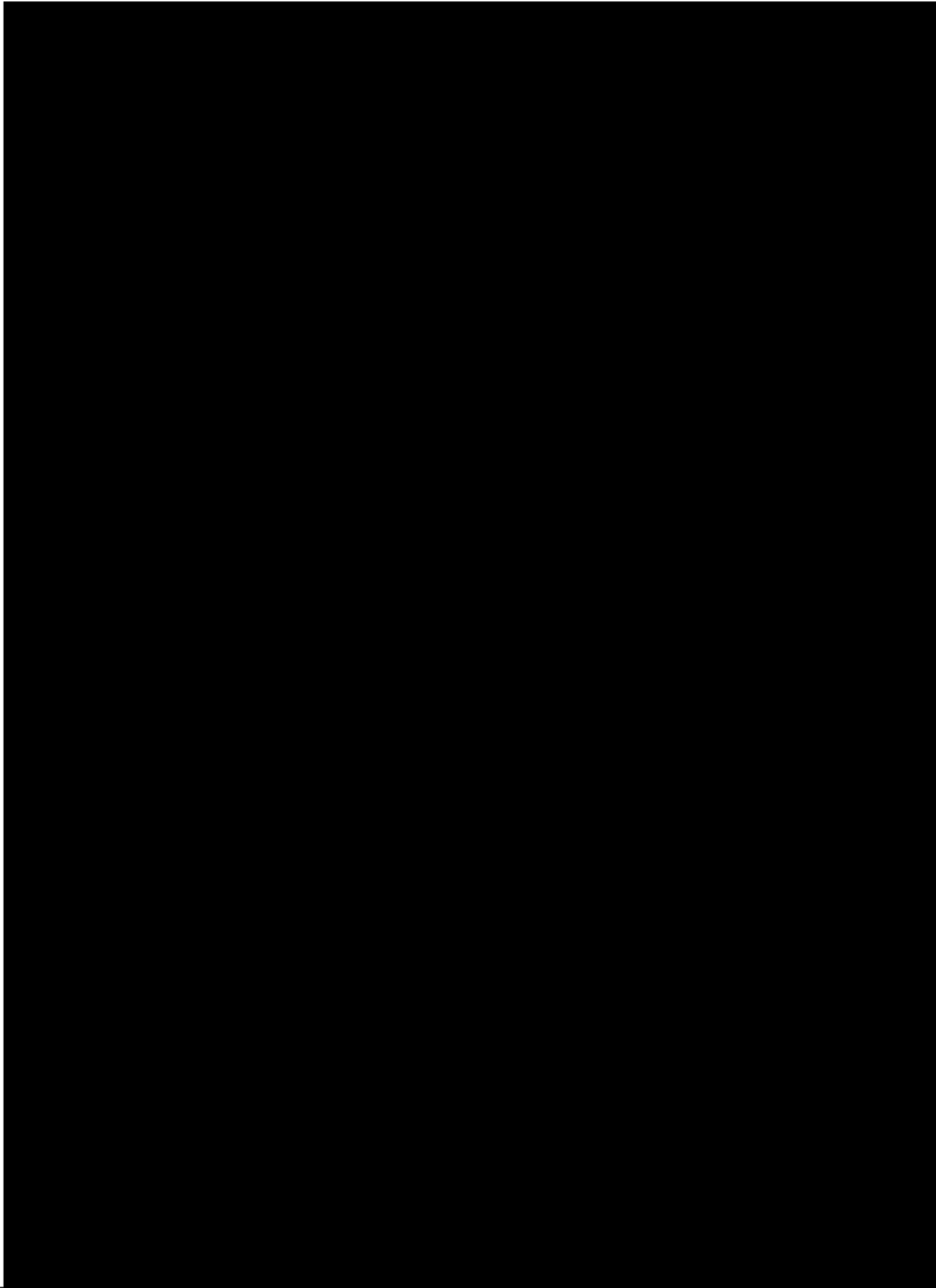
The Victorian Casino and Gaming Authority is currently considering this matter and any delay in responding to this situation should not be interpreted as the Authority waiving its right to respond in any way it considers appropriate.

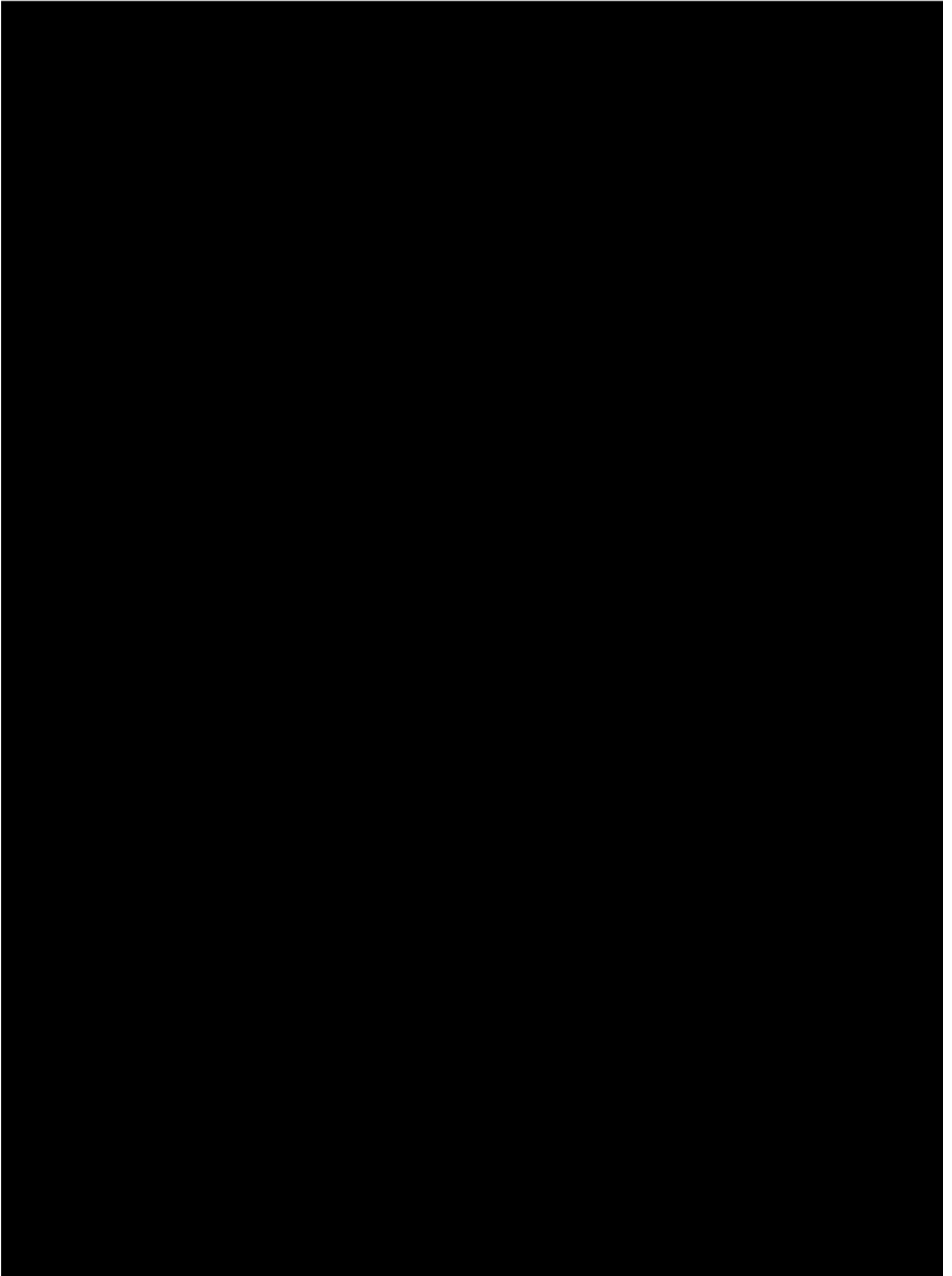
Yours sincerely

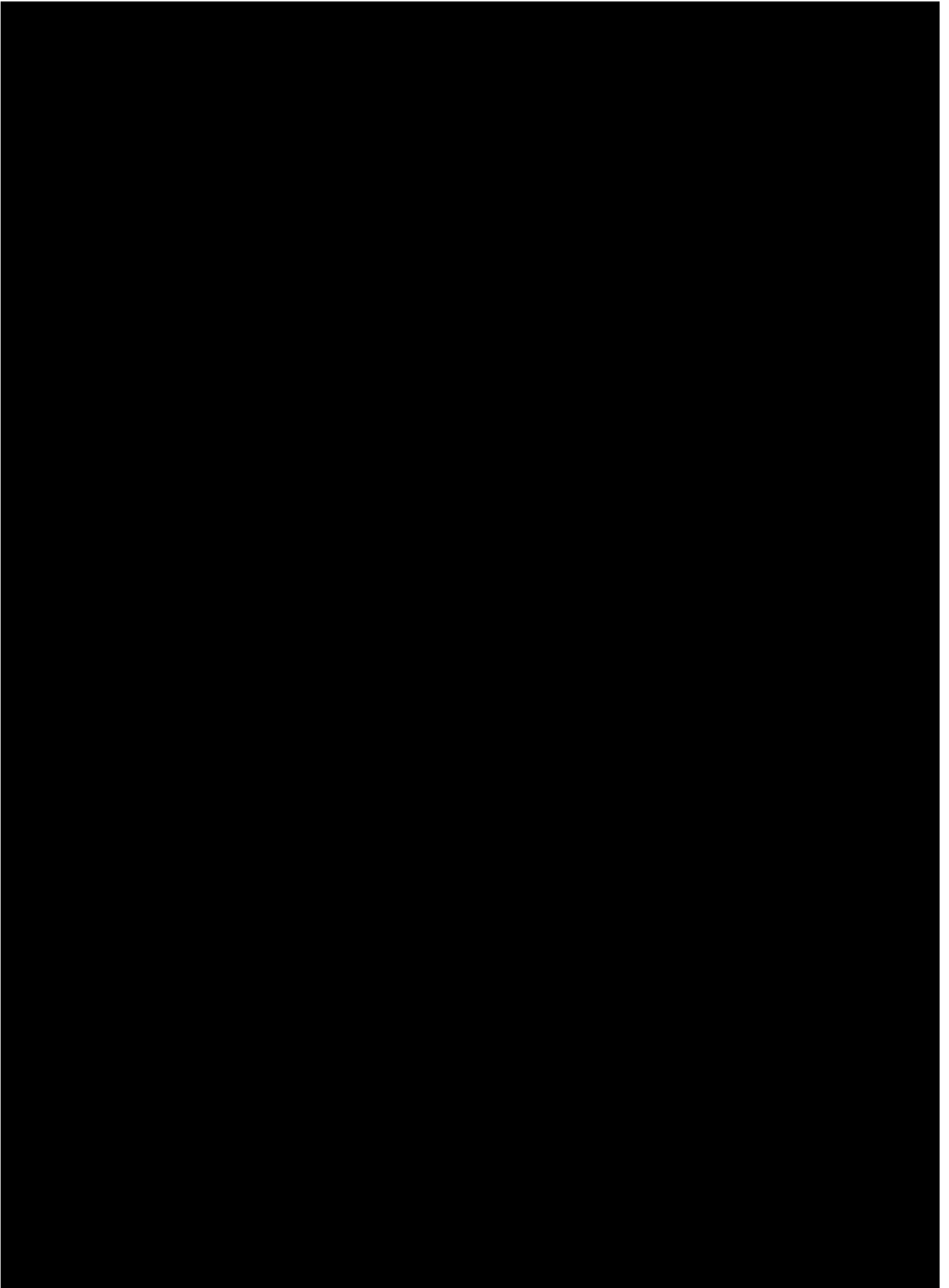


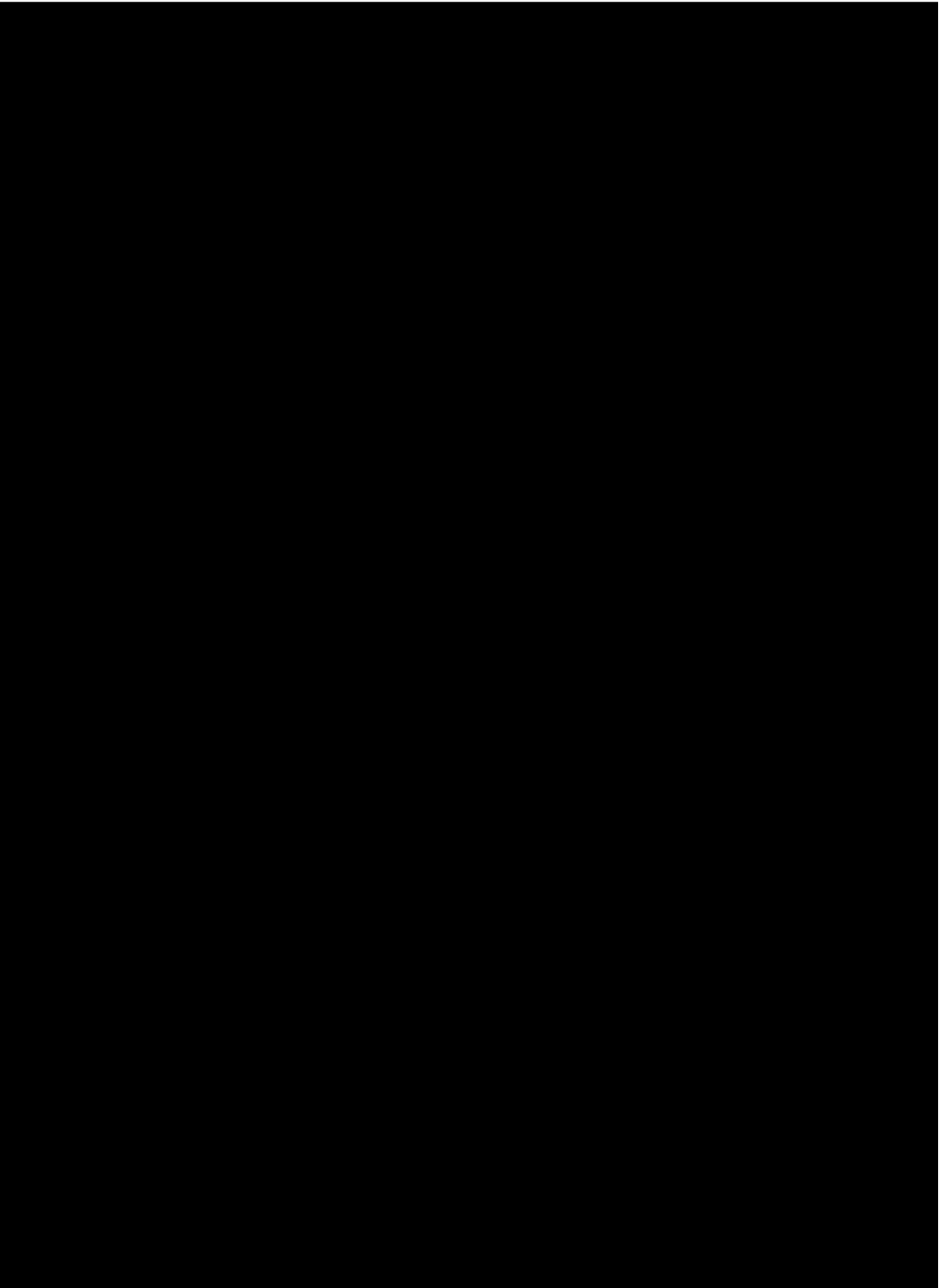
ALAN ROWE
Director of Gaming and Betting

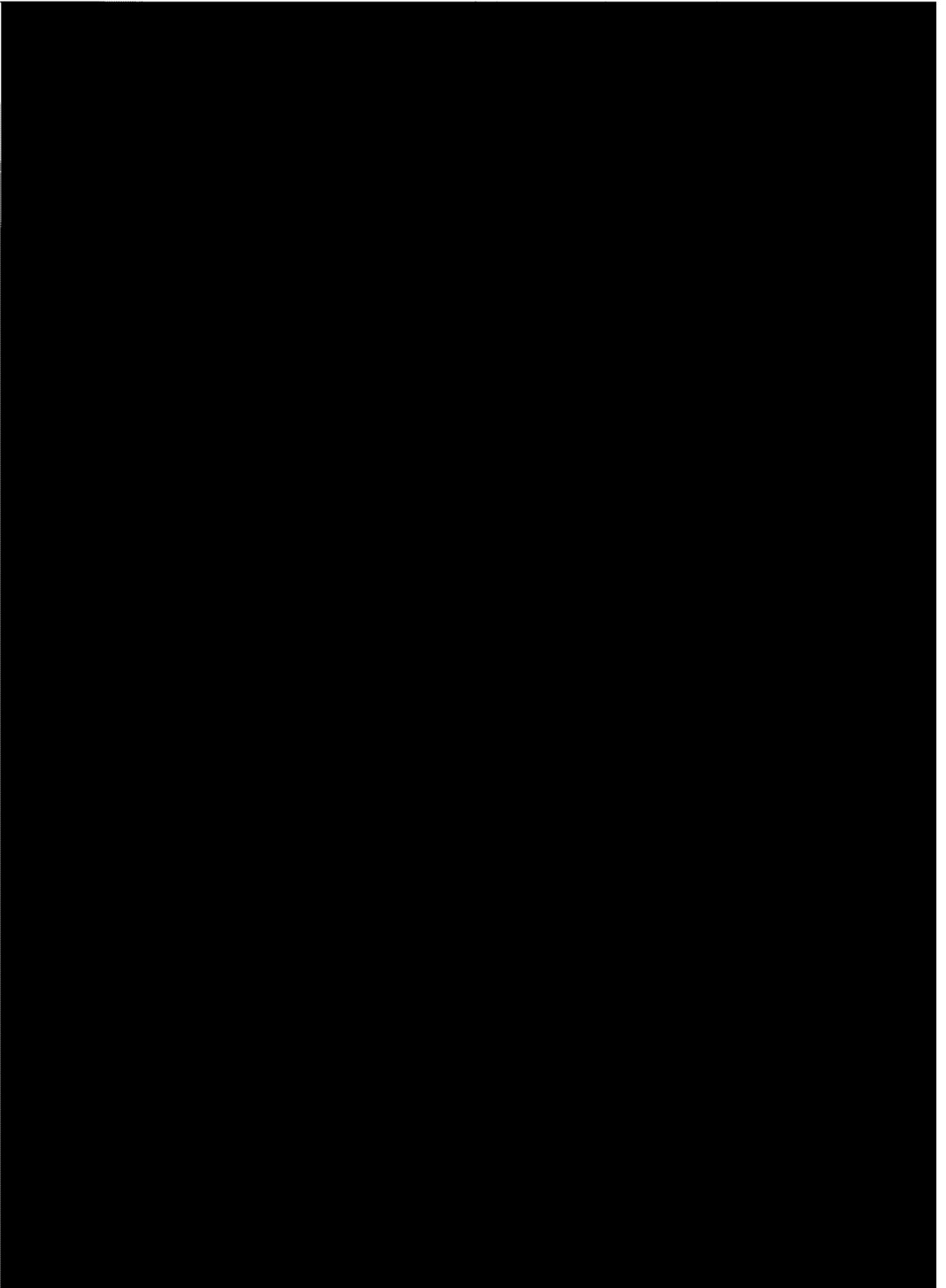




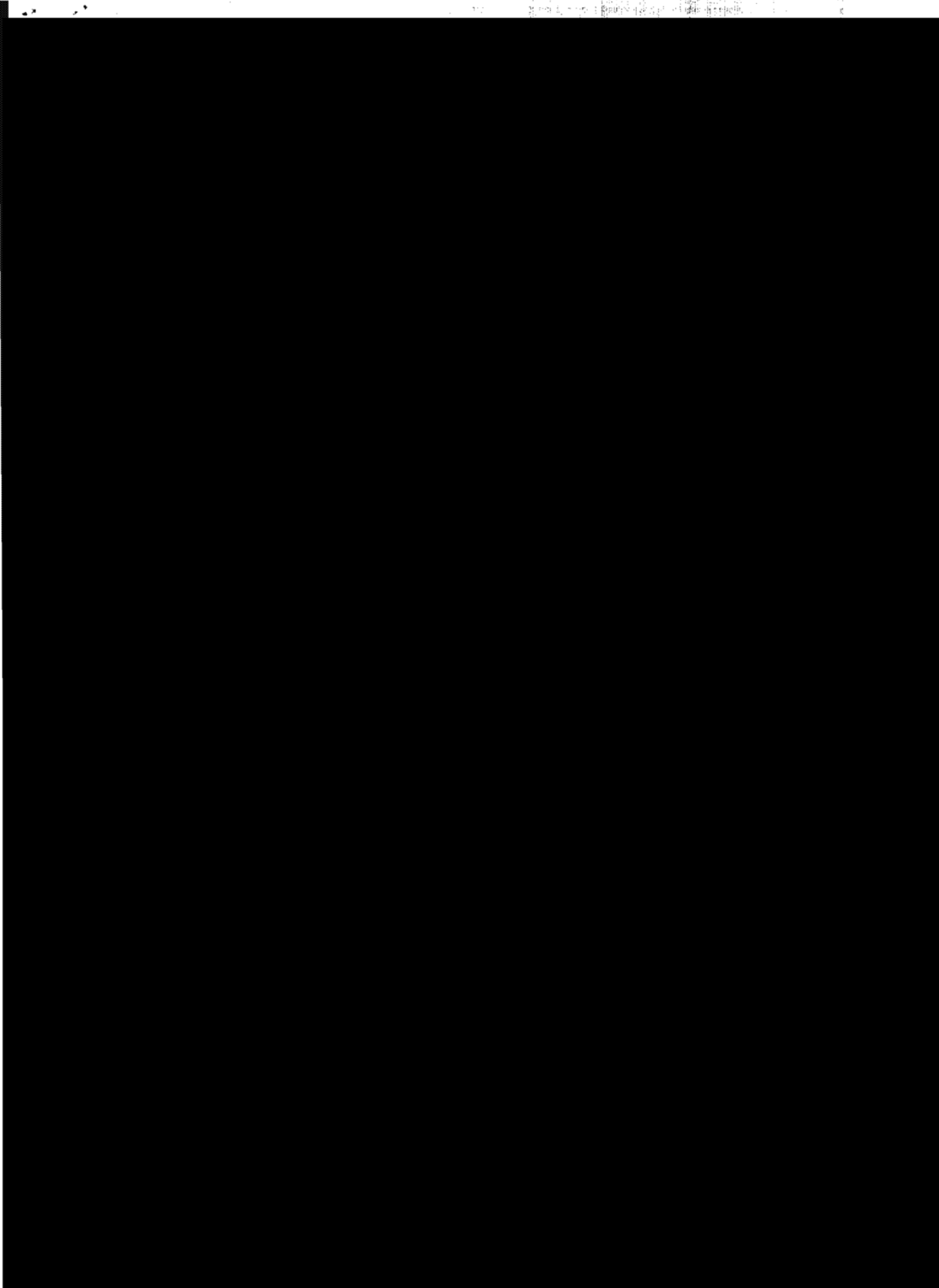


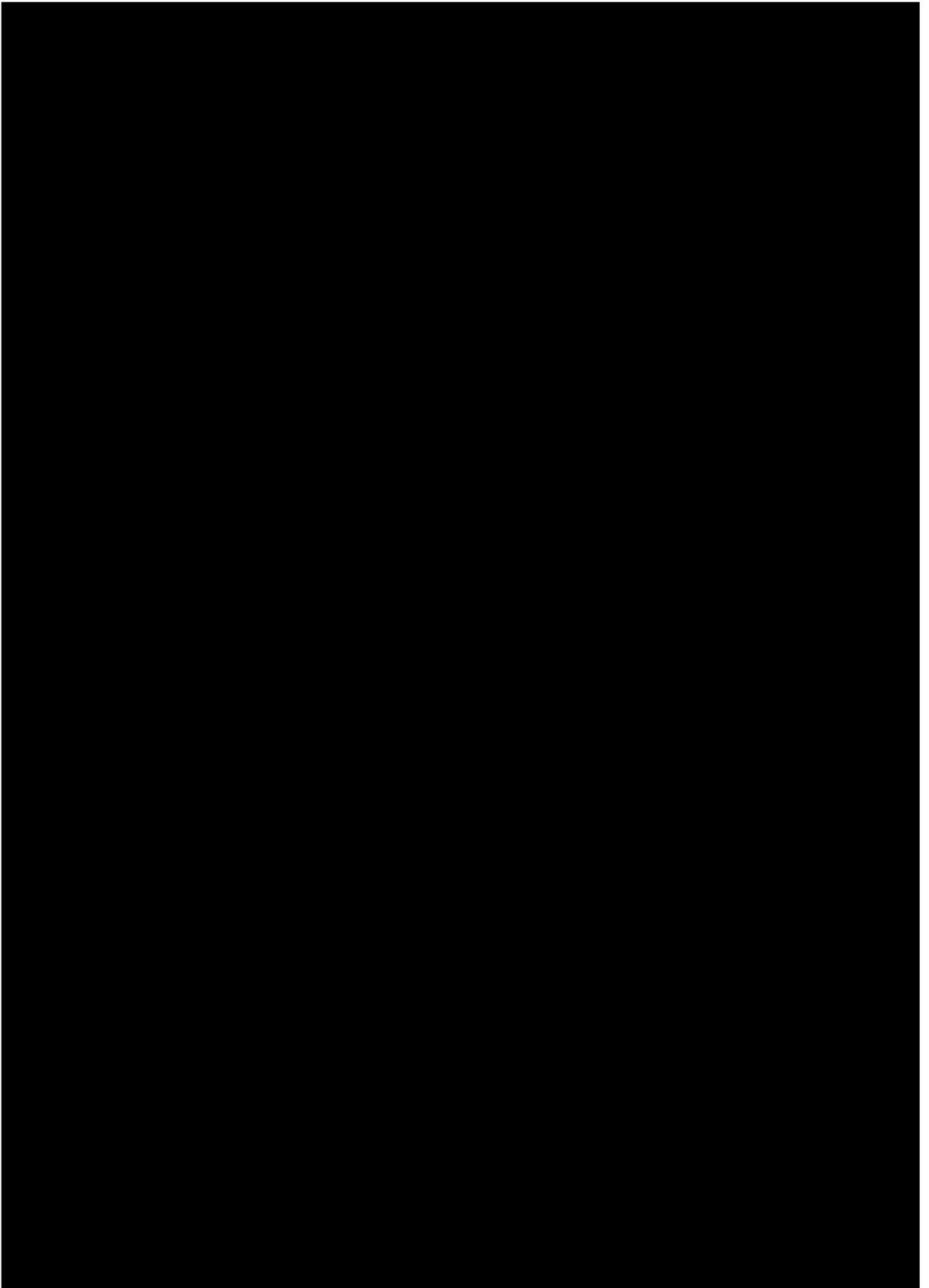


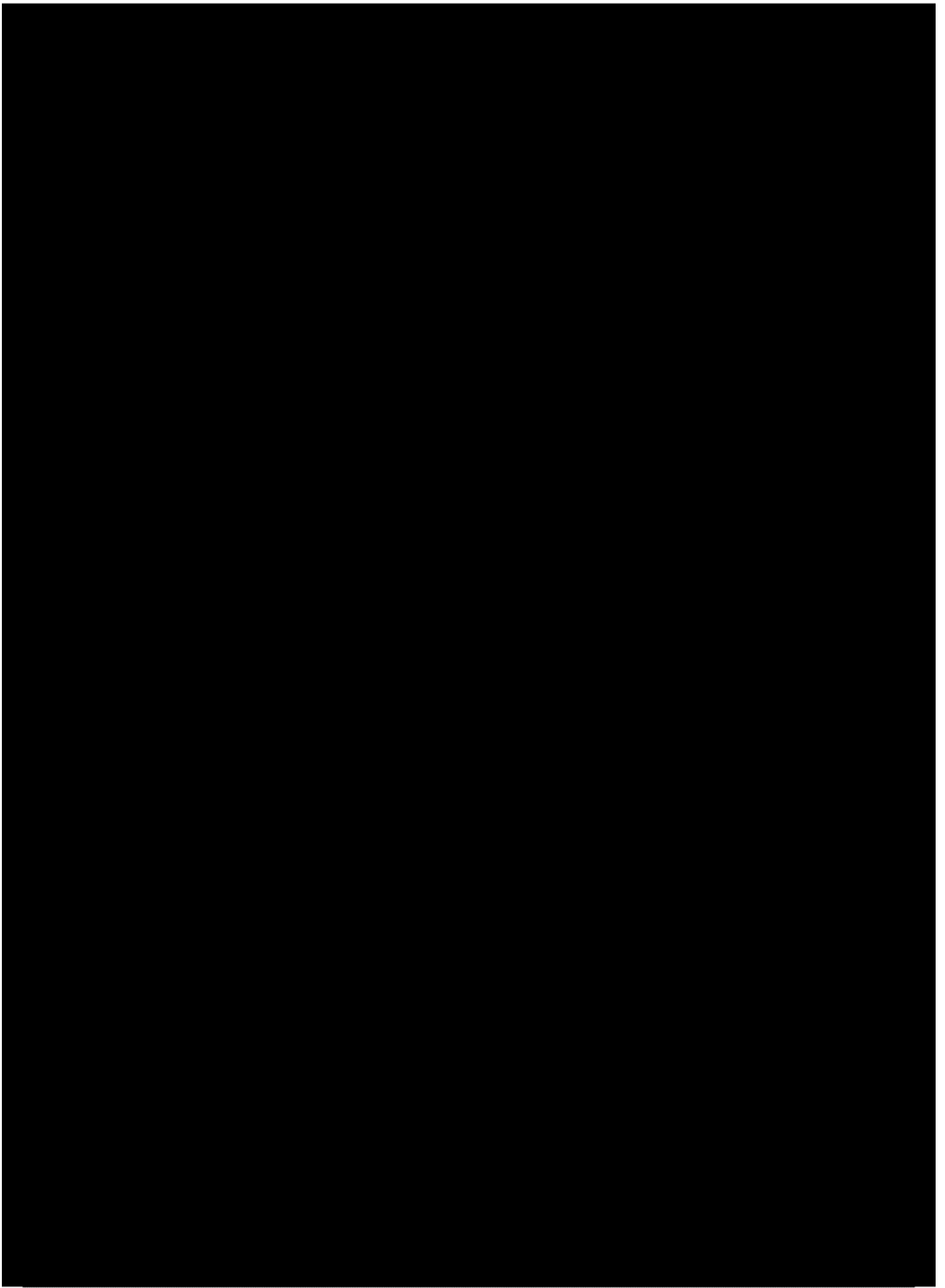




11/11/2011 10:10:10 AM









23 January 1996

A 23/1
Mr Alan Rowe
Director of Gaming and Betting
Victorian Casino and Gaming Authority
Gaming Division
Level 1, Building B
World Trade Centre
MELBOURNE VIC 3005

Dear Mr Rowe

Casino Agreement - Clause 22.1(a)

Hudson Conway Limited has lodged a substantial shareholder notice with Crown, a copy of which is attached. The attached notice shows that Hudson Conway Limited's percentage shareholding in Crown has been diluted recently due to Crown having made several placements of new shares. In light of this development, we have reviewed the relevant shareholding obligations and have detailed our considerations below.

As you are aware, Clause 22.1(a) of the Casino Agreement requires that the total number of shares held by Sponsors and CUB until the date that the Melbourne Casino Complex is completed must be not less than 40 percent of the total number of shares on issue at that date (being the date of completion of the Melbourne Casino Complex). We understand that the current shareholdings, in the form agreed to by the Authority, are Sponsors 168,915,910 (Hudson Conway Limited) and CUB 16,071,429, giving a total of 184,987,339 shares. The Sponsors and CUB have thus since the Licence Date increased their shareholding by approximately 45 million shares.

As you aware, Crown Limited has recently made several placements of new shares to fund particular property acquisitions and the construction program for the Casino Project. As a result of these share issues, Crown's issued capital has increased from 450,000,000 shares to 494,788,971 shares.

CROWN LIMITED ACN 006 973 262

LEVEL 1 99 QUEENSBRIDGE STREET SOUTH MELBOURNE VICTORIA 3205 AUSTRALIA
TELEPHONE (61-3) 685 4200 FACSIMILE (61-3) 685 4350



- 2 -

While the Sponsors and CUB have significantly increased their holdings of Crown shares since the Casino Agreement was executed, the overall percentage of issued shares held by them has now been diluted. This has occurred notwithstanding that the Sponsors and CUB fully took up their pro-rata rights entitlements to the recent rights issue, that Hudson Conway Limited jointly underwrote the rights issue and took up its share of the shortfall and that companies in the Hudson Conway Group have also purchased additional shares in Crown since the Licence Date. In short, the dilution of the interest of Sponsors and CUB cannot be attributed to any failure on their part to maintain and increase their financial commitment to a major equity holding in Crown. In fact, given the increase in Crown's share price, the Sponsors and CUB's equity exposure to the project has increased by over 250 percent.

Crown does not propose to offer to issue additional shares specifically to the Sponsors or CUB at this time. We have no reason to believe that CUB wishes to increase its proportional holding in Crown significantly, and of course it has no obligation to do so. Of the two Sponsors only Hudson Conway Limited might be regarded as having the financial resources necessary to accept a further significant allotment of shares. However, under the Listing Rules of the Australian Stock Exchange Limited an issue of equity securities to Hudson Conway Limited would require the prior approval of shareholders by special resolution at a general meeting at which any votes cast by Hudson Conway Limited, and Lloyd Williams and associates would be required to be disregarded. A share issue in which only Hudson Conway Limited was entitled to participate might, because of its special position in relation to Crown, be controversial, and in those circumstances approval of the proposal by special resolution could not be assured.

The purchase of further shares by Hudson Conway Limited also presents difficulties. The Corporations Law prohibits Hudson Conway Limited from purchasing more than 3 per cent of the issued capital of Crown in any six month period. In any case, having regard to the current market for Crown shares in terms of daily volume and share price, it would be very difficult to acquire sufficient shares by market purchase to restore the holding to 40 per cent of Crown's enlarged share capital. We also note that such action would drive the share price up in a way which might be regarded as distorting the market for Crown shares.

Clause 22.1(a) of the Casino Agreement assumes (as was the case) that the Sponsors and CUB held 40 percent of issued shares in Crown at the Licence Date (see Schedule Three to the Agreement). Paragraph (a) contemplates that an assessment may be made as at the date that the Melbourne Casino Complex is completed whether the total number of Crown shares held by Sponsors and CUB from the Licence Date until Completion has been not less than 40 percent of the total number of Crown shares on issue. The obvious purpose of the condition is to ensure that the Sponsors remain fully committed to the Casino Project during the construction phase; in this regard, you would be aware Hudson Conway Limited has guaranteed the completion of the project. It will not be practicable to determine whether the condition is satisfied until Completion, but even at that date the condition ought not to be regarded as requiring that the Sponsors, in order to comply with it, should purchase further shares in response to dilution of their holdings as a result of non pro-rata issues by Crown, or that Crown should be required to match third party share placements with placements to Sponsors.



- 3 -

Because the objective of the condition in paragraph (a) is to require ongoing Sponsor commitment to the Casino Project the condition simply does not deal with the case of an increase in capital between Licence Date and Completion by share issues made otherwise than pro-rata (although from other conditions, such issues were contemplated: see paragraph (i) and (j) of clause 22.1). We consider that neither Crown nor the Sponsors ought to suffer a financial imposition in those circumstances. Paragraph (a) ought therefore to be regarded as satisfied if at Completion the Sponsors continue to hold at least all of the shares which they held at the Licence Date and have taken up any subsequent entitlements, since by these means the Sponsors will have used their best endeavours to comply with the requirements of the condition.

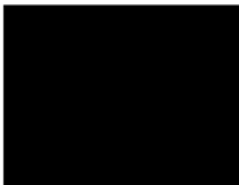
Accordingly, since -

- the Sponsors have continued to provide full and increasing financial support for the Casino Project during the development phase; and
- there are impediments to the acquisition by Hudson Conway Limited of further shares,

the Authority should, when assessing the satisfaction of the condition in clause 22.1(a) of the Casino Agreement as at Completion, regard the condition as fulfilled if the Sponsors and CUB have used best endeavours to comply with it by continuing to hold until Completion all of the shares acquired by them for the purpose of obtaining a 40 percent holding of shares in Crown on the Licence Date, and by maintaining their proportional equity through taking up their entitlements in any subsequent pro-rata share issue.

We look forward to discussing this matter with you.

Yours sincerely



Peter Ronec
Chief General Manager - Finance & Corporate

cc: Mr Barry Hamilton
Hudson Conway Limited



23 January 1996

Mr Alan Rowe
 Director of Gaming and Betting
 Victorian Casino and Gaming Authority
 Gaming Division
 Level 1, Building B
 World Trade Centre
 MELBOURNE VIC 3005

Q 23/1

*18/1 Crawford
 for advice + paper
 for Feb VCGA
 by [initials]
 Q
 23/1*

Ravera

*Would you please
 liaise with Paul Garcia
 in obtaining legal advice
 from ministers for preparation
 of an Authority paper for Feb meeting!
 Sylvia 24/1*

Dear Mr Rowe

Casino Agreement - Clause 22.1(a)

Hudson Conway Limited has lodged a substantial shareholder notice with Crown, a copy of which is attached. The attached notice shows that Hudson Conway Limited's percentage shareholding in Crown has been diluted recently due to Crown having made several placements of new shares. In light of this development, we have reviewed the relevant shareholding obligations and have detailed our considerations below.

As you are aware, Clause 22.1(a) of the Casino Agreement requires that the total number of shares held by Sponsors and CUB until the date that the Melbourne Casino Complex is completed must be not less than 40 percent of the total number of shares on issue at that date (being the date of completion of the Melbourne Casino Complex). We understand that the current shareholdings, in the form agreed to by the Authority, are Sponsors 168,915,910 (Hudson Conway Limited) and CUB 16,071,429, giving a total of 184,987,339 shares. The Sponsors and CUB have thus since the Licence Date increased their shareholding by approximately 45 million shares.

As you are aware, Crown Limited has recently made several placements of new shares to fund particular property acquisitions and the construction program for the Casino Project. As a result of these share issues, Crown's issued capital has increased from 450,000,000 shares to 494,788,971 shares.

CROWN LIMITED ACN 006 973 262

LEVEL 1 99 QUEENSBIDGE STREET SOUTH MELBOURNE VICTORIA 3205 AUSTRALIA
 TELEPHONE (61-3) 685 4200 FACSIMILE (61-3) 685 4350



- 2 -

While the Sponsors and CUB have significantly increased their holdings of Crown shares since the Casino Agreement was executed, the overall percentage of issued shares held by them has now been diluted. This has occurred notwithstanding that the Sponsors and CUB fully took up their pro-rata rights entitlements to the recent rights issue, that Hudson Conway Limited jointly underwrote the rights issue and took up its share of the shortfall and that companies in the Hudson Conway Group have also purchased additional shares in Crown since the Licence Date. In short, the dilution of the interest of Sponsors and CUB cannot be attributed to any failure on their part to maintain and increase their financial commitment to a major equity holding in Crown. In fact, given the increase in Crown's share price, the Sponsors and CUB's equity exposure to the project has increased by over 250 percent.

Crown does not propose to offer to issue additional shares specifically to the Sponsors or CUB at this time. We have no reason to believe that CUB wishes to increase its proportional holding in Crown significantly, and of course it has no obligation to do so. Of the two Sponsors only Hudson Conway Limited might be regarded as having the financial resources necessary to accept a further significant allotment of shares. However, under the Listing Rules of the Australian Stock Exchange Limited an issue of equity securities to Hudson Conway Limited would require the prior approval of shareholders by special resolution at a general meeting at which any votes cast by Hudson Conway Limited, and Lloyd Williams and associates would be required to be disregarded. A share issue in which only Hudson Conway Limited was entitled to participate might, because of its special position in relation to Crown, be controversial, and in those circumstances approval of the proposal by special resolution could not be assured.

The purchase of further shares by Hudson Conway Limited also presents difficulties. The Corporations Law prohibits Hudson Conway Limited from purchasing more than 3 per cent of the issued capital of Crown in any six month period. In any case, having regard to the current market for Crown shares in terms of daily volume and share price, it would be very difficult to acquire sufficient shares by market purchase to restore the holding to 40 per cent of Crown's enlarged share capital. We also note that such action would drive the share price up in a way which might be regarded as distorting the market for Crown shares.

Clause 22.1(a) of the Casino Agreement assumes (as was the case) that the Sponsors and CUB held 40 percent of issued shares in Crown at the Licence Date (see Schedule Three to the Agreement). Paragraph (a) contemplates that an assessment may be made as at the date that the Melbourne Casino Complex is completed whether the total number of Crown shares held by Sponsors and CUB from the Licence Date until Completion has been not less than 40 percent of the total number of Crown shares on issue. The obvious purpose of the condition is to ensure that the Sponsors remain fully committed to the Casino Project during the construction phase; in this regard, you would be aware Hudson Conway Limited has guaranteed the completion of the project. It will not be practicable to determine whether the condition is satisfied until Completion, but even at that date the condition ought not to be regarded as requiring that the Sponsors, in order to comply with it, should purchase further shares in response to dilution of their holdings as a result of non pro-rata issues by Crown, or that Crown should be required to match third party share placements with placements to Sponsors.



- 3 -

Because the objective of the condition in paragraph (a) is to require ongoing Sponsor commitment to the Casino Project the condition simply does not deal with the case of an increase in capital between Licence Date and Completion by share issues made otherwise than pro-rata (although from other conditions, such issues were contemplated: see paragraph (i) and (j) of clause 22.1). We consider that neither Crown nor the Sponsors ought to suffer a financial imposition in those circumstances. Paragraph (a) ought therefore to be regarded as satisfied if at Completion the Sponsors continue to hold at least all of the shares which they held at the Licence Date and have taken up any subsequent entitlements, since by these means the Sponsors will have used their best endeavours to comply with the requirements of the condition.

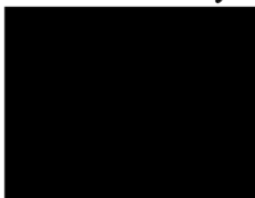
Accordingly, since -

- the Sponsors have continued to provide full and increasing financial support for the Casino Project during the development phase; and
- there are impediments to the acquisition by Hudson Conway Limited of further shares,

the Authority should, when assessing the satisfaction of the condition in clause 22.1(a) of the Casino Agreement as at Completion, regard the condition as fulfilled if the Sponsors and CUB have used best endeavours to comply with it by continuing to hold until Completion all of the shares acquired by them for the purpose of obtaining a 40 percent holding of shares in Crown on the Licence Date, and by maintaining their proportional equity through taking up their entitlements in any subsequent pro-rata share issue.

We look forward to discussing this matter with you.

Yours sincerely



Peter Ronec
Chief General Manager - Finance & Corporate

cc: Mr Barry Hamilton
Hudson Conway Limited

**FORM 604
CORPORATIONS LAW**

**CHANGE IN INTERESTS OF SUBSTANTIAL SHAREHOLDER
UNDER SUBSECTION 710(1)**

To: CROWN LTD (ACN 006 973 262)

Take notice that HUDSON CONWAY LIMITED (ACN 009 556 629) ("Hudson Conway") of Level 1, 99 Queensbridge Street, Southbank, Victoria 3006 and Lloyd John Williams ("Williams") of 3 Church Street, Toorak, Victoria, 3142 substantial shareholders, give notice of a change in relevant interests.

This Notice is given by Hudson Conway on behalf of itself and each of the related bodies corporate of Hudson Conway ("Hudson Conway Subsidiaries") specified in the list annexed to this Notice and marked "A", and Williams and each of the other parties ("Nominated Parties") specified in the list annexed to this Notice and marked "B" (together being the "Substantial Shareholders").

Particulars relating to the relevant interests and changes including a change in relevant interests of an associate of the substantial shareholder are set out below.

A. *Particulars of each relevant interest at the time at which the substantial shareholder was last required to give a substantial shareholding notice to the company*

	Fully Paid Ordinary Shares of 50 cents each
(a)	
(i)/(ii) Name and address of holder of relevant interest and the number and description of voting shares of each class of shares in the company in which each relevant interest held:	
- Hudson Conway (address above)	144,074,000
- Hudson Conway Subsidiaries (addresses in Annexure A)	144,074,000
- Williams (address above)	143,645,000
- Other Nominated Parties (addresses in Annexure B)	143,625,000
- (Other) Directors and Secretaries of Hudson Conway or Hudson Conway Subsidiaries of Level 1, 99 Queensbridge Street, Southbank, Victoria, 3006:	

2.

	Danny Agnoletto	12,500
	Peter Barraclough	100,000
	John Cameron	30,000
	Sir Roderick Carnegie	118,667
	Ken Carnie	10,000
	John Haddad	20,000
	Barry Hamilton	50,000
	Sir Laurence Muir	15,000
	Barry O'Callaghan	47,000
	Patrick Stone	30,000
	Ronald Walker	100,000
	- Consolidated Press Holdings Limited of 54-58 Park Street, Sydney, New South Wales	130,448,999
	- Directors of Crown Ltd:	
	Peter Jonson	54,000
	John Calvert-Jones	225,000
(iii)/(iv)	Name and address of each person registered or entitled to become registered as holder of any of the voting shares and particulars of the shares in respect of which that person is registered or entitled to become registered as holder:	
	- Caradelle Pty Ltd (address in Annexure A)	22,500,000
	- Caraveno Pty Ltd (address in Annexure A)	35,000,000
	- Capromart Pty Ltd (address in Annexure A)	35,000,000
	- RLR Pty Ltd (address in Annexure A)	3,625,000
	- Mulawa Casinos (Vic) Pty Ltd of 167 Collins Street, Melbourne, Victoria	35,000,000
	- Carlton and United Breweries Limited of 16 Bouverie Street, Carlton, Victoria	12,500,000
	- Directors and Secretaries of Hudson Conway or Hudson Conway Subsidiaries, or entities controlled by those Directors and Secretaries of Level 1, 99 Queensbridge Street, Southbank, Victoria, 3006:	

3.

Danny Agnoletto	12,500
Peter Barraclough	100,000
John Cameron	30,000
Ken Carnie	10,000
Huntingfield Investments Pty Ltd	50,000
Kildrummie Pastoral Co Pty Ltd	68,667
Sir Laurence Muir	15,000
Barry O'Callaghan	47,000
Pacific Edge Holdings Pty Ltd	50,000
Patrick Stone	30,000
Taverns of Victoria Pty Ltd	20,000
Thirty Fourth Zulu Pty Ltd	50,000
Ronald Walker	50,000
Lloyd Williams	20,000

- Bareage Pty Ltd of Level 3,
54 Park Street, Sydney, New
South Wales 94,999,999
- Peter Jonson 54,000
John Calvert-Jones (joint holder)
of Level 31 , 101 Collins Street,
Melbourne, Victoria, 3000 225,000

(b) The total number of voting shares of each class of shares in the company in which the substantial shareholder and its associates held relevant interests, being shares to which the substantial shareholder was entitled, was

- 239,457,166 in the case of Hudson Conway and Hudson Conway Subsidiaries.
- 238,644,999 in the case of Williams and Nominated Parties.

(c) The numbers of voting shares of each class of shares in the company specified in accordance with paragraph (b) are the following percentages of the total numbers of voting shares of those classes:

- 68.41% in the case of Hudson Conway and Hudson Conway Subsidiaries.
- 68.18% in the case of Williams and Nominated Parties.

(d) Reasons why each person named in paragraph (a) was considered an associate for the purpose of Division 2 of Part 1.2 are as follows:

- Each of the Hudson Conway Subsidiaries was an associate of Hudson Conway and of each other by virtue of being related bodies corporate (as defined in section 9 of the Corporations Law).

4.

- Each of the individuals named in paragraph (a) was an associate of Hudson Conway and of each Hudson Conway Subsidiary by virtue of being a director or secretary of one or more of Hudson Conway and the Hudson Conway Subsidiaries.
- Consolidated Press Holdings Limited ("Consolidated Press") and its subsidiaries were associates of the Substantial Shareholders since they are persons with which the Substantial Shareholders have or have been proposing to act in concert in relation to the disposal of shares in Crown issued to Mulawa Casinos (Vic) Pty Ltd (section 15 of the Corporations Law).

B. *Particulars of each change in relevant interests since the time at which the substantial shareholder was last required to give a substantial shareholding notice to the company*

(a) The date of change in relevant interest:

- See paragraph B(d) below.

(b) Whether the change was a change in the relevant interest of an associate of the substantial shareholder and, if so, the name and address of that associate:

- See paragraph B(d) below.

(c) Particulars of the valuable consideration given in relation to the change, including nature of any part of the consideration that did not consist of money, are as follows:

- See paragraph B(d) below.

(d) Particulars of any contract, scheme, arrangement or other circumstance because of which the change in the relevant interest(s) occurred are as follows:

- (i) Peter Jonson resigned as a director of Crown Ltd on 15 March 1995;
- (ii) Patrick Stone resigned as a director of Hudson Conway Limited on 18 May 1995;
- (iii) Crown Ltd announced a 2 for 7 renounceable rights issue at \$1.30 per share by a prospectus dated 2 August 1995 (annexed to this Notice and marked "C"), pursuant to which approximately 100,000,000 new ordinary shares were issued on 19 September 1995;

Each of the following persons became registered or entitled to be registered as holder of voting shares pursuant to the Prospectus:

5.

Name	No. of Shares	Price Per Share
Caradelle Pty Ltd (address in Annexure A)	6,428,561	\$1.30
Caraveno Pty Ltd (address in Annexure A)	10,000,000	\$1.30
Capromart Pty Ltd (address in Annexure A)	10,000,000	\$1.30
RLR Pty Ltd (address in Annexure A)	1,035,715	\$1.30
Carlton and United Breweries Limited of 16 Bouverie Street Carlton, Victoria	3,571,429	\$1.30
Danny Agnoletto	3,572	\$1.30
John Cameron	8,572	\$1.30
Ken Carnie	2,858	\$1.30
Huntingfield Investments Pty Ltd	14,286	\$1.30
Kildrummie Pastoral Co Pty Ltd	4,906	\$1.30
Sir Laurence Muir	4,286	\$1.30
Barry O'Callaghan	13,429	\$1.30
Taverns of Victoria Pty Ltd	5,715	\$1.30
Thirty Fourth Zulu Pty Ltd	14,286	\$1.30
Ronald Walker	14,286	\$1.30
Lloyd Williams	5,715	\$1.30
Bareage Pty Ltd of Level 3 54 Park Street, Sydney, New South Wales	27,142,857	\$1.30
John Calvert-Jones of Level 31, 101 Collins Street, Melbourne, Vic	64,286	\$1.30

Sir Roderick Carnegie or the holders of shares in which he had a relevant interest disposed of entitlements to 14,714 shares pursuant to the Prospectus.

- (iv) Peter Barraclough ceased to have a relevant interest in 100,000 ordinary shares of 50 cents each disposed of for valuable consideration of \$1.44 per share in the ordinary course of trading on the Australian Stock Exchange Limited on 4 May 1995, 19 May 1995 and 31 May 1995 in accordance with the rules of the Australian Stock Exchange Limited and containing no terms and conditions other than the standard terms and conditions conditions and the contract note in relation to that disposal is hereby incorporated by reference in this Notice;

6.

- (v) Sir Roderick Carnegie ceased to have a relevant interest in 50,000 ordinary shares of 50 cents each disposed of for valuable consideration of \$1.73 per share by Pacific Edge Holdings Pty Ltd in the ordinary course of trading on the Australian Stock Exchange Limited on 5 September 1995 in accordance with the rules of the Australian Stock Exchange Limited and containing no terms and conditions other than the standard terms and conditions and the contract note in relation to that disposal is hereby incorporated by reference in this Notice;
 - (vi) The 2 for 7 renounceable rights issue (referred to in (ii) above) was sub-underwritten by Hudson Conway pursuant to a Sub-Underwriting Deed dated 2 August 1995 (annexed to this Notice and marked "D"). Caraveno Pty Ltd (a wholly owned subsidiary of Hudson Conway Limited) acquired 326,634 shares at \$1.30 per share as Hudson Conway's nominee under that Deed;
 - (vii) The 2 for 7 renounceable rights issue (referred to in (ii) above) was sub-underwritten by Consolidated Press Holdings Limited pursuant to a Sub-Underwriting Deed dated 2 August 1995 (annexed to this Notice and marked "E"). Bareage Pty Ltd (a wholly owned subsidiary of Consolidated Press Holdings Limited) acquired 237,988 shares at \$1.30 per share as Consolidated Press Holdings Limited's nominee under that Deed.
 - (viii) Hudson Conway Casinos Pty Ltd was a Hudson Conway Subsidiary and an associate of Hudson Conway and pursuant to an assignment of Hudson Conway's right as chargee, acquired the entitlements pursuant to the Prospectus of Mulawa Casinos (Vic) Pty Ltd to 10,000,000 shares;
 - (ix) Pursuant to an Equitable Mortgage dated 1st September 1995 (annexed to this Notice and marked "F"), Capromart Pty Ltd transferred 35,000,000 shares to Share Direct Nominees Pty Limited. Capromart Pty Ltd retains the beneficial ownership in the shares.
 - (x) Pursuant to an Equitable Mortgage dated 1st September 1995 (annexed to this Notice and marked "G"), Caradelle Pty Ltd transferred 22,499,992 shares to Share Direct Nominees Pty Limited. Caradelle Pty Ltd retains the beneficial ownership in the shares.
- (e) Particulars of any qualification of the power of a person to exercise, control the exercise of or influence the exercise of, the voting powers of those shares in which the relevant interest in which the change occurred is held, are as follows:

- Nil.

7.

- (f) Particulars of any additional benefit that a person has, or may, become entitled to receive, whether on the happening of a contingency or not, because of the change in a relevant interest are as follows:

- Nil.

C. *Particulars of each relevant interest after the change in relevant interests because of which this notice is required to be given*

	Fully Paid Ordinary Shares of 50 cents each
(a)	
(i)/(ii) Name and address of holder of relevant interest and the number and description of voting shares of each class of shares in the company in which each relevant interest is held:	
- Hudson Conway (address above)	185,495,198
- Hudson Conway Subsidiaries (addresses in Annexure A)	185,495,198
- Williams (address above)	185,013,054
- Other Nominated Parties (addresses in Annexure B)	184,987,339
- (Other) Directors and Secretaries of Hudson Conway or Hudson Conway Subsidiaries of Level 1, 99 Queensbridge Street, Southbank, Victoria, 3006:	
Danny Agnoletto	16,072
John Cameron	38,572
Sir Roderick Carnegie	73,573
Ken Carnie	12,858
John Haddad	25,715
Barry Hamilton	64,286
Sir Laurence Muir	19,286
Barry O'Callaghan	60,429
Ronald Walker	128,572
- Consolidated Press Holdings Limited of 54-58 Park Street, Sydney, New South Wales	157,888,703

8.

	- Directors of Crown Ltd: John Calvert-Jones of Level 31, 101 Collins Street, Melbourne, Victoria, 3000	289,286
(iii) Name and address of person entitled to become registered as holder of voting shares after change:	- Caradelle Pty Ltd (address in Annexure A)	6,428,569
	- Share Direct Nominees Pty Limited of Level 4, 85 Herrington Street The Rocks, NSW, 2000	57,499,992
	- Caraveno Pty Ltd (address in Annexure A)	45,326,634
	- Capromart Pty Ltd (address in Annexure A)	10,000,000
	- RLR Pty Ltd (address in Annexure A)	4,660,715
	- Hudson Conway Casinos Pty Ltd (address in Annexure A)	10,000,000
	- Carillon Pty Ltd (formerly Mulawa Casinos (Vic) Pty Ltd of Level 1, 99 Queensbridge St, Southbank, Victoria	35,000,000
	- Carlton and United Breweries Limited of 77 Southbank Boulevard, Southbank, Vic, 3006	16,071,429
	- Directors and Secretaries of Hudson Conway or Hudson Conway Subsidiaries, or entities controlled by those Directors and Secretaries of Level 1, 99 Queensbridge Street, Southbank, Victoria, 3006:	
	Danny Agnoletto	16,072
	John Cameron	38,572
	Ken Carnie	12,858
	Huntingfield Investments Pty Ltd	64,286
	Kildrummie Pastoral Co Pty Ltd	73,573
	Sir Laurence Muir	19,286

9.

Barry O'Callaghan	60,429
Taverns of Victoria Pty Ltd	25,715
Thirty Fourth Zulu Pty Ltd	64,286
Ronald Walker	64,286
Lloyd Williams	25,715
- Bareage Pty Ltd of Level 3, 54 Park Street, Sydney, New South Wales	122,380,844
- John Calvert-Jones of Level 31, 101 Collins Street Melbourne, Victoria, 3000	289,286

(b) The total number of voting shares of each class of shares in the company in which the substantial shareholder and its associates hold relevant interests, being shares to which the substantial shareholder is entitled, is

- 308,122,547 in the case of Hudson Conway and Hudson Conway Subsidiaries.


- 307,393,898 in the case of Williams and Nominated Parties.

(c) The numbers of voting shares of each class of share in the company specified in accordance with paragraph (b) are the following percentages of the total numbers of voting shares of those classes:

- 62.27% in the case of Hudson Conway and Hudson Conway Subsidiaries.

- 62.13% in the case of Williams and Nominated Parties.


Dated this 23rd day of January 1996.



Lloyd Williams
Director



23 January 1996



 Mr Alan Rowe

 Director of Gaming and Betting

 Victorian Casino and Gaming Authority

 Gaming Division

 Level 1, Building B

 World Trade Centre

 MELBOURNE VIC 3005

Dear Mr Rowe

Casino Agreement - Clause 22.1(a)

Hudson Conway Limited has lodged a substantial shareholder notice with Crown, a copy of which is attached. The attached notice shows that Hudson Conway Limited's percentage shareholding in Crown has been diluted recently due to Crown having made several placements of new shares. In light of this development, we have reviewed the relevant shareholding obligations and have detailed our considerations below.

As you are aware, Clause 22.1(a) of the Casino Agreement requires that the total number of shares held by Sponsors and CUB until the date that the Melbourne Casino Complex is completed must be not less than 40 percent of the total number of shares on issue at that date (being the date of completion of the Melbourne Casino Complex). We understand that the current shareholdings, in the form agreed to by the Authority, are Sponsors 168,915,910 (Hudson Conway Limited) and CUB 16,071,429, giving a total of 184,987,339 shares. The Sponsors and CUB have thus since the Licence Date increased their shareholding by approximately 45 million shares.

As you aware, Crown Limited has recently made several placements of new shares to fund particular property acquisitions and the construction program for the Casino Project. As a result of these share issues, Crown's issued capital has increased from 450,000,000 shares to 494,788,971 shares.

CROWN LIMITED ACN 006 973 262

LEVEL 1 99 QUEENSBRIDGE STREET SOUTH MELBOURNE VICTORIA 3205 AUSTRALIA
 TELEPHONE (61-3) 685 4200 FACSIMILE (61-3) 685 4350



- 2 -

While the Sponsors and CUB have significantly increased their holdings of Crown shares since the Casino Agreement was executed, the overall percentage of issued shares held by them has now been diluted. This has occurred notwithstanding that the Sponsors and CUB fully took up their pro-rata rights entitlements to the recent rights issue, that Hudson Conway Limited jointly underwrote the rights issue and took up its share of the shortfall and that companies in the Hudson Conway Group have also purchased additional shares in Crown since the Licence Date. In short, the dilution of the interest of Sponsors and CUB cannot be attributed to any failure on their part to maintain and increase their financial commitment to a major equity holding in Crown. In fact, given the increase in Crown's share price, the Sponsors and CUB's equity exposure to the project has increased by over 250 percent.

Crown does not propose to offer to issue additional shares specifically to the Sponsors or CUB at this time. We have no reason to believe that CUB wishes to increase its proportional holding in Crown significantly, and of course it has no obligation to do so. Of the two Sponsors only Hudson Conway Limited might be regarded as having the financial resources necessary to accept a further significant allotment of shares. However, under the Listing Rules of the Australian Stock Exchange Limited an issue of equity securities to Hudson Conway Limited would require the prior approval of shareholders by special resolution at a general meeting at which any votes cast by Hudson Conway Limited, and Lloyd Williams and associates would be required to be disregarded. A share issue in which only Hudson Conway Limited was entitled to participate might, because of its special position in relation to Crown, be controversial, and in those circumstances approval of the proposal by special resolution could not be assured.

The purchase of further shares by Hudson Conway Limited also presents difficulties. The Corporations Law prohibits Hudson Conway Limited from purchasing more than 3 per cent of the issued capital of Crown in any six month period. In any case, having regard to the current market for Crown shares in terms of daily volume and share price, it would be very difficult to acquire sufficient shares by market purchase to restore the holding to 40 per cent of Crown's enlarged share capital. We also note that such action would drive the share price up in a way which might be regarded as distorting the market for Crown shares.

Clause 22.1(a) of the Casino Agreement assumes (as was the case) that the Sponsors and CUB held 40 percent of issued shares in Crown at the Licence Date (see Schedule Three to the Agreement). Paragraph (a) contemplates that an assessment may be made as at the date that the Melbourne Casino Complex is completed whether the total number of Crown shares held by Sponsors and CUB from the Licence Date until Completion has been not less than 40 percent of the total number of Crown shares on issue. The obvious purpose of the condition is to ensure that the Sponsors remain fully committed to the Casino Project during the construction phase; in this regard, you would be aware Hudson Conway Limited has guaranteed the completion of the project. It will not be practicable to determine whether the condition is satisfied until Completion, but even at that date the condition ought not to be regarded as requiring that the Sponsors, in order to comply with it, should purchase further shares in response to dilution of their holdings as a result of non pro-rata issues by Crown, or that Crown should be required to match third party share placements with placements to Sponsors.



- 3 -

Because the objective of the condition in paragraph (a) is to require ongoing Sponsor commitment to the Casino Project the condition simply does not deal with the case of an increase in capital between Licence Date and Completion by share issues made otherwise than pro-rata (although from other conditions, such issues were contemplated: see paragraph (i) and (j) of clause 22.1). We consider that neither Crown nor the Sponsors ought to suffer a financial imposition in those circumstances. Paragraph (a) ought therefore to be regarded as satisfied if at Completion the Sponsors continue to hold at least all of the shares which they held at the Licence Date and have taken up any subsequent entitlements, since by these means the Sponsors will have used their best endeavours to comply with the requirements of the condition.

Accordingly, since -

- the Sponsors have continued to provide full and increasing financial support for the Casino Project during the development phase; and
- there are impediments to the acquisition by Hudson Conway Limited of further shares,

the Authority should, when assessing the satisfaction of the condition in clause 22.1(a) of the Casino Agreement as at Completion, regard the condition as fulfilled if the Sponsors and CUB have used best endeavours to comply with it by continuing to hold until Completion all of the shares acquired by them for the purpose of obtaining a 40 percent holding of shares in Crown on the Licence Date, and by maintaining their proportional equity through taking up their entitlements in any subsequent pro-rata share issue.

We look forward to discussing this matter with you.

Yours sincerely



Peter Ronec
Chief General Manager - Finance & Corporate

cc: Mr Barry Hamilton
Hudson Conway Limited



National Australia Bank Limited
A.C.N. 004044937

Copies to
Paul Gavin
Rowena Schaffer
WLB

96/00554

48703. Agency Administration
Corporate Finance

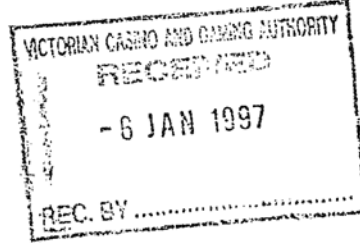
10/1/97

Vicki
Copies pls as
shown then
orig to file
Thank Bill

2 January 1996

6/1/97 Mr. Balgownie

Mr Alan Rowe
Director of Gaming and Betting
Victorian Casino and Gaming Authority
Level 5
35 Spring Street
MELBOURNE VIC 3000



Victoria 3001
Australia

Dear Sir,

RE : MELBOURNE CASINO PROJECT

We refer to your letter dated 8 August 1996, regarding the application from Crown Limited to vary clause 22.1(n) of the Casino Agreement.

National Australia Bank Limited, in its capacity as Agent under the Finance Documents, hereby advises that the wording contained in your letter dated 10 December 1996 is satisfactory, and therefore provides its consent to vary clause 22.1(n) of the Casino Agreement.

Would you please provide a copy of the final form of the Amendment Agreement to this office at your earliest convenience.

Should you have any further queries, please contact the undersigned.

Yours faithfully,



Brad Upton
Manager
AGENCY

COMMERCIAL IN CONFIDENCE

DATED

1994

VICTORIAN CASINO AND GAMING AUTHORITY
('Authority')

CROWN LIMITED.
ACN 006 973 262
('Company')

MELBOURNE CASINO PROJECT

FIFTH VARIATION AGREEMENT
TO THE CASINO AGREEMENT

MINTER ELLISON MORRIS FLETCHER
Solicitors
40 Market Street
MELBOURNE VIC 3000

Telephone (03) 617 4617
Facsimile (03) 617 4666
Reference KCHD 977140 PCG

TABLE OF CONTENTS

1.	Definitions	2
2.	Variation of Casino Agreement	3
3.	Confirmation of Other Terms	5
4.	General Provisions	5

MELBOURNE CASINO PROJECT

FIFTH VARIATION AGREEMENT TO THE CASINO AGREEMENT

DEED dated 1994

BETWEEN: VICTORIAN CASINO AND GAMING AUTHORITY a statutory authority established under the *Gaming and Betting Act 1994* ("the Act") with the office of its Casino Division at Level 27, 459 Collins Street, Melbourne ('Authority')

AND CROWN LIMITED ACN 006 973 262 with its registered office at Level 1, 99 Queensbridge Street, South Melbourne ('Company')

RECITALS

- A. The Authority has, pursuant to the Act, taken over the functions of the Victorian Casino Control Authority ("the VCCA").
- B. The VCCA 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').
- C. The VCCA and the Company entered into a variation agreement dated 19 November 1993 varying certain provisions of the Casino Agreement ('First Variation Agreement').
- D. The VCCA and the Company entered into a variation agreement dated 31 March 1994 varying certain provisions of the Casino Agreement ('Second Variation Agreement').
- E. The VCCA and the Company entered into a variation agreement dated 25 May 1994 varying certain provisions of the Casino

Agreement ('Third Variation Agreement').

- F. The VCCA and the Company entered into a variation agreement dated 1995 varying certain provisions of the Casino Agreement ('Fourth Variation Agreement').
- G. The design for the Melbourne Casino has evolved from the design contemplated at the time of the entering into of the Casino Agreement. Notwithstanding the evolution of the design of the Melbourne Casino the Company remains obliged to complete the Melbourne Casino in accordance with the Management Agreement by 16 August 1996.
- H. The development of the design and the requirement for the Company to complete the Melbourne Casino by 16 August 1996 has resulted in a change in the way in which documents relevant to the construction of the Melbourne Casino are to be produced. The Authority and the Company, in this document, provide for the delivery of certain plans and other documents to the Authority in order to accommodate the change in the way in which documents are to be produced.
- I. The Minister has given approval to the Authority entering into this document pursuant to section 142 of the *Casino Control Act* and clause 4 of the Casino Agreement.

AGREEMENT

1. Definitions

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

2. Variation of Casino Agreement

2.1 The parties agree that the Casino Agreement shall be varied with effect from the execution of this document (unless otherwise provided) in the following manner

(a) Clause 6.3 of the Casino Agreement shall be varied with effect from 1994 by deleting the words '30 June 1994' (which words were inserted by the Third Variation Agreement) and substituting in their place the words '8 December 1994'.

(b) The following clause shall be added as clause 6.5:

"6.5 Provision of Information and Documents

(a) The Company must;

(i) within 14 days of receiving a request from the authority; and

(ii) by 24 May 1996, being the date by which the Company must make available the Gaming Floor and Back of House areas;

provide to the Authority the documents and/or information referred to in clause 6.1 of the Casino Agreement in accordance with paragraph (b) of this clause.

(b) The Company complies with its obligations pursuant to paragraph (a) of this clause if:

(i) the Company provides the documents or information requested by the Authority;

(ii) the Company advises:

(A) that it is unable, at that stage, to provide the information and/or documents;

(B) the reasons for the Company's inability to provide the information and/or documents; and

(C) the date by which the Company anticipates being able to provide the information and/or documents; and

(D) the Authority does not, within 10 days of the receipt of the advice pursuant to this paragraph give a notice to the Company that the documents and/or information must still be provided in response to the Authority's request;
or

(iii) it advises the Authority that, in respect of the documents and/or information requested by the Authority, there has been no variation to or amendment of the documents or information previously provided by the Company to the Authority.

(c) The Company may respond to a request from the Authority by a combination of the alternatives referred to in paragraph (b) of this clause as is appropriate in the circumstances.

(d) The Authority may make requests pursuant to paragraph (a) of this clause from time to time as it considers appropriate in its absolute

discretion.

(c) The following clause shall be added as clause 6.6:

"6.6 The Company acknowledges undertakes and agrees that:

(a) the Company is not permitted to terminate the Construction Agreement without the approval of the State in accordance with clause 9.3 of the Supplemental Development Agreement and without the approval of the Authority in accordance with clause 32.1 of the Casino Agreement; and

(b) the Company will make available the Gaming Floor and Back of House areas for the purpose of installing gaming and surveillance equipment not later than 24 May 1996."

3. Confirmation of Other Terms

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

4. General Provisions

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

EXECUTED as a Deed.

THE COMMON SEAL of)
 VICTORIAN CASINO AND)
 GAMING AUTHORITY affixed)
 in accordance with the)
 directions of the Members)
 pursuant to a resolution)
 dated 1994)

.....
 Chairman

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

.....
 Signature of Secretary/Director

.....
 Signature of Director

.....
 Name of Secretary/Director
 (please print)

.....
 Name of Director
 (please print)

no file
SG 2/10/98



98/00286
52976

SG
2/10/98
Legal



1 October 1998

The Hon. Roger Hallam MLC
Minister for Gaming
Minister for Finance
Level 3
1 Treasury Place
MELBOURNE VIC 3000

Dear Minister

**Deferral of Completion Date Applicable to the
Lyric Theatre and Southern Hotel Tower**

We refer to previous correspondence and in particular your letter of yesterday's date.

In regard to the matters in your letter, it is our understanding that:

- Crown's application was to extend the Completion Date for the Southern Tower and remove the requirement to construct the Lyric Theatre. We did not seek extension or renewal of the guarantee obligations beyond December 1999.
- None of the approvals from the Victorian Casino and Gaming Authority or the State advised that the same was conditional on Crown providing another guarantee.

In the above circumstances, and given the substantial cost of providing another guarantee, we considered it unjust that a new guarantee is now required. However, given the present situation as outlined in your letter, we have executed the Fifth Deed of Variation (two copies attached) and will consider making a fresh application prior to November 1999 for removal of the additional guarantee requirements.

Would you kindly organise for one executed copy to be returned to us in due course.

← note this was done
← Also an original copy was forwarded to the VCGA + placed in the VCGA safe.

Yours sincerely



Peter Ronco
Chief General Manager – Finance & Corporate

cc: Bill Lahey, VCGA

MS
6/10/98

attach.