

Casino (Management Agreement) Bill

No.

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LEGISLATIVE ASSEMBLY

Read 1° 5 October 1993

(Brought in by Mrs Wade and Mr Gude)

A BILL

to ratify the management agreement for the Melbourne Casino, to amend the **Casino Control Act 1991** and the **Gaming Machine Control Act 1991** and for other purposes.

Casino (Management Agreement) Act 1993

Preamble

Recognising—

- (a) that the Casino Control Authority proposes, subject to certain terms and conditions, to grant to Crown Casino Ltd a licence for a casino under the **Casino Control Act 1991**;
- (b) that it is a condition precedent to the granting of a casino licence that an agreement in writing be entered into between the Minister and Crown Casino Ltd;
- (c) that it is expedient to ratify and approve that agreement:

Section headings appear in bold italics and are not part of the Act.
(See **Interpretation of Legislation Act 1984**.)

The Parliament of Victoria therefore enacts as follows:

PART 1—PRELIMINARY

1. Purpose

The purpose of this Act is to ratify the management agreement for the Melbourne Casino.

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2. Commencement

This Act comes into operation on the day on which it receives the Royal Assent.

No. 47/1991
as amended
by Nos
29/1993 and
34/1993.

3. Principal Act

In this Act, the **Casino Control Act 1991** is called the Principal Act.

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4. Definitions

In this Act—

“Melbourne Casino Licence” has the same meaning as “Casino Licence” has in the Agreement;

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“Melbourne Casino Operator” has the same meaning as “Company” has in the Agreement;

“the Agreement” means the management agreement for the Melbourne Casino, a copy of which is set out in Schedule 1.

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5. Crown to be bound

This Act binds the Crown in right of Victoria and, so far as the legislative power of the Parliament permits, the Crown in all other capacities.

PART 2—RATIFICATION AND IMPLEMENTATION

6. *Ratification and implementation of Agreement*

- (1) The Agreement is ratified and takes effect as if it had been enacted in this Act.
- (2) The Minister and the Victorian Casino Control Authority are authorised and required to do all things necessary or expedient to implement and give full effect to the Agreement.

7. *Agreement to prevail if inconsistent with Casino Control Act*

If a provision of the Agreement is inconsistent with a provision of the Principal Act—

- (a) the provision of the Agreement prevails; and
- (b) the application of the Principal Act in relation to the Melbourne Casino Licence and Melbourne Casino Operator is modified accordingly.

8. *Powers of Victorian Casino Control Authority*

In addition to the functions and powers conferred on the Victorian Casino Control Authority under the Principal Act, the Authority has the functions and powers conferred, or purporting to be conferred, on it, whether directly or indirectly, by the Agreement.

9. *Transfer of Melbourne Casino Licence*

- (1) Despite anything to the contrary in the Principal Act, the Melbourne Casino Licence may be sold, transferred, assigned or otherwise disposed of by the Melbourne Casino Operator to another person if—
 - (a) the Minister has, in writing, approved the transfer or assignment to that person of the rights, liabilities and obligations of the Melbourne Casino Operator under the Agreement; and

- (b) the Authority has, in writing, approved that person.
- (2) Sub-section (1) (a) does not apply to an assignment of rights under the Agreement which, under clause 36.1 of the Agreement, does not require the prior written consent of the State. 4
- (3) The Authority must not approve a person for the purpose of sub-section (1) unless the Authority is satisfied that, if the person were an applicant for a licence under the Principal Act, the Authority would grant the application under the Principal Act. 10
- (4) Upon the sale, transfer, assignment or disposal of the Melbourne Casino Licence to another person as referred to in this section, this Act and the Agreement have effect as if a reference to the Melbourne Casino Operator were a reference to that other person. 15

10. Authority may enter into agreement on postponement of action

Without affecting their rights under the Principal Act, the Authority and the Minister are authorised, and deemed always to have been authorised, from time to time to enter into an agreement with the Melbourne Casino Operator and any other person or persons under which the Authority or the Minister agrees to give such notices or take such action as is specified in the agreement before exercising powers under Part 2 of the Principal Act in relation to the Melbourne Casino Licence. 20 25

11. Taxes and charges

- (1) The payments to the State for which provision is made by Part 4 of the Agreement are taxes, fees, charges and other payments payable by the Melbourne Casino Operator in lieu of taxes and levies payable under sections 112A, 113 and 114 of the Principal Act. 30

- (2) Sections 112A, 113 and 114 of the Principal Act do not apply to the Melbourne Casino Operator or the Melbourne Casino Licence.
- (3) The reference in clause 22.9 of the Agreement to exclusivity casino tax is deemed to be a reference to additional casino tax referred to in clause 22.1 (c) of the Agreement.

12. Cancellation and refunds

If the Melbourne Casino Licence is cancelled, the licensing payment amounts shall be refunded in accordance with the Agreement and the Consolidated Fund is to the necessary extent appropriated accordingly.

PART 3—AMENDMENT OF CASINO CONTROL ACT 1991

13. Amendment of section 15

In section 15 of the Principal Act—

- (a) in sub-section (1), after “unless” **insert** “(a)”;
- (b) in sub-section (1), after “Minister thinks fit” **insert—**
- “; and
- (b) the Agreement has been ratified by the Parliament.”;
- (c) in sub-section (2), after “parties” **insert** “but has no effect unless it is ratified by the Parliament.”.

14. Amendment of section 60

After section 60 (1) of the Principal Act **insert—**

- “(1A) The Authority may, under sub-section (1), give approvals that differ according to differences in time, place or circumstances.
- (1B) The Authority must, in approving games under this section, comply with Part 5 of the

Agreement, a copy of which is set out in Schedule 1 to the Casino (Management Agreement) Act 1993.”.

PART 4—AMENDMENT OF GAMING MACHINE CONTROL ACT 1991

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15. Amendment of section 12

- (1) In the **Gaming Machine Control Act 1991**, after section 12 (1) (a) insert—

“(aa) The maximum permissible number of gaming machines available for gaming in any approved venue in a specified part of the State;”.

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- (2) In the **Gaming Machine Control Act 1991**, after section 12 (1) insert—

“(1A) The Minister must, in giving directions under this section, comply with Part 5 of the Agreement, a copy of which is set out in Schedule 1 to the Casino (Management Agreement) Act 1993.”.

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SCHEDULE 1

AGREEMENT dated 20 September 1993

BETWEEN THE HONOURABLE HADDON STOREY QC 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 CASINO LTD. ACN 006 973 262 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. Under section 15 of the Casino Control Act it is a condition precedent to the grant of a casino licence that an agreement in writing be entered into between the Minister for and on behalf of the State and the proposed casino operator identifying the casino to be the subject of the casino licence and containing any terms and conditions that the Minister thinks fit.
- C. The Company has made application for a casino licence for the Melbourne Casino 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 State and the Authority.
- D. 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.
- E. Upon execution of this document the Authority and the Company will enter into the Casino Agreement.
- F. Subject to the terms and conditions of this document and the Casino Agreement, the Authority has agreed to grant the Casino Licence to the Company.
- G. The Casino Licence will enable the Company to operate a casino from temporary premises.
- H. The Minister has authority to enter into this document on behalf of the State and this document is made pursuant to section 15 of the Casino Control Act.
- I. The State acknowledges that the establishment of the Melbourne Casino Complex is a large scale development project requiring significant capital expenditure and that it is necessary to provide to the Company certain

SCHEDULE 1—*continued*

assurances contained in this document and other Transaction Documents to facilitate the financing of the Melbourne Casino Complex.

- J. The Company acknowledges that the establishment of the Melbourne Casino Complex and the Temporary Casino Complex is a major project for the State and that the State is reliant upon timely completion and operation of the Temporary Casino and the Melbourne Casino and accordingly certain assurances are given by the Company in this document and other Transaction Documents.
- K. Certain provisions of this document are not effective unless and until this document has been ratified by Act of Parliament (as contemplated by clause 3).

AGREEMENT

1. Division into Parts

This document is divided into Parts as follows:

PART 1—PRELIMINARY

PART 2—APPROVAL OF DEVELOPMENT PROPOSALS
AND CASINO LOCATION

PART 3—DEVELOPMENT

PART 4—PAYMENTS TO THE STATE

PART 5—EXCLUSIVITY

PART 6—TERMINATION

PART 7—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) when that bill is passed and comes into operation as an Act of Parliament as contemplated by that clause;

SCHEDULE 1—continued

“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;

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

“Authority” means the Victorian Casino Control Authority;

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

“Bank Bill” means a Bill which has been accepted by a bank authorised under the **Banking Act 1959** to carrying on banking business in Australia;

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

“Bill” has the meaning given to the expression “Bill of Exchange” in the **Bills of Exchange Act 1909** (but does not include a cheque) and any reference to the drawing, acceptance or other dealing of or with a Bill has the relevant meaning set out in that Act;

“Bill Rate” means on any day the rate (expressed as a yield per annum) which is—

- (a) the rate quoted as the average bill rate on the Reuters Monitor System Page “BBSY” (or any page which replaces that page) by about 10.30 a.m. (Melbourne time) on that day for Bank Bills having a tenor of one month; or
- (b) if no average bill rate is published for bills of that tenor in accordance with paragraph (a), the bid rate quoted to the State by Westpac Banking Corporation on that date for the purchase of Bank Bills having a tenor of one month;

SCHEDULE 1—*continued*

“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 Agreement” means the agreement between the Authority and the Company providing, among other things, for the grant of the Casino Licence;

“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)); and
- (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 to the Casino Agreement;

“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;

“Commissioning” means the checking, testing and acceptance of the operational readiness of and the procedures for the various components of the Melbourne Casino Complex or

SCHEDULE 1—*continued*

the Temporary Casino Complex as the case may be (including all staff, facilities and equipment);

“Completion” means the completion of the construction, the Fit-Out and the Commissioning of the Temporary Casino, the Temporary Casino Complex, the Melbourne Casino or the Melbourne Casino Complex, as the case may be, to a state of operational readiness which complies with the Completion Standards, as determined pursuant to clause 15, and **“Complete”** and **“Completed”** have corresponding meanings;

“Completion Date” means (subject in each case to clause 16)—

- (a) in relation to the Temporary Casino, the day immediately following the expiration of 34 weeks from the Licensing Date or such later date as is agreed by the State’s Nominated Representative;
- (b) in relation to the Temporary Casino Complex, the day immediately following the expiration of 34 weeks from the Licensing Date or such later date as is agreed by the State’s Nominated Representative;
- (c) in relation to the Melbourne Casino, the day immediately following the expiration of 143 weeks from the Licensing Date or such later date as is agreed by the State’s Nominated Representative; and
- (d) in relation to the Melbourne Casino Complex, the day immediately following the expiration of 143 weeks from the Licensing Date or such later date as is agreed by the State’s Nominated Representative;

“Completion Standards” means—

- (a) for construction of the Melbourne Casino, the Melbourne Casino Complex, the Temporary Casino or the Temporary Casino Complex when—
 - (i) a certificate of occupancy is issued by the responsible authority;
 - (ii) the Melbourne Casino, the Melbourne Casino Complex, the Temporary Casino or the Temporary Casino Complex is fit for use by the Company;
 - (iii) the Fit-Out and Commissioning has been completed in accordance with the requirements of this document; and
 - (iv) all other requirements under this document have been complied with; and

SCHEDULE 1—*continued*

- (b) in respect of the Melbourne Casino or the Temporary Casino, when a certificate is issued by the Authority pursuant to clause 20 of the Casino Agreement;

“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 for the purposes of identification;

“Contractor’s Deed” has the meaning ascribed to that term in the Supplemental Development Agreement;

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

“Default Rate” means the rate set under the **Penalty Interest Rates Act 1983** (Victoria) as at the date of any default;

“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 State’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 or 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, 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 construction of the Temporary Casino Complex and 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;

“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 and described in Schedule Two;

SCHEDULE 1—*continued*

“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;

“Extension Event” has the meaning given in clause 16.8;

“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 the National Australia Bank Limited, Australia and New Zealand Banking Group Limited, Hongkong Bank of Australia Limited, R & I Bank of Western Australia Limited and State Bank of New South Wales Limited and their successors, assigns and substitutes;

“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; and
- (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 Complex or the Melbourne Casino Complex (as the case may be) to a stage to enable Commissioning to take place;

“Fixed and Floating Charge” means the second registered fixed and floating charge of 30 August 1993 by the Company in favour of the Minister on behalf of the State;

SCHEDULE 1—*continued*

“Force Majeure Event” means any explosion, earthquake, natural disaster, Government Action, sabotage, act of a public enemy, war (declared or undeclared) or revolution which causes or results in delay in the performance by a party of any of its obligations under this document where the event, circumstance, default or delay could not have been prevented, overcome or remedied by the exercise by the affected party of a standard of care and diligence consistent with that of a prudent, experienced and competent person including but not limited to the expenditure of all reasonable sums of money, but does not include—

- (a) fire or flood;
- (b) lightning, storm, hurricane or other action of the elements;
- (c) strikes, lockouts, industrial disputes, labour disputes, industrial difficulties, labour difficulties, work bans, blockages, picketing action, secondary boycotts or any other labour action or lack of action except those caused by Government Action;
- (d) action or inaction by a court, government or authority, including denial, refusal or failure to grant any permit, authorisation, licence, approval or acknowledgement other than Government Action;
- (e) mechanical, electrical or equipment breakdown or failure; or
- (f) riot, civil commotion or blockade;

“Founding Shareholders Agreement” means the agreement dated 30 August 1993 between each Sponsor, Carlton and United Breweries Limited ACN 004 056 106 and the Company providing for the subscription for Shares by the Sponsors and Carlton and United Breweries Limited;

“Further Amendment Act” means the bill referred to in clause 3.2 (b) when that bill is passed and comes into operation as an Act of Parliament as contemplated by that clause;

“Government Action” means—

- (a) any breach by the State or the Authority of any obligation or duty arising under the Casino Control Act or any Transaction Document;
- (b) any negligent act or omission or any default or delay by a Government Authority in the exercise of its rights, powers, privileges or discretions conferred on it by law directly in connection with any matter arising under the Casino Control Act or any Transaction Document; or

SCHEDULE 1—*continued*

- (c) any combination of any of the activities in each of (a) or (b) above;

other than any of the activities described in (a) to (c) above in this definition which occur in circumstances where the State or Government Authority, as the case may be, acts in good faith—

- (i) in satisfying a conflicting obligation or duty arising under the Casino Control Act or any Transaction Document;
- (ii) in exercising a conflicting right, power, privilege or discretion conferred on it by law; or
- (iii) in pursuing a matter which is in the public interest;

and for the purposes of this definition of “Government Action” **“delay by a Government Authority”** means a delay by a Government Authority which, having regard to the workloads and usual practices and procedures of that Government Authority, would be considered extraordinary;

“Government Authority” means—

- (a) the Parliament of the State;
- (b) the Governor of the State whether or not acting in Council;
- (c) any minister of the State (including the Minister), department or official administering power or authority (other than judicial or quasi judicial power) under any State law which regulates any of the matters contemplated in any Transaction Document;
- (d) the relevant authority under the **Local Government Act 1989** having jurisdiction over the Site or the Temporary Casino Site;

“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;

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

“Licensing Date” means the date which is 2 Business Days after the conditions precedent in clause 5.1 are satisfied;

“Licensing Payment Amounts” means the amounts payable by the Company under clause 21.1;

SCHEDULE 1—*continued*

“Master Security Agreement” means the agreement between the State, the Authority, the Company, the Agent and the Sponsors relating, among other things, to the priority of the Financiers’ Securities and the Fixed and Floating Charge;

“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 this document and the 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;

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

“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 permitted under clause 29.1 of the Casino Agreement;

“Planning Amendments” means the planning scheme amendments referred to in clause 9;

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

“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 this document;

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

SCHEDULE 1—*continued*

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

“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)) 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 of \$0.50 in the capital of the Company;

“Site” means that part of the land bounded by the Yarra River, Clarendon Street, Whiteman Street and Queensbridge Street in the City of South Melbourne and more particularly described as part of Crown Allotments 58D and 58E, County of Bourke, Parish of Melbourne South, City of South Melbourne, as identified in the draft Plan of Survey annexed as Schedule Three;

“Site Lease” means the lease 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 on behalf of the State, the Company and the Agent;

“Sponsors” mean Hudson Conway Limited ACN 009 556 629 and The Federal Hotels Limited ACN 004 108 249;

“Sponsor’s Guarantees” means the guarantees by Hudson Conway Limited 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 under clause 6.4;

“Supplemental Development Agreement” means the agreement between the State, the Company, the Sponsors and Hudson

SCHEDULE 1—*continued*

Conway Management Limited ACN 006 742 294 which is supplemental to the Development Agreement;

“Supplemental Operations Agreement” means the agreement 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 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 of 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 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;

“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;

SCHEDULE 1—continued

“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

Casino 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 Supplemental 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;

“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 Four.

3. Operation of provisions

- 3.1 This clause and clauses 2, 4, 5, 9 and 25–40 (inclusive) commence on the date of this document.
- 3.2 Following satisfaction or waiver of the conditions in clauses 5.1 (a) (except for the execution of the Construction Agreement, the Contractor’s Deed, the Site Lease and the Site Lease Supplemental Agreement) a minister of the State must—
 - (a) introduce and sponsor in the Parliament of Victoria a bill to ratify this document and endeavour to secure its passage as an Act prior to 31 December 1993; and
 - (b) introduce and sponsor in the Parliament of Victoria a bill contiguous to the bill referred to in paragraph (a) to amend the Casino Control Act and endeavour to secure its passage as an Act prior to 31 December 1993.
- 3.3 The provisions of this document other than those referred to in clause 3.1 will come into operation on the day on which all of the conditions precedent in clause 5.1 are satisfied.
- 3.4 If by 31 December 1993 or such later date as may be agreed by the parties in writing those parts of the Agreement Act and the Further Amendment Act which relate to the construction, Fit-Out,

SCHEDULE 1—continued

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 Document have not come into operation, this document will terminate.

- 3.5 Unless termination under clause 3.4 arose because of a failure to satisfy the conditions in clause 5.1 (a) or (b), following that 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.

4. Variation

- 4.1 Subject to clauses 4.2 and 4.3, the parties may from time to time by agreement in writing vary any provision of this document.
- 4.2 A minister of the State must introduce and sponsor a bill in the Parliament of Victoria to ratify any agreement made pursuant to clause 4.1 as soon as reasonably practicable following its execution.
- 4.3 The provisions of any agreement made pursuant to clause 4.1 shall come into operation once the bill referred to in clause 4.2 has come into operation as an Act.
- 4.4 Clauses 4.2 and 4.3 shall not apply to the giving of a waiver, a failure of a party to require full or part performance of an obligation or the granting of or agreement to an extension of time under this document.

5. Conditions precedent

- 5.1 This document (other than clauses 2, 4, 5, 9 and 25–40 (inclusive)) is subject to the satisfaction or waiver by the parties, as conditions precedent, of all of the following conditions—
- (a) the 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;

SCHEDULE 1—*continued*

- (vii) the Equity Funding Agreement (Federal)—as defined in the Casino Agreement;
 - (viii) the Shareholders Agreement—Crown Management Pty Ltd as defined in the Casino Agreement; and
 - (ix) the Guarantee and Indemnity for Development Agreement as defined in the Casino 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 Subject to clause 5.3, if all of the conditions in clause 5.1 are not satisfied or waived on or before 31 December 1993 or such later date agreed by the parties in writing, then either party may terminate this document by notice in writing to the other party.
- 5.3 A party cannot exercise the right of termination referred to in clause 5.2 where any of the conditions in clause 5.1 remain unsatisfied due to an act or omission of that party.

PART 2—APPROVAL OF DEVELOPMENT PROPOSALS AND CASINO LOCATION

6. *Design and planning objectives*

- 6.1 The parties acknowledge that the Melbourne Casino Complex Development Proposals and the Temporary Casino Complex Development Proposals and the Drawings describe the Company's proposals for the design, development, construction, Fit-Out and Commissioning of the Melbourne Casino Complex and the Temporary Casino Complex.

SCHEDULE 1—*continued*

- 6.2 The Company must develop the Melbourne Casino Complex and the Temporary Casino Complex in accordance with the requirements of this document and the Casino Agreement.
- 6.3 The Company acknowledges that it is required to obtain approvals under the Control Acts and otherwise comply with the Control Acts.
- 6.4 The State shall procure that the minister for the time being administering the Planning and Environment Act appoints a person who will represent the persons responsible for the granting of approvals under or otherwise administering the Control Acts.
- 6.5 The Company may deliver all documents and other information required to obtain approvals or to otherwise comply with the Control Acts to the State's Nominated Representative.
- 6.6 The State's Nominated Representative shall use its best endeavours to procure the making of all decisions required to be made under the Control Acts in respect of the obligations of the Company under clause 6.2.
- 6.7 The State shall procure that the State's Nominated Representative complies with the obligations of the State's Nominated Representative under the Casino Agreement.

7. *Approval of the casino site*

The State approves—

- (a) the Site as the site upon which the Melbourne Casino Complex will be developed in accordance with the Melbourne Casino Complex Development Proposals, the relevant Planning Amendments and the requirements of this document and the Casino Agreement; and
- (b) the Temporary Casino Site as the site upon which the Temporary Casino Complex will be developed in accordance with the Temporary Casino Complex Development Proposals, the relevant Planning Amendments and the requirements of this document and the Casino Agreement.

8. *Identification of casino*

On and subject to the provisions of this document and the Casino Agreement, the State approves of the grant by the Authority to the Company of the Casino Licence which provides for a casino to be located at the Temporary Casino and then at the Melbourne Casino.

SCHEDULE 1—continued

9. Zoning

- 9.1 The Minister will recommend to the minister administering the Planning and Environment Act that a planning scheme amendment be prepared, adopted and approved by the minister administering the Planning and Environment Act to allow the use and development of the Site for the purposes of the Melbourne Casino Complex generally in accordance with the Melbourne Casino Complex Development Proposals.
- 9.2 The Minister will recommend to the minister administering the Planning and Environment Act that a planning scheme amendment be prepared, adopted and approved by the minister administering the Planning and Environment Act to allow the use and development of the Temporary Casino Site for the purposes of the Temporary Casino Complex generally in accordance with the Temporary Casino Complex Development Proposals.
- 9.3 Section 38 of the Planning and Environment Act will not apply to the Planning Amendments.
- 9.4 Clause 9.3 will not apply if the Planning Amendments are approved prior to the beginning of the 1993 Spring Parliamentary session.

PART 3—DEVELOPMENT

10. Development conditions

10.1 The Company must—

- (a) Construct, Fit-Out, Commission and Complete the Melbourne Casino Complex in accordance with—
 - (i) the Melbourne Casino Complex Development Proposals, the Drawings and the further working drawings and specifications provided to the State and the Authority together with any approved variations;
 - (ii) the Design and Construction Programme;
 - (iii) the Planning Amendments; and
 - (iv) the terms of this document and the Casino Agreement;
- (b) Complete the Melbourne Casino by the Completion Date; and
- (c) Complete the Melbourne Casino Complex by the Completion Date.

10.2 The Company must—

- (a) Construct, Fit-Out, Commission and Complete the Temporary Casino Complex in accordance with—

SCHEDULE 1—*continued*

- (i) the Temporary Casino Complex Development Proposals, the Drawings and the further working drawings and specifications provided to the State and the Authority together with any approved variations;
- (ii) the Design and Construction Programme;
- (iii) the Planning Amendments; and
- (iv) the terms of this document and the Casino Agreement;
- (b) Complete the Temporary Casino by the Completion Date; and
- (c) Complete the Temporary Casino Complex by the Completion Date.

11. Documents to be submitted to the State's Nominated Representative

- 11.1 The Company must provide to the State's Nominated Representative for the approval or otherwise of the State's Nominated Representative—
- (a) within 12 weeks following the Licensing Date, such drawings, specifications and other documents as are required by the State's Nominated Representative so that the State's Nominated Representative may be satisfied that the Melbourne Casino Complex and the Temporary Casino Complex will be Completed in accordance with this document; and
 - (b) within 12 weeks following the Licensing Date, an itemised Design and Construction Programme for all phases of the development of the Melbourne Casino Complex and the Temporary Casino Complex up to and including Completion.
- 11.2 On the first Business Day of each month the Company must provide to the State's Nominated Representative a report in a form satisfactory to the State's Nominated Representative as to the progress of construction of the Melbourne Casino Complex and the Temporary Casino Complex.

12. Approvals

- 12.1 Where the Company submits documents to the State's Nominated Representative under clause 11.1, the State's Nominated Representative may—
- (a) approve the documents;
 - (b) approve the documents subject to any reasonable condition or conditions the State's Nominated Representative decides to impose;

SCHEDULE 1—*continued*

- (c) require amendment to the documents as specified by the State's Nominated Representative; or
 - (d) reject the documents.
- 12.2 Where the Company submits documents to the State's Nominated Representative, the State's Nominated Representative must respond in writing to the Company in the manner contemplated within 14 days of receiving the documents or proposal from the Company or such further period agreed between the State's Nominated Representative and the Company.
- 12.3 If the State's Nominated Representative has not responded in writing to the Company as required within 14 days or such further period as agreed the State's Nominated Representative will be taken to have given its approval.
- 12.4 In exercising any powers under clauses 12, 15 and 18 the State's Nominated Representative must not act unreasonably and have regard to the contents of the Melbourne Casino Complex Development Proposals, the Temporary Casino Complex Development Proposals and the Planning Amendments.
- 12.5 Subject to the rights, obligations or powers of the State or the State's Nominated Representative under the Control Acts and this document including without limitation the obligations of the Company under clause 13, the State's Nominated Representative will not impose conditions or amendments which have the effect of substantially increasing the cost to Complete the Temporary Casino, the Temporary Casino Complex, the Melbourne Casino or the Melbourne Casino Complex from the cost to develop, design and construct set out in the Melbourne Casino Complex Development Proposals and the Temporary Casino Development Proposals.

13. *Quality*

- 13.1 The Company must ensure that all materials, fittings, equipment and workmanship utilised in carrying out the construction of the Melbourne Casino Complex—
 - (a) are of a quality commensurate with an international class casino complex;
 - (b) comply with standards specified in the Melbourne Casino Complex Development Proposals; and
 - (c) comply with the provisions of the **Building Control Act 1981** (Victoria) and the Building Code of Australia relevant to the materials, fittings, equipment or workmanship.
- 13.2 The Company must ensure that all materials, fittings, equipment and workmanship utilised in carrying out the construction of the Temporary Casino Complex—

SCHEDULE 1—*continued*

- (a) are of a quality commensurate with the proposed use of the Temporary Casino Site, the nature of the premises on the Temporary Casino Site and the proposed term of occupation of the Temporary Casino Site by the Company;
 - (b) comply with standards specified in the Temporary Casino Complex Development Proposals; and
 - (c) comply with the provisions of the **Building Control Act 1981** (Victoria) and the Building Code of Australia relevant to the materials, fittings, equipment or workmanship.
- 13.3 The builder to be appointed by the Company in relation to the construction of the Melbourne Casino Complex or the Temporary Casino Complex, as the case may be, must be approved in writing by the State's Nominated Representative prior to the builder's appointment.

14. Provision of services

The Company must—

- (a) pay to the State or, as the case may be, the instrumentality of the State concerned, the costs incurred in carrying out any works necessary to provide services or change existing services, including without limitation, water, sewerage, drainage, electricity and gas, to the Site and the Melbourne Casino Complex; or
- (b) if required by the State or the relevant instrumentality, carry out such works at the Company's cost and in accordance with all directions of the State or instrumentality.

15. Completion

- 15.1 The Company must give not less than 7 Business Days notice in writing to the State's Nominated Representative that the Company anticipates that the Temporary Casino, the Temporary Casino Complex, the Melbourne Casino or the Melbourne Casino Complex, as the case may be, ("**Relevant Works**") will be Completed on the date specified in the notice.
- 15.2 On the date agreed between the Company and the State's Nominated Representative (and if no date is agreed, then on the date specified in the Company's notice under clause 15.1) the State's Nominated Representative must inspect the Relevant Works and consider all matters relevant to the Completion of the Relevant Works.
- 15.3 If the State's Nominated Representative is of the opinion that the Relevant Works are not Completed, the State's Nominated Representative must within 10 Business Days of the inspection under clause 15.2 give notice to the Company of this opinion and

SCHEDULE 1—*continued*

state in that notice the reason or reasons why the State's Nominated Representative is of this opinion.

- 15.4 If the State's Nominated Representative is of the opinion that the Relevant Works are Completed, the State's Nominated Representative must within 10 Business Days of the inspection under clause 15.2 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.
- 15.5 Upon receipt of a notice from the State's Nominated Representative under clause 15.3, 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 State's Nominated Representative pursuant to clause 15.1.
- 15.6 Any determination by the State's Nominated Representative that any Relevant Works have been Completed is not acceptance that the Company has complied with the Transaction Documents and any right which the State or the State's Nominated Representative may have had prior to that determination is preserved absolutely.
- 15.7 If the State's Nominated Representative does not deliver a notice to the Company under clause 15.3 or a certificate under clause 15.4 within the period of 10 Business Days 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 15.2 and a certificate of Completion will be taken to have been issued by the State's Nominated Representative with a date of Completion on that date.
- 15.8 A certificate of Completion under clause 15 does not excuse the Company from compliance with all relevant legislation in relation to the Relevant Works.

16. *Force Majeure*

- 16.1 Provided the Company complies with clause 16.2, the performance by the Company of the terms and conditions of this document relating to the design, development, construction, Fit-Out, Commissioning and Completion of the Temporary Casino, the Temporary Casino Complex, the Melbourne Casino or the Melbourne Casino Complex, as the case may be, is subject to any Force Majeure Event which interferes with the performance of those terms and conditions.
- 16.2 The Company must—
 - (a) immediately give notice to the State's Nominated Representative of—

SCHEDULE 1—*continued*

- (i) a Force Majeure Event and its nature;
 - (ii) the actual or likely extent and effect of the Force Majeure Event on the Company's performance of its obligations in relation to the matters referred to in clause 16.1;
 - (iii) the likely duration of the Force Majeure Event;
 - (b) meet with the State's Nominated Representative within 2 Business Days of receipt of a request from the State's Nominated Representative to discuss the Force Majeure Event and attempt to determine what action if any may be taken to ameliorate, remedy or overcome the Force Majeure Event; and
 - (c) use its best endeavours—
 - (i) to minimise the effect of that Force Majeure Event as soon as possible after the occurrence; and
 - (ii) to prevent, overcome or remedy any delay which would or might otherwise be caused by a Force Majeure Event,including if necessary by the commitment of additional resources.
- 16.3 If the Company complies with clause 16.2, the State's Nominated Representative will by notice in writing to the Company extend the relevant Completion Date to a date to be specified by the State's Nominated Representative to allow for any delay caused by the Force Majeure Event and the Company will not be liable to the State for any delay in the Completion of the Temporary Casino, the Temporary Casino Complex, the Melbourne Casino or the Melbourne Casino Complex (as the case may be) for the period from the Completion Date until the new Completion Date specified by the State's Nominated Representative.
- 16.4 If an Extension Event occurs which is not a Force Majeure Event but which delays the performance by the Company of any of the terms and conditions of this document relating to the design, development, construction, Fit-Out, Commissioning or Completion, the relevant Completion Date shall be extended by the period it would take a reasonable person acting diligently to overcome or remedy the delay, provided that the Company—
- (a) as soon as reasonably practicable after becoming aware of the occurrence of the event gives notice to the State of—
 - (i) the event and its nature;
 - (ii) the actual or likely extent and effect of the event on Completion; and
 - (iii) the likely delay to Completion; and

SCHEDULE 1—*continued*

- (b) pays Liquidated Damages to the State in accordance with clause 17.2.

16.5 The cessation of casino operations by the Company at the Temporary Casino after the Completion of the Temporary Casino caused directly or indirectly by an Extension Event which results in the physical destruction of all or a material part of the Temporary Casino shall not be a contravention of a condition of the Casino Licence or any Transaction Document provided that the Company—

- (a) as soon as reasonably practicable after becoming aware of the occurrence of the Extension Event gives notice to the State of—
 - (i) the Extension Event and its nature;
 - (ii) the actual or likely extent and effect of the Extension Event on the operations of the Temporary Casino; and
 - (iii) the likely duration of the cessation of operations of the Temporary Casino;
- (b) commences reinstatement of the Temporary Casino within 3 months of the date of the cessation of the Extension Event; and
- (c) if paragraph (b) applies, the Company is diligently proceeding with the construction of the reinstatement of the Temporary Casino;

provided that paragraphs (b) and (c) shall apply subject to any requirements or actions of the lessors or sub-lessors under the Temporary Casino Leases, the relevant insurers, or any authorities and if it is practicable and permitted by each relevant lessor or sub-lessor and each other applicable authority for the Company to reinstate or attempt to reinstate the Temporary Casino.

16.6 The cessation of casino operations by the Company at the Melbourne Casino after the Completion of the Melbourne Casino caused by an Extension Event which results in the physical destruction of all or a material part of the Melbourne Casino shall not be a contravention of a condition of the Casino Licence or any Transaction Document provided that—

- (a) as soon as reasonably practicable after becoming aware of the occurrence of the Extension Event the Company gives notice to the State of—
 - (i) the Extension Event and its nature;
 - (ii) the actual or likely extent and effect of the Extension Event on the operations of the Melbourne Casino; and
 - (iii) the likely duration of the cessation of operations of the Melbourne Casino;

SCHEDULE 1—*continued*

- (b) if requested by the State within 1 month of the occurrence of the Extension Event, the Company must submit a proposal to the State within 3 months of the State's request for the construction of a replacement temporary casino ("**Replacement Temporary Casino**");
 - (c) if the Company, the State and the Financiers have agreed, as contemplated in clause 16.7, on the basis for the construction of the Replacement Temporary Casino, the Company completes the construction of the Replacement Temporary Casino within the time periods agreed in relation thereto; and
 - (d) the Company commences reinstatement of the Melbourne Casino within 12 months of the date of the cessation of the Extension Event, subject to any requirements of the relevant insurers or any authorities, and diligently pursues a course of action which will reasonably be expected to reinstate the Melbourne Casino in a period of time reasonably acceptable to the State and is making satisfactory progress in the reinstatement.
- 16.7 The Company, the State and the Financiers shall consult in good faith in relation to the Company's proposal submitted under clause 16.6 (b) to agree on the terms for the establishment and operation of the Replacement Temporary Casino including—
 - (a) the site of the Replacement Temporary Casino;
 - (b) the size, features and specifications of the Replacement Temporary Casino;
 - (c) the amendments to the Transaction Documents and the additional documents necessary (including the issue of a new casino licence under the Casino Control Act);
 - (d) all planning and zoning approvals, permits and requirements;
 - (e) any extensions of the exclusivity periods for the Casino Licence; and
 - (f) the cost of the Replacement Temporary Casino and the funding of those costs.
- 16.8 For the purposes of this document—
 - (a) "**Extension Event**" means—
 - (i) a Force Majeure Event;
 - (ii) a Labour Dispute where the Labour Dispute could not have been prevented, overcome or remedied by the exercise by the affected party of a standard of care and diligence consistent with that of a prudent, experienced and competent person; or

SCHEDULE 1—continued

- (iii) any other event or circumstance which causes disruption, illegality or physical damage and which is outside the control of the Company and has not been directly or indirectly caused by an act or omission of the Company;
 - (b) **“Labour Dispute”** means a strike, lockout, industrial dispute, labour dispute, industrial difficulty, labour difficulty, work ban, blockage, picketing action, secondary boycott or any other labour action or lack of action.
- 16.9 (a) The Company agrees that the proceeds of any insurance policy for business interruption insurance taken out by or on behalf of the Company will, on receipt by the Company, be paid to the State in compensation to the State for the loss of fees and taxes calculated for a period in accordance with paragraph (b) and otherwise to the Agent in respect of moneys owing to the Financiers under the Finance Documents.
- (b) The amount of the insurance proceeds received by the Company in respect of a period which shall be paid as compensation to the State under paragraph (a) for that period shall be an amount equal to 20% (and after 1 July 1997, 21^{1/4}%) of the amount of the assumed Gross Gaming Revenue for that period, based on the assumption that Gross Gaming Revenue had been earned at the average daily rate calculated for the six months period immediately prior to the commencement of that period.

17. Liquidated damages

- 17.1 Subject only to clause 16.3, if the Company fails to Complete and open for business—
- (a) the Temporary Casino by the Completion Date; or
 - (b) the Melbourne Casino by the Completion Date,
- the State’s Nominated Representative may give notice in writing to the Company that this clause 17 is to apply.
- 17.2 If a notice is given under clause 17.1 the Company must pay to the State liquidated damages—
- (a) in the event that the Temporary Casino is not Completed and open for business by the Completion Date (as varied by any Force Majeure Event pursuant to clause 16.3), at the rate of \$50 000 for each day from that date to the date the Temporary Casino is Completed and open for business; and
 - (b) in the event that the Melbourne Casino is not Completed and open for business by the Completion Date (as varied by any Force Majeure Event pursuant to clause 16.3), at the rate of

SCHEDULE 1—*continued*

\$50 000 for each day from that date to the date the Melbourne Casino is Completed and open for business.

17.3 The parties agree that the liquidated damages calculated and provided for in clause 17.2—

- (a) constitute a genuine pre-estimate of the loss or damage anticipated to be actually suffered by the State if the Company breaches its obligations to Complete and open for business the Temporary Casino or the Melbourne Casino by the respective Completion Dates;
- (b) are intended to avoid the cost and difficulty of proof of damages in the event of that breach;
- (c) are reasonable and not intended to be a penalty; and
- (d) subject to clause 25.5, are the only damages payable by the Company for late Completion.

17.4 If all payments due under clause 17.2 are made, then notwithstanding clause 25.2 (a), the Authority shall not be entitled to serve a notice pursuant to section 20 (2) of the Casino Control Act by reason of the Company failing to comply with clause 10.1 if—

- (a) completion of the Melbourne Casino Complex has occurred within a period of 12 months commencing on the Completion Date;
- (b) the Authority is not entitled to do so under the Master Security Agreement; or
- (c) the failure to comply with clause 10.1 was caused by an Extension Event subject to compliance with such other obligations as arise under clause 16.

18. Bank guarantee

18.1 In order to secure the obligations of the Company under clause 17.2 of this document to pay liquidated damages, the Company must on or before the Licensing Date provide to the State an unconditional guarantee or letter of credit issued by a bank or banks acceptable to the State's Nominated Representative and in such form approved by the State's Nominated Representative to pay to the State on demand up to \$25 000 000.

18.2 Unless demand under the Bank Guarantee has been previously made and has not been satisfied, the Bank Guarantee will be returned to the Company 18 months after the Melbourne Casino Complex has been Completed.

SCHEDULE 1—continued

19. Off-Site Works

- 19.1 The Company must, at the cost of the Company, construct and complete or procure the construction and completion of the off-site works specified in the Melbourne Casino Complex Development Proposals, the Temporary Casino Complex Development Proposals and Schedule Five (“Off-Site Works”) in accordance with the terms of this clause 19 and the reasonable requirements of the State.
- 19.2 The Company must prepare all plans, specifications and computations necessary for the obtaining of all relevant approvals.
- 19.3 Subject to clause 19.8, the State will issue or procure the issue of all approvals within its power in order that the Off-Site Works may be completed.
- 19.4 Subject to clauses 19.5 to 19.7 (inclusive), the Company must construct, complete and maintain the Off-Site Works such that—
 - (a) subject to paragraph (c), in the case of those Off-Site Works which relate to the Temporary Casino Complex or the Temporary Casino, the Off-Site Works are constructed promptly and their construction completed so as to coincide with the Completion and opening for business of the Temporary Casino;
 - (b) subject to paragraph (c), in the case of those Off-Site Works which relate to the Melbourne Casino Complex or the Melbourne Casino, the Off-Site Works are constructed promptly and their construction completed so as to coincide with the Completion and opening for business of the Melbourne Casino;
 - (c) each item of Off-Site Works is to be constructed and completed by a date that the State may reasonably direct having regard to—
 - (i) the nature of that item of Off-Site Works;
 - (ii) the impact the completion of that item of Off-Site Works will have on the amenity of the area where that item of Off-Site Works will be located; and
 - (iii) the desirability of having that item of Off-Site Works completed having regard to the community’s need for it; and
 - (d) the Off-Site Works are to be constructed, completed and maintained by the Company in compliance with the Control Acts and the Planning Amendments using all materials, fittings, equipment and workmanship that—
 - (i) are of a similar standard to those used in constructing the Melbourne Casino Complex;

SCHEDULE 1—*continued*

- (ii) are of a standard specified in Schedule Five, the Melbourne Casino Complex Development Proposals and the Temporary Casino Complex Development Proposals; and
 - (iii) comply with the provisions of the Control Acts and the Building Code of Australia relevant to the materials, fittings, equipment or workmanship.
- 19.5 The State may give a notice to the Company by 31 March 1994 excluding the Queensbridge Square Access Tunnel identified as part of the Off-Site Works described in Schedule Five (“**Tunnel**”) from the obligations referred to in clauses 19.1 to 19.4 and the Company shall not and will not be obliged to construct or complete the Tunnel.
- 19.6 In consideration of the State excluding the Tunnel from the obligations referred to in clauses 19.1 to 19.4, the Company shall pay to the State the amount identified in item 6 of the Off-Site Works applicable to the Tunnel within 30 days from the date of the notice given by the State pursuant to clause 19.5.
- 19.7 The State may give a notice to the Company by 31 March 1994 excluding the Modification to North River Bank identified as part of the Off-Site Works described in Schedule Five (“**North River Bank Modifications**”) from the obligations referred to in clauses 19.1 to 19.4 and the Company shall not and will not be obliged to construct, complete or maintain the North River Bank Modifications and the State shall not be entitled to any payment in lieu of the exclusion of the North River Bank Modifications.

20. Use of Melbourne Casino Complex following completion

- 20.1 Following Completion of the Melbourne Casino Complex, the Company must use all reasonable endeavours and have the firm objective at all times to—
- (a) do all things necessary or desirable to ensure that all parts of the Melbourne Casino Complex are fully let and are kept let in accordance with the Melbourne Casino Complex Development Proposals and the relevant Planning Amendments;
 - (b) ensure that there is at all times a variety of retail businesses operating from or in the Melbourne Casino Complex of a type and nature necessary to attract customers and tourists to the Melbourne Casino Complex consistent with the use of the Melbourne Casino Complex as a high quality, international class casino complex; and
 - (c) ensure that each business in the Melbourne Casino Complex is kept open for business and carried on in a manner

SCHEDULE 1—*continued*

compatible with and complementary to the use of the Melbourne Casino Complex as a high quality, international class casino complex.

20.2 Following Completion of the Melbourne Casino Complex, the Company must at all times—

- (a) advertise and promote the Melbourne Casino Complex so as to endeavour to ensure that the Melbourne Casino Complex is fully and regularly patronised; and
- (b) properly and diligently manage the Melbourne Casino Complex in accordance with good, modern and proven management methods and practices and with due skill, expertise, diligence and vigour, using good and sufficient materials and services and in strict accordance and compliance with all applicable laws, regulations and requirements.

PART 4—PAYMENTS TO THE STATE

21. *Payments on the Licensing Date*

21.1 In consideration of the agreement of the Authority to grant to the Company the Casino Licence and of the other assurances from the State and the Authority contained in this document and the Casino Agreement, the Company shall pay on the Licensing Date—

- (a) the Premium Payment; and
- (b) a further amount of \$190 000 000.

21.2 The Licensing Payment Amounts must be paid in same day settlement funds before 2.00 p.m. on the Licensing Date.

21.3 If the Company fails to pay the Licensing Payment Amounts on the Licensing 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 Licensing Date until the Licensing Payment Amounts and all interest payable have been paid.

22. *Amount of fees and taxes*

22.1 While the Casino Licence remains in force, the Company must pay—

- (a) to the State, for each Financial Year or part thereof until 30 June 1997, the Casino Supervision and Control Charge, the first payment being due and payable on the Licensing Date in respect of the period until 30 June 1994 and thereafter the Casino Supervision and Control Charge will be paid annually in advance, commencing on 1 July 1994;

SCHEDULE 1—*continued*

- (b) to the State, in respect of each month in which gaming is conducted in the Temporary Casino or the Melbourne Casino, casino tax in an amount equal to—
- (i) for the period until 30 June 1997, 20% of the Gross Gaming Revenue for the month in question; and
 - (ii) on and from 1 July 1997, 21¹/₄% of the Gross Gaming Revenue for the month in question;
- payable in each case within 7 days following the end of each month, the first payment to be made in relation to the month in which the Temporary Casino is Completed;
- (c) to the State, in respect of each month beginning on 1 July 1994 and ending on 30 June 1996 additional casino tax in an amount of \$2 400 000 payable within 7 days of the end of each month;
- (d) to the State, in respect of each month in which gaming is conducted in the Temporary Casino or the Melbourne Casino, a community benefit levy in an amount equal to 1% of the Gross Gaming Revenue for the month in question, on the same dates as payments are made to the State pursuant to paragraph (b); and
- (e) any other fees and payments payable under the Casino Control Act.
- 22.2 In addition to the casino tax payable under clause 22.1 (b), while the Casino Licence remains in force the Company must pay to the State in respect of each Financial Year in which Gross Gaming Revenue exceeds the Base Amount, additional casino tax calculated in accordance with clause 22.3.
- 22.3 In this clause 22 “**Base Amount**” means, subject to clause 22.6—
- (a) to 30 June 1994, \$500 000 000; and
 - (b) on 1 July 1994 and each anniversary of that date (“Review Date”) the amount determined at any time after that review date in accordance with the following formula:
- $$R = A/B \times C$$
- where—
- R is the Base Amount in respect of the year commencing on the relevant Review Date;
 - A is the Consumer Price Index (All Groups for Melbourne) published from time to time in the Australian Statistician’s Summary of Australian Statistics (“CPI Index”) published for the day immediately preceding the relevant Review Date;
 - B is the CPI Index for the day one year and one day prior to the relevant Review Date; and

SCHEDULE 1—continued

C is the Base Amount (as amended from time to time in accordance with this clause) for the year immediately preceding the relevant Review Date.

22.4 The amount of the additional casino tax payable under clause 22.2 shall be calculated in accordance with the following table:

Amount of EGGR		Amount of additional casino tax	
\$		\$	
Nil —	19 999 999	Nil +	1% of the Excess
20 000 000 —	39 999 999	200 000 +	2% of the Excess
40 000 000 —	59 999 999	600 000 +	3% of the Excess
60 000 000 —	79 999 999	1 200 000 +	4% of the Excess
80 000 000 —	99 999 999	2 000 000 +	5% of the Excess
100 000 000 —	119 999 999	3 000 000 +	6% of the Excess
120 000 000 —	139 999 999	4 200 000 +	7% of the Excess
140 000 000 —	159 999 999	5 600 000 +	8% of the Excess
160 000 000 —	179 999 999	7 200 000 +	9% of the Excess
180 000 000 —	199 999 999	9 000 000 +	10% of the Excess
200 000 000 —	219 999 999	11 000 000 +	11% of the Excess
220 000 000 —	239 999 999	13 200 000 +	12% of the Excess
240 000 000 —	259 999 999	15 600 000 +	13% of the Excess
260 000 000 —	279 999 999	18 200 000 +	14% of the Excess
280 000 000 —	299 999 999	21 000 000 +	15% of the Excess
300 000 000 —	319 999 999	24 000 000 +	16% of the Excess
320 000 000 —	339 999 999	27 200 000 +	17% of the Excess
340 000 000 —	359 999 999	30 600 000 +	18% of the Excess
360 000 000 —	379 999 999	34 200 000 +	19% of the Excess
380 000 000 or more		38 000 000 +	20% of the Excess

where—

“**EGGR**” is the amount by which Gross Gaming Revenue in a Financial Year exceeds the Base Amount for that Financial Year; and

“**Excess**” means in respect of any row in the above table, the amount by which EGGR exceeds the number first appearing in the first column of that row.

22.5 The casino tax calculated under clause 22.4 and payable under clause 22.2 must be paid to the State within 7 days following the end of each Financial Year.

22.6 If the Australian Statistician updates the reference base for the CPI Index an appropriate adjustment shall be made to the definition of “Base Amount” in clause 22.3 to preserve the intended continuity of calculation by using an alternative appropriate factor determined by the Statistician in lieu of “A/B” in the definition of “Base Amount”.

22.7 If the CPI Index referred to in the definition is discontinued, suspended or otherwise altered to such an extent that an adjustment under clause 22.6 cannot in the reasonable opinion of

SCHEDULE 1—*continued*

the State be made, the Base Amount shall be determined by substituting for “A/B” in the definition of “Base Amount” such other comparable index as the State may reasonably require.

- 22.8 The Casino Supervision and Control Charge will not be levied on the Company after 1 July 1997.
- 22.9 To secure to the State the payment of the additional casino tax pursuant to clause 22.1 (c), the Company must on or before the Licensing Date provide to the State an unconditional letter of credit issued by a bank or banks acceptable to the State’s Nominated Representative and in such form approved by the State’s Nominated Representative to pay to the State an amount not less than \$57 600 000 provided that the amount required to be secured to the State by the letter of credit from time to time shall be reduced by an amount equal to each amount of exclusivity casino tax paid under this document.

PART 5—EXCLUSIVITY**23. *Exclusivity period and area***

- 23.1 The Minister approves of the undertaking given by the Authority to the Company under clause 26.2 of the Casino Agreement.
- 23.2 Subject to clauses 23.3 and 24 and to the rights conferred on the Company under the Casino Agreement and the Casino Licence, while the Casino Licence remains in force the conduct or playing of any game approved by the Authority under section 60 of the Casino Control Act or the use of any premises for the conduct and playing of any such game shall not be permitted by the State—
- (a) within the State prior to 6 years from the Licensing Date; and
 - (b) for those parts of the State within a radius of 150 kilometres from the Site, prior to 12 years from the Licensing Date.
- 23.3 If clause 26.3 of the Casino Agreement applies, the exclusivity periods referred to in clause 23.2 shall be extended to the same dates that the exclusivity periods in clause 26.2 of the Casino Agreement are extended under clauses 26.3 and 26.4 of the Casino Agreement (if any).

24. *Existing games*

- 24.1 Nothing in this document shall be construed so as to limit or affect the power of the State to authorise, permit or approve in any manner whatever—

SCHEDULE 1—continued

- (a) the playing on any gaming machines (in accordance with the provisions of the **Gaming Machine Control Act 1991** (Victoria)) of—
 - (i) any game not referred to in clause 27.1 of the Casino Agreement;
 - (ii) any machine derivative of any game not referred to in clause 27.1 of the Casino Agreement; or
 - (iii) any machine derivative of any game referred to in clause 27.1 of the Casino Agreement which is played on a gaming machine at the date of this document;
 - (b) any lottery, bingo or other game approved or permitted under the **Lotteries Gaming and Betting Act 1966** (Victoria);
 - (c) any sweepstake, lottery or other game approved or permitted under the **Tattersall Consultations Act 1958** (Victoria);
 - (d) the conduct of the game of club keno in accordance with the **Club Keno Act 1993** (Victoria); or
 - (e) any other game which may legally be played or conducted in the State of Victoria as at the date of this document.
- 24.2 Notwithstanding clause 24.1, the State shall restrict the playing of gaming machines within the following limits—
- (a) during the period prior to the date 12 years from the Licensing Date, the maximum number of gaming machines permitted to be used at any approved venue located within a radius of 100 kilometres from the Site shall be 105; and
 - (b) the total number of gaming machines permitted to be used in the State during the period prior to the date 12 years from the Licensing Date shall not exceed 45 000.

PART 6—TERMINATION

25. Termination of this document

- 25.1 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, however, 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.

- 25.2 Subject to the Master Security Agreement, it shall be a contravention of a condition of the Casino Licence enabling the

Casino (Management Agreement)

SCHEDULE 1—*continued*

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 and the State 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 State; 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 State; 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 State with any reasonable requirements of the State 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 State 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 State 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;
 - (iv) a judgment is obtained against the Company and execution or other process of any Court or other

SCHEDULE 1—*continued*

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 agreement 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 State 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;
 - (iii) except with the prior consent in writing of the Authority the members resolve to wind up a Sponsor;

SCHEDULE 1—*continued*

- (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 State that the Company will despite this be able to perform its obligations under the Transaction Documents.
- 25.3 The State may in its absolute discretion extend any time period referred to in clause 25.2.
- 25.4 Subject to clause 26, 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 State will (to the extent not then due) become immediately due and payable and the Company must immediately pay all those moneys to the State; and
 - (c) except as otherwise provided in this document or the Master Security Agreement, neither the Company nor any Sponsor or any other person will have any claim against the State or both 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.
- 25.5 Without limiting the powers of the State under the Fixed and Floating Charge, if this document is terminated prior to Completion of the Temporary Casino Complex or the Melbourne Casino Complex and a Mortgagee does not agree to or does not Complete the Temporary Casino Complex or the Melbourne Casino Complex or both (as the case may be) in accordance with the Master Security Agreement or otherwise on terms approved by the State—
- (a) the State may Complete or arrange for the Completion of the Temporary Casino Complex or the Melbourne Casino Complex or both at the cost of the Company; and
 - (b) any moneys expended by the State in or in connection with Completing or attempting to Complete the Temporary Casino Complex or the Melbourne Casino Complex or both, and the amount of any loss, damages or costs suffered or incurred by the Authority or the State as a result of the

SCHEDULE 1—*continued*

termination of this document or any event giving rise to the termination of this document, will be a debt due and payable by the Company to the State and the Company indemnifies the State against all those losses, damages or costs.

25.6 In the event that the State exercises its rights under clause 25.5 or otherwise to Complete the Melbourne Casino Complex or the Temporary Casino Complex or both, the State—

- (a) will do so in all material respects in accordance with the Design and Construction Programme, the Temporary Casino Complex Development Proposal and the Melbourne Casino Complex Development Proposal but subject to such variations as the State and the Financiers may agree; and
- (b) will be responsible as if the State were doing so as chargee under the Fixed and Floating Charge.

25.7 Interest will be payable by the Company to the State on all moneys expended by the State under clause 25.5 at the rate equal to the aggregate of the Bill Rate and 2% per annum on the first Business Day of each month and will accrue daily and be calculated monthly in arrears on the basis of the actual number of days elapsed and a 365 day year and added to the amount owing by the Company to the State and may be debited to any account of the Company with the State and itself accrue interest in accordance with this clause.

25.8 All moneys payable by the Company to the State under clause 25.5 and all interest payable under clause 25.7 must be paid by the Company to the State on demand.

26. *Continuity of interest of Company*

26.1 If the Casino Licence is cancelled or if this document is terminated, the provisions of clauses 26.2 to 26.8 will apply and shall continue to bind the parties.

26.2 If the Casino Licence is cancelled after the date specified in clause 23.2 (b), the Company shall not be entitled to a refund of the Licensing Payment Amounts or any part of them.

26.3 If the Casino Licence is cancelled before the last date of the period specified in clause 23.2 (b) on grounds for disciplinary action—

- (a) which are specified in paragraphs (a), (b) or (d) of the definition of grounds for disciplinary action in section 20 (1) of the Casino Control Act; or
- (b) (i) which are specified in paragraphs (c) or (e) of the definition of grounds for disciplinary action in section 20 (1) of the Casino Control Act; and

SCHEDULE 1—*continued*

- (ii) the grounds arose, directly or indirectly, as a result of any act or omission of the Company, or any director of the Company or any Sponsor;

the Company shall not be entitled to a refund of the Licensing Payment Amounts or any part of them.

26.4 If the Casino Licence is cancelled before the last date of the period specified in clause 23.2 (b) on grounds other than those specified in clause 26.3, the State must refund the Licensing Payment Amounts to the Company as follows—

- (a) the refund must be made within 3 months after the cancellation of the Casino Licence;
- (b) the amount of the refund shall be that amount which bears the same proportion to the amount of the Licensing Payment Amounts as the unexpired portion as at the date of cancellation of the Casino Licence of the period commencing on the Licensing Date and terminating on the last day of the period specified in clause 23.2 (b) bears to the whole of that period.

26.5 If the Casino Licence is cancelled or surrendered at any time, and the State determines that it wishes a licence to be granted to a person other than the Company for the operation of a casino in the Melbourne Casino Complex, the following provisions will apply—

- (a) the State shall give a notice to the Company informing the Company that the State requires the Company to grant to the new casino operator a sub-lease of the Melbourne Casino and the Company must do so in accordance with clauses 26.5 (b) to (i) inclusive;
- (b) the sub-lease will commence on the date of issue of the new licence and end on the termination of the new licence or the termination of the Site Lease, whichever is the earlier;
- (c) the initial rental payable under the sub-lease will be the market rental as at the date of commencement of the sub-lease of the Melbourne Casino, as agreed between the State and the Company, and will be payable monthly in advance on the first Business Day of each month;
- (d) the sub-lease rent will be reviewed annually to the market rental as agreed between the sub-lessor and the sub-lessee, and failing agreement, determined in accordance with clause 26.6 as if a notice had been issued under this clause on the anniversary of the commencement of the sub-lease;
- (e) the sub-lessee will be liable to pay to the sub-lessor all outgoings which are properly attributable to the occupation and use of the Melbourne Casino;

SCHEDULE 1—*continued*

- (f) the sub-lease will contain all appropriate rights, including rights of access and egress over the Melbourne Casino Complex to the Melbourne Casino, as are necessary to enable the casino operator to operate a casino in the Melbourne Casino Complex;
 - (g) the other terms and conditions of the sub-lease will be similar to the terms and conditions of the Site Lease in so far as they relate to the Melbourne Casino and to the extent that it is appropriate to include them in the sub-lease;
 - (h) the form of the sub-lease shall be as determined by the State;
 - (i) the Company must use its best endeavours to facilitate the operation of the Melbourne Casino within the Melbourne Casino Complex and this obligation shall also be a term of the sub-lease.
- 26.6 If within 1 month after the service of the notice under clause 26.5 the State and the Company have not agreed on the market rental to be payable under the sub-lease, the market rental will be determined in accordance with the following provisions—
- (a) within 10 Business Days after the expiration of the period of 1 month from the date of service of the notice, the State and the Company will each appoint a valuer (each a **“Representative Valuer”**) to act on its behalf in relation to the determination of the market rental of the Melbourne Casino;
 - (b) an independent valuer (**“Independent Valuer”**) will be appointed—
 - (i) by agreement in writing by the Representative Valuers; or
 - (ii) failing such agreement within 20 Business Days after the appointment of the Representative Valuers, then at the request of either Representative Valuer by the President of the Victorian Division of the Australian Institute of Valuers and Land Economists Inc;
 - (c) the Independent Valuer must as soon as practicable establish a procedure by which submissions are to be made by each Representative Valuer as to the market rental of the Melbourne Casino but so that all submissions are made to the Independent Valuer within 20 Business Days of his appointment;
 - (d) following completion of the period referred to in clause 26.6 (c) the Independent Valuer must consider the submissions made, seek further submissions if required and, within 20 Business Days after the end of the period referred to in clause 26.6 (c) and having regard to the matters referred to in clause 26.7, determine the market rental of the Melbourne Casino;

SCHEDULE 1—*continued*

- (e) in determining the market rental of the Melbourne Casino the Independent Valuer will be acting as an expert and not as an arbitrator and his decision will be final and binding on the parties.
- 26.7 In determining the market rental of the Melbourne Casino under clause 26.6 the Independent Valuer must have regard to all matters to which the valuer believes the valuer should have regard to in making such a determination including but not restricted to casino facilities in Australia and overseas, first class international hotels, major convention facilities and other entertainment and tourist related facilities.
- 26.8 If following the expiration of the Casino Licence the State determines that it wishes a licence to be granted to a person other than the Company for the operation of a casino in the Melbourne Casino Complex, the provisions contained in clauses 26.5 to 26.7 will apply with all necessary changes in point of detail so as to confer a sub-lease on the new licensee.

PART 7—GENERAL

27. *Warranties of the Company*

- 27.1 The Company makes the Warranties to the State as at the date of this document and for each day up to and including the Licensing Date.
- 27.2 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.

28. *Company relies on own judgment*

- 28.1 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 and the other Transaction Documents 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 State or any of its servants, agents or consultants.
- 28.2 Save for any statement, representation or warranty made in its favour under this document or any Transaction Document, the Company acknowledges and agrees that no action lies against the State or any of its servants, agents or consultants and that no compensation of any kind is payable to the Company in relation to

SCHEDULE 1—*continued*

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.

- 28.3 Nothing in this clause 28 limits any liability of Golder Associates Pty Ltd to the Company.

29. *Indemnity*

- 29.1 The Company indemnifies and will keep indemnified the State 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 Complex except expenses of the Authority which are covered by the Casino Supervision and Control Charge.
- 29.2 The indemnity in clause 29.1 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 State.
- 29.3 The Casino Supervision and Control Charge reimburses the Authority for expenses incurred in respect of—
- (a) the supervision and monitoring by the Authority of the establishment of the Temporary Casino and the Melbourne Casino; and
 - (b) the supervision of the Temporary Casino and the Melbourne Casino by the Authority.

30. *Confidentiality*

- 30.1 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;

SCHEDULE 1—*continued*

- (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 for the purposes of obtaining listing on the Australian Stock Exchange.

30.2 The obligations in clause 30.1 shall apply after termination of this document.

31. *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.

32. *Notices*

32.1 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 the other party—
 - (i) in the case of the State—

The Secretary to the Department of Treasury
1 Treasury Place
MELBOURNE VIC 3000
Facsimile: (03) 651 6228
with a copy to the Authority—
Chairman
Victorian Casino Control Authority
Level 27, 459 Collins Street
MELBOURNE VIC 3000
Facsimile: (03) 621 1803

SCHEDULE 1—*continued*

(ii) in the case of the Company—

Lloyd J. Williams
Chief Executive Officer
Crown Casino Ltd.
311 Glenferrie Road
MALVERN VIC 3144
Facsimile: (03) 823 6105

32.2 A notice or approval given in accordance with clause 32.1 is taken to be received—

- (a) if hand delivered, on the day of delivery if delivered before 4.00 p.m. 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 p.m. on a Business Day and otherwise on the Business Day next following.

32.3 The provisions of clause 32 are in addition to any other mode of service permitted by law.

32.4 A copy of each notice given under this document to the State must be given to the Authority.

33. *Costs and stamp duty*

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

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

34. *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.

35. *Governing law*

35.1 This document is governed by the laws applying in Victoria.

35.2 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.

SCHEDULE 1—*continued*

36. Assignment

36.1 The Company must not without the prior written consent of the State—

- (a) assign any of its rights under this document; or
- (b) effect the assumption of any of its duties and obligations under this document by any other person,

other than pursuant to a Permitted Encumbrance as defined in the Casino Agreement.

36.2 The State may assign, transfer or dispose of its rights under this document or any other Transaction Document—

- (a) to the Authority or to any 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 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 State is a party.

37. 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.

38. Counterparts

38.1 This document may be executed in any number of counterparts.

38.2 All counterparts taken together will be deemed to constitute the one document.

39. Severability

39.1 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.

39.2 If, despite the application of clause 39.1, 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

SCHEDULE 1—*continued*

(b) in any other case, the whole provision is severed,

and the remainder of this document continues to have full force and effect.

39.3 Clause 39.2 does not apply where its application alters the basic nature of this document or is contrary to public policy.

40. Interpretation

40.1 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 (Commonwealth) 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;

SCHEDULE 1—*continued*

- (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.

40.2 In this document headings are for ease of reference only and do not affect the construction of this document.

41. General obligations

41.1 The Company must—

- (a) maintain its corporate existence;
- (b) comply with all laws applicable to the matters the subject of 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;
- (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

SCHEDULE 1—*continued*

- (h) carry out all work reasonably and properly required by any Public Authority in relation to the Casino Assets 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.

41.2 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;
- (g) do anything or allow anything to be done in derogation of the rights of the State or any other party under any Transaction Document;

except to the extent permitted by clause 29 of the Casino Agreement.

SCHEDULE 1—*continued*

SCHEDULE TWO

DRAWINGS

1. Schematic design drawings described in the following list relating to the Temporary Casino Complex, each of which has been initialled on behalf of the Authority and the Company for the purposes of identification.
2. Schematic design drawings described in the following list relating to the Melbourne Casino Complex, each of which has been initialled on behalf of the Authority and the Company for the purposes of identification.

Casino Complex

Locality Plan		Scale 1:1000
Casino Level	RL +2.4	Scale 1:500
Inspectorate Level	RL +5.7	Scale 1:500
Ballroom Level	RL +9.0	Scale 1:500
Lower Casino Garden	RL +14.0	Scale 1:500
Main Casino Garden	RL +18.0	Scale 1:500
Upper Casino Garden	RL +24.0	Scale 1:500
Typical Hotel	RL +30.0	Scale 1:500
Lower Basement	RL -3.9	Scale 1:500
Upper Basement	RL -1.2	Scale 1:500
Hotel Plans		Scale 1:250
River Elevation		Scale 1:500
Longitudinal Section—		
Whiteman Street Elevation		Scale 1:500
Clarendon Street Elevation—		
Queensbridge Square Elevation		Scale 1:500
Crown Entertainment Section		
Cross-Wintergarden Section		Scale 1:500
Gaming Room Layout		Scale 1:250

Temporary Casino

Flinders Street Entrance Plan—Part 1	Scale 1:200
Flinders Street Entrance Plan—Part 2	Scale 1:200
Forecourt Section and Elevation	Scale 1:200
Ground Plan	Scale 1:100
Galleria Level Gaming Plan	Scale 1:100
Concourse Level Gaming Plan	Scale 1:100
Concourse Level Plan West	Scale 1:100
East-West Section	Scale 1:100
North-South Section	Scale 1:100
Off-Site Options/Infrastructure	
Off-Site Ancillary Works	Scale 1:100

SCHEDULE 1—continued

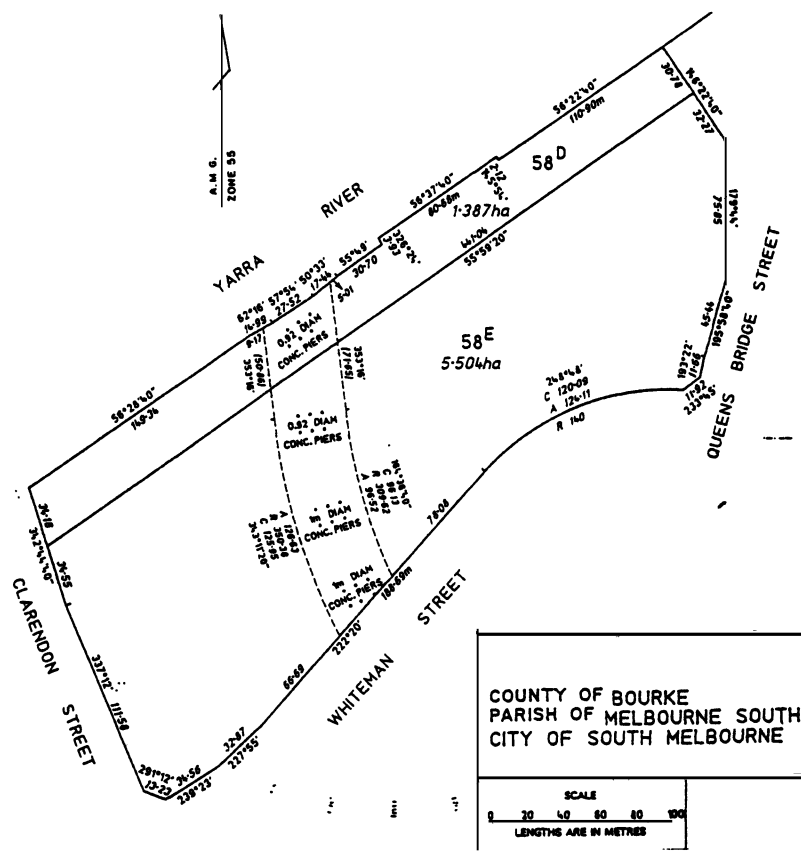
Traffic Management		
Pedestrian and Vehicular Circulation		Scale 1:1000
Road Network Drawing 1B		Scale 1:500
Road Network Drawing 2		Scale 1:500
Road Network Drawing 3		Scale 1:500
Road Network Drawing 4		Scale 1:500
Road Network Drawing 5		Scale 1:500
Road Network Overall Layout Plan		Scale 1:1000

SCHEDULE 1—continued

SCHEDULE THREE

DRAFT PLAN OF SURVEY OF THE SITE

The attached Plan is subject to the reservations and conditions set out in the Site Lease.



SCHEDULE 1—*continued*

SCHEDULE FOUR

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 the document in accordance with its terms do not—
 - (a) conflict with the constitution or bylaws 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 and no such appointment has been threatened or is envisaged by the Company.
5. The Company is not 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 placing the Company under or in administration.
6. The Company is not 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.

SCHEDULE FIVE—*continued***SCHEDULE FIVE****PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS OPTIONS**

	<i>Unit</i>	<i>Quantity</i>	<i>Rate</i>	<i>Cost</i>
			\$	\$
SUMMARY:				
1.00	Modifications to North River Bank			1 401 000
2.00	Kingsway Bridge Abutments and Enhancements (North Side)			476 000
3.00	Low Level Bridge Access Ramps Regrading			1 338 000
4.00	Queensbridge Square Works			3 641 000
5.00	Queensbridge Square Tunnel Access			4 309 000
6.00	Whiteman Street Upgrade Works			2 904 000
7.00	Clarendon Street Plaza			511 000
8.00	Power Street Extension Roadworks			719 000
9.00	Kingsway South Access Ramps			8 000 000
	TOTAL ESTIMATED COST			<u>23 299 000</u>

EXCLUSIONS:

The following items have not been included in the above preliminary cost assessment:

- (i) Capital or operating costs of the tram link proposed for Whiteman Street;
- (ii) Private Land Acquisition and Transaction Costs;
- (iii) Performance Guarantees;
- (iv) Interest;
- (v) Finance Charges and Establishment.

SCHEDULE 1—continued
PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS
OPTIONS—continued

	Unit	Quantity	Rate	Cost
			\$	\$
1.00 <u>Modifications to North River Bank</u>				
1.01 Construct 2 metre wide timber wharf/pier like structure along river bank at current river edge alignment	m	480	1 500	720 000
—blue stone steps	Item			80 000
1.02 Pedestrian promenade Sunday market paving	m ²	1 440	125	180 000
1.03 Boat mooring facilities and fittings to wharf	Item			10 000
1.04 Landscaping, grassing and planting including gravel paths	Item			150 000
1.05 External seating and civic furniture	Item			50 000
1.06 External lighting poles	Item			45 000
				1 235 000
Contingency	5%			62 000
Design Fees	8%			104 000
Total Modifications to North River Bank				1 401 000

SCHEDULE 1—*continued*
 PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS
 OPTIONS—*continued*

	<i>Unit</i>	<i>Quantity</i>	<i>Rate</i>	<i>Cost</i>
			\$	\$
2.00 <u>Kingsway Bridge Abutments and Enhancements (North Side)</u>				
2.01 Obelisk feature tower at each side of bridge, including special lighting	No.	2	185 000	370 000
2.02 Feature lighting to Kingsway handrails	Item			50 000
				420 000
Contingency	5%			21 000
Design Fees	8%			35 000
Total Kingsway Bridge Abutments and Enhancements (North Side)				476 000

SCHEDULE 1—continued
PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS
OPTIONS—continued

	Unit	Quantity	Rate	Cost
			\$	\$
3.00 <u>Low Level Bridge Access Ramps</u> <u>Regrading</u>				
3.01 Jacking and temporary support	No.	2	250 000	500 000
3.02 Demolition and cut-down existing piles and crosshead	No.	2	55 000	110 000
3.03 Reconstruct crosshead and bridge bearing	No.	2	180 000	360 000
3.04 Construct shore access ramps with flood water isolation upstand walls to RL 2.20	No.	2	85 000	170 000
3.05 Articulated slab between bridge deck and ramps	No.	2	20 000	40 000
				1 180 000
Contingency	5%			59 000
Design Fees	8%			99 000
Total Low Level Bridge Access Ramps Regrading				<u>1 338 000</u>

SCHEDULE 1—*continued*
 PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS
 OPTIONS—*continued*

	<i>Unit</i>	<i>Quantity</i>	<i>Rate</i>	<i>Cost</i>
			\$	\$
4.00 <u>Queensbridge Square Works</u>				
4.01 Beacon Towers	No.	3	185 000	555 000
4.02 Roadway reconstruction including kerbs and channels	m ²	5 120	90	460 800
4.03 Plaza paving with bluestone bands and granite sets	m ²	6 080	225	1 368 000
4.04 Landscaping, planting and trees	Item			120 000
4.05 Realignment of tram tracks in Queensbridge Street between river and Whiteman/Power Streets—				
Dual track	m	250	1 100	275 000
Overhead electrical	m	250	300	75 000
Safety zone	Item			15 000
PTC Design and Management	18%			65 700
4.06 Traffic signals Queensbridge Square	Item			200 000
4.09 Civic furniture including seats, rubbish bins, information boards and bollards	Item			50 000
4.10 External lighting poles	Item			25 000
				<hr/> 3 210 000
Contingency	5%			161 000
Design Fees	8%			270 000
Total Queensbridge Square Works				<hr/> 3 641 000 <hr/>

SCHEDULE 1—continued
PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS
OPTIONS—continued

	Unit	Quantity	Rate	Cost
			\$	\$
5.00 <u>Queensbridge Square Tunnel Access</u>				
The following works are additional to the works included in item 4 above				
5.01 Additional services diversions and relocations including water, gas, electricity and Telecom	Item			1 500 000
5.02 Dual lane vehicle tunnel approximately 180 metres long from Casino and exiting in South Bank Boulevard. (Tunnel constructed by cut and cover method)	Item			1 850 000
5.03 Traffic lights, tunnel exit/entry in Southbank Boulevard	Item			100 000
5.04 Additional roadworks to Southbank Boulevard	Item			350 000
				3 800 000
Contingency	5%			190 000
Design Fees	8%			319 000
Total Queensbridge Square Tunnel Access				4 309 000

SCHEDULE 1—*continued*

PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS

OPTIONS—*continued*

	<i>Unit</i>	<i>Quantity</i>	<i>Rate</i>	<i>Cost</i>
			\$	\$
6.00 <u>Whiteman Street Upgrade Works</u>				
6.01 Reconstruct road pavement including bluestone kerbs and channels	m ²	7 500	125	937 500
6.02 New bluestone pedestrian paving with granite bands	m ²	2 400	145	348 000
6.03 Bluestone and granite feature to roadway at Casino entrance	m ²	2 500	200	500 000
6.04 Street lighting and poles	Item			35 000
6.05 Traffic signals Queensbridge Street/Power Street intersection	Item			200 000
6.06 Traffic signals Clarendon Street intersection	Item			200 000
6.07 Traffic signals basement carpark entry/exit	Item			200 000
6.08 Landscaping and street trees	Item			120 000
6.09 Civic furniture including seats, rubbish bins and information boards	Item			20 000
				<hr/> 2 560 500
Contingency	5%			128 000
Design Fees	8%			215 000
Total Whiteman Street Upgrade Works				<hr/> 2 904 000 <hr/>

SCHEDULE 1—continued
PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS
OPTIONS—continued

	Unit	Quantity	Rate	Cost
			\$	\$
7.00	<u>Clarendon Street Plaza</u>			
7.01	Roadway	plaza	paving	
	incorporating	light	coloured	
	granite bands	m ²	3 000	125 375 000
7.02	Landscaping (includes trees)	Item		25 000
7.03	Pedestrian operated traffic lights	Item		40 000
7.04	Civic furniture, bollards etc.	Item		10 000
				450 000
	Contingency	5%		23 000
	Design Fees	8%		38 000
	Total Clarendon Street Plaza			511 000

SCHEDULE 1—*continued*
PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS
OPTIONS—*continued*

	Unit	Quantity	Rate	Cost
			\$	\$
8.00 <u>Power Street Extension</u> <u>Roadworks</u>				
8.01 Reconstruct road pavement including new concrete kerbs and channels	m ²	3 750	90	337 500
8.02 New concrete pedestrian paving	m ²	900	35	31 500
8.03 Overhead street lighting and poles	Item			15 000
8.04 Landscaping and street trees	Item			45 000
8.05 Civic furniture	Item			5 000
8.06 Traffic signals Power Street/City Road intersection	Item			200 000
				<hr/> 634 000
Contingency	5%			32 000
Design Fees	8%			53 000
Total Power Street Extension Roadworks				<hr/> 719 000 <hr/>

SCHEDULE 1—continued
PRELIMINARY ESTIMATE—OFF-SITE EXTERNAL WORKS
OPTIONS—continued

	Unit	Quantity	Rate	Cost
			\$	\$
9.00	<u>Kingsway South Access Ramps</u>			
9.01	Dual lane access ramps each side of Kingsway bridge providing access from Whiteman Street for southern access to Kingsway			
	Item		8 000 000	
			8 000 000	
	Contingency			incl.
	Design Fees			incl.
	Total Kingsway South Access Ramps		8 000 000	

SCHEDULE 1—*continued*

EXECUTED as an agreement.

SIGNED by the Honourable
HADDON STOREY, QC MLC for and on behalf
of **THE STATE OF VICTORIA** in the presence
of—

} **HADDON STOREY**
Hon. Haddon Storey, QC MLC

Signature of Witness **KARIN PUELS**

Name of Witness (please print) **KARIN PUELS**

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

} **LS**

PETER JONSON
Signature of Secretary/Director

B. J. HAMILTON
Signature of Director

PETER JONSON
Name of Secretary/Director
(please print)

BARRY J. HAMILTON
Name of Director
(please print)

