

**MINUTES OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF
PACIFIC VIEW RESORT NO. 2 LTD.**

HELD AT: THE PACIFIC VIEW RESORT, 34 VICTORIA TERRACE, CALOUNDRA

ON: 5th APRIL, 2008 AT: 12.00PM

PRESENT: AS PER ATTENDANCE REGISTER

APOLOGIES: PERRY MORGAN, GLENVA ROZYNSKI, PETER & DESLEY KING, ROBERT & CLAIRE THOMSEN

APOLOGIES FROM THE FLOOR: TED & RICHARD SHOESMITH, RAY BRICKNELL

MINUTES OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING: Moved by Kim Cohen and seconded by Don Fraser that they be taken as read. Carried.

BUSINESS ARISING FROM THE MINUTES:

NIL

CHAIRMAN'S REPORT:

The Chairman, Jasper Glover presented the following report:

As your Board's Chairman I am pleased to present the following Annual Report for the 2007 year. Because it is not my intention to accept nomination for this position in the coming year this report will be the last provided by me in the role of Chairman. I take this opportunity to formally thank the Manager, colleague Directors and all shareholders for their support and confidence during the period I have served in this capacity.

Annual General Meeting: This year the 2008 AGM of the Pacific View Resort No 2 Ltd. will be held in the guest lounge of the Resort on Saturday the 5th of April commencing at 12:00 noon. It is envisaged that by changing the venue, day, and starting time, more owners will be afforded the opportunity to be present. Because, in following established practice, the agenda does not readily facilitate the discussion of matters other than those itemised on it, a decision has been made that an informal forum will precede the A.G.M. to enable the Manager and Board to respond to queries that shareholders may wish to raise. This session will commence with morning tea at 11:00 a.m. followed by the informal forum to be conducted by the Manager at 11:30 a.m.

Election of Directors: Again this year the number of nominee's for appointment to the position of Director on the Board exceeds the number of vacancies that exist. Director Jim Capper has formally resigned and retiring Directors Keith Martin and Brian Littleford are standing for re-election. What is unique this year is that there are five additional nominees. Brief profiles submitted by each of the nominees accompany the ballot papers. Please ensure ballot papers are returned in the reply paid envelope provided. It is important that all shareholders exercise their right to vote. Shareholders are asked to read carefully the instructions that accompany the voting papers, and follow the direction given so as to ensure their vote counts.

Special Resolutions: A parcel of resolutions, supported by the required number of shareholders, has been received by the Board of Directors. At the Board Meeting of August 3rd 2007 it was decided by all present that the resolutions, along with supporting statements provided by the proponents and a statement indicating the majority view of the Board, should be forwarded to owners for their attention with the 2008 A.G.M. Notice with the outcomes to be advised at that meeting. Shareholders are advised that the majority of Board members are opposed to the adoption of any of these resolutions.

Resort Functioning: It is pleasing to report that our resort continues to function at a level that compares favourably with the standard and operation of a range of timeshare resorts both within Australia and overseas. Certainly we do not offer the level of opulence that is evident in the newer resorts that are currently being marketed, nor is our intention to do so. The Board's recently adopted mission is, "To provide a comfortable and enjoyable vacation for members, guests and visitors at our family friendly

resort.” This has been our practice in the past and will continue to be so. In this regard we are achieving major success.

Our most significant expenditure this year will be related to the replacement of the lift. Ongoing maintenance, replacements and upgrading will no doubt continue to place a demand on expenditure as will the implementation of any new projects initiated to benefit the Resort. In her report our Director of Finance provides a clear indication of our expenditure and financial position at the end of the 2007 Calendar Year, as well as providing details of budgeted expenditure for the current year

Management: The Resort is indeed fortunate that our Resort Manager, Fiona Rickards continues to display commitment, competency, and effectiveness in her role so as to ensure the day to day functioning of the Resort continues to be maintained at the high standard she has established. Her ability to negotiate with outside agencies to ensure positive outcomes for the resort; her promptness in addressing issues which fall within the ambit of her responsibilities and, in forwarding those that do not to the Board for its consideration; her pleasing personality; and her unique inter-personal skills that ensure harmonious interactions, with staff, your Board of Directors, and the majority of users of the resort, exemplify the many attributes that she continues to display as Resort Manager. Thank you Fiona for such a splendid effort!

Responsibilities: Your Board of Directors are responsible to you, the shareholders, to ensure that, as a Public Company, all aspects of management comply fully with, the Resort’s “Articles of Association”, the Corporations Act of 2001, and the requirements of the Australian Securities and Investment Commission. Directors acknowledge their responsibilities in this regard and address them in a serious and purposeful manner.

It is the role of the Manager to address those functions of the Resort’s operation that fall within the ambit of her responsibilities and report outcomes to the Board on a regular basis. Any advice or action on matters that are the responsibility of the Board, (e.g. Special Resolutions, unforeseen expenditure on maintenance, major concerns of shareholders, or other issues requiring a formal Board decision) are immediately conveyed by the Manager, to the Board, through the Chairman, for appropriate action at the next scheduled Board meeting, or at a special Board meeting if a level of urgency exists. The Manager advises those who have made contact with her of the action she has taken with regard to the communication as soon practical thereafter. On matters pertaining to the Resort’s function that are within her control she may be quite specific in her response whereas on matters of Company business any opinion given would be subject to ratification by the Board.

Staff: Fiona’s staff management skills continue to ensure that Resort employees maintain a high standard of efficiency as they undertake their various responsibilities. During the year Esther Wesley was released from her duties to allow her to undertake alternative employment in an area more in keeping with her personal desires. We wish her well in her new venture. We now welcome Sandy Beare and Linda Johnson to our office team. It is pleasing to note that both of these employees competently undertake their new roles.

The work ethic of our Maintenance Officer, Roy Johnson is mirrored in the high standard of ground and building maintenance that is readily evident to users of the Resort. Roy takes personal pride in all he sets out to achieve and thus the Resort attains significant benefit from his efforts. His continued willingness to respond to the needs of occupants and his ever courteous and pleasant interactions with them is appreciated by all. Congratulations Roy on a job well done.

Directors: As chairman I thank my colleague directors for their attitude, approach, and the contributions they have made in their roles since the last A.G.M. . This year Ken Park was elected as a new Director. His positive contributions in meetings clearly demonstrate the wealth of expertise he has to offer. In a like manner input from all other Directors has also been significant. As a consequence many issues have been subjected to careful scrutiny and debate before, either a consensus has been reached, or a vote has been taken. Special thanks are due to our Company Secretary, Keith Martin and our Financial Director Brenda Suhr for their willingness to undertake the extra duties related to these positions. Shareholders may be aware that certain articles listed in our “Articles of Association” contradict other articles. Consequently the need to revamp them is evident. The Board has set a long term goal to establish a “Resort Policy Document”. Although all Directors have been proactive in this area, the significant contributions of Director Brian Littleford and Director Jim Capper are acknowledged with appreciation.

In the course of the year Jim and his wife disposed of their weeks at Pacific View. In doing so Jim became one of three serving Directors on the Board who are not shareholders in the Company. As a matter of principle, Jim felt it would be inappropriate for him to remain on the Board and contribute towards decisions

that affect shareholders. We respect his wishes in this regard though at the present time there is no legal restriction that denies a person, who is not a shareholder, the opportunity to nominate and serve on the Board. On behalf of the Board I wish to formally acknowledge the contribution and expertise Jim has provided to the Board during his period of service. Thank you Jim your efforts and friendship are appreciated by all.

Board Meetings: During the past year five scheduled meetings have been held by the Board. Additionally significant interaction has occurred per telephone and via the internet. Much discussion has arisen with regard to policy matters, issues raised by owners, procedural matters, priorities emanating from the Manager's Report, and administrative issues. Additionally, an inordinate amount of time has been spent debating the correct application of the law to matters under the jurisdiction of the Board such as the processing of members resolutions, the position of Liaison Officer, and other issues relative the Board's functioning. This has been deemed to be necessary to ensure that the highest level of transparency is evident in the Board's records and operation. In the final analysis decisions made are perceived by the majority of Board members to be in the best interests of the Resort and shareholders. In the coming year it may again be necessary to increase the number of scheduled meetings to ensure all matters are appropriately debated.

Maintenance Levy: Although the Board has made every effort to minimize increases to the maintenance levy all owners would be aware of the increase for the 2008 year. This payment is based on the proposed budget for the year to which it is applied. Unfortunately in recent years budgeted expenditure has continued to increase because of increased costs. Owners are reminded that Maintenance Levies are due as scheduled on the 1st of December and the 1st of June, not at the beginning of the week of occupancy. Payment of levy by the due date will avoid the late payment penalty that was recently imposed

This concludes my report.

In conclusion I move adoption of this report. Jasper Glover moved and Ken Park seconded that the Chairman's Report be accepted and the Chairman is thanked for his efforts during the past 4 years as Chairman. CARRIED.

BUSINESS ARISING FROM THE CHAIRMAN'S REPORT:

Dawn Montgomery questioned whether many members are late with payments resulting in penalties. Fiona Rickards replied that there would be approximately 20 to 30 people each six monthly period who are required to pay the penalty. Fiona explained the system currently in place to advise members of the levy dues.

FINANCIAL REPORT:

The Financial Director, Brenda Suhr, presented the following report:

We successfully completed the repair and replacement program at our resort in 2007. These improvements should add to owners' enjoyment when they stay at Pacific View.

Our sinking fund had a credit balance of \$196,727 at the 31st December 2007. The auditor's report shows a satisfactory financial position with a profit of \$42,432. Bad debts at the end of 2007 total \$16,672. The 2006 and prior component of this was \$5,053. The manager is taking action against these debtors through our solicitor.

WHK Horwath is our auditor and Bill Hills and Associates our accountant. WHK Horwath offer themselves for reappointment as our auditors at the AGM.

The Board will be using some of our reserves in the sinking fund to finance the replacement of the lift.

2008 Major budgeted replacements:

- Work was due to start on replacing the lift at the beginning of February but it has been delayed because of its late arrival in Australia.
- We have plans to improve the office entrance to the resort and we hope to do this in 2008. Plans have been produced by a landscape architect.

A Block:

- Replace carpets

- New lounges

B & C Blocks:

- Complete internal painting of units.
- Replace carpets.

Unfortunately the lift will be out of action for six to eight weeks. This will cause inconvenience for in-house guests but it is unavoidable. Fiona will do her best to minimize the disruption to the Resort.

In conclusion I would like to thank Fiona, our Manager and Roy our maintenance person for their work in managing and maintaining the resort.

This concludes the financial report and Brenda Suhr moved that the financial report, together with the financial statements and auditor's report for the year ending 31/12/2007 be accepted. Seconded by Don Fraser. CARRIED.

BUSINESS ARISING FROM THE FINANCIAL REPORT:

Denis Newman questioned the Land Tax and whether our land values had been increased recently.

Brigid Felsman questioned the wages and salaries figure. The accounts have not increased in the last two years. Fiona Rickards responded that this was due to a few contributing factors. Mainly being changes in staffing and cleaning days.

ELECTION OF AUDITOR:

Jasper explained the error on page one of the financial report. Ken Durston moved that the figure be accepted and that the report be accepted. Seconded by Gordon Cohen. Carried.

It was moved by Don Fraser and seconded by Dawn Montgomery that WHK Horwarth Auditors be our auditor for the year 2008. CARRIED.

ELECTION OF DIRECTORS:

Brian Littleford & Keith Martin retire from office and offer themselves for re-election. Further nominations were received from Ray Bricknell, Beverley Marsh, Greg Suhr, Lyn Thomas and Kathleen Wenban. A postal vote was conducted and the Returning Officer was Fiona Rickards, Scrutineers were appointed. The returning officer declared that the successful nominees are Beverley Marsh, Keith Martin and Greg Suhr. Carried.

Ros Martin moved that the ballot papers be destroyed, Ken Durston seconded. CARRIED.

RESOLUTIONS:

The returning officer declared that the results of the three resolutions were as follows:

- Resolution 1 – 30% for 70% against
- Resolution 2 – 37% for 63% against
- Resolution 3 – 32% for 68% against

All resolutions failed to be accepted. Carried.

Ros Martin moved that the ballot papers be destroyed. Ken Durston seconded. CARRIED

Ken Durston thanked the board for providing him with the ability to see both sides of the situation. A certain director sent out letters to some members, I did not receive one. Thank you to the board for providing to me an accurate view of the boards feelings.

Jasper thanked Ken.

Dawn Montgomery questioned the required number of shareholders for these resolutions to be submitted.

Jasper responded that 5% of the shares are required to support.
Jasper explained the process involved with the processing of these resolutions.

GENERAL BUSINESS:

A question for the meeting has been received from N & A Jones regarding the Chairman's statement indicating that the Board have knowingly breached article regarding payment to a Director.

The board's response in the supporting statement was accurate, there was a Director who was paid at one time. What wasn't stated was that the Director in question was employed to act in a consultancy role, mentor to the manager. Greg Suhr served as Managing Director, and in this role he was responsible for a range of responsibilities including research and consultancy. As a managing director is was quite legitimate for the board to appoint him and allocate his payment. The only downside to this position was that as Managing Director, his position of Director did not come up for re-election. As a consequence of this it was decided in Aug 2005 that the position of Managing Director be disbanded and a position of Liaison Officer be created as an Employee of the Company, receiving the same salary of \$5,000 per annum. No director in my time on the board has received payment for their services as a Director of the company. Greg's role of liaison officer was a unique role, and he served this role quite well.

Legal advice was received from the Company's solicitor in Feb 2007 regarding the payment of Greg Suhr in the position of Liaison Officer. Jasper read to the meeting the advice received from Steve Gustafson.

Ken Durston stated that there is no need for further action, the resolutions have failed and the meeting is more than happy with the situation.

Denis Newman questioned the phone calls being received from companies wanting to purchase weeks and the limit on weeks they can purchase.

Jasper Glover explained the limit which prevents people from purchasing bulk amounts of weeks at Pacific View, however Companies can form new companies in order to obtain more weeks. What has happened in another aspect is that a management company sold out their rights to an American company which then created problems for the unit owners. Having a company like this obtain control of the resort is not in our interest.

Ken Durston also spoke about this.

Frankie Park suggested that the board provide owners with some advice regarding this.

Dawn Montgomery asked that owners be made aware of the website and newsletter.

Col Liebke asked that the board provide owners with access to the top floor of the A Block.

THERE BEING NO FURTHER BUSINESS the Meeting Closed at 12.50pm.

SIGNED AS A TRUE RECORD:

Chairman

Date: _____