

Vanuatu-Japan Friendship Members Club

Report of Members' Meeting held 15 June 2008

Pursuant to the Notice of Members' Meeting sent on 26 May 2008 to all Members of the Vanuatu-Japan Friendship Members Club, a Members' Meeting was held as follows:

Date: 15th of June 2008 (Sunday)

Time: 10:30 a.m.

Place: Number 1 Meeting Room, Akasaka Kumin Center
4-18-13 Akasaka, Minato-ku, Tokyo

Mr. Ofer Shagan, President of the Club, acted as Chairman of the Meeting. He noted that fourteen Members were in attendance in person, with an additional five Members in attendance by proxy, and that accordingly, a quorum was present in accordance with Section 28 of the Charter and the Meeting was validly constituted. He then called the Meeting to order.

The Chairman explained that the Meeting had been called for the purpose of amending the Charter in order to raise the price of Membership Units and to provide for future increases in the price. He explained that this was desirable in order to increase the value of Members' investments and to bring the price closer to current Vanuatu market values.

The Chairman described how the Club's development project had progressed, and that a total of 89 Membership Units had been sold to date and the present price was USD 10,500. He noted that the next critical steps in the project were as follows (including estimated costs): subdivision (USD 60,000), roads (USD 200,000), water infrastructure (USD 60,000), electricity infrastructure (USD 200,000), and creating the permanent lake (USD 30,000). He explained that the total cost of USD 550,000 (together with ongoing operating costs) could be financed through the sale of an additional 61 Membership Units.

The Chairman called on Mr. Carlo La Porta, who explained that under the current pricing scheme, the Membership Units were priced well below market prices for comparable land in Vanuatu (of which examples were given), and that the priced differential would increase greatly as the development progressed on the Club's project.

The Chairman moved that the Charter be modified so that if 61 additional Membership Units are sold within 3 months: (i) the Membership Unit price would increase to USD 20,000 as soon as 61 additional Membership Units were sold; (ii) thereafter, the price would increase by USD 500 with every 10 Membership Units sold until it reached USD 30,000; and (iii) once actual construction of roads began the price would

automatically increase to USD 30,000. More precisely, he proposed the following amendment to Section 12 of the Charter:

Old Wording:

"12. The Membership Fee shall initially be set at US\$10,000. Thereafter, the Membership Fee shall increase by US\$500 upon the initial sale, and upon each successive sale, of fifty Membership Units or similar membership units in any International Club (taken in the aggregate)."

New Wording:

"12. (a) The Membership Fee shall initially be set at US\$10,000. Thereafter, subject to Subsection 12 (b), the Membership Fee shall increase by US\$500 upon the initial sale, and upon each successive sale, of fifty Membership Units or similar membership units in any International Club (taken in the aggregate).

(b) This Subsection 12 (b) shall apply only if 150 Membership Units are sold by 15 September 2008. Upon 150 Membership Units being sold, the Membership Fee shall become US\$20,000. Thereafter, the Membership Fee shall increase by US\$500 upon each successive sale of 10 Membership Units until it reaches US\$30,000. In any event, the Membership Fee shall become US\$30,000 upon the President notifying the Members that actual construction of asphalt roads has commenced on the land for the Club's community in Vanuatu. Thereafter, the Membership Fee shall increase by US\$500 upon each successive sale of 50 Membership Units."

Following various discussion, the Members in attendance voted unanimously to approve such motion to amend the Charter.

The Chairman thanked the Members for their attendance and, at about 11:20 a.m., declared the Meeting to be over.

Ofer Shagan
President, Vanuatu-Japan Friendship Members Club