

V76

24/2/06

IN CONFIDENCE

Fax to: John Cassidy
Fax

From: Robin Pollard
UNE

John,

A copy of the questions is attached, and also minutes of a Services UNE directors meeting on 5th December. Five pages in total.

Best regards,
Robin

1. 20 July Meeting

The sale of the hotel was deferred for political reasons. (Graeme & Anthony's recollection)

- 1.1 Is that your recollection?
- 1.2 What did you mean by that?
- 1.3 Did you ever have any thoughts of purchasing the Hotel at that time or informing any colleagues about the sale?
- 1.4 Did you ever discuss or refer to the sale with colleagues?

2. Receiver/Managers Report of 2 June 2005

- 2.1 Did you read it?
- 2.2 Were you aware of the valuation and its basis?
- 2.3 Did you discuss the valuation with anyone apart from Dennehy and Stephen Hall?
 - (a) If so, who?
 - (b) When?
 - (c) In what context?
 - (d) What was said?

3. Meeting of 28 November 2005 – Board members except Andrew Murray were present. Hall presented the tenders.

- 3.1 You attended part of the meeting?
- 3.2 Why did you attend?
- 3.3 What was your interest?
- 3.4 What was your role in the discussions at the meeting?

3.5 Do you recall whether, anything was decided at the meeting? If so, what was your role in the decision making?

3.6 Were you involved in the discussion about giving Hendry more time to firm up his bid?

If so, what was your view?

4. Minutes of the Board of Services UNE on 5 December 2005.

4.1 Do the minutes accurately reflect what you told Rod Watt?

4.2 If not, what did you ask be conveyed to the directors?

4.3 If the minutes are correct is it correct that at the time you had no ongoing connection with Hendry?

5. Audit and Compliance Committee Meeting 10 February 2006
(No minutes of the meeting available yet).

5.1 Was there any discussion about your letter?

5.2 Was the first time that you thought about investing in January 2006?

5.3 When did you first inspect the hotel?

5.4 When did you first inspect the hotel for the purpose of considering it as an investment?

5.5 Why did you chair the meeting?

6.1 What is the form and extent of your investment? What is the role of Vercot Pty Ltd?

6.2 Are there any other investors and what is their interest?

MINUTES OF THE MEETING OF DIRECTORS OF SERVICES UNE LTD HELD
THURSDAY 5TH DEC 05 AT 4.45 PM IN THE BOOLOOMINBAH LIBRARY UNE

ATTENDANCE:	ROD WATT; ANN MAURER, ANDREW MURRAY AND ADRIAN ROBINSON Also in attendance SUE PAINI (CEO)
APOLOGIES	Nil
	<p>1. Conflicts of Interest or Material Interests Declarations It was noted that Adrian Robinson would have a potential conflict of interest due to his role as CFO with UNE. Adrian to provide written notice and CEO to provide Adrian with a copy of all notices from existing directors</p>
MOTION ONE:	<p>2. Confirmation of Minutes Chair/- That the minutes of the meeting dated 17 November 2005 be accepted subject to a name correction in Item 4 (Anthony Fox not Hall). CARRIED</p>
MOTION TWO	<p>3. Matters Arising Belgrave Cinema CEO advised police feedback was that without video evidence any action was not likely to succeed. CEO reiterated that processes had been tightened to prevent repetition. Due to lack of evidence and prior poor procedures no further action to be taken.</p> <p>CEO advised of discussions with Ex Services Club re discount structure. Ongoing need to promote a review of rental rate at cinema to a more realistic level.</p> <p>Appointment of Director Chair/- That Adrian Robinson, having consented, be appointed as a Director following a resolution of the UNE Standing Committee dated 21 November 2005. CARRIED</p>

<p>MOTION THREE</p>	<p>Tattersalls Hotel Rod Watt informed meeting that John Cassidy had informed him that the highest tender was from the former accountant with the Abbi Group, who had no ongoing connection with him. Discussion on what was a fair valuation of the hotel given current market, location, profitability, condition and the valuation undertaken by the receiver in May 05.</p> <p>Chair/- That the highest tender for the Tattersalls Hotel from DF Hendry at \$2,650,000 be accepted and contracts exchanged as soon as possible. Unsuccessful tenderers to be advised once contracts exchanged.</p> <p style="text-align: right;">CARRIED</p> <p>4.0 CEO Report The CEO spoke to her report noting:</p> <ul style="list-style-type: none"> • The potential stamp duty on transfer from UNE Union to Services UNE Ltd could be \$60,000 if the application for exemption does not succeed; • A meeting to be arranged ASAP between the Board and Graeme Dennehy to discuss UNE expectations of Services UNE Ltd, including our role regarding UNESA & UNEPA; • UNE discussion document to be prepared by CEO; • Draft letter to Neville Crew as tabled to be sent; • Robb College sponsorship amount to be paid; • Intention to change brand of coffee from Segafredo to Primo following ACUMA buying arrangement resulting in a reduced price of 10% for a comparable product; • The recommended salary increase for Commercial Manager be approved with quarterly targets to be set for management team; • The ongoing concern regarding the performance of the Finance Manager, which needs to be resolved ASAP. CEO to discuss alternatives with Adrian Robinson. <p>5. 2006 Budget Discussion on requirement for a comprehensive cash flow incorporating capex; stamp duty and any other liabilities.</p> <p>Meeting adjourned at 6.05pm to reconvene on Monday 12th at 4.30pm to review budget and strategic planning outcomes.</p>
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Ann Maurer
Chairperson

12/17/05

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