

## SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

### TFS SANDALWOOD PROJECT 2004 (ARSN 108 261 856)

#### Important Information

This document is a Supplementary Product Disclosure Statement and should be read together with the Product Disclosure Statement dated 19 March 2004 (**Original Product Disclosure Statement**) issued by TFS Properties Ltd (ABN 31 093 330 977) for interests in the TFS Sandalwood Project 2004 (ARSN 108 261 856) (the **Project**).

This Supplementary Product Disclosure Statement is dated 10 June 2004 being the date that its preparation was completed.

Unless otherwise indicated, defined terms used in this Supplementary Product Disclosure Statement have the same meaning as given to those terms in the Original Product Disclosure Statement. To the extent of any inconsistency between this Supplementary Product Disclosure Statement and the Original Product Disclosure Statement, the provisions of this Supplementary Product Disclosure Statement will prevail.

This Supplementary Product Disclosure Statement may be viewed, together with the Original Product Disclosure Statement at the Company's website address [www.tfsltd.com.au](http://www.tfsltd.com.au).

**This document is important and should be read in its entirety. If you do not understand its contents, you should consult your stock broker, accountant or other professional adviser without delay.**

#### Supplementary Information

##### 1. Establishment Fee – Section 2.3

Section 2.3 of the Original Product Disclosure Statement contains details of the costs payable by Applicants in respect of the Project. In particular, Section 2.3(i) details the Establishment Fee payable in respect of the Project. The following information should be included at the end of Section 2.3(i):

“Upon executing and returning an Application Form, the Grower acknowledges that the whole of the Establishment Fee is due and payable to the Responsible Entity. However, the Grower may choose one of the following payment options in respect of satisfying the Establishment Fee:

- (a) pay the whole of the Establishment Fee upon Application; or
- (b) pay 20% of the Establishment Fee (\$1,200) upon Application and 8 equal monthly instalments of \$600 per Lot commencing the month after Application (**Instalment Option**).

The Responsible Entity will monitor the level of Applications received under the Instalment Option and is not obliged to accept all Instalment Option Applications. A limit may be imposed by the Responsible Entity on the number of Applications that will be accepted under the Instalment Option. Further, Applications for the Instalment Option will be reviewed on an Application by Application basis.

If a Grower chooses the Instalment Option, they must complete and return the Instalment Option Letter (contained in this Supplementary Product Disclosure Statement as section 12 of the Original Product Disclosure Statement) together with the Application Form to the Responsible Entity. If the Responsible Entity provisionally approves an Instalment Option Application, the Responsible Entity will forward to the Grower an agreement setting out the terms on which the Responsible Entity will allow the Establishment Fee to be satisfied by instalments (**Terms Agreement**). An Instalment Option Application will not be approved unless the Terms Agreement is executed and returned to the Responsible Entity.

The Responsible Entity may charge the Grower interest on overdue amounts at a rate of 10% per annum calculated on a daily basis from the due date until payment is received.

The Grower charges in favour of the Responsible Entity all the Grower's rights, title and interest in its Sandalwood Lot(s) and in the Lease and Management Agreement as security for payment of amounts due under the Terms Agreement and performance of duties under the Lease and Management Agreement.

The Grower may elect to pay the balance of the Establishment Fee owing early by notifying the Responsible Entity. No charges for early payment will be incurred.

If a Grower does not pay the required instalments pursuant to the Terms Agreement, then provided the Responsible Entity has given the Grower 14 days written notice to remedy the situation and payment has still not been made, the balance owing under the Terms Agreement will become immediately due and payable. In addition, the Responsible Entity may take legal proceedings to recover the amount, resume all rights and interest which the Grower has in their Sandalwood Lot(s), or do anything which an owner of the Sandalwood Lot(s) is entitled to do."

## **2. Establishment Fee – Table 2**

Table 2 contained in Section 2.3 of the Original Product Disclosure Statement contains a summary of the investment costs of throughout the life of the Project. The following statement should appear as note 8 on Table 2A and note 6 on Table 2B:

"It has been assumed that the Establishment Fee is paid on Application and not by instalments pursuant to the Instalment Option."

### 3. Letter to the Responsible Entity for Instalment Option

The following letter is included as section 12 to the Original Product Disclosure Statement:

*“This letter should only be completed and returned to the Responsible Entity if the Applicant wishes to satisfy the Establishment Fee by the Instalment Option.*

By signing and returning this letter to the Responsible Entity, I/we wish to satisfy the Establishment Fee by paying:

- (a) 20% of the Establishment on Application (a cheque for this amount is attached to the Application Form); and
- (b) the remaining portion in 8 monthly instalments of \$600 commencing the 14<sup>th</sup> day of the month after Application of the Sandalwood Lot(s) by me/us,

(the **Instalment Option**).

I/We acknowledge that:

- (a) the Responsible Entity will review all Applications for the Instalment Option on an Application by Application basis and is under no obligation to accept all Applications for the Instalment Option;
- (b) if the Responsible Entity provisionally approves my/our Application for the Instalment Option it will forward to me a Terms Agreement which will set out the terms on which the Responsible Entity will allow the Establishment Fee to be satisfied by instalments;
- (c) the Instalment Option will not be granted to me/us unless the Terms Agreement is executed and returned to the Responsible Entity; and
- (d) if the application for the Instalment Option is rejected by the Responsible Entity, I/we must satisfy the full amount of the Establishment Fee owing to the Responsible Entity in respect of the Sandalwood Lot(s) applied for, or notify the Responsible Entity that I/we do not wish to proceed with my/our Application within 5 business days of receiving confirmation from the Responsible Entity that the Application for the Instalment Option has been rejected.

## **Directors' Authorisation and Responsibility Statement**

Each Director of TFS Properties Ltd has given and has not, as at the date of this Supplementary Product Disclosure Statement withdrawn their consent to the preparation and content of this Supplementary Product Disclosure Statement.

This Supplementary Product Disclosure Statement was completed on 10 June 2004 and signed on the same date by Frank Wilson, Director of TFS Properties Limited.

A handwritten signature in black ink, appearing to be 'FW', with a long horizontal line extending to the right below the main signature.

**Frank Wilson**  
**For and on behalf of**  
**TFS PROPERTIES LIMITED**