



11 January 2010

**Custodian Cunningham Rise Syndicate Limited**

Dear Investor,

We have now reached the minimum subscription contemplated by the Prospectus dated 11 September 2009 and Supplementary Prospectus dated 11 January 2010 (copy **attached**).

Accordingly, the Company has resolved to go "live" and proceed to allot shares.

The Supplementary Prospectus informs investors of the funding arrangements for the project. A copy has also been lodged with the Australian Securities and Investments Commission.

Some more good news on the Project itself is that we've completed a tender of the civil construction works for the forty two allotments in stage 5 and expect to be in a position shortly to award a construction contract for those works at less than the budgeted costs.

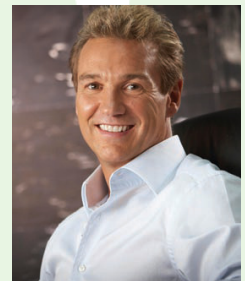
Importantly (as rights and entitlements attaching to shares in the Company accrue from the date an allotment of shares is made to you), this means that in calculating the Manager's performance fee, each shareholder's targeted base return of 15.0% per annum is calculated from the date they are allotted shares in the Company.

Kind regards

John Fitzgerald

CEO

Custodian Land Syndicate Limited



**Important Notice**

Please note, this is not an offer to subscribe in securities. Any investment in Custodian Cunningham Rise Syndicate Limited can only be made on the Application Form contained in the Prospectus dated 11 September 2009 and lodged with the Australian Securities and Investments Commission

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Custodian Land Syndicate Limited. Australian Financial Service Licence No. 319 800

## Supplementary Prospectus



### IMPORTANT NOTICE

This Supplementary Prospectus dated 11 January 2010 (**Supplementary Prospectus**) supplements the Replacement Prospectus issued by Custodian Cunningham Rise Syndicate Limited dated 11 September 2009 (**Prospectus**), and is to be read together with that document.

This Supplementary Prospectus was lodged with ASIC on 11 January 2010. ASIC takes no responsibility for the contents of this Supplementary Prospectus or the Prospectus.

### INTRODUCTION

Terms defined in the Prospectus have the same meaning as in this Supplementary Prospectus.

The purpose of this Supplementary Prospectus is to inform investors of the funding arrangements for the Project.

This Supplementary Prospectus amends and supplements the Prospectus as follows:

### REASONS FOR SUPPLEMENTARY PROSPECTUS

- The Prospectus anticipated a capital raising of 6,500,000 shares with possible debt funding of up to \$6,046,000.00 for the Project or capital raising of up to 8,300,000 with a reduction in debt funding equivalent to the increased shares issued.
- The Company has received a significant response to the Offer in the Prospectus.
- The Company has been approached by a number of persons/entities who have registered their interest in investing in the Company, and requested additional time to allow them to arrange their financial affairs so as to be in a position to advance their subscription monies by the closing date of the Offer.
- On consideration of an indicative letter of offer from a major banking group to provide debt funding and in order to allow these prospective investors additional time to advance their subscription monies and for the Company to proceed with the acquisition of the Property as soon as possible, the Company has resolved to accept a loan from the JLF Corporation Pty Ltd (**Finance Agreement**) and continue to raise equity to the maximum subscription of \$8,300,000 and extend the closing date of the Offer until 29 January 2010. Further details of this proposal are set out below.

### THE OFFER

Details of the Offer are set out on pages 14 to 17 of the Prospectus. The Offer is amended as follows:

- It is intended to raise equity up to the maximum subscription of 8,300,000 shares.
- The capital structure of the Company on completion of the offer, assuming a subscription of 8,300,000 shares at an issue price of \$1.00 per share will be as follows:

Shareholders	Number of shares	Percentage of share ownership at close of offer
Founding shareholder (Custodian Land Syndicate Ltd)	1	0.00001%
Investors under the Prospectus (as amended by the Supplementary Prospectus)	8,300,000	99.99999%
Total	8,300,001	100.00%

- Once the minimum subscription of 6,500,000 shares is achieved, the Company intends to issue shares, enter the Finance Agreement with the JLF Corporation Pty Ltd and settle the purchase of the Property.



- If, following achievement of the minimum subscription of 6,500,000 shares and settlement of acquisition of the Property, the Company receives additional applications for shares, the Company may issue additional shares and use these subscription monies for working capital, or to repay the loan under the Finance Agreement. Under the Prospectus, a further 1,800,000 shares may be subscribed for up to a maximum of 8,300,000 shares.
- Rights attaching to shares in Custodian Cunningham Rise Syndicate Limited will be effective from the date an allotment of shares is made to a particular Investor. For the purpose of calculating the Manager's performance fee detailed on page 22 of the Prospectus, the Manager will calculate each shareholder's base return at the rate of 15.0% per annum from the date they are allotted shares in the Company.

### THE FINANCE AGREEMENT

JLF Corporation Pty Ltd has offered to provide temporary funding for the Project on the following terms:

- Borrower: Custodian Cunningham Rise Syndicate Limited ACN 137 743 992 (the **Company**)
- Lender: JLF Corporation Pty Limited ACN 010 231 222 (**JLF**)
- Purpose: To allow the Company to settle the acquisition of the Property and proceed with the Project
- Loan Amount: \$1,796,000
- Term: 12 months
- Advance Date: 29 January 2010
- Interest Rate: interest-free
- Repayment: Through either or a combination of the following:
  - additional funds available following acquisition of the Property; and/or
  - debt facilities established by the Company to fund the development costs and other costs associated with the Project.

In the event that the loan is not repaid in full within 12 months from the date of advance, the Company has the option of extending the term of the agreement or converting the balance funds into ordinary shares at a value of \$1.00 per share.
- Early repayment: The Company may repay the moneys advanced in whole or part upon notice to the Lender.
- Security: The loan is unsecured and JLF shall have no recourse to the shareholders of the Company for repayment of the loan.

### RELATED PARTY TRANSACTION

JLF is the proposed lender under the Finance Agreement, and is a related entity to the Company. As disclosed on page 39 of the Prospectus:

- JLF holds 100,000 ordinary shares in Custodian Land Syndicate Limited ACN 127 663 414 (the Manager of the Project);
- Custodian Land Syndicate Limited currently holds one share in the Company.

If the total amount advanced under the Finance Agreement is converted into shares, JLF would hold up to approximately 32% of the total shares in the Company. In order to ensure that JLF does not use this voting power in a manner which is adverse to other shareholders, the Finance Agreement also provides that:

- conversion of the loan into shares is at the discretion of the Company;
- JLF (together with any of its associates) will not vote on any decision relating to the Management Agreement, including any resolution regarding the termination of that agreement; and
- JLF (together with any of its associates) will refrain from exercising its rights in relation to any voting power in excess of 10% of the entire voting shares of the Company.



### **SENSITIVITY ANALYSIS**

The impact of the proposal to raise equity to the maximum subscription of \$8,300,000 is contemplated by the sensitivity table on page 34 of the Prospectus.

### **FACTORS CONSIDERED BY THE COMPANY IN MAKING THE RESOLUTIONS**

In resolving to enter into the Finance Agreement with JLF, the Company has taken into consideration the following factors:

- operational works approval has been granted for stage 5 of the Project (comprising 42 allotments) allowing the development works in relation to that stage to proceed immediately after settlement of the purchase of the Property;
- a tender of the civil construction works for the 42 allotments in stage 5 has been completed which the Company expects will enable it to award a construction contract for those works at a sum less than the budgeted costs;
- the benefit of the Finance Agreement with JLF, which allows the Project to proceed without delay.

The Company is of the opinion that the changes outlined in this Supplementary Prospectus are for the benefit of investors, and do not have an adverse impact on investors.

### **EFFECT OF ISSUE OF SUPPLEMENTARY PROSPECTUS**

The Company considers it appropriate that, given it has resolved to enter into the Finance Agreement with JLF, Investors be given this Supplementary Prospectus.

### **OFFER CLOSING DATE**

The Board of the Company has resolved to extend the closing date of the Offer until 29 January 2010.

### **OTHER MATERIAL INFORMATION**

The Directors of the Company are not aware of any other material acts, matters, things or circumstances (not already described in the Prospectus) which may be material to the making of an informed decision of whether to subscribe for shares in the Company.

### **CONSENTS**

JLF consents to the references to it in the manner and form set out in this Supplementary Prospectus and has not withdrawn its consent prior to the lodgement of this Supplementary Prospectus with ASIC. Except as referred to the Prospectus and this Supplementary Prospectus, JLF does not make any other statements nor is any other statement based upon a statement by JLF.

### **DIRECTORS' AUTHORISATION**

The Directors of Custodian Cunningham Rise Syndicate Limited have consented to the issue and lodgement of this Supplementary Prospectus with ASIC.

Dora McBain  
Director  
Dated 11 January 2010