



MARINER | FINANCIAL

INVESTMENT BY DESIGN

Product Disclosure Statement

Mariner Coastal Land Fund

An investment opportunity in Yamba, New South Wales



Important Dates

Offer opens	Wednesday, 19 October 2005
Offer closes	Monday, 12 December 2005

Important Notices

This Product Disclosure Statement (PDS) is dated 19 October 2005. It relates to Units in the Mariner Coastal Land Fund and is issued by Mariner Securities Limited ABN 87 002 163 180, AFSL 237 091.

The offer or invitation to subscribe for Units in the Mariner Coastal Land Fund under this PDS is available only to persons receiving this PDS in Australia and is subject to the terms and conditions described in this PDS. We reserve the right to withdraw the offer or invitation to subscribe for Units and withdraw this PDS.

THIS IS NOT FINANCIAL ADVICE. YOU SHOULD SEEK YOUR OWN FINANCIAL ADVICE.

Statements about the offer made under this PDS are general only and do not take into account your particular needs, objectives, financial circumstances and investment preferences. This PDS is an important document and you should read it carefully and in its entirety, and consider if this investment is appropriate in light of your objectives, financial circumstances and needs. In particular, in considering the prospects of the Fund, it is important that you consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors that should be considered by prospective investors are set out in section 7. You should carefully consider these factors in light of your particular investment needs, objectives and circumstances. You should seek professional advice from your accountant, solicitor or other professional adviser before deciding whether to invest and, where appropriate, you should obtain independent advice, particularly about such individual matters as taxation, retirement planning and investment risk tolerance.

Information relating to the Mariner Coastal Land Fund that is not materially adverse information is subject to change from time to time. The updated information can be obtained by calling our Investor Services Team on 1800 009 963 or may be accessed from our website at <www.marinerfunds.com.au>. We will send you a paper copy of the updated information on request.

The Fund is expected to be a disclosing entity and subject to regular reporting and disclosure obligations as such under the Corporations Act. Copies of documents that we lodge with the Australian Securities and Investments Commission (ASIC) to meet these requirements may be obtained from or inspected at an ASIC office. If you request further information, we will provide:

- the annual financial report most recently lodged with ASIC; and
- if available, any half-yearly financial report and continuous disclosure notices that have been lodged after the annual report but before the date of this PDS.

Please note that the performance of the Fund, the repayment of capital or any particular rate of return is not guaranteed by Mariner Securities Limited, BNP Paribas Fund Services Australasia Pty Limited (Custodian), or any member company of the Mariner Financial group or BNP group.

Definitions

A number of words and terms have defined meanings that appear in the Explanation of Terms in section 20. Some of the more frequently used terms are also defined in the table on page 1.

Contents

1	About the Mariner Coastal Land Fund	2
2	Key Features	4
3	Overview of the Offer	5
4	Summary of the Offer	9
5	Principal Asset	12
6	The Responsible Entity	24
7	Risks	27
8	Fees and Other Costs	32
9	Financial Information	38
10	Statement of Significant Accounting Policies	41
11	Key Forecast Assumptions	42
12	Valuation Report – Blue Dolphin Holiday Resort	45
13	Valuation Report – Yamba Waters Caravan Park	49
14	Investigating Accountant’s Report	53
15	Taxation Report	57
16	Summary of Material Contracts	61
17	Service Providers	78
18	Regulatory Information	81
19	Administrative Information for Investors	83
20	Explanation of Terms	87
	Application Form	89
	Directory	95

TERMS USED FREQUENTLY IN THIS PDS

ASIC	Australian Securities and Investments Commission.
Blue Dolphin	Blue Dolphin Holiday Resort.
Co-owners	Certain members of the Vendors (45%) and the Mariner Coastal Land Fund (55%), including, where the context requires, the responsible entity of Mariner Coastal Land Fund or its Sub-Custodian.
Development Joint Venture	Blue Dolphin Development Joint Venture which is a joint venture between Mitchell BD Developments Pty Ltd, a Mitchell Family controlled company (45%) and Mariner Land Limited (55%).
Forecast Period	The 18 and a half months from 15 December 2005 to 30 June 2007.
Freespirit Resorts	Freespirit Resorts Pty Limited ACN 108 493 198, a tourist park management company which will lease and manage Blue Dolphin and Yamba Waters.
Fund	Mariner Coastal Land Fund ARSN 115 858 047, which is a managed investment scheme registered under the Corporations Act.
PDS	This Product Disclosure Statement.
Principal Asset	The Fund’s interest of 55% in the land and Business Assets of each of the Blue Dolphin Holiday Resort and Yamba Waters Caravan Park.
Responsible Entity, Manager	Mariner Securities Limited.
Units	Units in the Mariner Coastal Land Fund.
Vendors	The Mitchell Family, who are the vendors of Blue Dolphin and Yamba Waters.
Yamba Waters	Yamba Waters Caravan Park.

These and other capitalised terms are listed in the Explanation of Terms in section 20.



1 About the Mariner Coastal Land Fund

The Mariner Coastal Land Fund will acquire an interest in two established holiday resorts in Yamba, on the mid-north coast of New South Wales. These properties have historically provided strong cash flows and are also strategic land holdings which have the potential to deliver capital growth. During the life of the Fund, it is intended that one of the properties, Blue Dolphin, will be developed into a high quality residential resort while Yamba Waters will be developed by adding more cabins.

The Fund has exchanged contracts to purchase a 55% interest in the land and Business Assets of:

- Blue Dolphin Holiday Resort, a popular tourist park on 5.744 hectares of land with 300 metres of prime water frontage; and
- Yamba Waters Caravan Park, a well established park on 8.094 hectares of land, including a saltwater lagoon.



Both properties will be subject to leases and an operating licence granted to an experienced management company, Freespirit Resorts, to provide an ongoing income stream.

The Vendors will retain a 45% interest in both properties and become Co-owners with the Fund. They will also have a 45% interest in the Development Joint Venture through Mitchell BD Developments Pty Ltd, a Mitchell Family controlled company.

The Co-owners will appoint the Development Joint Venture to manage the development on the Blue Dolphin site. It is intended that this development will take place in three stages over an eight year period and that the Fund will share in the development profits as each stage is completed and sold.

2 Key Features

- A long-term investment that seeks to provide an ongoing income stream together with a share of development profits.
- During the Forecast Period (from 15 December 2005 to 30 June 2007), the Fund's distributions are expected to be 9.5% p.a. and to be 68% tax deferred in period ending 30 June 2006 and 71% tax deferred in the financial year ending 30 June 2007¹. The Fund's distributions include both an income and return of capital component (see the table in section 3.3). Development activities are expected to begin after the Forecast Period. The extent of development profits will be largely dependent on the successful approval, construction and marketing of the new residential resort.
- The Fund is anticipated to be a long-term investment as the development on the Blue Dolphin site is expected to take around eight years to complete.
- To the extent that there is sufficient surplus cash or assets readily convertible to cash available within the Fund, a limited withdrawal offer will be made to Unitholders once each year for eight years.
- The development and the ongoing operations will be managed by a team of experienced professionals (see sections 6.2 and 17.3 and 17.4).
- The Offer is expected to raise \$25 million and is fully underwritten by Mariner Financial Limited.
- A low minimum investment amount of \$5,000 and thereafter investment multiples of \$1,000.

¹ The Forecast Period is the 18 and a half months to 30 June 2007. Returns during the Forecast Period are expected to comprise income of the Fund and return of capital. Forecast distributions are necessarily uncertain and reliant on assumptions. Investors should carefully consider the Risks of investing in the Fund set out in section 7 and the Key Forecast Assumptions set out in section 11 that underpin these forecast returns. Distributions are quoted after deducting all ongoing fees and assume no change to the value of the Fund. The tax-deferred effect of the distributions and its impact on the cost base of Units and potential capital gains are explained in section 15.

3 Overview of the Offer

This Offer is for Units in the Mariner Coastal Land Fund which is an unlisted registered managed investment scheme.

We are seeking to raise \$25 million by issuing 25 million Units in the Fund. Of the money raised, \$19.445 million will be used to fund the purchase price and acquisition costs of a 55% interest in the land and Business Assets of each of the Blue Dolphin and Yamba Waters (the Principal Asset). The Fund will not borrow to finance the acquisition of its interest in the properties.

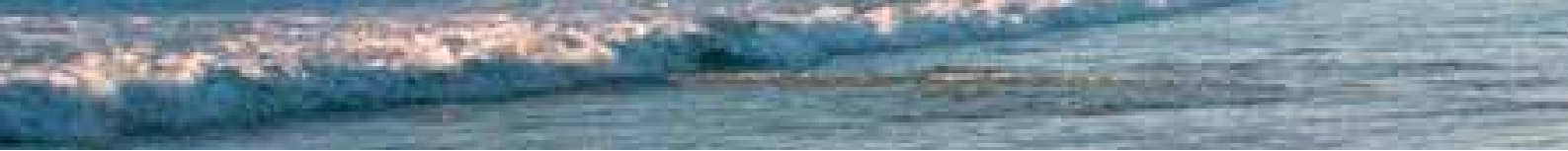
After deducting fees and costs associated with the Offer and the acquisition of the Principal Asset, the remainder of the money raised will be used to establish a reserve of liquid assets. This reserve has the primary purpose of supporting the returns of the Fund in its early years before it receives the benefits of any development profits (see section 15 for more information about the taxation implications of this support).

The Vendors of the Blue Dolphin and Yamba Waters are locally based business people who have considerable tourism industry experience. They have owned and managed the Blue Dolphin for 15 years and Yamba Waters for 17 years and have interests in another tourist resort in Yamba. The Vendors will retain a 45% interest in each of the properties. The Fund and the Vendors will therefore be Co-owners of the Blue Dolphin and Yamba Waters.

The Co-owners will enter into lease agreements and an operating licence under which Freespirit Resorts will operate both Blue Dolphin and Yamba Waters (see section 17.2 for more information about Freespirit Resorts, sections 16.7 and 16.8 for more information about the leases and section 16.9 for a summary of the operating licence).

The Co-owners will be entering into an agreement with the Development Joint Venture on completion of the purchase of the Principal Asset, granting it development rights over the Blue Dolphin site (see section 17.3 for more information about the Development Joint Venture and section 16.12 for more information about the development management agreement). The Fund has no ownership interest in the Development Joint Venture.

The Blue Dolphin site is zoned 2(t) Residential (Tourism). Therefore, it is anticipated that no substantial zoning changes will be required to undertake the proposed development. Normal subdivision, development and building consents will need to be obtained before the proposed development can commence (see section 5.5 for more information about the proposed development).

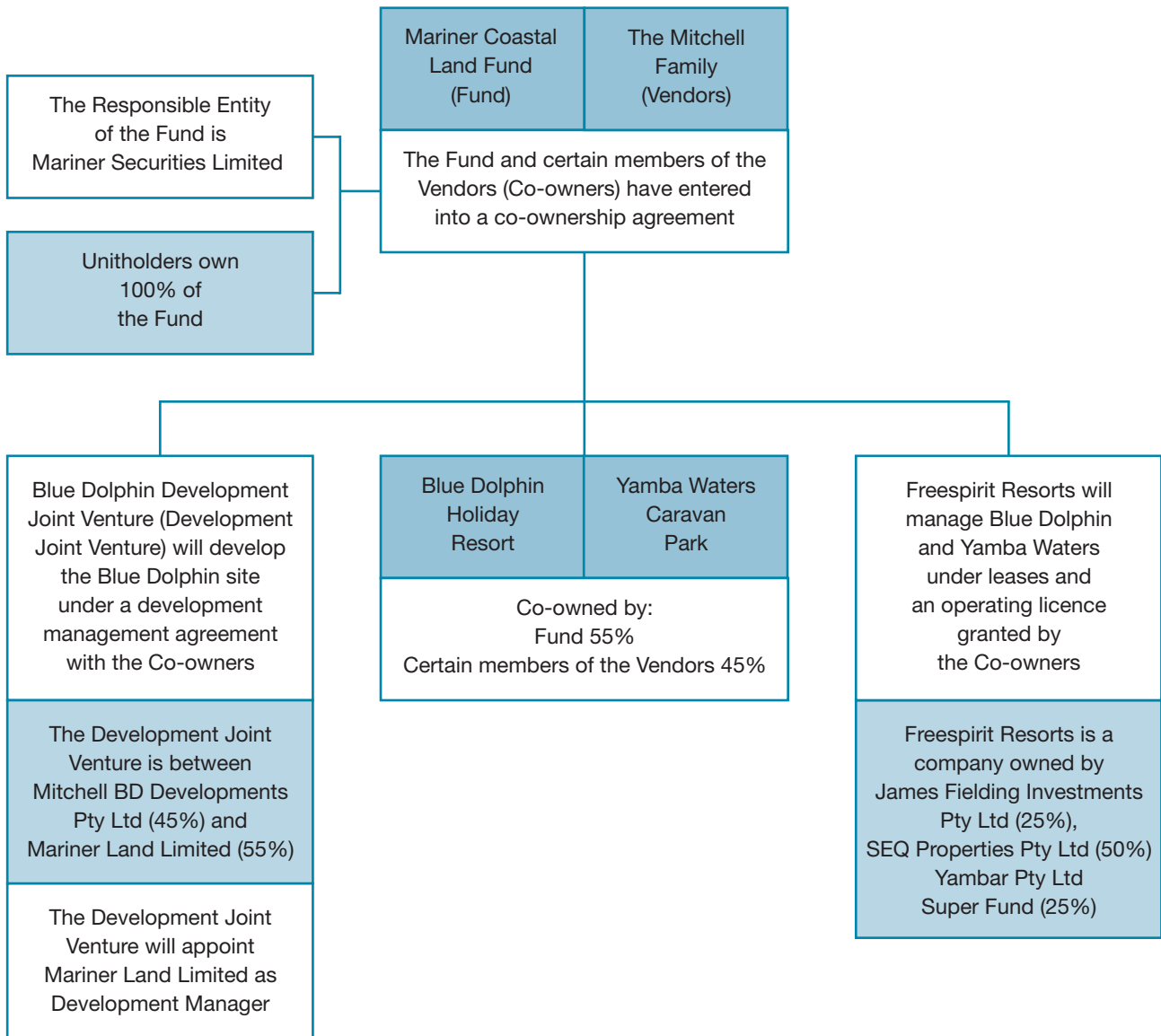


The Blue Dolphin site will be used as security to raise debt to fund the development both before master plan development approval is obtained and afterwards (see sections 5.5.4 and 7.7 for more detail).

The Fund's expected sources of cash flow are:

- Leases to Freespirit Resorts that provide for base rent payments and the sharing of excess operating profits from operating the resorts.
- A development management agreement with the Development Joint Venture that provides for a development access fee and the sharing of profits after the completion of each stage of the proposed development.
- Payments from a reserve of liquid assets that will be used to support returns in the early years before the Fund receives any development profits.

3.1 STRUCTURE



3.2 SOURCES AND APPLICATION OF FUNDS

	\$000'S
Sources of Funds	
Proceeds from issue of units	25,000
Short Term Borrowings	0
Long Term Borrowings	0
Total Sources	25,000
Application of Funds	
Principal Asset – Land	16,500
Principal Asset Acquisition Costs	2,945
Underwriting Fee	750
Issue costs	963
Other applications – Cash	3,842
Total Applications	25,000

3.3 SUMMARY OF FINANCIAL FORECASTS¹

	6.5 MONTHS ENDING 30 JUNE 06	YEAR ENDING 30 JUNE 07
Cash distribution	1,281,849	2,375,000
Cash distribution per Unit (cents)	5.127	9.500
Tax Deferred portion of distribution (% of distribution)	68.46%	71.14%
NTA Per Unit	93.148	–
Income component of Distribution (cents per unit)	1.6171	2.7438
Capital component of Distribution (cents per unit)	3.5103	6.7562
Total Distribution	5.1274	9.5000

¹ The Forecast Period is the 18 and a half months to 30 June 2007. Forecast distributions are necessarily uncertain and reliant on assumptions. Investors should carefully consider the Risks of investing in the Fund set out in section 7 and the Key Forecast Assumptions set out in section 11 that underpin these forecast distributions. Distributions are quoted after deducting all ongoing fees and assume no change to the value of the Fund. The tax-deferred effect of the distributions and its impact on the cost base of Units and potential capital gains are explained in section 15.

4 Summary of the Offer

This is a summary of the Offer. For more information, refer to the relevant sections of this PDS. You should read the entire PDS before making any decision to invest. If you have any questions speak to your financial adviser, accountant or other professional adviser or contact our Investor Services Team on 1800 009 963.

Offer Opening Date ¹	Wednesday, 19 October 2005	
Offer Closing Date ¹	Monday, 12 December 2005 at 5.00pm	
Dates on which Units are issued ¹	Units will be issued no later than one month after we accept your application and receive your application money. We intend issuing Units on Friday, 18 November 2005 and Thursday, 15 December 2005.	Section 19
Purchase date of the Principal Asset	On or about 15 December 2005	
Type of investment	The Mariner Coastal Land Fund is an unlisted registered managed investment scheme. For taxation purposes the Fund should be classified as a public trading trust. This means that the Fund will be treated as a company for most tax purposes, and franking credits may apply to distributions.	Section 15
Amount to be raised	\$25 million.	
Units being offered	25 million Units in the Mariner Coastal Land Fund.	
Issue price	The issue price is \$1.00 per Unit.	
Minimum investment	The minimum investment is \$5,000. Investment amounts over this threshold must be in multiples of \$1,000.	Section 19
Allocation policy for Units	We will decline or scale back applications if the aggregate number of Units applied for is greater than the aggregate number available. We intend to retain any interest earned on application monies received for full or partial oversubscriptions for Units which are repaid to investors following the Offer Closing Date.	
Interest paid on early subscriptions	You will receive interest on the amount you invest in Units (but not on oversubscriptions that are repaid – see above). Interest on the invested money will be calculated at 11am call account rates less expenses ² from the business day after the day we receive your application and bank your cheque until the Final Issue Date, which is expected to be 15 December 2005.	Section 19.4
Investment by superannuation funds	The Fund is an investment which may be suitable for superannuation funds subject to the investment mandate of the particular fund and the Trustee's general duties (e.g. to diversify).	
Responsible Entity	The Responsible Entity of the Fund is Mariner Securities Limited, a member of the Mariner Financial group.	Section 6

¹ All times and dates are Sydney times. The dates are indicative only and subject to change. Mariner Securities Limited reserves the right to amend this timetable without notice including to extend the Offer Closing Date, to close the Offer early, to accept late applications or to cancel, or scale back the size of, the Offer, subject to the Corporations Act.

² This will be same rate as the rate for the BNP Paribas 11am Call Account less expenses.

Custodian and Sub-Custodian	An independent Custodian, BNP Paribas Fund Services Australasia Pty Limited, has been appointed. It will hold or appoint a Sub-Custodian, Trust Company of Australia Limited, to hold the assets of the Fund including the Principal Asset, the cash deposits and bank accounts.	Section 17.5
Underwriter to the Offer	The underwriter is Mariner Financial Limited. If this Offer is not fully subscribed, the Underwriter will be obliged, provided that there is no termination event under the Underwriting Agreement, to take up the shortfall by subscribing for Units in the Fund. If the Underwriting Agreement is terminated, the application money will be refunded without interest.	Section 17.1
Forecast distributions	During the Forecast Period, distributions from the Fund are expected to be 9.5%1 p.a. after deducting all ongoing management costs (see section 3.3). Forecast distributions are necessarily uncertain and reliant on assumptions. Investors should carefully consider the Risks in section 7 and the Key Forecast Assumptions in section 11 that underpin these forecast returns.	Sections 3.3, 7 and 11
Forecast taxation benefits	Franking credits may apply to distributions. During the Forecast Period the forecast distributions are expected to be 68% tax deferred in period ending 30 June 2006 and 71% tax deferred in the financial year ending 30 June 2007. Investors should carefully consider the tax-deferred effect of the distributions and their impact on the cost base of Units and potential capital gains which are explained in sections 7 and 15. ¹	Sections 7 and 15
Risks	All investments involve a certain amount of risk. Information about some of the risks associated with this investment is set out in section 7.	Section 7
Payment of distributions	Interest on early subscriptions will be paid as at 15 December 2005. After that, distributions will be made quarterly in arrears as at the end of September, December, March and June. Distributions will usually be paid directly to Unitholders' bank accounts within one month. The first quarterly distribution will be for the period from the Final Issue Date to 31 March 2006, and will be paid by 30 April 2006.	Section 19.6
Life of the Fund	The Fund does not have a fixed term. Within one month of the eight year anniversary of the Offer Closing Date (Extension Date), we will call a meeting of Unitholders who hold Units of the class offered in this PDS so that they can vote an ordinary resolution to either terminate or continue the life of their part of the Fund. Currently there is only one class of units. If we offer units in different classes, this would be under a separate PDS and represent an investment in a different pool of assets.	Section 16.2.14

1 The Forecast Period is the 18 and a half months to 30 June 2007. Returns during the Forecast Period are expected to comprise income of the Fund and returns of capital. Forecast distributions are necessarily uncertain and reliant on assumptions. Investors should carefully consider the Risks of investing in the Fund set out in section 7 and the Key Forecast Assumptions set out in section 11 that underpin these forecast distributions. Distributions are quoted after deducting all ongoing fees and assume no change to the value of the Fund. The tax-deferred effect of the distributions and its impact on the cost base of Units and potential capital gains are explained in section 15.

Access to funds	As less than 80% of the Fund's assets are liquid assets, it will be illiquid for the purposes of the Corporations Act. Unitholders may not be able to redeem their Units until the Fund is wound-up. However, they will be able to transfer their Units (see section 19.7) and may participate in any withdrawal offers which we make during the life of the Fund (see section 19.8). Withdrawal offers are effected pro rata and may result in only a partial withdrawal.	Sections 19.7 and 19.8
Withdrawal offer	To the extent that there is sufficient surplus cash or assets readily convertible to cash available within the Fund, a limited withdrawal offer will be made to Unitholders once each year for eight years.	Section 19.8
Cooling-off period	There is no cooling-off period for investments in the Fund. Once you have submitted a completed Application Form and providing the application is accepted, you are not able to withdraw from the Fund until it terminates or under a limited withdrawal offer (see above).	Section 19.5
Fees	We do not charge entry or exit fees. The fees that we intend charging are set out in section 8 and include the following: <ul style="list-style-type: none"> ■ Establishment fee of 2.64% of the aggregate application prices of Units. ■ Underwriting fee of 3% of the amount to be raised under this Offer. ■ Due Diligence fee of 5.5% of the purchase price of the Principal Asset. ■ Property Acquisition fee of 5.5% of the purchase price of the Principal Asset. ■ Debt Arrangement fee of 1.65% of the gross amount of funding. ■ Asset Disposal fee of 3.3% of the gross sale price. ■ Ongoing management fees of 1.87% p.a. of the value of the Fund's assets. 	Section 8
Dispute resolution	The Fund has an established policy for dealing with complaints and is a member of an external dispute resolution scheme.	Section 19.11
Material contracts	Material contracts relating to the Fund are summarised in section 16. References to particular contracts or other documents in this PDS are	Section 16

5 Principal Asset

5.1 YAMBA

Yamba is located within the Clarence Valley, an area of over 10,000 square kilometres that has a diverse population of approximately 50,000 people who live in rural communities, coastal towns and villages and expanding urban centres.

Yamba is the Clarence Valley's major growth area and principal coastal resort. It is located on the south side of the mouth of the Clarence River in northern New South Wales and is surrounded by Yuraygir National Park, the Clarence River, the Pacific Ocean and rural land. Yamba has approximately 6,500 permanent residents but its population more than doubles during peak holiday periods.

Yamba is within easy reach of major regional centres and capital cities. It lies between Coffs Harbour and Byron Bay and is approximately:

- 680 kilometres north of Sydney
- 310 kilometres south of Brisbane
- 140 kilometres north of Coffs Harbour
- 130 kilometres south of Byron Bay





The nearest major airports are at Coffs Harbour, Ballina, Lismore and Grafton, the nearest major railway station is in Grafton and the major bus companies travelling the Pacific Highway stop at Maclean. Yamba is 310 nautical miles from Sydney and is Australia's most eastern seaport. It is a centre for boat building and the freight services to Norfolk Island and Lord Howe Island.

In Yamba, typical summer temperatures range from 19°C to 30°C and typical winter temperatures range from 10°C to 20°C. The average rainfall is 1447 millimetres with a mild monsoon from February to April. In summer a north easterly breeze arrives around noon to cool off the town and it is possible to swim in the ocean all year round because of the warm currents in winter.



Aerial view of Yamba

5.2 SUMMARY OF KEY DATA FOR BLUE DOLPHIN HOLIDAY RESORT

Name	Blue Dolphin Holiday Resort		
Brief description	A large AAA Tourism Rating: 5-star (Caravan Park) holiday park located on a 5.744 hectare riverfront site in Yamba on the New South Wales mid-north coast. The property contains a mixture of holiday cabins, powered grass sites, powered slab sites and unpowered sites. In total there are 254 individual sites from which income is derived. The Blue Dolphin Holiday Resort has underlying redevelopment potential which surpasses the 'going concern' value.		
Summary of revenue and earnings	Financial year ending	Revenue	Earnings before income tax and depreciation allowances
	30 June 2003	\$2,798,602	\$1,524,896
	30 June 2004	\$3,062,693	\$1,867,011
	30 June 2005	\$3,227,061	\$2,023,167
Property address	The Blue Dolphin Holiday Resort, Yamba Road, Yamba, New South Wales.		
Land area	5.744 hectares		
Town planning	Zoned 2(t) Residential (Tourism) The primary aim of this zone is to enable the provision of tourist facilities and high density residential accommodation and associated facilities.		
Date of valuation	2 August 2005		
Valuation	Market Value of the Freehold Interest: \$26 million.		



5.2.1 Location

The Blue Dolphin Holiday Resort is located on the northern side of Yamba Road approximately two kilometres by road to the west of the Yamba town centre.

The Blue Dolphin site is surrounded by:

- The Clarence River and Yamba Bay foreshore reserve to the immediate north (the site has a 300 metre frontage to the Yamba Bay foreshore).
- Detached dwellings across Yamba Road to the south.
- The Moby Dick Motel to the east.
- Bushland to the west.

Residential estate development and shopping facilities are located approximately two kilometres to the west.

5.2.2 Improvements

Improvements to the site include:

- Tourist sites (various types of cabins, villas, holiday units and powered and unpowered caravan sites).
- Staff and community buildings (reception building, manager's residence, general store, hire hut, TV/lounge room, storage room, games room, internet café, amenities blocks, laundries, indoor barbecue areas, tennis courts, resort pool and pump house).
- Ground improvements (internal roadway throughout the park, visitors' car park, timber jetty and floating pontoon, concrete boat ramp, outdoor barbecue areas, car and boat wash facilities, clothes drying areas and children's playground).

5.2.3 Services and Amenities

Reticulated town water, sewerage, telephone and electricity services are already connected to the Blue Dolphin site.

5.2.4 Access

Access to the site is via Yamba Road, a two lane, bitumen sealed roadway with concrete kerbing and channelling. Access is considered easy and direct and exposure is good. Alternate access is available via a timber jetty at the property's waterfront.

5.3 SUMMARY OF KEY DATA FOR YAMBA WATERS CARAVAN PARK

Name	Yamba Waters Caravan Park		
Brief description	Yamba Waters is located on an 8.094 hectare parcel of Rural Investigation and Open Space Buffer zoned land at Yamba, approximately two kilometres by road to the west of the Yamba Post Office and approximately one kilometre by road to the south of the Clarence River. It has a AAA Tourism Rating: 4-star (Caravan Park) and caters for both the long term and the tourist market and includes a total of 204 sites. Yamba Waters contains a mixture of brick units, brick villas, brick ensuite sites, powered sites, tent sites and permanent long term residence sites. Improvements include two swimming pools, bitumen sealed roadways throughout, children's play areas, games room and camp kitchen, barbecue areas and onsite caravan storage.		
Summary of revenue and earnings	Financial year ending	Revenue	Earnings before income tax and depreciation allowances
	30 June 2003	\$668,510	\$334,515
	30 June 2004	\$757,210	\$373,912
	30 June 2005	\$870,966	\$448,219
Property address	Yamba Waters Caravan Park, Golding Street, Yamba, New South Wales		
Land area	8.094 hectares (including saltwater tidal lagoon)		
Town planning	<p>Rural Investigation and Open Space Buffer</p> <p>The primary aim of the Rural Investigation zone is to set aside land which may be needed in the future for various uses and to flag that the suitability and the environmental consequences associated with the release of the land for any particular use will be investigated.</p> <p>The primary aim of the Open Space Buffer zone is to set aside land, whether in public or private ownership, which will act as a buffer between main or arterial roads and development associated with town or village areas.</p>		
Date of valuation	2 August 2005		
Valuation	Market Value of the Freehold Interest: \$4.25 million.		

5.3.1 Location

The Yamba Waters Caravan Park is located on the eastern side of the southern end of Golding Street approximately two kilometres by road to the east of the Yamba town centre.

The Yamba Waters site is surrounded by:

- Detached residential dwellings to the north.
- Rural land to the south and west.
- Undeveloped land with some light commercial activity to the immediate east.

A saltwater lagoon lies within the southern and eastern boundary and provides a pleasant outlook and drainage from the site.

5.3.2 Improvements

Improvements to the site include:

- Tourist sites (various types of brick units, villas, mobile homes, tent and powered sites).
- Staff and community buildings (reception and manager's building, workshop, camp kitchen, games room, manager's residence, amenities blocks and laundry).
- Ground improvements (internal roadway throughout the park, visitors' car park, barbecue areas, swimming pool, caravan storage enclosure and a playground).

5.3.3 Services and Amenities

Reticulated town water, sewerage, telephone and electricity services are already connected to the Yamba Waters site.

5.3.4 Access

Access to the Yamba Waters site is via Golding Street, a two lane roadway with earth shoulders to the Yamba Waters site street frontage. Access is considered easy and direct and exposure is low.

5.4 THE LEASES AND THE OPERATING LICENCE

The Co-owners will enter into four agreements with Freespirit Resorts:

- A lease over Blue Dolphin
- A lease over Yamba Waters
- An operating licence
- A performance deed

5.4.1 About the Leases

The two leases are an important source of income for the Fund and they have been structured to protect that income stream.

The terms of the leases are summarised in sections 16.7 and 16.8. The commencing rental for Blue Dolphin is \$1,816,000 p.a. plus GST and the commencing rental for Yamba Waters is \$280,000 p.a. plus GST. In outline, both leases provide for Freespirit Resorts to pay a fixed annual rental increase of 3%, be responsible for paying all rates, outgoings, statutory charges and maintenance and repair costs on the properties and provide bank guarantees as security for rental payments. While the Co-owners are responsible for capital works on both sites the leases provide that Freespirit Resorts will pay additional rent to compensate for the cost of financing the capital works, calculated at a rate equal to the cost of funds plus a reasonable and commercially acceptable debt origination fee.

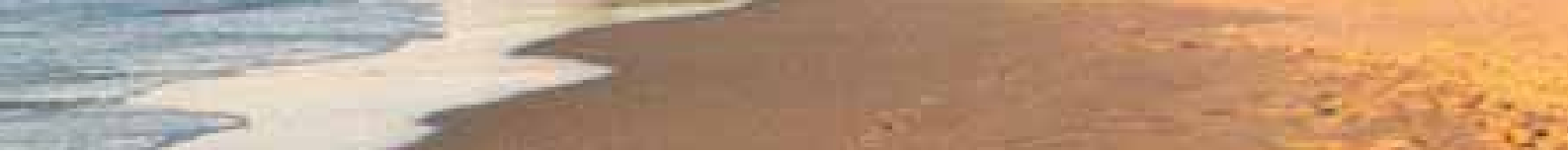
Freespirit Resorts must also take out a variety of insurances at levels which the Co-owners consider to be satisfactory and ensure that the operation of both properties complies with the law

If Freespirit Resorts defaults, then the Co-owners have step-in rights and may assign the lease to a suitable operator. It is also possible for Freespirit Resorts to assign one or both of the leases. However, the Co-owners must first be satisfied that any proposed assignee is of equal financial standing to Freespirit Resorts and capable of performing the lease terms.

Both leases grant the Co-owners a right of early termination which can be exercised if they wish to sell one or both of the properties.

The lease over the Blue Dolphin also provides for partial surrender of the lease as the staged development of the Blue Dolphin site takes place. When each partial surrender occurs, the rent and outgoings will be renegotiated taking into account:

- the loss of revenue as a result of part of the property ceasing to be subject to the lease; and
- the ability of Freespirit Resorts to carry on the business; and
- the relocation of any removable dwellings either within the Blue Dolphin site or over to the Yamba Waters site.



5.4.2 About the Operating Licence

The operating licence runs concurrently with the leases over Blue Dolphin and Yamba Waters. The operating licence gives Freespirit Resorts the right to use the Business Assets (owned by the Co-owners) to enable Freespirit Resorts to operate the business of the Blue Dolphin Holiday Resort and the Yamba Waters Caravan Park.

The licence fee is nominal (that is, \$1 per annum) as the rent under the lease has been calculated to take into account the use by Freespirit Resorts of the Business Assets. Accordingly, the lease and the operating licence are interdependent and a breach under one is deemed to be a breach under the other. The separation of the right to use the land (under the lease) and the right to use the Business Assets (under the operating licence) gives the Co-owners flexibility in the event that they exercise the step-in rights to assign the lease and the operating licence to a suitable operator after an event of default by Freespirit Resorts.

Freespirit Resorts must take proper care of the Business Assets and keep them in good working order and in good repair (fair wear and tear excepted) during the term of the operating licence and must use its best endeavours to maintain a record of the loss, disposal and replacement of any of the Business Assets.

Freespirit Resorts must reimburse the Co-owners for all insurance premium amounts paid or payable by the Co-owners to insure the Business Assets and any other costs in connection with such insurance policies (to the extent such insurance premiums are not otherwise recovered by the Co-owners as outgoings under the leases).

At the end of the term of the operating licence (which runs with the leases), Freespirit Resorts must hand back to the Co-owners the Business Assets.

5.4.3 About the Performance Deed

The Co-owners and the Responsible Entity intend to enter into a performance deed with Freespirit Resorts to grant entitlements to a share in the gross capital profit achieved by the Co-owners at the Yamba Waters Caravan Park. The rationale for the payment of a performance fee to Freespirit Resorts is to encourage Freespirit Resorts as the business operator of Yamba Waters to maximise strong capital growth of the Yamba Waters property. The performance fee payable to Freespirit Resorts is an amount equal to 15% of the gross capital profit (see section 16.11). The remaining 85% remains with the Co-owners. The performance fee is payable when Yamba Waters is sold or after expiry of the lease (or the further lease term) to Freespirit Resorts. The performance fee cannot be assigned by Freespirit Resorts.

5.5 THE PROPOSED DEVELOPMENT ON THE BLUE DOLPHIN SITE

5.5.1 Introduction

The Co-owners will be entering into a development management agreement with the Development Joint Venture on completion of the purchase of the Principal Asset, to undertake the development of a new residential resort. The Development Joint Venture is an unincorporated joint venture between Mitchell BD Developments Pty Ltd, a Mitchell Family controlled company (45%) and Mariner Land Limited (55%) which is part of the Mariner Financial group.

The Co-owners intend to create a high quality master planned residential development over an eight year period, in accordance with the 2(t) Residential (Tourism) zoning.

5.5.2 Development Process

The Development Joint Venture will undertake overall management of the project and intends to commission an appropriate blend of local and national consultants and contractors to minimise development risk and seek to achieve an optimal return to benefit the Co-owners and therefore Unitholders in the Fund.

The architectural firm Woodhead International were commissioned and have completed an initial concept plan for the project. The initial plan is based on a broad concept to provide a range of unit types maximising the number with views of the water, but creating a high level of landscaping with water feature and swimming pool outlooks for those units not facing the riverfront. The Development Joint Venture will undertake a full review of the overall development plan to be submitted to Clarence Valley Council and other required statutory authorities, so that the final master plan optimises the potential of the land for the Fund and the Development Joint Venture.

The development strategy of the project involves the design of a high quality residential resort to a specification not currently available in the Yamba area.

The objective will be to obtain council approval for the overall master plan for the site under a project-specific Development Control Plan (DCP). The current plan is for the project to be developed in three stages, and be demand driven to mitigate risk.

The sales program for each stage will be managed by the Development Joint Venture and targeted at purchasers in both the local market and major metropolitan markets. It is anticipated that purchasers will be made up of a mix of investors and owner occupiers and the master plan will reflect this. Following a predetermined level of pre-sales for each stage, construction of progressive stages will be undertaken. After completion of stage one, subsequent stages will then commence once sufficient pre-sales have been achieved.

The Development Joint Venture and the Co-owners will jointly engage a national quantity surveying and cost consulting company. Its role will include:

- monitoring the project so that it is undertaken with full transparency and in an open book manner;
- preparation of cost plans for the project as design progresses;
- assistance with risk management;
- procurement advice and strategy for the construction works;
- cost management; and
- contract administration.

A range of other consultants including a town planner, engineers, landscaping and interior designers will be engaged as the project evolves so that high standards are maintained and risks mitigated.

5.5.3 Development Timeframe

The current development plan is for the Blue Dolphin site to be developed in three stages over a total of eight years.

The Development Joint Venture intends to submit a master plan to Clarence Valley Council and other required statutory authorities for approval in the first half of 2006.

The current plan, which will be subject to usual statutory review and approval processes, envisages the construction of approximately 367 residential units. The Development Joint Venture may change the plan to increase or decrease the density height and apartment mix after further analysis on the best outcome for the Co-owners and the Development Joint Venture. Our current financial model has been based on an indicative stage plan as follows:

- Stage 1 – 47 residential units
- Stage 2 – 173 residential units
- Stage 3 – 147 residential units

Indicative construction start and completion dates and projected end sales dates are as follows:

STAGE	START CONSTRUCTION	COMPLETE CONSTRUCTION	COMPLETE SALES
Stage 1	Late 2007	Late 2008	Mid 2009
Stage 2	Late 2008	Mid 2010	End 2010
Stage 3	Early 2011	Mid 2013	End 2013

The approximate number of residential units in the current plan is higher than that which was provided at the time of the valuation of Blue Dolphin, which was 262 units as a result of further market analysis and the incorporation of a greater number of smaller one and two bedroom units.

5.5.4 Financial Arrangement between the Co-owners and the Development Joint Venture

The Development Joint Venture will arrange for payment of a development access fee to the Co-owners in consideration for development management rights at a rate of 8% per annum of the value of the sub-divided portion. This is a development cost. This will be calculated on a basis proportional to the square metres of land in each stage and based on the current land value of \$26 million.

For instance, the Blue Dolphin site covers an area of 57,440 square metres (5.744 hectares), so if the Co-owners made 10,000 square metres of land (1 hectare) available to the Development Joint Venture for the first development stage the development access fee would be calculated as follows:

$$10,000/57,440 \times \$26,000,000 \times 8\% \text{ p.a.} = \$362,116.99$$

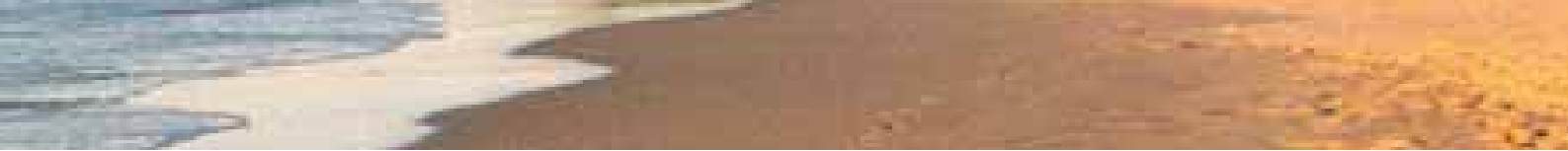
The Co-owners are entitled to a base development profit that equates to 15% of total development costs incurred by the Development Joint Venture (and in the case of the Vendors as Co-owner, this entitlement will be to a related entity of the Vendors). This is payable before any profits are paid to the Development Joint Venture. Any excess development profit after payment of the base development profit will be shared in the ratio of 50% for the Co-owners (which in the case of the Mitchell Family, will be an entity controlled by the Mitchell Family) and 50% for the Development Joint Venture.

The base development profit for each stage is calculated as follows:

- Total sales revenue – Total development costs = Profit
- Total development costs incurred by the Development Joint Venture (excluding the value of the land) include, but are not limited to:
 - all consultants and other management fees;
 - all statutory payments;
 - the costs of supply of materials;
 - contractor costs;
 - interest and other bank charges; and
 - any other incurred costs normally associated with a development of this nature.

The excess development profit calculation includes land costs.

Before master plan development approval is obtained, the Co-owners will make Blue Dolphin available as security for borrowings made by the Development Joint Venture for the purpose of obtaining master plan development approval and funding the front-end development costs. These borrowings are to be limited to an amount equal to 50% of the Mitchell Family's co-ownership interest that is 22.5% of the total property value. In the event of default, the Mitchell Family's co-ownership interest will be at risk and the first to bear any loss.



Under the development management agreement, once master plan development approval has been obtained, the Co-owners will make Blue Dolphin available as security to finance development costs including the planning, design and delivery of the development on the Blue Dolphin site. At that stage the Blue Dolphin land will be at risk in the event the development fails to achieve profits in excess of total project costs.

The Development Joint Venture plans to manage development risk on behalf of the Co-owners by holding off commencement of construction until certain conditions have been satisfied including:

- achieving a commercially acceptable level of apartment pre-sales;
- obtaining construction and development funding; and
- obtaining vacant possession of the development stage of the Blue Dolphin land from Freespirit Resorts.

5.5.5 Development Risk Management

The Development Joint Venture intends to adopt stringent risk management strategies in undertaking the development of the site:

- Construction of each stage will only commence once a satisfactory number of pre-sales have been committed.
- The construction procurement strategy to be adopted will reflect the market at the time and will be done in such a manner to mitigate risk to both the Co-owners and the Development Joint Venture.
- A national quantity surveying and cost consulting company will be engaged from commencement of the project to monitor and manage all project expenses and minimise the risk of cost overruns.

5.5.6 Possible Alternative Exit Strategy

The structure of the development management agreement between the Co-owners and the Development Joint Venture allows for possible alternative development or sale options. The Development Joint Venture aims to maximise the return and the current plan is to complete the build out and sale of all residential units included in the final master plan. Upon approval of the master plan, the value of the Blue Dolphin site is likely to increase and the opportunity may present itself for sale to a third party. If the opportunity arises, it may be prior to commencement of construction or after the development has commenced.

If we receive a credible offer from a potential purchaser, we intend to call a meeting of Unitholders so that they may consider the proposal in its entirety including the sale price, any fees and costs (including any Asset Disposal fees payable to us) and the apportionment of profit to the Development Joint Venture (see section 5.5.4).

If the Blue Dolphin site is sold, there may be return of capital to the Co-owners and therefore to Unitholders in the Fund and possibly an early termination of the Fund.

6 The Responsible Entity

The Fund is managed by Mariner Securities Limited – the Responsible Entity, and a member of the Mariner Financial group.

Established in 2003, the Mariner Financial group is an Australian owned financial services company which focuses on servicing Australia's growing superannuation market by providing uniquely structured investment and retirement income solutions. As part of its broader product creation activities, it specialises in structuring property assets to provide stable long-term cash flow and capital investment products.

6.1 DIRECTORS OF THE RESPONSIBLE ENTITY

Bill Ireland, Managing Director

Bill Ireland has a background in the stockbroking industry, working with various Australian broking houses during the 1970s, before moving into the property industry. In 1986 he established Challenger International Limited and, as Managing Director and principal shareholder, he was instrumental in developing the foundations of the Challenger Group, which listed on the Australian Stock Exchange in October 1987.

As Managing Director, Bill was responsible for developing Challenger into a diversified international financial services company. Bill stepped down as Managing Director of Challenger in April 2003 and established the Mariner Financial group in May 2003.

Ian Ingram, Executive Chairman

Ian Ingram is the founding Executive Chairman of Mariner Financial Limited and its associated companies, Beyond International Limited and Mariner Retirement Solutions Limited.

Ian was formerly a Vice President of Morgan Guaranty Trust Company of New York (Morgan) working in Morgan's London, New York and Sydney offices before becoming an Executive Director of J P Morgan Australia Limited. He spent about nine years with Morgan before resigning in 1986 to form Australian Assets Corporation Limited.

Irene Lee, Non-executive Director

Irene Lee is a Director of Mariner Financial Limited, QBE Insurance Group Limited, TEN Network Holdings Limited, Beyond International Limited, Record Investments Limited and Record Funds Management Limited the responsible entity for Record Realty. She is also a Trustee of the Art Gallery of NSW and a member of the Takeovers Panel. Irene has held senior positions in Sydney, London and New York.

Anthony Lee, Non-executive Director

Anthony Lee is a Director of Mariner Financial Limited, Beyond International Limited and Aberon Pty Limited, a private investment company. He is also a Director of the Cranbrook Foundation Limited. Before moving to Sydney from Hong Kong in 1987, Anthony was a corporate finance executive with a leading British merchant bank.

6.2 THE PROPERTY INVESTMENT TEAM

Mike Shaw

Mike Shaw has over 25 years experience in the real estate, development and construction industries with contractual and overall management responsibility for multi-million dollar projects in Europe, the Middle East, USA and the Far East. Projects in which he has been involved include:

- Canary Wharf (London);
- EuroDisney (Paris); and
- Petronas Towers (Kuala Lumpur).

Prior to joining Mariner he was Head of Development for the James Fielding Group, where he was responsible for a number of major projects such as:

- Sydney Basin Airports (Bankstown, Hoxton Park and Camden), NSW;
- Holden Headquarters, Melbourne;
- Orion Town Centre, Springfield, Queensland; and
- Education City, Springfield, Queensland.

Mike has held positions as a Director of Bovis Asia Pacific, Bovis Australia and subsequently James Fielding Developments Pty Limited and James Fielding Property Services Pty Limited.

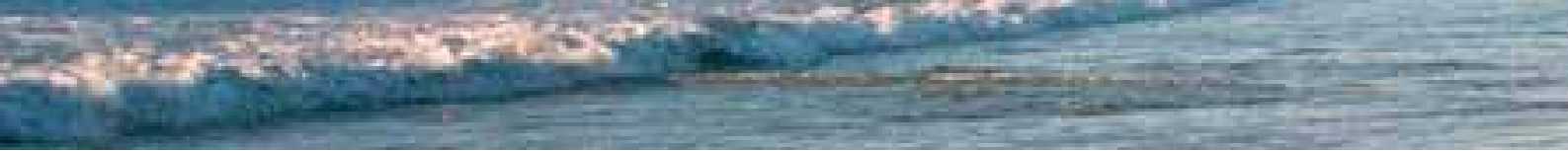
Besides being highly experienced in the delivery of significant major projects, many of which are based on precinct based master plan solutions, he has a proven track record in structuring investment opportunities for trusts and other investment funds.

Samuel Day

Samuel Day has had extensive experience in construction, development management, feasibility studies, market demand studies and property advisory both in Australia and overseas. He has been responsible for the successful implementation and management of a wide range of construction and property development projects from initial project identification through to final completion.

At Mariner Financial, Sam is responsible for all phases of the project development lifecycle which aim to maximise the value of the property asset and return to investors.

Sam commenced his career as a civil engineer for an international construction company and worked on major infrastructure projects in several overseas locations. Prior to joining the Mariner Financial group, Sam worked as a Development Manager with BDO Property, a property consultancy and development management company, and was involved in a number of major commercial, industrial and residential projects.



6.3 MARINER SECURITIES LIMITED'S INVESTMENT TEAM

Kirby Parsonage

Kirby Parsonage has extensive knowledge of property investment and funds management in both Australia and the United Kingdom. Prior to joining Mariner, Kirby worked for Challenger Financial Services Group where he was involved in acquiring, financing, asset managing and divesting Challenger's \$750 million UK property portfolio. In addition he has managed a range of property syndicates across a variety of asset classes that has included offices, bulky goods properties, car parks, self storage facilities and a five star hotel.

Robert Molinari

Robert Molinari is General Counsel, Mariner Financial Limited and has extensive experience in advising listed public companies, investment banks, fund managers and life companies and in structuring property transactions both in Australia and overseas.

Prior to joining the Mariner Financial group in September 2003 he was the General Counsel of Challenger International Limited, where he provided advice on the legal aspects of the entire range of Challenger products, including property trusts, share funds, superannuation funds, annuities and derivatives. Prior to Challenger, Robert practised as a solicitor with leading law firms and as a barrister at the New South Wales Bar.

George Lucas

George Lucas joined Mariner in March 2004 and has assisted in the development and structuring of Mariner's property and infrastructure trusts. He has over 20 years experience in the investment banking industry and has also owned and managed a financial consulting business. George previously headed the London equity derivative trading and structuring departments for First Chicago and was head trader in the same area at Citibank. He has extensive experience in developing and structuring new financial products and a wealth of knowledge in the application of the ever-increasing menu of financial instruments. Recently George has consulted to hedge fund managers both in Australia and internationally. He has also written books and tertiary courses on the use of derivatives.

Chris Johnston

Chris Johnston joined Mariner in October 2003 and has assisted in the development and structuring of Mariner's property and infrastructure trusts. Previously, Chris worked for Challenger International as an equity derivatives analyst before moving into the Treasury department where he managed the market making for Challenger's Endowment Warrant products as well as assisting in the management and monitoring of Challenger's swap portfolio, cash management trust and other hedging strategies employed by the group. Chris has taught financial modelling to postgraduate students and finance industry professionals at UTS as part of the Financial Analysis Certificate and the Financial Analysis Systems courses. Chris is a member of the Global Association of Risk Professionals.



7 Risks

Most investments involve a degree of risk. Before investing in the Fund, you should take into account your personal tolerance for risk and how the potential risks of an investment in the Fund may affect you. No company in the Mariner Financial group nor any of their employees or directors or any other party associated with the preparation of this PDS guarantees that any specific objectives of the Fund will be achieved, or that any particular performance of the Fund or the Units will be achieved.

7.1 GENERAL RISKS

The value of Units and future distributions from the Fund may be adversely affected by unforeseen expenses, inflation, interest rate fluctuation, the property and corporate markets, government regulation, taxation changes and other matters, such as changes in the Australian economy.

7.2 PROPERTY RISKS

Demand for properties such as Blue Dolphin and Yamba Waters will be important in determining the level of capital growth of the properties. Changes in the economy and market conditions may affect such demand and, therefore, property values. A capital loss on the sales of either of the properties is possible.

Factors affecting the two properties may have more impact than in other property related investments where a fund has invested in a larger number of properties, sometimes in different markets and locations. Investors may wish to consult a financial adviser about whether the Fund will fit within their broader diversified investment portfolio and how they can diversify their investments across and within different asset classes to help manage risk.

The Blue Dolphin and Yamba Waters are both operating holiday resorts/parks and we have been advised by our insurance broker that the level of insurance currently in place is adequate to cover the normally anticipated risks of loss or damage to improvements on the land. Under the lease agreements Freespirit Resorts is required to carry all the necessary insurances for the properties. The Co-owners will review these insurances periodically to check that they appear adequate for the ongoing risks of managing and operating the Blue Dolphin and Yamba Waters.

While we have endeavoured to insure or organise that third parties effectively insure the properties for foreseeable and insurable risks for which insurance is commercially available it is still possible that this insurance may not cover all events or claims that may potentially arise including events for which insurance cannot be obtained such as acts of terrorism.

7.3 VALUATION RISKS

Blue Dolphin and Yamba Waters will be re-valued at least once every three years using an independent valuer. These valuations will reflect the ongoing cash flow of the operations as well as the redevelopment value of the Blue Dolphin and Yamba Waters. Valuers will generally use discount rates and capitalisation rates that reflect the market at the time for similar properties.

7.4 PROPERTY DUE DILIGENCE RISKS

Substantial due diligence has been undertaken on both the Blue Dolphin and Yamba Waters and independent expert reports have been received covering aspects from both an ongoing operational perspective and, in relation to the Blue Dolphin, as a development site. These reports include:

- Environmental including contamination
- Heritage
- Geotechnical
- Bush Fire
- Flora and Fauna
- Condition Assessment
- Tax Depreciation

However, despite these due diligence enquiries there are risks and possible unidentified factors which may affect the operation of the properties and the development of Blue Dolphin.

These reports are available for review, by appointment, in our offices at Level 40, 2 Chifley Square, Chifley Tower, Sydney NSW 2000.

7.5 FORCE MAJEURE OR ENVIRONMENTAL RISKS

Force Majeure is the term generally used to refer to an event beyond the control of any party, including acts of God, fire, floods, earthquakes, wars and strikes. Some force majeure risks are uninsurable, and, if such events occur, they may have adverse affects on the Fund.

7.6 OPERATIONAL AND MANAGEMENT RISKS

There are a number of risks which can affect the profitability of the Blue Dolphin and Yamba Waters. These include:

- Financial failure of Freespirit Resorts.
- Economic downturn or reduction in the number of visitors to Yamba (e.g. as a result of high petrol prices if they persist).
- The planned redevelopment of the site may put visitors off staying at the Blue Dolphin.
- Noise and dust as a result of the redevelopment of the Blue Dolphin site may result in a reduction in the number of visitors.
- Inflation increasing the projected costs over and above the budgeted amounts.
- Force Majeure or flood damage resulting in the whole or part of the properties being unusable as holiday resort/parks.

Whilst many of these risks cannot be totally mitigated, they have been managed through:

- The lease agreements with Freespirit Resorts (see sections 16.7 and 16.8).
- The substantial due diligence process.

- The floors of the cabins and other facilities at the Blue Dolphin and Yamba Waters being in accordance with council requirements and 30 centimetres above the 100 year flood line.
- Freespirit Resorts agreeing with us on the assumptions in our financial models for both operational revenue and the impact of the redevelopment of Blue Dolphin.

7.7 FINANCIAL RISKS

Before master plan development approval is obtained, the Co-owners will make Blue Dolphin available as security for borrowings made by the Development Joint Venture for the purpose of obtaining master plan development approval and funding the front-end development costs. These borrowings are to be limited to an amount equal to 50% of the Mitchell Family's co-ownership interest that is 22.5% of the total property value. In the event of default, the Mitchell Family's co-ownership interest will be at risk and the first to bear any loss.

Under the development management agreement, once master plan development approval has been obtained, the Co-owners will make Blue Dolphin available as security to finance development costs including the planning, design and delivery of the development on the Blue Dolphin site. The use of these borrowed funds will be monitored by the cost/contract consultant appointed for the project. At that stage the Blue Dolphin land will be at risk in the event the development fails to achieve profits in excess of total project costs.

The Development Joint Venture plans to manage development risk on behalf of the Co-owners by holding off commencement of construction until certain conditions have been satisfied including:

- achieving a commercially acceptable level of apartment pre-sales;
- obtaining construction and development funding; and
- obtaining vacant possession of the development stage of the Blue Dolphin land from Freespirit Resorts.

While the Fund will not borrow to finance the acquisition of its 55% interest in the properties it may, in the future, borrow for such purposes as:

- providing liquidity for withdrawal offers;
- purchasing new cabins in order to expand Yamba Waters and increase the income stream; and
- undertaking other upgrades or expansion works in order to increase the income stream or add value to the assets.

As both properties are leased to an experienced and reputable holiday resort operator under a lease that provides, amongst other things, for a six month bank guarantee for payment of rent and for step-in rights in the event of a failure to perform, income available to meet loan expenses is likely to be stable and the risk is largely mitigated.

7.8 TAXATION AND OTHER LEGISLATIVE RISKS

Tax rules or their interpretation in relation to the Fund may change. In particular, both the level and basis of taxation may change. These changes may affect the future earnings and relative attractiveness of an investment in the Fund. In addition, an investment in units in a public trading trust involves tax considerations which may differ for each Unitholder. Each prospective Unitholder is encouraged to seek professional tax advice in connection with any investment in the Fund.

7.9 DEVELOPMENT RISKS

The returns to the Fund are partly dependent on the success of the redevelopment of the Blue Dolphin property, and risks normally associated with residential developments of this nature apply. These include:

- Failure or delay in obtaining planning approvals.
- Failure to achieve a commercially viable density in the master plan.
- Costs overrun the budget allowances or inflation exceeds 4%.
- Sales revenues fail to meet budget or do not escalate in accordance with the financial model assumptions.
- Project delays as a result of planning, construction or failure to achieve sales.
- Overall market downturn continuing through the development lifecycle.
- Financial failure of builder(s).
- Unforeseen site conditions – flooding, contamination, geotechnical, heritage and/or other technical issues increase the cost of construction or restrict the size of the development.
- Failure to obtain project debt funding.
- Call on loans secured over Blue Dolphin and Yamba Waters.

A stringent risk management strategy will be put in place as follows:

- Detailed analysis and research of the market prior to finalising the master plan.
- Demand driven strategy for the sales and marketing process.
- Substantial pre-sales commitments prior to commencement of construction.
- Stringent cost management and cost control processes.
- Construction procurement strategy to minimise risk of cost overruns and project delays.



7.10 FORECAST RISKS

The distributable income of the Fund will be adversely affected by any failure to receive the forecast income from the leases to Freespirit Resorts.

Unforeseen capital expenditure requirements will require borrowings or a reduction in distributions. We have, as part of our due diligence, obtained a capital expenditure report and factored this report into the Financial Forecasts.

The Forecasts have been derived from our own complex financial models which we have developed in accordance with standard financial modelling practice. There is a risk that the model may not accurately predict future distributions available to the Fund because one or more assumptions prove to be incorrect. Assumptions are generally only a best estimate at a point in time.

7.11 KEY PERSON RISK

The Mariner Financial group has an established property investment and management team. There is a risk that one or more members of the team may leave and not be replaced by other suitably experienced individuals.

7.12 NO CAPITAL OR INCOME GUARANTEE

Neither the Fund nor any other person gives any guarantee as to the amount of income or capital return from the Units or the performance of the Fund, nor do they guarantee the repayment of capital from the Fund.

7.13 OTHER RISKS SPECIFIC TO THE FUND

Other risks include the following:

- The possibility of default by Freespirit Resorts on its obligations which would reduce the income to the Fund.
- Unforeseen capital expenditure requirements that would increase the Fund's funding costs.
- Payment of any fees and expenses relating to the disposal of property in the future may affect distributions in the periods that they are paid.
- Fund expenses being greater than anticipated thereby reducing the amount available for distribution.
- Any of the assumptions used in forecasting the Fund's financial performance not being achieved such that the forecast distributions cannot be achieved.

7.14 POTENTIAL CONSEQUENCES

Generally speaking, if one or more of the risks outlined above eventuates, then it could result in one or more of the following outcomes.

- Distributions to Unitholders may be reduced.
- The capital value of the Fund's properties may decline which would ultimately result in a reduction in the amount to which Unitholders may be entitled when the properties are sold and/or the Fund wound up.

8 Fees and Other Costs

8.1 FEE TABLE

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole.

Taxes are set out in another section of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT ¹	HOW AND WHEN PAID	
Fees when your money moves in or out of the Fund			
Establishment fee ² – The fee to open your investment.	Establishment fee of 2.64% of the aggregate application prices of Units.	Payable from the Fund's assets within 30 days of Units being issued.	Payable to the Responsible Entity
Due Diligence fee ³	5.5% of the purchase price of the Principal Asset ⁴ .	Payable from the Fund's assets within 30 days of the completion of the due diligence investigations.	
Property Acquisition fee ³	5.5% of purchase price of the Principal Asset.	Payable from the Fund's assets within 30 days of the date of acquisition of the Principal Asset.	
Debt Arrangement fee	1.65% of the gross amount of funding to be provided under loan facilities arranged for the Fund.	Payable from the Fund's assets at the time the facility is entered into.	
Asset Disposal fee	3.3% of the gross sale price of any asset which is a direct or indirect interest in real property.	Payable from the Fund's assets within 30 days of the completion of the disposal of the asset.	
Underwriting fee ³ – The fee to pay the underwriting costs of the Offer.	\$750,000 which equates to approximately 3% of the amount expected to be raised under this Offer.	Payable from the Fund's assets when the expense is incurred.	Payable to the Underwriter
Contribution fee – The fee on each amount contributed to your investment – by you or your employer.	Nil	N/A	N/A

1 All amounts are stated inclusive of GST less any reduced input tax credits.

2 Section 8.2.1 sets out further details as to the accounting treatment of this fee. The fee includes an amount payable to an adviser (See 'Adviser Remuneration' in section 8.2.8).

3 Section 8.2.1 sets out further details as to the accounting treatment of this fee.

4 The Constitution provides for the Due Diligence fee to be calculated on the basis of the value of the Principal Asset. As the valuation for the Principal Asset is higher than its purchase price this fee has been calculated as a percentage of a lower amount than the Constitution permits and is therefore less than the maximum fee allowed.

TYPE OF FEE OR COST	AMOUNT ¹	HOW AND WHEN PAID	
Withdrawal fee – The fee on each amount you take out of your investment.	Nil	N/A	N/A
Termination fee – The fee to close your investment.	Nil	N/A	N/A
Management costs			
The fees and costs for managing your investment.	Management fee of 1.87% p.a. of the value of the Fund's assets.	The Management fee is calculated monthly and payable quarterly within 30 days of the last day of the quarter.	Payable to the Responsible Entity
Services fees ²			
Investment switching fee – The fee for changing investment options.	Nil	N/A	N/A

8.2 ADDITIONAL EXPLANATION OF FEES AND COSTS

8.2.1 Establishment, Due Diligence, Property Acquisition and Underwriting Fees

The accounting treatment of these fees is that 56.28% comprises due diligence costs that have been capitalised and included in the net asset backing of Units. The remaining 43.72% comprises issue costs that have been written off against Unitholder equity. We pay adviser remuneration from the Establishment fee.

8.2.2 Special Request and Other User Pays Fees

We may pass on incidental costs and charges, such as cheque dishonour fees, to you if they are the result of your acts or omissions.

We can also levy a surcharge on such Unitholders 'user pays' transaction fees. The surcharge can be up to 50% of the fees the Fund pays to a service provider to facilitate the transaction. We do not currently charge this additional amount. If we decide to do so in future, we will first give 30 days written notice to Unitholders.

Under the Constitution, we can charge a \$50 report replacement fee for each additional copy of a statement or report in connection with the Fund. We do not currently charge this fee. If we decide to do so in future, we will first give 30 days written notice to Unitholders.

¹ All amounts are stated inclusive of GST less any reduced input tax credits.

² We may also charge Special Request Fees. See section 8.2.2.

8.2.3 Maximum Fees

Under the Constitution we are entitled to charge the following maximum fees **(GST may be added to all of these fees)**:

- An Establishment fee of 5% of the aggregate application prices of all Units offered under this PDS, payable from the Fund's assets within 30 days of the date on which the Units are issued.
- A Due Diligence fee of 5% of the value of each asset on which due diligence is conducted, whether or not the asset is acquired for the Fund, payable within 30 days of the completion of the due diligence investigations.
- Property Acquisition fee of 5% of the purchase price of the Fund's interest in any asset acquired payable from the Fund within 30 days of the date of acquisition of the asset.
- Management fee of 5% p.a. of the value of the assets of each class, calculated as at the last day of each month and payable quarterly within 30 days of the last day of the quarter.
- Debt Arrangement fee of 5% of the gross amount of funding to be provided under loan facilities arranged for the Fund to purchase, improve or develop real property assets in which the Fund will have direct or indirect interests. This amount is payable out of the Fund at the time the facility is entered into.
- Asset Disposal fee of 5% of the gross sale price (before deduction of any agent's commissions or other expenses of the sale) of any asset which is a direct or indirect interest in real property payable from the Fund within 30 days of the completion of the disposal.
- User Pays fees as described in section 8.2.2.
- The Constitution also authorises us to charge a Performance fee and an Extension fee but we are permanently waiving such fees for Units issued under this PDS and so have not included a description of these fees here as they will not apply to your investment.

These are the maximum fees that we could charge. We may waive a fee altogether as we have with the Performance and Extension fees or accept lower fees than we are entitled to receive under the Constitution as we have with the Debt Arrangement fee and Asset Disposal fee, or defer payment for any period. Where payment is deferred, the fee accrues daily until paid. Each fee mentioned above could also be charged in connection with any future issue of a different class of units in the Fund. If new classes of units are issued, the fees charged to the holders of those units will not affect Units issued under this PDS.



8.2.4 Changing Fees and Costs

The fees shown in the table in section 8.1 are current at the preparation date of this PDS. We would give Unitholders at least 30 days written notice of any proposed change in fees we charge as Responsible Entity.

New fees (such as the \$50 report replacement fee mentioned in section 8.2.2) can be introduced if they are allowed by the Constitution. We will give you 30 days written notice of any proposed change. We cannot charge more than the Constitution allows (see the maximum fees set out in section 8.2.3 above). If we wanted to raise fees above the amounts allowed for in the Constitution, we would need the approval by 75% of Unitholders' votes cast at a meeting.

In the ordinary course of events, we do not intend recovering administrative expenses¹ from the Fund, even though the Constitution permits us to do so. However, if abnormal costs occur, such as the costs of investor meetings, changes to the Fund's Constitution and defending or pursuing legal proceedings, we would seek to recover these expenses from the Fund. It is anticipated that these costs will be incurred fairly infrequently and will tend to be relatively insignificant over time.

8.2.5 Accrual of Fees

If the Fund or the class of Units issued under this PDS is terminated or we are removed as responsible entity, we are entitled to receive our fees calculated to the date of termination or removal.

8.2.6 Negotiation of Fees

The law restricts us to negotiating, rebating or waiving fees with sophisticated, professional or wholesale investors (as defined by the Corporations Act). We cannot negotiate fees with retail investors.

¹ These are costs and expenses incurred by us in administering the Fund and include auditing and accounting fees, fees for legal advice, fees for taxation advice, fees paid to Government regulators, costs and expenses related to printing, mailing and postage, bank charges, custody, stationery, compliance, Government tax, duties and levies, and any other costs and expenses for which we have a right to be reimbursed from the Fund under the Constitution.

8.2.7 Worked Dollar Examples

During the Forecast Period, we estimate that you will pay the following fees for every \$50,000 you have invested:

YEAR ONE (SIX AND A HALF MONTH PERIOD FROM 15 DECEMBER 2005 TO 30 JUNE 2006)		
EXAMPLE (INCLUDES GST)		INVESTMENT OF \$50,000
Establishment Fees	2.64% of the aggregate application prices of Units	For every \$50,000 you put in you will be charged \$1,320.00.
Plus Due Diligence fee	5.5% of the purchase price of the Principal Asset	For every \$50,000 you put in you will be charged \$1,815.00.
Plus Property Acquisition fee	5.5% of the purchase price of the Principal Asset	For every \$50,000 you put in you will be charged \$1,815.00.
Plus Underwriting Fee	3% of the amount expected to be raised under this Offer	For every \$50,000 you put in you will be charged \$1,500.00.
Plus Management Costs	1.87% p.a. of the assets of the Fund	And , for every \$50,000 you invest in the Fund you will be charged on the balance remaining in the Fund after deducting the above fees, \$506.45 for the six and a half month period from 15 December 2005 to 30 June 2006.
Equals Cost of fund		If you had an investment of \$50,000 you would be charged fees of \$6,956.45 .

YEAR TWO (1 JULY 2006 TO 30 JUNE 2007)		
EXAMPLE (INCLUDES GST)		BALANCE OF \$50,000
Management Costs	1.87% p.a.	For every \$50,000 you have in the Fund you will be charged \$935.00 each year.
Equals Cost of fund		If you had an investment of \$50,000 you would be charged fees of \$935.00 .

If you want to work out the impact that fees will have on your investment returns, please speak with your financial adviser or visit www.asic.gov.au where ASIC offers a free calculator to help investors compare the fees of different products.



8.2.8 Adviser Remuneration

Adviser remuneration is paid out of the Establishment fee which is first paid to us. We may pay financial advisers an upfront commission of up to 3.3% of the amount invested, including GST, or an upfront commission of up to 2.2% of the amount invested, including GST together with a trailing commission of up to 0.50% p.a. (including GST).

We may pay additional commissions or provide other financial assistance to financial services intermediaries which may be a fixed-dollar amount or a percentage of funds invested. It is not possible to provide an estimate of the amount of these payments. Financial advisers are obliged to disclose commission arrangements to you in their financial services guide (FSG). Your financial adviser may rebate some or all of their commission to you (not including the GST component).

9 Financial Information

This section contains the financial forecasts for the Fund for the six and a half months period from 15 December 2005 to 30 June 2006 and the 12 months ending 30 June 2007 and the pro forma Balance Sheet at the Final Issue Date.

The following forecasts should be read in conjunction with the Statement of Significant Accounting Policies outlined in section 10, the Key Forecast Assumptions set out in section 11, and the risk factors outlined in section 7. We can give no assurance that the financial forecasts will be achieved or that the Fund will be able to make distributions during or after the Forecast Period at the distribution levels forecast for the Forecast Period.

The forecast Financial Information has been compiled to comply with Australian equivalents to International Financial Reporting Standards (AIFRS). The forecast Financial Information has been prepared on the basis that the Offer is completed on 12 December 2005.

9.1 SOURCES AND APPLICATIONS OF FUNDS

The table below sets out the sources and applications of funds as at 15 December 2005.

AS AT 15 DECEMBER 2005	\$000'S
Sources of Funds	
Proceeds from issue of units	25,000
Short Term Borrowings	–
Long Term Borrowings	–
Total Sources	25,000
Application of Funds	
Principal Asset – Land	16,500
Principal Asset Acquisition Costs	2,945
Underwriting Fee	750
Issue costs	963
Other applications – Cash	3,842
Total Applications	25,000

9.2 FORECAST INCOME STATEMENTS

	FORECAST 6.5 MONTHS ENDING 30 JUNE 06	FORECAST YEAR ENDING 30 JUNE 07
Revenue		
Net rental revenue	645	1,188
Interest revenue	110	146
Total revenue	755	1,334
Expenses		
Responsible Entity fees	163	300
Other expenses	103	201
Total expenses	266	501
Net Profit Before Income Tax	489	833
Income Tax Expense ³	85	147
Net Profit	404	686
Distribution to Investors ¹	1,282	2,375
Change in net assets attributable to Investors	(878)	(1,689)
Net Profit	404	686
Cash distribution	1,282	2,375
Cash distribution per Unit (cents)²	5.127	9.500
Tax Deferred portion of distribution (% of distribution)	68.46%	71.14%
Notes:		
1. Distribution to investors is represented by:		
Total Revenue	755	1,334
less Operating Expenses	(266)	(501)
less Income Tax Expense	(85)	(147)
plus Return of Capital	878	1,689
Distribution Paid to Investors	1,282	2,375
2. Franking Credits available in addition to the cash distribution*		
Franking Credits	0	58
Franking Credits – per Unit (Cents)	0.000	0.234
* The availability of franking credits to unitholders will be based on each unitholder's individual circumstances.		
3. Included in the Income Tax Expense is an amount for deferred tax expense which will be realised when the associated land is disposed of (30 June 2006 \$26,156 and 30 June 2007 \$45,108).		

9.3 PRO FORMA BALANCE SHEET

AS AT 15 DECEMBER 2005	\$'000
Current Assets	
Cash	3,842
Current Assets	3,842
Non-Current Assets	
Principal Asset – Land	16,500
Principal Asset Acquisition Costs	2,945
Non-Current Assets	19,445
Total Assets	23,287
Total Liabilities	0
Net Assets	23,287
Equity	
Contributed Equity	25,000
Underwriting Fee	(750)
Offer Costs	(963)
Total Unitholders' Equity	23,287
Number of units on issue	25,000
Net tangible assets per unit (cents)	93.148

9.4 PRO FORMA TRANSACTIONS ADOPTED IN PREPARING THE PRO FORMA BALANCE SHEET

The pro forma Balance Sheet at 15 December 2005 incorporates the following pro forma transactions:

- The issue of approximately 25 million Units by 15 December 2005.
- The acquisition of the Principal Asset for \$19.445 million including stamp duty and other Principal Asset acquisition costs at 15 December 2005.

10 Statement of Significant Accounting Policies

The key accounting policies which have been adopted in the preparation of the Financial Information are outlined below to assist in its general understanding.

10.1 BASIS OF PREPARATION

The forecast Income Statements and pro forma Balance Sheet (Financial Information) have been prepared on a going concern basis adopting the accruals and historical cost basis of accounting and in accordance with the requirements of the Constitution, the recognition and measurement principles of applicable AIFRS issued by the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act.

10.2 PRINCIPAL ASSET – LAND

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

10.3 ISSUE COSTS

Transaction costs arising on the issue of equity are recognised directly in equity as a reduction of the proceeds of equity instruments to which the costs relate. The calculation of yield is based on the gross application price of \$1.00 rather than the net equity per Unit.

10.4 REVENUE

Lease income revenue from operating leases is recognised in income on a straight-line basis over the lease term. Other revenue is brought to account on an accruals basis.

10.5 EXPENDITURE

Expenditure is brought to account on an accruals basis.

10.6 INCOME TAX

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted in Australia. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

11 Key Forecast Assumptions

The material best estimate assumptions that the Fund has made to prepare the financial forecasts are set out below. While the Fund considers these assumptions to be appropriate and reasonable at the time of preparation of this PDS, investors should appreciate that many factors which may affect results are outside the control of the Responsible Entity and its Directors or may not be capable of being foreseen or accurately predicted. Accordingly, actual results may differ from forecasts and such differences may be material.

Investors are advised to review the assumptions and financial forecasts and make their own independent assessment of the future performance and prospects of the Fund.

The financial forecasts have been reviewed by PwC Securities Ltd which has prepared the Investigating Accountant's Report (contained in section 14). PricewaterhouseCoopers has prepared a report on Australian taxation implications (contained in section 15). None of these parties guarantees the future performance or capital return of the Fund.

11.1 PRINCIPAL ASSET ACQUISITIONS

In the forecast financial information we have assumed that the acquisition date of the Principal Asset is 15 December 2005.

Except as mentioned above, the forecast information assumes no additional inventories or interests in properties are acquired during the Forecast Period.

11.2 NET RENTAL INCOME

Net rental income has been forecast based on the existing leases and assumptions for future market rentals and for future leasing. The lease agreement provides for rental growth of 3% p.a. during the Forecast Period.

11.3 INTEREST INCOME

It is assumed that interest income will be earned on cash balances at a rate of 5.4% p.a.

11.4 CAPITAL EXPENDITURE

An allowance has been made for capital expenditure commitments of \$1 million during the Forecast Period. Under the leases the cost of funding the capital works is paid by the lessee, Freespirit Resorts.

11.5 VALUE OF PRINCIPAL ASSET

The purchase price and valuation details of the Fund's 55% share of Blue Dolphin and Yamba Waters are summarised below:

	BLUE DOLPHIN HOLIDAY RESORT \$ (MILLION)	YAMBA WATERS CARAVAN PARK \$ (MILLION)	TOTAL PRINCIPAL ASSET \$ (MILLION)
Purchase price	14.3	2.2	16.5
Independent valuation ¹	14.3	2.3375	16.6375

It is assumed that there is no change to the cost or net realisable value of the Principal Asset throughout the Forecast Period.

In addition, it is assumed that neither of the properties is sold during the Forecast Period. Notwithstanding this assumption, Unitholders should be aware that the Fund may sell properties if it believes it is in the best interests of Unitholders to do so.

11.6 RESPONSIBLE ENTITY'S FEES

The Financial Information assumes a Management fee of 1.87% p.a. including GST.

The Financial Information assumes that Establishment, Due Diligence and Property Acquisition fees will be charged and that underwriting commission will be paid from the Fund.

11.7 OTHER FUND EXPENSES

The Fund will incur operating expenses including unit registry charges, custodian fees, legal, audit and tax fees, marketing costs, postage, printing and other miscellaneous expenses. These amounts have been forecast by taking into account factors likely to influence the level of these fees, charges and costs, including the Fund's market capitalisation and gross assets.

11.8 FUTURE CAPITAL RAISING

The Forecast Period does not assume any further capital raisings. This does not mean that the Fund will not engage in further capital raisings if the opportunity to acquire suitable assets arises. Other assets may be allocated to units of different classes.

11.9 OFFER COSTS

The Offer costs of \$963,000 will be paid out of the proceeds of the Offer. These costs are recognised directly in equity as a reduction of the proceeds of equity instruments.

11.10 DISTRIBUTIONS

It is expected that distributions will be paid quarterly in arrears as at the end of the September, December, March and June quarters. Distributions will be paid within the month following each quarter respectively. Interest on early subscriptions will be paid as at 15 December 2005. The first quarterly distribution will be for the period from the Final Issue Date to 31 March 2006, and will be paid by 30 April 2006.

11.11 TAXATION

An opinion on the Australian taxation treatment of the Fund has been prepared by PricewaterhouseCoopers and is contained in section 15.

The financial forecasts assume any changes in Australian taxation legislation will not materially affect the Fund.

11.12 ACCOUNTING STANDARDS

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee. The adoption of AIFRS will be first reflected in the Fund's financial statements for the period ending 31 December 2005 and the period ending 30 June 2006. Changes in accounting standards may affect the reported net profit and financial position of the Fund in future financial periods.

The interpretation of AIFRS may change between the issue of this PDS and the issue of the Fund's first set of AIFRS financial statements for the period ending 31 December 2005. The regulatory bodies that promulgate AIFRS have significant ongoing projects that could affect the impact of AIFRS on the Fund.

It has been assumed that no change in applicable Australian Accounting Standards and the Corporations Act will occur that may have a material effect on the Fund's forecast distributions.

11.13 GST

The financial forecasts have been prepared on the assumption that no GST is payable in respect of distributions paid by the Fund. Further, it is assumed that any GST liability payable will be included as part of the assumed expenses of the Fund.

11.14 SENSITIVITY ANALYSIS

Investors should be aware that future events cannot be predicted with certainty and as a result deviations from the figures forecast in this PDS may arise. We believe that the Fund is not significantly sensitive to any particular key variable. This includes performance fees where we have permanently waived our right to charge a performance fee.

12 Valuation Report – Blue Dolphin Holiday Resort



OUR REF: 54330.Letter.JWS
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EMAIL: goldcoast@dtzqld.com.au

6 September 2005

Mariner Securities Limited ('Mariner')
As Responsible Entity for Mariner Coastal Land Fund
Level 40, Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

ATTENTION: THE DIRECTORS

Dear Sir

**RE: VALUATION OF "BLUE DOLPHIN HOLIDAY RESORT", YAMBA ROAD, YAMBA,
NEW SOUTH WALES**

1. Instructions

We refer to your instructions dated 18 July 2005, requesting us to undertake a valuation of the freehold interest of the abovementioned property. We have provided this abridged report on the abovementioned property for inclusion in a PDS (Product Disclosure Statement). For further information, reference should be made to the full valuation report dated 2 August 2005 held by Mariner. We confirm that the valuation was prepared in accordance with the Corporations Act.

2. Valuation Summary

We have assessed the market value of the freehold interest of the "Blue Dolphin Holiday Resort", Yamba Road, Yamba, New South Wales as at 2 August 2005 as follows:

\$26,000,000 (GST Free Supply)

(Twenty-Six Million Dollars)

3. Brief Description

Under review is a large, five star rated holiday park located on a 5.744 hectare site at Yamba on the New South Wales mid-north coast. The site has a north eastern outlook across reserve land to the Clarence River and contains a mixture of park-owned cabins, powered grass sites, powered slab sites and unpowered sites. In total there are 254 individual sites / product from which income is derived.

Park amenities include two resort swimming pools, tennis court, various amenities blocks and camp kitchen areas, laundry and games room, a conference room, various barbecue areas throughout the park, administration and management buildings, children's play areas and an 85 metre timber jetty to the Clarence River frontage. A small service station is also situated to the Yamba Road street frontage.

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DTZ Australia is within the DTZ group of companies. This group is in international alliance with AEW Capital Management and The Staubach Company in USA. Globally the DTZ system has over 8,000 staff operating from 193 offices in 46 countries.



3. Brief Description...Cont'd

The site is currently zoned 2(t) Residential (Tourism) which will allow for redevelopment of the site for residential uses, and the subject property has underlying redevelopment potential which surpasses the capitalised "going concern" value.

4. Income Assessment

We have been provided with financial information in the form of profit and loss statements for a four year trading period, 2002 – 2005. The profit and loss statement for the year to June 2005 period represents the most recent historical evidence of actual income and is summarised as follows:

Gross income	\$3,277,061
Less total expenses	\$1,253,894
Net Maintainable Income	\$2,023,167

5. Valuation Methodology

This valuation deals with both the current in use value as a going concern holiday park, and also addresses the alternate use value for redevelopment purposes.

The underlying "going concern" value "as is" has been assessed using the traditional capitalisation of net income method, as this is the method generally accepted within the market place for this type of product. Sales evidence contained within our report show capitalisation rates which range from approximately 9% to 12% and suggests an appropriate rate for the subject park on a "going concern" basis would be in the region of 10%, providing a capitalised value of \$20,200,000.

In addressing the site value, we have considered the redevelopment potential of the land in conjunction with the large underlying value associated with the "going concern" cash flow. We have used the direct comparison method of valuation for the site value due to the site's potential for redevelopment under a multi-unit scheme, and the availability (though somewhat limited) of multi-unit site sales from the general region which can be compared to the subject. The purchase price of the site has been analysed to a rate per potential unit site and compared with sales of similar properties.

As a secondary approach, a cash flow model has also been developed which includes the diminishing income return from the Holiday Park operation as large multi unit development sites are excised and sold over time. The cash flow assumes the site is divided into three separate stages with each stage being released and sold. The cash flow further assumes the existing caravan park is able to relocate certain displaced cabins within the park and can continue trading with a reduced income until such a point as the final stage is released and sold. Relocation costs have been incorporated into the cash flow.



5. Valuation Methodology...Cont'd

Sales evidence for multi-unit sites is limited, however, ranges from approximately \$45,000 to \$245,000 per site with the lower end of the range being for significantly inferior sites. A concept plan for the subject site has been prepared for development of 262 units and having considered the market evidence for sales of multi unit development sites and our cash flow model, the purchase price for the subject site at \$26,000,000 (\$99,237 per unit site) is supported.

6. Valuation Analysis and Assumptions

This valuation is tendered on the basis of certain critical assumptions and qualifications including the following:

- The site is unencumbered freehold (except for those items detailed within the body of the valuation).
- The park complies with all planning guidelines and is operating legally in its current status.

In undertaking our assessment of value, we have relied upon information including information from both the purchaser and vendor in the transaction, marketing agents for this type of product, information held on Government record and sales evidence of comparable product. We believe this information to be correct and advise that we have relied upon this data when assessing the current market value of the property. Should any of this data later be found to be incorrect or vary from the adopted figures within the valuation, we advise that we reserve the right to alter and reconsider our assessment. This valuation is issued under this understanding and acceptance.

The client acknowledges and recognises that the valuer is not expert in identifying environmental hazards and compliance requirements affecting properties. The valuer has endeavoured to identify all matters of environmental concern and from investigations is not aware of any significant environmental problem which may affect the subject or surrounding properties. The valuer will not be liable nor responsible for his failure to identify all such matters of environmental concern and the impact which any environmental related issue has on the property and its value including loss arising from site contamination; the non-compliance with any environmental laws; or costs associated with the clean up of a property in which an environmental hazard has been recognised, including action by the Environmental Protection Authority to recover clean up costs pursuant to the Environmental Protection Act.

7. Liability Disclaimer

In the case of advice provided in this letter and our report, we must emphasize that specific assumptions have been made by us which appear realistic, based on current market perceptions. It follows that any one of our associated assumptions set out in the text of this summary may be proved incorrect during the course of time, and no responsibility can be accepted by us in this event.



7. Liability Disclaimer...Cont'd

DTZ Australia (Gold Coast) have prepared this summary, which appears in the PDS (Product Disclosure Statement). DTZ Australia (Gold Coast) were involved only in the preparation of this summary and the valuation referred to herein, and specifically disclaim any liability to any person in the event of any omission from, or false or misleading statement included in the prospectus other than in respect of the valuation and this summary.

8. Valuers' Experience and Interest

The valuers (Mr. Justin Sinnamon, AAPI and Mr. Garrie Love, AAPI, MRICS) have had in excess of five years continuous experience in the valuation of the property of a similar type and are authorized by law to practise as valuers in New South Wales.

DTZ Australia is not licensed to provide financial product advice under the Corporations Act 2001. DTZ Australia confirms it has been paid a fee of \$27,500 including GST to prepare this summary and the related valuation but that it has not received any other interest whether pecuniary or not and whether directly or indirectly, nor does it have any association with Mariner Securities Limited that might reasonably be expected to influence, or be capable of influencing, the provision of this valuation.

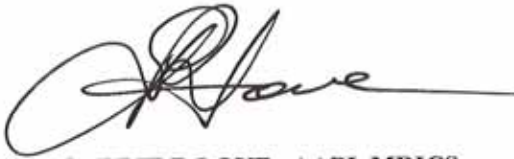
Further, we confirm that the nominated valuer does not have a pecuniary interest that could conflict with the proper valuation of the property and we advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

Yours faithfully

DTZ Australia (Gold Coast)



**JUSTIN W SINNAMON AAPI
CERTIFIED PRACTISING VALUER
REGISTERED VALUER NO. 7003**



**GARRIE R LOVE AAPI, MRICS
CERTIFIED PRACTISING VALUER
DIRECTOR
REGISTERED VALUER NO. 2903**

13 Valuation Report – Yamba Waters Caravan Park



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6 September 2005

Mariner Securities Limited ('Mariner')
As Responsible Entity for Mariner Coastal Land Fund
Level 40, Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

ATTENTION: THE DIRECTORS

Dear Sir

**RE: VALUATION OF YAMBA WATERS CARAVAN PARK, GOLDING STREET, YAMBA,
NEW SOUTH WALES**

1. Instructions

We refer to your instructions dated 18 July 2005, requesting us to undertake a valuation of the freehold interest of the abovementioned property. We have provided this abridged report on the abovementioned property for inclusion in a PDS (Product Disclosure Statement). For further information, reference should be made to the full valuation report dated 2 August 2005 held by Mariner. We confirm that the valuation was prepared in accordance with the Corporations Act.

2. Valuation Summary

We have assessed the market value of the freehold interest of the Yamba Waters Caravan Park, Golding Street, Yamba, New South Wales as at 2 August 2005 as follows:

\$4,250,000 (GST Free Supply)

(Four Million Two Hundred & Fifty Thousand Dollars)

3. Brief Description

The "Yamba Waters" Caravan Park is located on an 8.094 hectare parcel of "Rural Investigation" & "Open Space Buffer" zoned land at Yamba, approximately two kilometres by road to the west of the Yamba Post Office in New South Wales' mid-north coast. The subject is a AAA-rated, four-star caravan park which caters for the long term and tourist market and includes a total of 204 sites.

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DTZ Australia is within the DTZ group of companies. This group is in international alliance with AEW Capital Management and The Staubach Company in USA. Globally the DTZ system has over 8,000 staff operating from 193 offices in 46 countries.

3. Brief Description...Cont'd

The park contains a mixture of brick units, brick villas, brick ensuite sites, powered sites, tent sites and permanent long term residence sites. Ancillary improvements to the park include two swimming pools, bitumen sealed roadways throughout, children's play areas, games room and camp kitchen, barbecue areas and onsite caravan storage. The park is situated approximately one kilometre by road to the south of the Clarence River.

4. Income Assessment

We have been supplied with a reconciled profit and loss statement for 2005 and reconciled Profit and Loss adjustments for the years ending 2004 and 2003. The net income as supplied for the 2005 financial year has been summarised as follows.

Gross income	\$870,966
Less total expenses	\$422,747
Net Maintainable Income	\$448,219

5. Valuation Methodology

The correct method of valuation of a property of this nature is by the capitalisation of the achievable and maintainable net income and also via a rate per site as a check method. This is an accepted method of analysis for purchasers of these types of properties and considered an appropriate valuation approach.

The capitalisation rate is selected taking into account various features of the property which include, but are not limited to, the following:

- its location, age and physical condition
- current market trends
- competition, both current and proposed
- ease of management
- overall size
- potential for income growth.
- risks associated with some short-term sites being used for long-term residence.

The capitalisation of net income approach has been undertaken by applying a yield to the passing net income. Sales evidence for comparable product generally ranges from approximately 9% to 12%, and based on the evidence at hand and the nature and location of the subject, we believe that a capitalisation rate of 10.5% would be appropriate and that rate has been used in our valuation calculations.



6. Valuation Analysis and Assumptions

This valuation is tendered on the basis of certain critical assumptions and qualifications including the following:

- The site is unencumbered freehold (except for those items detailed within the body of the valuation).
- The park complies with all planning guidelines and is operating legally in its current status.

In undertaking our assessment of value, we have relied upon information including information from both the purchaser and vendor in the transaction, marketing agents for this type of product, information held on government record and sales evidence of comparable product. We believe this information to be correct and advise that we have relied upon this data when assessing the current market value of the property. Should any of this data later be found to be incorrect or vary from the adopted figures within the valuation, we advise that we reserve the right to alter and reconsider our assessment. This valuation is issued under this understanding and acceptance.

The client acknowledges and recognises that the valuer is not expert in identifying environmental hazards and compliance requirements affecting properties. The valuer has endeavoured to identify all matters of environmental concern and from investigations is not aware of any significant environmental problem which may affect the subject or surrounding properties. The valuer will not be liable nor responsible for his failure to identify all such matters of environmental concern and the impact which any environmental related issue has on the property and its value including loss arising from site contamination; the non-compliance with any environmental laws; or costs associated with the clean up of a property in which an environmental hazard has been recognised, including action by the Environmental Protection Authority to recover clean up costs pursuant to the Environmental Protection Act.

7. Liability Disclaimer

In the case of advice provided in this letter and our report, we must emphasize that specific assumptions have been made by us which appear realistic, based on current market perceptions. It follows that any one of our associated assumptions set out in the text of this summary may be proved incorrect during the course of time, and no responsibility can be accepted by us in this event.

DTZ Australia (Gold Coast) have prepared this summary, which appears in the PDS (Product Disclosure Statement). DTZ Australia (Gold Coast) were involved only in the preparation of this summary and the valuation referred to herein, and specifically disclaim any liability to any person in the event of any omission from, or false or misleading statement included in the PDS other than in respect of the valuation and this summary.

8. Valuers' Experience and Interest

The valuers (Mr. Justin Sinnamon, AAPI and Mr. Garrie Love, AAPI, MRICS) have had in excess of five years continuous experience in the valuation of the property of a similar type and are authorized by law to practise as valuers in New South Wales.



8. Valuers' Experience and Interest...Cont'd

DTZ Australia is not licensed to provide financial product advice under the Corporations Act 2001. DTZ Australia confirms it has been paid a fee of \$7,150 including GST to prepare this summary and the related valuation but that it has not received any other interest whether pecuniary or not and whether directly or indirectly, nor does it have any association with Mariner Securities Limited that might reasonably be expected to influence, or be capable of influencing, the provision of this valuation.

Further, we confirm that the nominated valuer does not have a pecuniary interest that could conflict with the proper valuation of the property and we advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

Yours faithfully
DTZ Australia (Gold Coast)

A blue ink signature of Justin W Sinnamon, written in a cursive style.

**JUSTIN W SINNAMON AAPI
CERTIFIED PRACTISING VALUER
REGISTERED VALUER NO. 7003**

A black ink signature of Garrie R Love, written in a cursive style.

**GARRIE R LOVE AAPI, MRICS
CERTIFIED PRACTISING VALUER
DIRECTOR
REGISTERED VALUER NO. 2903**

14 Investigating Accountant's Report



The Board of Directors
Mariner Securities Limited
Level 40 Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

17 October 2005

PricewaterhouseCoopers
Securities Ltd
ACN 003 311 617
ABN 54 003 311 617
Holder of Australian Financial
Services Licence No 244572

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
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Australia
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Dear Sirs

Investigating Accountant's Report on Forecast Financial Information and Financial Services Guide

We have prepared this report on forecast financial information of Mariner Coastal Land Fund ("MCLF" or "the Fund") for inclusion in a Product Disclosure Statement dated on or about 18 October 2005 (the PDS) relating to the issue of 25 million units of \$1.00 in the Fund.

Expressions defined in the PDS have the same meaning in this report.

The nature of this Report is such that it should be given by an entity which holds an Australian Financial Services licence under the Corporations Act 2001 (Cwth). PricewaterhouseCoopers Securities Ltd is a controlled entity of PricewaterhouseCoopers and holds the appropriate Australian Financial Services licence.

Scope

You have requested PricewaterhouseCoopers Securities Ltd to prepare an Investigating Accountant's Report (the Report) covering the following information:

- (a) the forecast consolidated Income Statements of the Fund for the 6.5 months ending 30 June 2006 and 12 months ending 30 June 2007
- (b) the pro forma consolidated Balance Sheets as at 15 December 2005 which assumes completion of the contemplated transactions disclosed in Section 9 of the PDS (the pro forma transactions),
(collectively, the Forecasts)

This Report has been prepared for inclusion in the PDS. We disclaim any assumption of responsibility for any reliance on this Report or on the Forecasts to which it relates for any purposes other than for which it was prepared.

Liability limited by a scheme approved under Professional Standards Legislation

Scope of review of Forecast Financial Information

The Directors of Mariner Securities Limited (the "RE") are responsible for the preparation and presentation of the Forecasts, including the best estimate assumptions, which include the pro forma transactions, on which they are based.

Our review of the best estimate assumptions which includes the pro forma transactions underlying the Forecasts was conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary so as to adequately evaluate whether the best estimate assumptions provide a reasonable basis for the Forecasts. These procedures included discussion with the Directors and management of the RE and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that the best estimate assumptions do not provide a reasonable basis for the preparation of the Forecasts and whether, in all material respects, the Forecasts are properly prepared on the basis of the assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Fund disclosed in Section 10 of the PDS and the Constitution of the Fund dated 7 April 2005 as amended (the Constitution) so as to present a view of the Fund which is consistent with our understanding of the Fund's future operations.

The Forecasts have been prepared by the Directors to provide investors with a guide to the Fund's potential future financial performance based upon the achievement of certain economic, operating, development and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of Forecasts. Actual results may vary materially from the Forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the investment risks set out in Section 7 of the PDS.

Our review of the Forecasts that are based on best estimate assumptions is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecasts included in the PDS.

Review statement on the Forecasts

Based on our review of the Forecasts, which is not an audit, and based on an investigation of the reasonableness of the best estimate assumptions giving rise to the Forecasts, nothing has come to our attention which causes us to believe that:

- (a) the best estimate assumptions set out in Section 11 of the PDS do not provide a reasonable basis for the preparation of the Forecasts, and
- (b) the Forecasts are not properly prepared on the basis of the best estimate assumptions and presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Fund disclosed in Section 10 of the PDS and the requirements of the Constitution
- (c) the Forecasts are unreasonable
- (d) the pro forma consolidated Balance Sheets have not been properly prepared on the basis of the pro forma transactions
- (e) the pro forma transactions do not form a reasonable basis for the pro forma consolidated Balance Sheets

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of the Fund. If events do not occur as assumed, actual results and distributions achieved by the Fund may vary significantly from the Forecasts. Accordingly, we do not confirm or guarantee the achievement of the Forecasts, as future events, by their very nature, are not capable of independent substantiation.

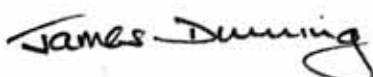
Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this issue other than the preparation of this Report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully



James Dunning
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 17 October 2005

PricewaterhouseCoopers
Securities Ltd
ACN 003 311 617
ABN 54 003 311 617
Holder of Australian Financial
Services Licence No 244572

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1 About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("PwC Securities") has been engaged by Mariner Securities Limited ("Mariner") to provide a report in the form of an Investigating Accountant's Report in relation to the pro forma forecast financial information (the "Report") for inclusion in the PDS dated on or about 17 October 2005.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2 This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4 General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5 Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are approximate \$75,000 (exclusive of GST).

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6 Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

7 Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Industry Complaints Service ("FICS"), an external complaints resolution service. You will not be charged for using the FICS service.

8 Contact Details

PwC Securities can be contacted by sending a letter to the following address:

James Dunning
PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
GPO Box 2650
SYDN EY NSW 1171

15 Taxation Report



The Board of Directors
Mariner Securities Limited
As Responsible Entity for Mariner Coastal Land Fund
Level 40, the Chifley Tower
2 Chifley Square
Sydney NSW 2000

17 October 2005

Dear Directors

**Australian Income Tax implications of investment in
the Mariner Coastal Land Fund ("the Fund")**

We have prepared this letter to provide a broad summary of the income tax considerations for Unitholders in the Fund for the purpose of inclusion in a Product Disclosure Statement ("PDS") of the Fund dated on or about 17 October 2005.

The information below is based on existing tax law and established interpretations as at the date of this letter.

The taxation information provided below is intended only as a brief guide. The information applies only to Australian resident individuals who hold Units in the Fund on capital account, such that they will be subject to capital gains tax in respect of dealings in their holding of Units. The information may not apply to Unitholders who are carrying on a business of trading or investing in Units for a profit.

The taxation of a unit trust such as the Fund can be complex and may change over time. Accordingly, Unitholders are recommended to seek professional taxation advice in relation to their own position.

The information contained in this letter does not constitute "financial product advice" within the meaning of the Corporations Act 2001 (Cth) (Corporations Act). PricewaterhouseCoopers, which is providing this letter, is not licensed to provide financial product advice under the Corporations Act. To the extent that this letter contains any information about a "financial product", within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This letter has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider taking independent financial advice from a person who is licensed to provide financial product advice under the Corporations Act.

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The Board of Directors

17 October 2005

Taxation of the Fund

Given the activities of the Fund and based on representations made to us by the Responsible Entity, regarding the status and number of potential Unitholders, it is our opinion that the Fund will be regarded as a public trading trust, in accordance with Division 6C of the Income Tax Assessment Act 1936. The consequences of being a public trading trust are that the Fund will be treated as a company for most tax purposes. The effects of this include the following:

- The Fund will be considered a separate taxable entity from its Unitholders and will be liable to Australian income tax on its net income at the corporate tax rate (currently 30%).
- The Fund will receive franking credits for the amount of tax paid and these may be used to frank distributions to Unitholders, in the same way that company dividends may be franked.
- Distributions to Unitholders will be assessable on the same basis as corporate dividends paid to shareholders, i.e. distributions are grossed up for any franking credits and included in a Unitholder's assessable income in the year in which distribution is made. Further, any franking credits attaching to the distribution may be used to offset any tax liabilities of the Unitholder.
- The Fund will generally be taxed on revenue account on gains arising from its activities. However, should it derive any capital gains the CGT discount should be available in respect of those gains.

Where the Fund realises a revenue loss or net capital loss, the loss cannot be passed on to Unitholders for tax purposes. Instead, revenue tax losses will be carried forward in the Fund and offset against assessable income derived in future years. Net capital losses will be carried forward in the Fund, to be offset against future capital gains.

Legislation exists which restricts the circumstances in which a trust may claim an allowable deduction in respect of prior and current year revenue losses. The Fund would need to satisfy the tests for deductibility of the losses before any revenue losses incurred can be utilised. In particular the Fund would have to meet a greater than 50% underlying ownership test.

Taxation of Unitholders

Taxation of unit trust distributions

Where the Fund qualifies as a public trading trust, distributions received by Unitholders (referred to as unit trust dividends) are taxed as dividends to the extent that they are attributable to profits

(2)

The Board of Directors

17 October 2005

(including retained earnings) of the Fund and should be included in the Unitholder's assessable income in the year in which the distribution is made.

To the extent that unit trust dividends paid to Unitholders are franked, the Unitholder includes the grossed up amount, i.e. the unit trust dividend plus the attached franking credit, in assessable income. The Unitholder is then allowed a franking rebate equal to the franking credit.

Excess franking credits, i.e. the excess of franking credits over tax payable, are refundable to individual Unitholders and complying superannuation fund Unitholders.

To the extent that unit trust dividends are unfranked, Unitholders are assessed on the unfranked unit trust dividend received and there is no franking credit available.

There are a number of measures that may affect a Unitholder's ability to utilise distributed franking credits, including the holding period rule. The holding period rule requires Unitholders to hold their Units at risk for more than 45 days during the relevant period. Given that these rules can be complex, Unitholders should be aware of and seek specific advice on their own position.

Where distributions received by Unitholders are not attributable to profits of the Fund, for example where they are amounts paid out of the capital of the Fund, they will not be included in Unitholders' assessable income. These will be treated as tax deferred amounts.

Tax deferred amounts are not assessable when received unless and until the total tax deferred amounts received by a Unitholder exceed the cost base of the Units. For CGT purposes, tax deferred amounts received reduce the cost base of the Units for the Unitholder and therefore affect the Unitholder's capital gain/loss on disposal of the Units.

Taxation of capital gains

Where a Unitholder holds Units on capital account a disposal of Units in the Fund will have CGT implications for the Unitholder. Broadly, Unitholders must include any realised capital gain or loss on the disposal of Units in the calculation of their net capital gain or loss for the year.

A net capital gain will arise where all realised capital gains exceed all realised capital losses. This net capital gain will be included in the Unitholder's assessable income for that year. Where all realised capital losses exceed all realised capital gains, a net capital loss will arise. The net capital loss cannot be deducted against other assessable income for the year but may be carried forward by the Unitholder to offset net capital gains in future income years.

The Unitholder's net capital gain or loss is calculated as follows:

(3)

The Board of Directors

17 October 2005

- The excess or shortfall of disposal proceeds over the cost base of the units gives rise to a capital gain or loss on disposal of the Units.
- If the Unitholder has held the Units for less than 12 months, this is the gain or loss included in the Unitholder's net capital gain calculation.
- If the Unitholder has held the Units for 12 months or more and there is a loss, this loss is included in the Unitholder's net capital gains calculation.
- If the Unitholder has held the Units for 12 months or more and there is a gain, a discounting factor may be available to certain Unitholders. The gain on the Units is initially reduced by any other capital losses of the Unitholder. If, as a result, a net capital gain arises it may be reduced by the discount factor. The discounting factor for individuals is 50%.

Tax File Numbers and Australian Business Numbers

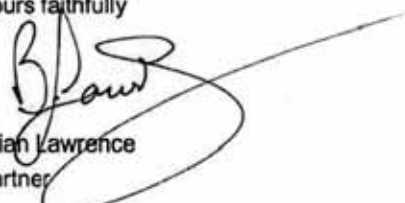
A Unitholder need not quote a Tax File Number ("TFN") when applying for Units. However, if a TFN is not quoted, or no appropriate TFN exemption information is provided, tax is required to be deducted from any income distribution entitlement at the highest marginal tax rate plus Medicare levy (currently 48.5 per cent).

Unitholders that hold Units as part of their business may quote their Australian Business Number instead of their TFN.

Goods and Services Tax

GST should have minimal impact on the operations of the Fund. The purchase and disposal of Units in the Fund, by Unitholders, is not subject to GST.

Yours faithfully


Brian Lawrence
Partner

16 Summary of Material Contracts

16.1 UNDERWRITING AGREEMENT

Mariner Financial Limited, pursuant to an Underwriting Agreement with the Responsible Entity, has agreed to underwrite the Offer for the full amount of the equity raising.

The Underwriter will receive an underwriting commission of \$750,000. The Underwriter will pay all handling, stamping, sub-underwriting commissions and brokerage payable in respect of the Offer out of the underwriting commission it receives.

The obligations of the Underwriter are conditional on the Responsible Entity being able to accept applications for Units and the issue of a PDS in relation to the Offer. There are no other termination events in the Underwriting Agreement.

16.2 CONSTITUTION OF THE FUND

16.2.1 The Constitution

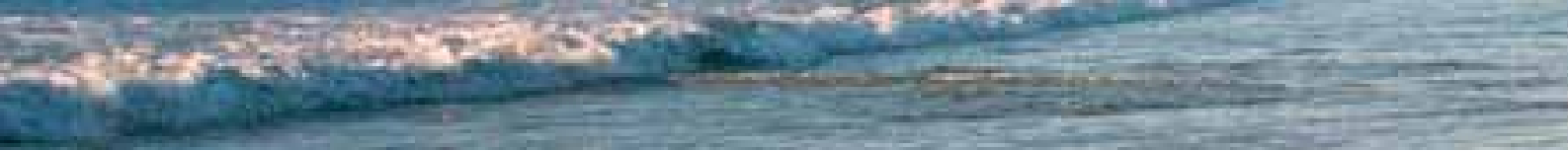
The following is a summary of the material provisions of the Constitution of the Fund.

The rights and obligations of Unitholders and the Responsible Entity of the Fund are governed by the Constitution and the Corporations Act. As the Fund is a managed investment scheme registered under Chapter 5C of the Corporations Act, the Constitution has been lodged with ASIC and a free copy is available from us on request.

The Constitution is dated 7 April 2005. The Constitution was amended by supplemental deeds dated 15 June 2005, 18 August 2005 and 11 October 2005. The Constitution deals with a number of matters, some of which are described in more detail below, including:

- the Responsible Entity's powers, which are broad, and include powers to deal with Fund property;
- liability of the Responsible Entity;
- the Responsible Entity's right of indemnity out of the assets of the Fund, which it may exercise when properly performing its duties in relation to the Fund;
- liability of Unitholders;
- application and redemption (withdrawal) procedures for Units in the Fund;
- income and distributions to Unitholders;
- remuneration of the Responsible Entity and expenses that may be paid or reimbursed out of the Fund;
- how the Constitution can be amended;
- Unitholders' meetings;
- the time and manner for termination of the Fund or a class of Units, and entitlements of Unitholders on termination; and
- the compliance committee and handling of complaints.

You can obtain a copy of the Constitution by telephoning 1800 009 963.



16.2.2 The Responsible Entity

As Responsible Entity of the Fund, we are responsible for its operation and owe duties to Unitholders under Chapter 5C of the Corporations Act and also fiduciary duties as trustee of the Fund.

We may retire as Responsible Entity in the circumstances set out in the Corporations Act. Unitholders may also remove the Responsible Entity by following the procedures set out in the Corporations Act.

16.2.3 Powers of the Responsible Entity

As Responsible Entity we have been given very wide powers. We have all the powers in respect of the Fund that it is possible under the law to confer on a trustee, as though it were the absolute owner of the assets of the Fund and acting in its personal capacity.

In our capacity as Responsible Entity, we are entitled to borrow and raise money for the Fund, invest in and deal with property and rights in our absolute discretion, and to generally manage the Fund. We can appoint agents or delegates.

We and our associates may hold Units in the Fund or interests in any related trust or company, in any capacity, deal with ourselves in another capacity or with any Unitholder and retain any resulting benefit.

We have the power to change the Constitution but, if the change would adversely affect Unitholders' rights, only with the approval of 75% of votes cast by Unitholders entitled to vote on the resolution.

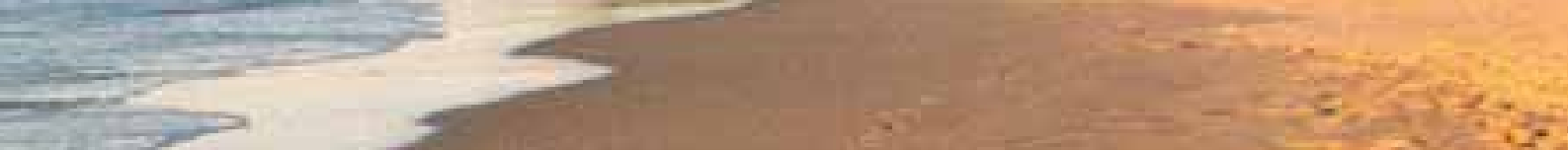
16.2.4 Limitation of Liability and Indemnity

The Constitution provides that the Responsible Entity is not liable in contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund except to the extent that the Corporations Act imposes such liability.

Subject to the Corporations Act, the liability of the Responsible Entity to any person other than a Unitholder in respect of the Fund (including any contracts entered into as trustee of the Fund) is limited to the Responsible Entity's ability to be indemnified from the assets of the Fund.

As Responsible Entity we are entitled to be indemnified out of the assets of the Fund for any liability incurred by us in properly performing or exercising any of our powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, the indemnity extends to the liability incurred as a result of any act or omission of a delegate or agent appointed by us.

Members of the Fund compliance committee may, while acting in that capacity, if they incur a liability in good faith, be indemnified out of the assets of the Fund to the extent permitted by the Corporations Act.



16.2.5 Liability of Unitholders

The Constitution contains provisions designed to limit a Unitholder's liability in respect of the Fund to the amount, if any, that remains unpaid in relation to the Unitholder's subscription for their Units (note that this is subject to the following paragraph and any agreement with a Unitholder). Higher courts are yet to determine the effectiveness of provisions of this kind.

We are entitled to be indemnified by a current or former Unitholder to the extent that we incur any liability for tax or 'user pays fees' (see section 8.2.2) as a result of the Unitholder's action or inaction. Joint Unitholders are jointly and severally liable in respect of all payments, including payments of tax or any other such amounts.

16.2.6 Units

The beneficial interest in the Fund is divided into Units. We may issue Units of different classes, with each class of Units having particular assets allocated to it (Class Assets). Each Unit in a class confers an equal and undivided interest in the Class Assets of that class as a whole subject to rights, restrictions and obligations attaching to that Unit. It does not confer an interest in any particular asset or the Class Assets of any other class.

16.2.7 Application and Redemption Prices

The application price (which is the unit price at which investors buy Units) is \$1.00 for Units issued up to one month after the closing date for the first offer of units in each class (see section 4 for the Offer Closing Date under this PDS). After that time, the application price for a unit in a class will be calculated as follows:

$$\frac{\text{net asset value of the class}}{\text{number of units in issue in the class}}$$

We must calculate each of the variables in the formula for the application price at the next valuation time after we receive the application for Units or when we receive the payment for those Units, whichever happens later.

The redemption price (which is the unit price at which Unitholders withdraw from the Fund) is calculated as follows:

- For a redemption pursuant to a withdrawal offer made while the Manager considers that the Fund is not liquid:

$$\frac{\text{net asset value of the class} \times 0.95}{\text{number of units in issue in the class}}$$

- For redemption in any other case:

$$\frac{\text{net asset value of the class}}{\text{number of units in issue in the class}}$$

We must calculate each of the variables in the formula for calculating the redemption price:

- in the case of a withdrawal offer made while the Fund is not liquid (see section 16.2.8), at the close of business on the second business day before the date the offer is made; and
- in the case of redemption while the Fund is liquid, at the close of business on the day before the redemption price is paid.

We calculate the net asset value of the Fund by reference to the market value of the Fund's assets.

16.2.8 Redemption of Units

Unitholders can ask us to redeem their Units in the Fund. We are not obliged to redeem Units. Because the Fund is investing mainly in real estate, we do not expect it will be "liquid", as defined in the Corporations Act. While this is so, we may only allow Unitholders to withdraw by making a withdrawal offer to all Unitholders, but there is no obligation for us to make such an offer. Under the Corporations Act, a fund will be illiquid if liquid assets account for less than 80% of the value of assets of the fund. Liquid assets generally include cash, bank bills, bank deposits and marketable securities.

16.2.9 Transfer of Units

Subject to our right to refuse a transfer, Unitholders may transfer their Units. Please contact our Investor Services Team on 1800 009 963 for more details.

16.2.10 Income and Distributions

The Fund is expected to be a public trading trust, and taxed as if it were a company (see Taxation Report, section 15). While this is so, we must determine the income of each class for each distribution period, and provide for and pay from the assets of the relevant class any tax attributable to the income of that class. We may decide how much income is to be distributed. Distributions will be paid to Unitholders in proportion to their unit holding in the relevant class.

If in any financial year the Fund is not a public trading trust, the following will apply. We will determine the distributable income for the Fund for each financial year. Distribution periods will end on the last day of each financial year, and we may determine that distribution periods will be shorter than a year (e.g. quarterly or half yearly). Each Unitholder will be presently entitled to their allocated share of income. A Unitholder's share of any such distribution would depend on the number of Units in a class they held at the end of the distribution period, as a proportion of the total number of Units in the class on issue at that time, and the amount of the Fund's distributable income attributable to that class for that distribution period.

16.2.11 Remuneration of the Responsible Entity

Details of the maximum fees provided for under the Constitution appear in section 8.2.3. Section 8.1 sets out the fees that are currently charged.

We may accept lower fees than we are entitled to receive or may defer payment for any period, in which case the fees accrue daily until paid.

The Constitution provides that, to the extent the Corporations Act allows, we may be reimbursed from the Fund for all expenses incurred in relation to the proper performance of our duties in relation to the Fund. For example, this would include any tax payable by the Responsible Entity and associated expenses, expenses in connection with preparing this PDS and promoting the Fund, dealing with Fund assets, borrowing, accounting and compliance, agents' and delegates' fees and the compliance committee established under the Corporations Act.

16.2.12 Changing the Constitution

If a change to the Constitution would not adversely affect Unitholders' rights, it can be made by a deed executed by the Responsible Entity. Otherwise, the change must be approved by a resolution passed by 75% of votes cast by Unitholders entitled to vote on the resolution.

16.2.13 Unitholder Meetings

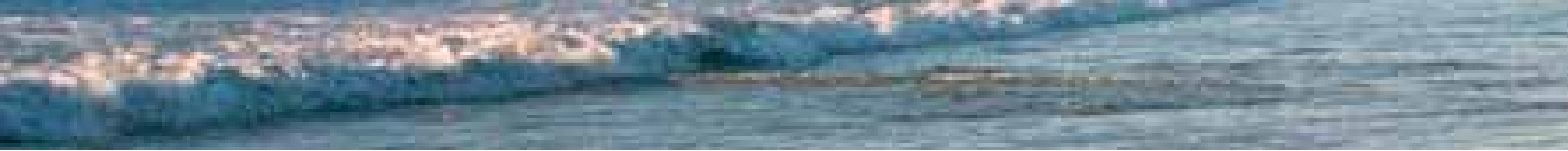
The quorum for a meeting of Unitholders is at least two Unitholders together holding at least 10% of all Units. In the case of a meeting of members holding a particular class of Units, the quorum is at least two Unitholders of that class together holding at least 10% of all Units of that class. Unitholders' rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

16.2.14 Termination of a Class

A class terminates on the earliest of:

- the date specified as the termination date for the class in an ordinary resolution passed at an Extension Meeting (see below);
- the date specified by the Responsible Entity in a notice to members of that class as the date of termination of the class; and
- the date on which the last Units in the class are redeemed.

We are required to convene an Extension Meeting within one month of the times specified in this PDS as Extension Dates (see Life of the Fund in section 4). An Extension Meeting is a meeting of the Unitholders of a class to vote on whether that class should continue or terminate on a date specified in the notice of meeting as the date of termination of the class.



16.2.15 Termination of the Fund

The Fund terminates on the earliest of:

- the date specified by the Responsible Entity in a notice to members as the date of termination of the Fund;
- the date on which the last class terminates; or
- the date that the Fund terminates in accordance with the law.

When a class or the Fund terminates, the net proceeds of realisation of the assets of each terminating class, after making allowance for all liabilities of the class (actual and anticipated) and meeting the expenses (actual and anticipated) of the termination, must be distributed to Unitholders in proportion to their holding of Units of the class.

16.3 THE FUND'S COMPLIANCE PLAN

We have established a compliance plan for the Fund that is monitored by the compliance committee. The compliance committee consists of three members, two of whom are external to the Responsible Entity.

The compliance plan describes the procedures the Responsible Entity will apply to ensure compliance with the Corporations Act and the Constitution in accordance with Part 5C.4 of the Corporations Act.

16.4 SUMMARY OF THE CONTRACT FOR SALE OF LAND FOR BLUE DOLPHIN HOLIDAY RESORT

The Responsible Entity, through Trust Company of Australia Limited as Sub-Custodian for the Mariner Coastal Land Fund entered into a contract for the acquisition of a 55% interest in the Blue Dolphin Holiday Resort from Paul John Mitchell, Mark Andrew Mitchell, Linda Anne Mitchell, David Ronald Mitchell, Judith Ann Mitchell, Ronald Sydney Mitchell and Joanne Patti Mitchell (collectively, the Mitchell Family) as vendor on 14 October 2005 (Blue Dolphin Land Contract). Key features of the Blue Dolphin Land Contract are:

- **Purchase Price** – \$14,300,000 for the 55% interest in the land and business operating assets plus the value of the stock in trade (excluding GST).
- **Deposit** – a deposit of \$715,000 (being 5% of the Purchase Price) was paid on 14 October 2005.
- **Settlement** – due to take place on the earlier of 90 days after the contract date and the date that is the later of the 42nd day after the contract date and the 14th day after the purchaser gives the vendor notice that it wishes to complete the purchase. This gives the purchaser the flexibility to call for a settlement before Christmas 2005, to enjoy the Christmas holiday trade, but settlement cannot be any earlier than 42 days after the contract date (except with the express agreement of the vendors). At settlement, \$13,585,000 of the balance Purchase Price (plus / minus conveyancing adjustments) is payable by the purchaser to the vendor and the Deposit is released to the vendor.
- **GST** – as the sale is the sale of a going concern, the Purchase Price is GST-free.



- **Property acquired by the Fund** – the asset being acquired by the Fund is a 55% interest in the following:
 - the freehold estate
 - the fixtures and fittings for the property including ensuite sites, powered slab sites, swimming pools, amenity sheds, storage shed, reception area, manager’s residence, games room, TV room, general store, stage area, “kids kave”, café and service station
 - the Business Assets.
- **Co-owners Deed** – at settlement, those members of the Mitchell Family vendor that will remain as a 45% owner of the property and the purchaser will enter into a Co-owners Deed governing the relationship between those Mitchell Family members and the purchaser as tenants-in-common of the property and the Business Assets. This is more fully described below.
- **Property Lease** – the property will be leased by the Co-owners to Freespirit Resorts Pty Limited ACN 108 493 198 under a Lease for an initial rent of \$1,816,000 plus GST per annum. This is more fully described below.
- **Business Assets** – the Business Assets being acquired by the Fund are dealt with in the Business Assets sales agreement outlined in more detail in section 16.6 below. The Business Assets will be licensed to Freespirit Resorts Pty Limited ACN 108 493 198 under an Operating Licence for a nominal fee (being \$1 per annum). This is more fully described below.
- **Encumbrances** – the property will be transferred to the purchaser free of any encumbrances. The title for the property is subject to registered easements which are not controversial. The property is also sold subject to the existing lease of the Service Station and Shop although terms of a new lease are to be negotiated with the operator of the Service Station and Shop. The lease of the Service Station and Shop will be concurrent with the lease to Freespirit Resorts Pty Limited ACN 108 493 198 (that is, the rent under the Service Station and Shop lease will be paid to Freespirit Resorts Pty Limited).
- **Representations and Warranties** – the vendor has provided the usual representations and warranties regarding the property and the business operating assets which are not controversial.
- **Contamination** – the property is sold subject to whatever contaminants are in, on or under the property and the purchaser will assume a 55% liability in relation to compliance with a liability under the Contaminated Land Management Act 1997 and all other relevant legislation. The purchaser will have first recourse to any indemnities provided by previous tenants or owners of the property.
- **Foreshore Licence** – the vendor must use best endeavours to obtain an assignment, transfer or new licence from the Clarence River Council in favour of the Co-owners of the Foreshore Licence benefiting the property, as soon as practicable after settlement.



- **Jetty Licence** – the vendor must use best endeavours to obtain the Minister’s consent to transfer the Jetty Licence to or obtain a new Jetty Licence in favour of the Co-owners, as soon as practicable after settlement.
- **Mobile Holiday Cottages** – the property is sold subject to approximately 10 site agreements with existing tenants of mobile holiday cottages. These site agreements are to be transferred to the Co-owners at settlement.
- **Advertising Sign** – the vendor and the purchaser must enter into a licence agreement permitting an advertising sign for another property owned by the Mitchell Family to remain on the property for a period of 3 years from settlement at no fee.
- **Interdependency of Contracts** – the Blue Dolphin Land Contract is interdependent with the Yamba Waters Land Contract and the Business Sale contract for both Blue Dolphin and Yamba Waters.
- **Transaction Documents** – the Development Management Agreement, Co-owners Deed, Lease, Operating Licence and Performance Deed must be entered into on or before settlement of the purchase.

16.5 SUMMARY OF THE CONTRACT FOR SALE OF LAND FOR YAMBA WATERS CARAVAN PARK

The Responsible Entity, through Trust Company of Australia Limited as Sub-Custodian for the Mariner Coastal Land Fund entered into a contract for the acquisition of a 55% interest in the Yamba Waters Caravan Park from Paul John Mitchell, Mark Andrew Mitchell, Linda Anne Mitchell, David Ronald Mitchell, Judith Ann Mitchell, Ronald Sydney Mitchell and Joanne Patti Mitchell (collectively, the Mitchell Family) as vendor on 14 October 2005 (Yamba Waters Land Contract). Key features of the Yamba Waters Land Contract are:

- **Purchase Price** – \$2,200,000 for the 55% interest in the land and Business Assets plus the value of the stock in trade (excluding GST).
- **Deposit** – a deposit of \$110,000 (being 5% of the Purchase Price) was paid on 14 October 2005
- **Settlement** – due to take place on the earlier of 90 days after the contract date and the date that is the later of the 42nd day after the contract date and the 14th day after the purchaser gives the vendor notice that it wishes to complete the purchase. This gives the purchaser the flexibility to call for a settlement before Christmas 2005, to enjoy the Christmas holiday trade, but settlement cannot be any earlier than 42 days after the contract date (except with the express agreement of the vendors). At settlement, \$2,090,000 of the balance Purchase Price (plus / minus conveyancing adjustments) is payable by the purchaser to the vendor and the Deposit is released to the vendor.
- **GST** – as the sale is the sale of a going concern, the Purchase Price is GST-free.

- **Property acquired by the Fund** – the asset being acquired by the Fund is a 55% interest in the following:
 - the freehold estate
 - the fixtures and fittings for the property including cabins, brick units, ensuite sites, powered van sites, swimming pool, amenity sheds, reception area, manager’s residence, games room, camp kitchen and laundry
 - Business Assets.
- **Business Assets** – the Business Assets being acquired by the Fund are dealt with in the Business Assets sales agreement outlined in more detail in section 16.6 below. The Business Assets will be licensed to Freespirit Resorts Pty Ltd ACN 108 493 198 under the operating licence described in section 16.9 below.
- **Co-owners Deed** – at settlement, those members of the Mitchell Family vendor that will remain as a 45% owner of the property and the purchaser will enter into a Co-owners Deed governing the relationship between those Mitchell Family members and the purchaser as tenants-in-common of the property and the Business Assets. This is more fully described below.
- **Property Lease** – the property will be leased by the Co-owners to Freespirit Resorts Pty Limited ACN 108 493 198 under a Lease for an initial rent of \$280,000 plus GST per annum. This is more fully described below.
- **Encumbrances** – the property will be transferred to the purchaser free of any encumbrances. The title for the property is subject to registered easements which are not controversial. The property is sold subject to a draft drainage easement that burdens the property running across the southern and eastern boundaries of the property. This does not affect the use of the property as a Caravan Park.
- **Representations and Warranties** – the vendor has provided the usual representations and warranties regarding the property and the business operating assets which are not controversial.
- **Mobile Holiday Cottages** – the property is sold subject to site agreements with existing tenants of unregistered moveable dwellings, caravans and mobile homes. These site agreements are to be transferred to the Co-owners at settlement.
- **Interdependency of Contracts** – this Yamba Waters Land Contract is interdependent with the Blue Dolphin Land Contract and the Business Sale contract for both Blue Dolphin and Yamba Waters.

16.6 SUMMARY OF THE CONTRACT FOR SALE OF BUSINESS ASSETS FOR BLUE DOLPHIN HOLIDAY RESORT AND OF THE CONTRACT FOR SALE OF BUSINESS ASSETS FOR YAMBA WATERS CARAVAN PARK

The Responsible Entity, through Trust Company of Australia Limited as Sub-Custodian for the Mariner Coastal Land Fund entered into a contract for the acquisition of a 55% interest in the Blue Dolphin Business Assets and also entered into a contract for the acquisition of a 55% interest in the Yamba Waters Business Assets from Paul John Mitchell, Mark Andrew Mitchell, Linda Anne Mitchell, David Ronald Mitchell, Judith Ann Mitchell, Ronald Sydney Mitchell and Joanne Patti Mitchell (collectively, the Mitchell Family) as vendor on 14 October 2005 (Business Assets Contracts). Key features of the Business Assets Contracts are:

- **Purchase Price** – included in the land sale price for the Blue Dolphin Land Contract and the Yamba Waters Land Contract.
- **Deposit** – included in the Blue Dolphin Land Contract and the Yamba Waters Land Contract therefore no separate payment was necessary.
- **Settlement** – the Business Assets Contracts are interdependent with the Blue Dolphin Land Contract and the Yamba Waters Land Contract therefore settlement will occur at the same time as those contracts.
- **GST** – as the sale is the sale of a going concern, the Purchase Price is GST-free.
- **Business Assets acquired by the Fund** – the Business Assets being acquired by the Fund comprise a 55% interest in the following:
 - contact numbers, e-mail addresses, domain names
 - goodwill
 - trading stock
 - credit ledger
- **Training Period** – the vendors will provide a 14 day post-settlement training period to assist with the training of new staff and the purchaser in connection with the operation of the Business and use of the Business Assets.
- **Holiday Vouchers and Giveaways** – the sale is subject to vouchers and giveaways for free accommodation which the Co-owners must honour.
- **Workers Compensation Claim** – there is a current workers compensation claim for an employee which the Co-owners must comply with.
- **Transfer of Business Assets** – not all Business Assets are held in the name of the vendor but may be held by related entities of the vendor. At settlement, the Co-owners will accept transfers as directed by the vendor from the respective asset owners.

16.7 SUMMARY OF THE LEASE TO FREESPIRIT RESORTS PTY LIMITED IN CONNECTION WITH BLUE DOLPHIN HOLIDAY RESORT

The Co-owners as lessor intend to enter into a lease of the Blue Dolphin Holiday Resort to Freespirit Resorts Pty Limited ACN 108 493 198 as lessee commencing on the settlement date of the Blue Dolphin Land Contract and the Yamba Waters Land Contract (Sales Contracts). The key features of the Lease of the Blue Dolphin Holiday Resort are:

- **Lessee** – Freespirit Resorts Pty Limited ACN 108 493 198.
- **Lessor** – Co-owners.
- **Premises** – the whole of the land comprising the Blue Dolphin property including all improvements and buildings on the land and the Lessor's fixtures and fittings.
- **Term of lease** – 8 years with no option to renew or extend. The commencement date is the date of settlement of the purchase of the property.
- **Commencing rental** – \$1,816,000 plus GST. The rent is to be reviewed on each anniversary of the commencement date by a fixed percentage increase of 3%.
- **Outgoings** – the Lessee pays 100% of the Outgoings in connection with the property.
- **Security Guarantee** – there will be a Security Guarantee in the form of a bank guarantee in favour of the Fund provided by Freespirit Resorts Pty Limited for the term of the lease in an amount equal to 6 months rent.
- **Assignment of lease** – Freespirit may seek an assignment of the lease but any proposed assignee must satisfy the Responsible Entity that it is of equal financial standing to Freespirit and capable of performing the lease terms.
- **Property expenses** – Freespirit is responsible for rates, statutory charges and outgoings. It is responsible for all maintenance and repair costs. It must ensure compliance with laws for the operation of the Holiday Resort.
- **Permitted use** – Holiday Park.
- **Step-in Rights** – if the Lessee defaults under the Lease and fails to rectify the default, the Lessor may step-in and effect an assignment of the Lease to a suitable entity that can operate the Holiday Park.
- **Capital expenditure and Additional Rent** – the Lessor is responsible for capital expenditure on the Premises to ensure the Holiday Park is run at a high quality level. Should the Lessee seek capital improvements to the Premises, the Lessor may carry out those improvements on the basis that the Lessee pays a return to the Lessor equal to the cost of funds plus a reasonable and commercially acceptable debt origination fee, as Additional Rent.
- **Insurance** – Freespirit must carry public liability insurance to \$20,000,000, property damage insurance, plate glass insurance and workers compensation cover satisfactory to the Lessor.

16.8 SUMMARY OF THE LEASE TO FREESPIRIT RESORTS PTY LIMITED IN CONNECTION WITH YAMBA WATERS CARAVAN PARK

- **Partial Surrender of Lease on Development by Lessor** – the Lessor will require a partial or complete surrender of the Lease in accordance with the staged redevelopment of the property. The Lessor must give the Lessee 3 months notice of the surrender. The rent and outgoings will be renegotiated taking into account the part of the premises surrendered, the ability of the Lessee to carry out the Permitted Use and the relocation of any removable dwellings either within Blue Dolphin or over to Yamba Waters.
- **Right to early Termination** – the Lessor has a right to early termination of the Lease with 3 months notice to the Lessee if the Lessor wishes to sell the property. There is no compensation payable by the Lessor to the Lessee in this case.

The Co-owners as lessor intend to enter into a lease of the Yamba Waters Caravan Park to Freespirit Resorts Pty Limited ACN 108 493 198 as lessee commencing on the settlement date of the Land Contracts. The key features of the Lease of the Yamba Waters Caravan Park are:

- **Lessee** – Freespirit Resorts Pty Limited ACN 108 493 198.
- **Lessor** – Co-owners.
- **Premises** – the whole of the land comprising the Yamba Waters property including all improvements and buildings on the land and the Lessor's fixtures and fittings.
- **Term of lease** – 8 years with a five year option to renew. The commencement date is the date of settlement of the purchase of the property.
- **Commencing rental** – \$280,000 plus GST. The rent is to be reviewed on each anniversary of the commencement date by a fixed percentage increase of 3%.
- **Outgoings** – the Lessee pays 100% of the Outgoings in connection with the property.
- **Security Guarantee** – there will be a Security Guarantee in the form of a bank guarantee in favour of the Fund provided by Freespirit Resorts Pty Limited for the term of the lease in an amount equal to 6 months rent.
- **Assignment of lease** – Freespirit may seek an assignment of the lease but any proposed assignee must satisfy the Responsible Entity that it is of equal financial standing to Freespirit and capable of performing the lease terms.
- **Property expenses** – Freespirit is responsible for rates, statutory charges and outgoings. It is responsible for all maintenance and repair costs. It must ensure compliance with laws for the operation of the Holiday Park.
- **Permitted use** – Holiday Park.

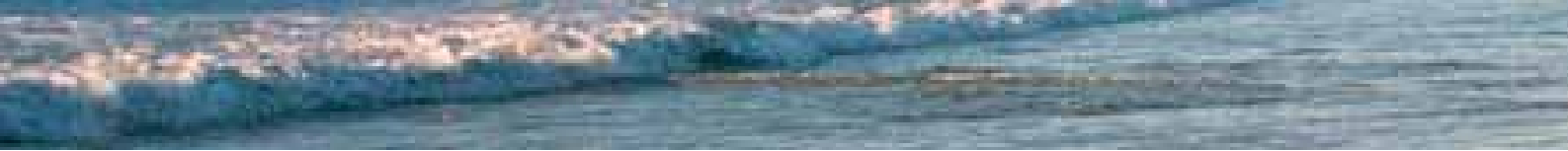


- **Step-in Rights** – if the Lessee defaults under the Lease and fails to rectify the default, the Lessor may step-in and effect an assignment of the Lease to a suitable entity that can operate the Caravan Park.
- **Capital expenditure and Additional Rent** – the Lessor is responsible for capital expenditure on the Premises to ensure the Caravan Park is run at a high quality level. Should the Lessee seek capital improvements to the Premises, the Lessor may carry out those improvements on the basis that the Lessee pays a return to the Lessor equal to the cost of funds plus a reasonable and commercially acceptable debt origination fee, as Additional Rent.
- **Insurance** – Freespirit must carry public liability insurance to \$20,000,000, property damage insurance, plate glass insurance and workers compensation cover satisfactory to the Lessor.
- **Right to early Termination** – the Lessor has a right to early termination of the Lease with 3 months notice to the Lessee if the Lessor wishes to sell the property. In this instance, the Lessor must pay appropriate compensation to the Lessee.

16.9 SUMMARY OF THE OPERATING LICENCE

The Co-owners as licensor intend to enter into an operating licence for the use of the Business Assets at both the Blue Dolphin Holiday Resort and the Yamba Waters Caravan Park to Freespirit Resorts Pty Limited ACN 108 493 198 as licensee commencing on the settlement date of the Blue Dolphin Land Contract and the Yamba Waters Land Contract (Sales Contracts). The key features of the operating licence are:

- **Concurrent with Lease** – the operating licence runs concurrently with the leases over Blue Dolphin and Yamba Waters. The operating licence gives Freespirit Resorts the right as licensee to use the Business Assets (owned by the Co-owners) to enable Freespirit Resorts to operate the business of the Blue Dolphin Holiday Resort and the Yamba Waters Caravan Park.
- **Licence Fee** – the licence fee is nominal (that is, \$1 per annum) as the rent under the Lease has been calculated to take into account the use by Freespirit Resorts of the Business Assets. Accordingly, the lease and the operating licence are interdependent and a breach under one is deemed to be a breach under the other. The separation of the right to use the land (under the Lease) and the right to use the Business Assets (under the operating licence) gives the Co-owners flexibility in the event the Co-owners exercise the step-in rights to assign the Lease and the operating licence to a suitable operator if an event of default by Freespirit Resorts as lessee/licensee occurs.
- **Proper care of Business Assets** – Freespirit Resorts must take proper care of the Business Assets and keep them in good working order and in good repair (fair wear and tear excepted) during the term of the operating licence and must use its best endeavours to maintain a record of the loss, disposal and replacement of any of the Business Assets.



16.10 SUMMARY OF THE CO-OWNER'S DEED

- **Insurance** – Freespirit Resorts as licensee must reimburse the Co-owners as licensor for all insurance premium amounts paid or payable by the Co-owners to insure the Business Assets and any other costs in connection with such insurance policies (to the extent such insurance premiums are not otherwise recovered by the Co-owners as outgoings under the leases).
- **Return of Business Assets at end of Term** – at the end of the term of the operating licence (which runs with the leases), Freespirit Resorts must hand back to the Co-owners the Business Assets.

Those members of the Mitchell Family vendor, namely, Mark Andrew Mitchell, Linda Anne Mitchell, David Ronald Mitchell, Lisa Margaret Mitchell, Paul John Mitchell and Joanne Patti Mitchell who will remain as owning 45% of the Blue Dolphin Land and Business Assets and 45% of the Yamba Waters Land and Business Assets intend to enter into a Co-owner's Deed with the Fund as owner of the 55% interest in the said assets to commence on the date of settlement of the sale to govern the relationship between the Co-owners.

The principal terms of the Co-owner's Deed are:

- **Parties:**
 - Mitchell Family – Mark Andrew Mitchell, Linda Anne Mitchell, David Ronald Mitchell, Lisa Margaret Mitchell, Paul John Mitchell and Joanne Patti Mitchell as to 45% tenant-in-common.
 - Trust Company of Australia Limited as Sub-Custodian of the Mariner Coastal Land Fund – as to 55% tenant-in-common
 - Mariner Securities Limited – as the responsible entity of the Mariner Coastal Land Fund.
- **Objective** – to maximise and maintain the value of the property and arrange the carrying out of the development of the Blue Dolphin property and maximise the commercial returns each of them derive from the operation of the business on the properties and the carrying out of the development.
- **Term** – from the date of settlement of the sale for a likely period of 8 years unless terminated earlier by agreement.
- **Management Committee** – established to comprise 2 representatives from each owner to make decisions regarding the management of the property.
- **Property as Security** – The Co-owners agree that the Blue Dolphin property can be used as security for any borrowings to assist with the development of the Blue Dolphin property as follows:
 - before master plan development approval, Blue Dolphin may be used as security up to maximum borrowings equal to 50% of the value of Mitchell Family co-ownership equity that is 22.5% of total property value. In the event of default, the Mitchell Family's interest will be at risk and the first to bear any loss.
 - After master plan development approval has been obtained, the Co-owners will make Blue Dolphin available as security to finance



development costs including the planning, design and delivery of the development on the Blue Dolphin site. The use of these borrowed funds will be monitored by the cost/contract consultant appointed for the project. At that stage the Blue Dolphin land will be at risk in the event the development fails to achieve profits in excess of total project costs.

- **Expected Returns to Co-owners:**

- income from the lease and operating licence with Freespirit Resorts Pty Limited over both Blue Dolphin and Yamba Waters
- development access fee
- first 15% of development profit from the Blue Dolphin redevelopment (excluding the land cost component from the profit calculation) (in the case of the Mitchell Family as a Co-owner, this entitlement is for an entity related to the Mitchell Family)
- 50% of any excess development profit
- proceeds from the disposal of Yamba Waters.

16.11 SUMMARY OF THE PERFORMANCE DEED BETWEEN THE CO-OWNERS AS LESSOR AND FREESPIRIT RESORTS PTY LIMITED AS LESSEE OF YAMBA WATERS

The Co-owners intend to enter into a performance deed with Freespirit Resorts to grant entitlements to a share in the gross capital profit achieved by the Co-owners at the Yamba Waters Caravan Park. The rationale for the payment of a performance fee to Freespirit Resorts is to encourage Freespirit Resorts as business operator of Yamba Waters to maximise strong capital growth of the Yamba Waters property.

The performance fee payable to Freespirit Resorts is an amount equal to 15% of the gross capital profit. The remaining 85% remains with the Co-owners. Gross Capital Profit is:

$$\text{Gross Capital Profit} = V - (A + \text{PPF} + \text{Lease Payment} + \text{Sale Costs})$$

Where:

- V = value of the Premises determined either by valuation or the actual sale price, as the case may be.
- A = [\$4,000,000 + Costs + Capex] indexed in accordance with the annual CPI (All Groups Sydney) movements.
- PPF = any amount previously paid or payable to Freespirit Resorts as a Performance Fee under this deed.
- Lease Payment = any amount paid or payable to Freespirit Resorts under the lease arising as a result of the lessor's right for early termination.
- Sale Costs = any amounts incurred by the Co-owners in achieving a sale of the Land.



and

- Costs = costs associated with the original acquisition of Yamba Waters.
- Capex = the (GST exclusive) amount expended by Co-owners in connection with capital improvements to or works carried out at Yamba Waters during the term of the lease.

The performance fee is payable when Yamba Waters is sold or after expiry of the lease (or further lease term) to Freespirit Resorts. The performance fee cannot be assigned by Freespirit Resorts.


16.12 SUMMARY OF THE DEVELOPMENT MANAGEMENT AGREEMENT BETWEEN THE CO-OWNERS AS THE LAND OWNERS, THE BLUE DOLPHIN DEVELOPMENT JOINT VENTURE AND MARINER LAND LIMITED

The Co-owners have agreed to authorise the Blue Dolphin Development Joint Venture to arrange the development of the Blue Dolphin site. The Blue Dolphin Development Joint Venture will comprise:

- as to 45%, Mitchell BD Developments Pty Limited ACN 116 431 433 as trustee for the Mitchell Development Unit Trust
- as to 55%, Mariner Land Limited ACN 114 998 971

The Blue Dolphin Development Joint Venture will appoint Mariner Land Limited to be the Development Manager to carry out development services for a fee in connection with the development of the Blue Dolphin site. The Development Management Agreement will commence on the date of settlement of the Blue Dolphin Land Contract and the Yamba Waters Land Contract (Sales Contracts). Key features of the Development Management Agreement are:

- **Term** – estimated to be 8 years.
- **Developer** – the Blue Dolphin Development Joint Venture is appointed to be the Developer to arrange the development.
- **Development Manager** – Mariner Land Limited is appointed to be the Development Manager to carry out development services.
- **Development Access Fee** – an amount equal to 8% per annum on the value of the current development stage. The value of the current development stage is based on the percentage that the area of that stage bears to the area of the Blue Dolphin land multiplied by the value of the Blue Dolphin land of \$26 million.
- **Development Management Fee** – paid by Mitchell BD Developments Pty Limited to Mariner Land Limited being an amount equal to 2.25% of the Total Project Costs (representing 5% of Mitchell BD Development Pty Limited's 45% interest in the project), being a fee for services provided by the Development Manager.
- **Lease Revenue Shortfall** – if, during the first 3 years after the settlement of the Sales Contracts, there is a shortfall in the revenue that the Co-owners receive from Freespirit Resorts as lessee as a direct result of the Developer requiring part of the property to carry out the project, the Developer will arrange the payment to the Co-owners of an amount equal to that shortfall to maintain the return to the Co-owners.

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- **Payment Waterfall** – the payment waterfall reflects where the risk in the development project is held. Once the Project reaches a profitable stage (for example, completion of a particular development stage and the sale of the end product), the revenue received will be distributed as follows:
 - First: to the project financier, all monies owing to the project financier;
 - Second: to the Co-owners, the original acquisition value of the land (as at the date of settlement of the Sales Contracts);
 - Third: to the Developer, to reimburse the Developer for the total development costs actually incurred by the Developer;
 - Fourth: the base development return (being 15% of the total development costs as at that date) to the Co-owners (which, in the case of the Mitchell Family as a Co-owner, will be an entitlement of an entity related to the Mitchell Family). This entitlement will be documented through a joint venture called the Blue Dolphin Management Joint Venture;
 - Fifth: the excess development profit (after paying out the above and any costs associated with the sale) as to:
 - 50% of the excess development profit to the Co-owners; and
 - 50% of the excess development profit to the Developer.

17 Service Providers

17.1 THE UNDERWRITER

The underwriter to the issue is Mariner Financial Limited. Mariner Financial Limited is listed on the Australian Stock Exchange and information about its financial standing is publicly available through the Exchange. Mariner Financial Limited does not hold an Australian Financial Services Licence and will appoint Mariner Structured Investments Limited (ABN 17 082 380 023; AFSL Number 222 040) to deal and advise on its behalf in connection with the underwriting.

17.2 FREESPIRIT RESORTS PTY LIMITED

Freespirit Resorts is jointly owned by James Fielding Investments Pty Limited (25%), SEQ Properties Pty Limited (50%) and Yambar Pty Limited Superannuation Fund (25%).

Freespirit Resorts is the manager of FreeSpirit Resort Darwin (previously Palms Village Resort). Freespirit Resorts acquired the lease of this property in April 2004. The resort, located 17 kilometres east of Darwin on the Stuart Highway, sits on 11.25 hectares with 360 caravan sites, 152 cabins and 20 motel rooms along with a fully serviced restaurant, bistro, jumping pillow and two pools. It is rated as a 4.5 star resort.

The Directors and senior management of Freespirit Resorts are:

David Johnston, BBus MBA (Dist) CA FAICD – Managing Director

David Johnston has over 20 years experience in investment banking and property development. He is a Chartered Accountant by background and has over 10 years experience in marketing and senior management.

David has been involved in the tourist park industry for over 10 years and currently has a private interest in two tourist parks through SEQ Properties Pty Limited. During the ownership of the parks by SEQ Properties Pty Limited the returns of the parks have increased by over 12% p.a. on average.

David has been active in implementing sophisticated reporting packages to each of the parks and has been instrumental in the development of new and successful marketing strategies for the parks.

Ray Bristow – Director Operations and Marketing

Ray Bristow has over 30 years experience in the caravan and cabin park industry and has owned and operated nine parks in four States in Australia. Ray is recognised as one of the leading members of the caravan and cabin industry in Australia and was granted Honorary Life Membership to the Queensland Division of the Caravan Park Association in 1997.

Ray has been invited to sit on many tourist boards and was Chairman of the Caravan Parks Association in three States. He was the Gold Coast Division Delegate for 17 years and has won a number of industry awards.

Ray has travelled extensively overseas and within Australia to research operations and trends in the resort and caravan park industries.



Yvonne Bristow, BEd – Manager Operations and Training

Yvonne Bristow has broad experience in the hospitality industry, with over 16 years experience in the management of caravan parks and 20 years experience lecturing and teaching in the hospitality industry.

Yvonne has travelled extensively throughout Australia, USA, Great Britain and Europe to study and research operations of resorts, caravan parks and associated industries.

Yvonne's expertise lies within the area of staff training and establishing policies and procedures for the operations of the resorts.

Thomas Booker, FAICD – Non-executive Director

Thomas Booker has over 30 years experience in the banking, investment banking and property industries. He has been involved in the tourist park industry for over 10 years and currently has an interest in two tourist park facilities through SEQ Properties Pty Limited.

Thomas has held senior positions with a number of financial institutions and private enterprises.

Nicholas Collishaw, ASIA (Aff), AAPI, FAICD – Non-executive Director

Nicholas Collishaw has been involved in property and property funds management for more than 20 years. He was appointed CEO of the investments division of Mirvac following the acquisition of the James Fielding Group in January 2005. He has extensive experience in commercial, retail and industrial property throughout Australia. In various roles he has co-ordinated business acquisitions and investment fund creation as well as implementing portfolio sales programmes. Nicholas has also managed many large investment acquisitions. He has an Associate Diploma in Business (Valuations) from the Sydney Institute of Technology, and a Diploma in Financial Markets from the Securities Institute of Australia. Prior to joining the James Fielding Group, Nicholas held senior positions with Deutsche Asset Management, Paladin Australia Limited and Schroders Australia.

17.3 BLUE DOLPHIN DEVELOPMENT JOINT VENTURE

The Development Joint Venture has been established to undertake the development of the Blue Dolphin site, on behalf of the Co-owners. It is a joint venture between Mitchell BD Developments Pty Ltd, a Mitchell Family controlled company and Mariner Land Limited a subsidiary of Mariner Financial Limited.

The Development Joint Venture will manage the planning, design, construction and sales/marketing of the development.

17.4 MARINER LAND LIMITED

Mariner Land Limited is a subsidiary of Mariner Financial Limited and has access to personnel who have a strong track record in the delivery of major projects and who will undertake the development management roles.

17.5 THE CUSTODIAN AND SUB-CUSTODIAN

The Custodian of the Fund is BNP Paribas Fund Services Australasia Pty Limited ABN 71 002 655 674 trading as BNP Paribas Securities Services. BNP has appointed a specialist Sub-Custodian to hold the assets of the Fund.

The Sub-Custodian, Trust Company of Australia Limited ACN 004 027 749, is a member of the Trust group of companies, which was formed as a consequence of the merger, effective 6 December 2002, between Trust Company of Australia Limited and Permanent Trustee Company Limited.

The Sub-Custodian is appointed by the Custodian to hold such assets and title documents of the Fund as the Responsible Entity and the Custodian may direct. The Custodian and the Sub-Custodian have entered into a Deed of Sub-Custody that sets out the Sub-Custodian's role in detail, including its rights and obligations and a clause limiting its liability.

In addition to being appointed the Custodian, BNP Paribas Fund Services Australasia Pty Limited has been appointed to provide registry services to the Fund.

It is not the role of the Custodian or the Sub-Custodian to protect the rights and interests of the Fund's investors.

Neither the Custodian nor the Sub-Custodian guarantees the return of any investment or the performance of the Fund.

The Custodian and the Sub-Custodian have not been involved in the preparation of, have not authorised or caused the issue of and other than in relation to the references made to them, take no responsibility for, the contents of this PDS.

18 Regulatory Information

18.1 ETHICAL CONSIDERATIONS

When we make investment decisions for the Fund, we do not consider labour standards or environmental, social or ethical considerations, except where we believe these may have a material impact on the financial performance of an investment.

18.2 INTERESTS AND FEES

No person named in this PDS as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this PDS has been paid or received or agreed to receive any benefit for services provided in connection with the formation or promotion of the Fund or the offer of Units in the Fund, except as set out in this PDS, including this section.

- PricewaterhouseCoopers has provided a Taxation Report, which is included in section 15 and is entitled to receive \$60,000 (exclusive of GST) for this service.
- PricewaterhouseCoopers Securities Ltd has acted as investigating accountant to the Responsible Entity and is entitled to receive \$75,000 (exclusive of GST) for this service. Its role as investigating accountant includes provision of the Investigating Accountant's Report in section 14.
- DTZ Australia (Gold Coast) has acted as valuer for the Responsible Entity of the Fund and is entitled to receive approximately \$34,650 (inclusive of GST) for this service. Its role as valuer includes provision of the reports included in sections 12 and 13.
- Mallesons Stephen Jaques has acted as legal adviser to the Responsible Entity and is entitled to receive approximately \$50,000 (exclusive of GST) for this service.

18.3 CONSENTS TO BE NAMED

The following persons or firms have consented to being named in this PDS and have not withdrawn their consent.

- PricewaterhouseCoopers Securities Ltd
- PricewaterhouseCoopers
- DTZ Australia (Gold Coast)
- Mallesons Stephen Jaques

18.4 CONSENT TO BE NAMED AND TO INCLUSION OF INFORMATION

PricewaterhouseCoopers Securities Ltd has given its consent (which has not been withdrawn as at the date of this PDS) to the issue of this PDS with the inclusion of its Investigating Accountant's Report in the form and context in which that report is included in section 14.

PricewaterhouseCoopers has given its consent (which has not been withdrawn as at the date of this PDS) to the issue of this PDS with the inclusion of the Taxation Report in the context in which that report is included in section 15.

DTZ Australia (Gold Coast) has given its consent (which has not been withdrawn as at the date of this PDS) to the issue of this PDS with the inclusion of its reports in sections 12 and 13 and the statements in relation thereto in the form and context in which they are included.

18.5 DISCLAIMER OF RESPONSIBILITY

Each of the persons named in the previous two sections, 'Consents to be named' and 'Consent to be named and to inclusion of information':

- has not authorised or caused the issue of this PDS;
- does not make, or purport to make, any statement in this PDS other than in the case of a person referred to under the heading 'Consent to be named and to inclusion of information', a statement included in this PDS with the consent of the party; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than a reference to its name, and in the case of a person referred to under the heading 'Consent to be named and to inclusion of information', any statement which has been included in this PDS with the consent of that party.

19 Administrative Information for Investors

19.1 INDICATIVE KEY DATES

This Offer opens: Wednesday, 19 October 2005

This Offer Closes: Monday, 12 December 2005

Issue of Units: Friday, 18 November 2005 and Thursday, 15 December 2005.

19.2 HOW TO INVEST IN THE FUND

To invest in the Fund please:

- complete the Application Form; and
- attach a cheque crossed 'Not Negotiable' and made payable to "Mariner Securities Limited MCLF Applications Account" to your Application Form and post both to:

Mariner Securities Limited
PO Box R1784
Royal Exchange
Sydney NSW 1225

Or hand deliver to:

Mariner Securities Limited's office at:
Level 40, Chifley Tower
2 Chifley Square
Sydney NSW 2000

The minimum investment is \$5,000, and investment amounts over this threshold must be in multiples of \$1,000. Please note that we cannot accept funds that are not in multiples of \$1,000. For example, a cheque for \$5,137.00 will not be accepted, but a cheque for \$5,000 or \$6,000 will be accepted.

19.3 ALLOCATION OF UNITS

Units will be allocated at the absolute discretion of Mariner Securities Limited. If Mariner Securities Limited receives applications for more than 25 million Units, you may receive an allocation of Units that is less than the number for which you applied. Money in relation to full or partial oversubscriptions will be returned to you within 14 days of the Offer Closing Date without interest.

19.4 INTEREST ON APPLICATION MONEY

You will receive interest on your investment amount calculated at 11am call account rates less expenses¹ from the business day after the day we receive your application and bank your cheque until the Final Issue Date, which is expected to be 15 December 2005. The interest earned on application money, including the interest earned prior to the allocation of Units, will be paid to Unitholders within 30 days of the Final Issue Date.

We intend to retain any interest earned on application monies received for full or partial oversubscriptions for Units which are repaid to investors following the Offer Closing Date.

¹ This will be same rate as the rate for the BNP Paribas 11am Call Account less expenses.

19.5 NO COOLING-OFF PERIOD

As less than 80% of the Fund's assets are liquid assets, the Fund will be illiquid for the purposes of the Corporations Act and the 14-day cooling-off period that applies to retail investors in some managed funds will not apply to the Fund.

19.6 DISTRIBUTIONS

We will determine the distributable income for the Fund for each financial year. Unitholders on the register of Unitholders at midnight on the last day of a quarterly distribution period are entitled to a share of the Fund's distributable income for that period, pro rata according to the number of Units they hold on that date.

Interest on early subscriptions will be paid as at 15 December 2005. Quarterly distributions will be calculated as at the end of March, June, September and December. Distributions will be paid to your nominated account with a bank or other financial institution, usually within one month of the distribution date. The first quarterly distribution will be for the period from the Final Issue Date to 31 March 2006, and will be paid by 30 April 2006.

19.7 TRANSFERRING UNITS

You can transfer the ownership of your Units at any time, provided that you do this in an approved form. We have the discretion to refuse transfers and are not obliged to accept a transfer that is not in an approved form or where stamp duty (if applicable) has not been paid to the relevant state government authority. Please contact our Investor Services Team on 1800 009 963 for more information.

19.8 WITHDRAWAL OFFERS

Under the Corporations Act, a fund will be illiquid if liquid assets account for less than 80% of the value of assets of the fund. Liquid assets generally include cash, bank bills, bank deposits and marketable securities. As the Fund is investing mainly in real estate, it will be illiquid. While this is so, we may only allow Unitholders to withdraw by making a withdrawal offer.

We intend to make limited withdrawal offers to all Unitholders once each year, provided there is sufficient cash or readily liquefiable assets available within the Fund. Withdrawals made under a withdrawal offer will be processed at a 5% discount to the net asset value per Unit, calculated as at the close of business on the second business day before the date the withdrawal offer is made (see section 16.2.7). Withdrawal offers are effected pro rata and may result in only a partial withdrawal.

19.9 INVESTOR REPORTING

We will provide the following reports to Unitholders:

- Confirmation of investment.
- A quarterly distribution notification.
- An annual taxation statement as at 30 June each financial year.
- The Fund's annual report as at 30 June each year.

19.10 CHANGING ADDRESS, PAYMENT INSTRUCTIONS OR OTHER DETAILS

Please provide us with written instructions if you wish to change your address, your distribution payment instructions or other details. When providing written instructions please:

- state the full name in which your Units are held;
- tell us your investor number;
- clearly set out the changes you are requesting;
- provide us with a contact name and day-time telephone number; and
- ensure the appropriate signatories sign the request.

For your security, we are unable to accept faxed instructions. We may also require additional documentation to amend some records, such as changes of name. Please contact our Investor Services Team on 1800 009 963 for more information.

19.11 COMPLAINTS

Please contact us in writing or call our Investor Services Team on 1800 009 963 if you wish to make a complaint.

If the complaint is in writing, we must acknowledge it within 14 days of receiving it and follow certain procedures. In particular, we are required to investigate, properly consider and decide what action (if any) to take and to communicate our decision to you within 45 days.

If you are not happy with how the complaint has been handled, you may contact the Financial Industry Complaints Service (FICS), of which we are a member. This is an independent body approved by ASIC to consider complaints. FICS contact details are as follows:

Telephone 1300 780 808
PO Box 579
Collins Street West
Melbourne Vic 8007

19.12 PRIVACY AND PERSONAL INFORMATION

We collect personal information from you in order to process your application, administer your investment and to provide you with services related to your investment. To do that, we may disclose your personal information to our agents, contractors or third-party service providers to whom we outsource services such as mailing functions, registry and accounting (the Service Providers). If you do not provide us with your personal information, we may not be able to process your application.

We may also use your personal information to tell you about other products and services offered by us or other members of the Mariner Financial group. In order to do, that we may disclose your information to other member companies in the Mariner Financial group, or to their Service Providers.

We also disclose your personal information to your financial adviser. Please contact our Investor Services Team on 1800 009 963 if you do not consent to us using or disclosing your personal information in these ways. It is important that you contact us because, by investing in the Fund, you will be taken to have consented to these uses and disclosures.

In most cases you can gain access to the personal information that we hold about you. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this, please contact our Investor Services Team on 1800 009 963 if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it.

19.13 CONTACTING US

Our contact details are:

Mariner Securities Limited
Level 40, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Investor Services Team 1800 009 963

Adviser Services Team 1800 009 964

Website: <www.marinerfunds.com.au>

20 Explanation of Terms

AIFRS	Australian equivalents to International Financial Reporting Standards.
Application Form	Application Form accompanying or attached to this PDS. You can only subscribe for units in the Fund by completing the Application Form and sending it to us with your cheque.
ASIC	Australian Securities and Investments Commission.
Blue Dolphin	Blue Dolphin Holiday Resort.
Business Assets	<p>The business assets being acquired by the Fund comprise a 55% interest in the following:</p> <ul style="list-style-type: none">■ contact numbers, e-mail addresses, domain names■ goodwill■ trading stock■ credit ledger
Constitution	The Constitution of the Mariner Coastal Land Fund. The Constitution sets out the rules for the way the Fund is managed.
Co-owners	Certain members of the Mitchell Family (45%) and the Mariner Coastal Land Fund (55%), including, where the context requires, the responsible entity of Mariner Coastal Land Fund or its Sub-Custodian.
Corporations Act	<i>Corporations Act 2001 (Cth)</i> .
Custodian	BNP Paribas Fund Services Australasia Pty Limited ABN 71 002 655 674.
Development Joint Venture	Blue Dolphin Development Joint Venture which is a joint venture between Mitchell BD Developments Pty Ltd, a Mitchell Family controlled company (45%) and Mariner Land Limited (55%).
Extension Date	The eight year anniversary of the Offer Closing Date. This is expected to be 12 December 2013.
FICS	Financial Industry Complaints Service. You can consult FICS if you are unhappy about the way we handle a complaint.
Financial Information	The forecast Income Statement and Proforma Balance Sheet.
Final Issue Date	15 December 2005, unless that date is varied under the terms of this PDS.
Forecast Period	15 December 2005 to 30 June 2007.
Freespirit Resorts	Freespirit Resorts Pty Limited ACN 108 493 198, a tourist park management company which will lease and manage Blue Dolphin and Yamba Waters.
Fund	Mariner Coastal Land Fund ARSN 115 858 047.
GST	Goods and services tax.

Investor(s)	Any person or entity subscribing or considering subscribing for units in the Mariner Coastal Land Fund. Investors who hold units in the Fund are referred to as Unitholders.
Mariner Financial group	Mariner Financial Limited ABN 54 002 989 782 and its subsidiaries.
Mitchell Family	Paul John Mitchell, Mark Andrew Mitchell, Linda Anne Mitchell, David Ronald Mitchell, Judith Ann Mitchell, Ronald Sydney Mitchell and Joanne Patti Mitchell and various companies and trusts controlled by them.
Net asset backing	The net assets (difference between the total assets and liabilities) of the Fund divided by the number of units.
Offer	The offer of units in the Mariner Coastal Land Fund pursuant to this PDS.
Offer Closing Date	12 December 2005.
Offer Opening Date	19 October 2005.
PDS	This Product Disclosure Statement.
Principal Asset	The Fund's interest of 55% in the land and Business Assets of each of the Blue Dolphin Holiday Resort and Yamba Waters Caravan Park.
PwC Securities Ltd	PricewaterhouseCoopers Securities Ltd.
Responsible Entity	Mariner Securities Limited (referred to as we, us, or the Responsible Entity in this PDS).
Sub-Custodian	Trust Company of Australia Limited ACN 004 027 749
Tax Deferred	The part of any distribution that is not taxable in the year of receipt because of such things as building allowances, depreciation of plant and equipment or amortisation of borrowing costs.
Unit(s)	Unit(s) in the Fund issued pursuant to this PDS.
Unitholder(s)	A holder(s) of units in the Mariner Coastal Land Fund.
Vendors	The Mitchell Family, who are the vendors of Blue Dolphin and Yamba Waters and various companies and trusts controlled by them.
Yamba Waters	Yamba Waters Caravan Park.

MARINER COASTAL LAND FUND - APPLICATION FORM (Dated 19 October 2005)

This is the Application Form you must complete to apply for Mariner Coastal Land Fund ARSN 115 858 047 units issued by Mariner Securities Limited ABN 87 002 163 180, AFSL 237 091 under the Product Disclosure Statement (PDS) dated 19 October 2005. The PDS contains important information about investing in Mariner Coastal Land Fund and it is advised that you read the PDS carefully and in full before completing the Application Form. A person who gives another person access to this Application Form must at the same time and by the same means give to the other person access to the PDS and any supplementary document.

While the PDS is current, the Issuer will send paper copies of the PDS, any supplementary document and the Application Form on request and without charge. Simply call our Investor Services Team on 1800 009 963.

STEP ONE - COMPLETE INVESTOR DETAILS

Investor Details

Select the type of investor and complete the applicable section.

1. Individual Investor

Complete Investor 1.

2. Joint Investors

Complete Investor 1 & 2 with each Investor's details.

If there are more than 2 joint Investors please attach each Investor's details.

3. Partnerships

Complete Investor 1 & 2 with Partners' details. Complete Partnership Name.

If there are more than 2 Partners please attach each Partner's details.

4. Company

Complete with an Account Name other than the Company name (if applicable eg: XYZ - City Account). Go to page 2 for

5. Superannuation Funds or **6. Trusts** or **7. Child under 18** or **8. Executors**

Tax File Number

You are not required to provide your Tax File Number (TFN) or (if applicable) your Australian Business Number (ABN). However if you do not, Mariner may be required by law to deduct Australian tax from all distributions at the highest marginal tax rate plus the Medicare Levy.

If you are exempt, please write your exemption category.

Description of Investor

1. Individual 2. Joint 3. Partnership 4. Company
5. Superannuation Fund 6. Trust 7. Adult for child under 18 8. Executor
 Please tick if you are an existing Mariner Investor?

If yes, please quote your Investor Number

Investor 1

Mr / Mrs / Ms / Miss / other First Names

Last Name

Date of Birth

Tax File Number

or Tax Exemption or Country of Residence (for tax purposes)

Investor 2

Mr / Mrs / Ms / Miss / other First Names

Last Name

Date of Birth

Tax File Number

or Tax Exemption or Country of Residence (for tax purposes)

Partnership Name

Company

Company Name

Account Name (if applicable)

ACN or ARBN

Tax File Number or ABN

or Tax Exemption or Country of Residence (for tax purposes)

STEP ONE - COMPLETE INVESTOR DETAILS - cont'd

5/6. Superannuation Funds or Trusts

Complete details of Individual Trustee 1 & Individual Trustee 2 (if applicable) and provide Superannuation Fund TFN or ABN. Complete Superannuation Fund or Trust name.

If there are more than 2 Trustees please attach each Trustee's details. or

Complete Company name with Trustee details and provide Superannuation Fund TFN or ABN. Complete Superannuation Fund or Trust name.

7. Adult investing for child under 18

Complete Individual Trustee 1 & Individual Trustee 2 (if applicable) with adult's details and TFN. Insert child's name where specified. We do not accept investments in the name of someone under 18 years of age.

If there are more than 2 Trustees please attach each Trustee's details.

8. Executor (for deceased estates)

Complete Individual Trustee 1 & Individual Trustee 2 (if applicable) with Executor's details. Provide Estate's TFN and Estate name.

If there are more than 2 Trustees please attach each Trustee's details.

Superannuation Funds / Trusts / Child Under 18 / Executors

Individual Trustee 1

Mr / Mrs / Ms / Miss / other

First Names

Last Name

Date of Birth

Tax File Number

or Tax Exemption or Country of Residence (for tax purposes)

Superannuation Fund, Trust, Estate or Child's Name (if applicable)

Individual Trustee 2

Mr / Mrs / Ms / Miss / other

First Names

Last Name

Date of Birth

Tax File Number

or Tax Exemption or Country of Residence (for tax purposes)

Corporate Trustees

Company Name

Trust/Superannuation Fund Tax File Number or ABN

(Superannuation Funds must supply the Superannuation Fund's TFN or ABN)

or Tax Exemption or Country of Residence (for tax purposes)

Superannuation Fund or Trust Name

STEP TWO - COMPLETE INVESTOR CONTACT DETAILS

Contact Details

Please provide all contact details to ensure we can contact you if necessary.

Contact Name

Street Address or PO Box/Other Information

Suburb

State

Postcode

Country of Residence (if not Australia)

Email Address

Home Telephone

Work Telephone

Fascimile Number

Mobile Number

STEP THREE - COMPLETE YOUR INVESTMENT DETAILS

Your Investment Details

The minimum investment is \$5,000 and investment amounts over this threshold must be in multiples of \$1,000.

Application Details

Application Amount

Application Cheque Details

Cheque Drawer

Cheque Number

Branch Number (BSB)

Account Number

STEP FOUR - COMPLETE YOUR DISTRIBUTION INSTRUCTIONS

Your Distribution Instructions

Distributions will be paid quarterly on your investment. Please nominate the bank, building society or credit union account you would like your distributions paid to.

Please check with your nominated bank, building society or credit union that the account you have nominated is able to accept electronic payments.

Distribution Account

Financial Institution Name

Branch

Branch Number (BSB)

Account Number

Account Name

STEP FIVE - ADVISER DETAILS (if applicable)

Adviser Details

Please note: Commissions are paid by Mariner Securities Limited and no monies will be deducted from the application amount.

Dealer Group Stamp

Adviser Details

Adviser Name

Adviser Email

Adviser Contact Number

Adviser Use Only

Commission Option

Option 1

Option 2

Upfront 3.30% Inc. GST

2.2% Inc. GST

Trail Nil

0.50% p.a. Inc. GST

Please tick only one option.

Office Use Only: Adviser Code

STEP SIX - PLEASE READ THESE ACKNOWLEDGEMENTS

Acknowledgements

By returning this Application Form and attaching your payment you agree to the following statements: I/we declare that:

- all details in this application are true and correct;
- I/we have read the Product Disclosure Statement dated 19 October 2005, in full to which this application applies and agree to the terms of the offer contained in it, and to be bound by the provisions of the constitution for the Trust dated 7 April 2005 as amended 15 June 2005, 18 August 2005 and 11 October 2005;
- I/we acknowledge that acceptance of my/our application and allocation of Mariner Coastal Land Fund units will be at the sole discretion of Mariner Securities Limited ("Mariner") and that Mariner has the right to reject any application;
- I/we have legal power to invest in accordance with this application form;
- the details of my/our investment can be provided to the dealer group or adviser shown on this application form by the means and in the format that they direct;
- in the case of joint investments, the joint applicants agree that unless otherwise expressly indicated on this application form, the units will be held as joint tenants and either investor is able to operate the account and bind the other investor for future transactions;
- sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- if investing as a Trustee, on behalf of a Superannuation Fund or Trust I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the Trust Deed;
- if this application form is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application form unless we have already sighted it);
- I/we acknowledge that I/we have read the pages of the Product Disclosure Statement containing the information under the heading "Privacy and personal information". I am/we are aware that until I/we inform Mariner otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading;
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible exchanges or uses detailed above, my/our application may not be accepted by Mariner;
- understand the risks involved with purchasing units in Mariner Coastal Land Fund and have not relied on any representation (whether oral or written) from Mariner or any other persons involved in the preparation of the Product Disclosure Statement as investment, financial, legal or taxation advice as to the suitability of Mariner Coastal Land Fund to my/our circumstances;
- acknowledge that I am/we are over 18 years of age and in completing this Application Form, I/we do so reside in Australia;
- acknowledge that my/our investment in Mariner Coastal Land Fund is subject to investment risks, including possible delays in repayment and loss of income and principle invested.

Privacy Act

Mariner Securities Limited advises that once you become a Holder, Chapter 2C of the Corporations Act 2001 requires information about you (including your name, address and details of the securities you hold) to be included in Mariner Securities Limited's public register. This information must continue to be included in Mariner Securities Limited's public register if you cease to hold units in Mariner Coastal Land Fund. These statutory obligations are not altered by the Privacy Amendment (Private Sector) Act 2000. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Information you supply on this Application Form will be used by Mariner Securities Limited in connection with the issue and subsequent administration of Mariner Coastal Land Fund, and may be disclosed by Mariner Securities Limited on a confidential basis to Mariner Securities Limited's professional advisers in connection with these purposes. Your personal information may be used for related purposes, such as to inform you about Mariner Securities Limited and its business in newsletters and other communications that may be sent to you from time to time. Please see "Privacy and personal information" in the PDS for more information on privacy.

STEP SEVEN - YOUR SIGNATURE(S) HERE

Signatures

All parties must date and sign the application form.

Corporations may sign by one of the following methods;

- Under seal, with the signatures of two directors or one director and the company secretary;
- By signatures of two directors or one director and the company secretary;
- For companies where a sole director is permitted, by signature of the sole director;
- Under Power of Attorney. If signed by a power of attorney, the attorney confirms that no notice of revocation of the power has been received. A copy of the power of attorney must be lodged with this application.

If you are signing in another representative capacity, proof of your capacity must be lodged with this application form.

Once you have completed and signed this application form, please send both the form and the cheque to:

Mariner Securities Limited
PO Box R1784
Royal Exchange NSW 1225

or hand deliver to:

Level 40, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Please ensure your cheque is crossed "Not Negotiable" and made payable to:

"Mariner Securities Limited
MCLF Application Account
(insert your name)"

If you have any questions about completing this form, please contact our Investor Services Team on 1800 009 963.

Name

Date

 / /

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Partner |
| <input type="checkbox"/> Director | <input type="checkbox"/> Company Secretary |
| <input type="checkbox"/> Sole Director | <input type="checkbox"/> Trustee |
| <input type="checkbox"/> Executor | <input type="checkbox"/> Power of Attorney |

Signature

Name

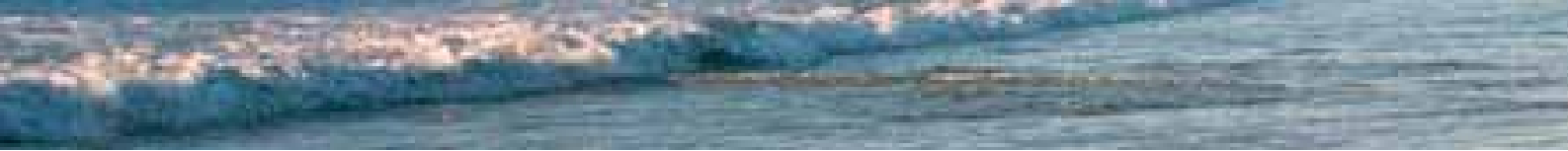
Date

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|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Partner |
| <input type="checkbox"/> Director | <input type="checkbox"/> Company Secretary |
| <input type="checkbox"/> Sole Director | <input type="checkbox"/> Trustee |
| <input type="checkbox"/> Executor | <input type="checkbox"/> Power of Attorney |

Signature

Common Seal (if applicable)



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Directory

Responsible Entity	Mariner Securities Limited Level 40, Chifley Tower 2 Chifley Square Sydney NSW 2000
Custodian	BNP Paribas Fund Services Australasia Pty Limited Level 6, 60 Castlereagh Street Sydney NSW 2000
Sub-Custodian	Trust Company of Australia Limited Level 4, 35 Clarence Street Sydney NSW 2000
Legal Advisers	Mallesons Stephen Jaques Level 60, Governor Phillip Tower 1 Farrer Place Sydney NSW 2000
Tax Advisers	PricewaterhouseCoopers Darling Park Tower 2 201 Sussex Street Sydney NSW 2000
Investigating Accountant	PricewaterhouseCoopers Securities Ltd Darling Park Tower 2 201 Sussex Street Sydney NSW 2000
Auditor	KPMG 10 Shelley Street Sydney NSW 2000



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Mariner Financial Limited

Level 40
Chifley Tower
2 Chifley Square
Sydney NSW 2000
T: 02 9238 0750
F: 02 9238 0790

Level 20
101 Collins Street
Melbourne VIC 3000
T: 03 8317 1111
F: 03 8317 1199

Suite 16
8 Greenhill Road
Wayville SA 5035
T: 08 8372 7896
F: 08 8372 7800

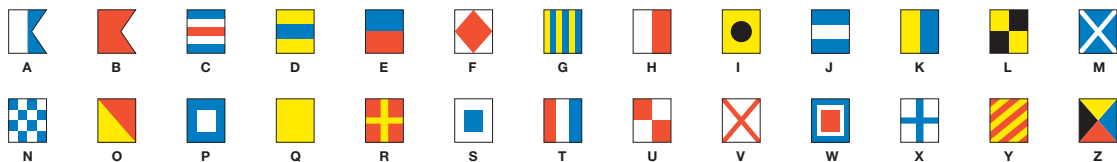
320 Adelaide Street
Brisbane QLD 4000
T: 07 3010 9433
F: 07 3010 9001

Investor Services: 1800 009 963

Adviser Services: 1800 009 964

www.marinerfunds.com.au

Mariner Retirement Solutions Limited ASX: MRT
Mariner Wealth Management Limited ASX: MWM



The international code of signals allows ships of all nations to communicate with each other. The code's simple, powerful design has created a universal language that brings mariners together in a partnership of understanding. Mariner Financial has adopted a similar philosophy – working in partnership to design simple, tailored investment solutions with universal applications.