



# MEMO

To: Board of Directors  
From: Company Secretary  
Subject: **PROSPECTUS – COMPLETION OF DELIVERABLES**

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Shareholders have been asking when the funds raised under the company's prospectus – issued 2 years ago to raise \$15m – will all be expended and the improvements to the company's properties completed.

I guess this is not an unreasonable question as the timetable in the prospectus showed completion was planned for April this year, so by now those properties should be fully tenanted and rental income being earned – which will translate into increased dividends for shareholders.

## Legal Opinion

Foreshadowing your request to have our lawyers clarify the board's obligations in regard to the prospectus deliverables I have already sought their advice which is summarised as:

“There is no formal legislation identifying when a prospectus can be considered ‘completed’. It is usually a matter of fact – have the matters for which the funds were raised actually happened? Once the board is aware that the prospectus projects have been completed the best course would be a formal resolution that states in the opinion of the directors completion of the prospectus has occurred to their satisfaction.”

## Board Resolution

So, assuming that the board is satisfied that the projects have been completed I propose the following resolution:

Resolved that, in the opinion of the Directors to the best of their knowledge and belief, all funds raised under the Prospectus have been spent on refurbishment of Company properties and that work has been completed.

I trust this will satisfy the enquiries which you may wish to advise shareholders in the next newsletter.

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### DISCLAIMER

*The comments in this memo reflect some commercial aspects and observations on the matter experienced or observed by the writer in practice as he understands them. The information is given as a guide only and does not represent a definitive or legal view of any of the issues raised, covered or referred to and the reader is urged to seek his own professional advice on all aspects of, or pertaining to, this and any related matter.*

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