

The TEYS Income Builder

A.R.S.N. 110 052 429 ("TTIB")

Investor Update No. 11, 1 November 2013

Issuer of this Document

TPFL Limited (In Liquidation) ACN 105 164 047 ("TPFL") is the Responsible Entity of The TEYS Income Builder and the issuer of this report. The contact details for the Liquidator's office are can be found in this report. This report should be read in conjunction with previous reports.

Ongoing disclosure to investors

This report forms part of my ongoing disclosure to investors. This report will be placed on my website (www.dwsrecovery.com.au) and paper copies will be sent to investors. Additional updates may also be placed on my website from time to time.

Purpose of this Document

I have prepared this information without taking into account your particular objectives, financial situation and needs. This information is purely an update on TTIB and is not investment advice. You should consider the appropriateness of this information before making any decisions based on it and consult your independent advisors.

Disclaimer

The comments and statements contained in this report and any annexures hereto have been prepared and conducted from the responsible entity and Scheme's books and records and/or from information provided by the company's director, other representatives and third parties.

My opinions and recommendations are based on the information provided to us. I have not completed an audit nor conducted a comprehensive investigation of the scheme's financial affairs. I cannot therefore warrant the accuracy, reliability or completeness of the underlying information and my comments and opinions should be considered subject to this limitation.

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1. Assets – Loan portfolio

Further to my previous report to investors, I summarised the status of TTIB’s remaining assets:

1.1. LadyBrand Retirement Village

As you are aware, the balance of \$4million will be paid by the borrower, Dalesun Holdings Pty Limited (“Dalesun”) by 13 June 2016. The \$4million (i.e. \$80,000 every time an ILU is sold/ leased) is to be paid from the construction and sale/leasing of 50 Independent Living Units (ILUs).

I confirm that Dalesun has sold the following ILUs and payment was received on:

	Lot No.	\$80K/ILU received on
1	219	29 November 2012
2	241	30 January 2013
3	187	10 May 2013
4	245	12 August 2013
5	246	4 October 2013

In addition, Dalesun has confirmed the following:

- Additional five (5) ILUs are currently being constructed and estimated to complete by December 2013; and
- Planning approval was submitted in late September 2013 for a further seven (7) ILUs. Construction date will commence shortly after planning approval received from Council.

1.2. Windang

As investors are aware, Department of Planning and Infrastructure have issued a Gateway Determination to Wollongong Council (“Council”) on 12 April 2013 with respect to Windang’s draft Planning Proposal for the rezoning of major part of the land from Private Recreation to Environmental Living with a minimum lot size of 1,000m² which permits in the order of 10-12 residential lots of single dwellings only.

As noted in my most recent report, the Council’s Land Use Planning (“LUP”) department is due to issue a report to Council with respect to flooding issues raised in the submission received from NSW Department of Environment and Heritage. Based on recent advice received from the representative of LUP, it is expected that same report will be finalised and presented at the Council’s meeting in late November 2013.

I am still hopeful that the above process will be successful.

1.3. Braidwood

I have received an interest from the Borrower, Habitat Homes to purchase the Braidwood property.

I am in discussion with the Borrower and will advise investors on status of same once finalised.

1.4. Terranora

As investors are aware, due to failure of the Borrower, Creeksound Pty Limited to obtain Development Approval by the agreed date, TTIB is now able to enforce its security over Terranora.

In that regard, Mr Alan Hayes and Mr Christian Sprowles of Hayes Advisory ("Hayes") have been appointed as Agents of the Mortgagee (being TTIB) on 4 October 2013 pursuant to Terranora Mortgage dated 30 April 2007 and the Workout Deed between the Borrower, Creeksound Pty Limited and others.

Hayes has appointed CBRE as the marketing agent with respect to the sale of Terranora and has scheduled to start its marketing campaign in early February 2014. Terranora is to be marketed as vacant possession.

An updated valuation has been received. However, I am unable to disclose same due to commercial reason.

2. Estimated Overall Return of Capital

I note that the previously estimated overall return of capital will vary as same is highly dependent on sale receivables from selling of Terranora as discussed in Section 1.4 above.

I will provide updated overall estimated return to investors as soon as Terranora sale has been finalised.

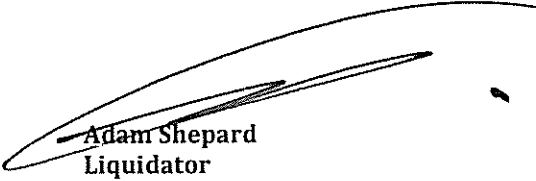
3. Liabilities

As at the date of this report, the following are the estimated liabilities of TTIB:

- Principal payment to Baymac of \$500,000 plus interest in relation to re-financing of Heritage National Limited's debt;
- Receiver and manager fees of approximately \$75,000, in relation to Windang; and
- \$300,000 principal debt plus interest to Peter Wallace in relation to Braidwood.

Please do not hesitate to contact myself or Ivy Michael of this office, should you have any other questions with respect to the above.

Yours faithfully,
TPFL Limited
(In Liquidation)



Adam Shepard
Liquidator