

Crusader Debentures

Offer Memorandum

Series 2a and Series 2b



*Sharing Jesus with
a new generation*

The Crusader Debentures offered under this Offer Memorandum are only available to persons within Australia.



The Crusader Union of Australia
ABN 90 213 359 332

Why Crusader Debentures?

Crusaders now offer you the opportunity to invest directly in the lives of young people in Australia.

Crusaders have been at the forefront of Christian camping ministry in Australia for nearly 80 years since being established in 1930.

By investing in this Crusader Debenture you directly contribute to this important and strategic ministry by enabling Crusaders to reduce its interest costs and the principal amounts which would otherwise be required to be sourced from commercial funding facilities.

Over recent years, Crusader Council has recognised that additional working capital is required to sustain its growing ministry operations.

To service the needs of the General Operations including its Schools Ministry and Cru Camps, short to medium term funding is required. It is anticipated funds will be available to repay these Series 2 borrowings through future revenues generated at both the Galston Recreation and Conference Centre and proposed redeveloped Lake Macquarie camp site and/or future borrowings raised to replace these Series 2 borrowings.

Crusader Council has entered into the "Crusader Debentures Deed Poll" dated 29 November, 2004, to govern the issue and management of Crusader Debentures.

The Chairman, Mr Philip Bell, and the Executive Director, Mr Gary Hill, encourage Crusaders supporters to financially support this substantial opportunity Crusaders has to share the gospel of Jesus Christ with a new generation of school aged students.

Within 14 days of each 30 June financial year end you will receive a Summary Statement and Tax Deductible receipt (*if applicable*) in relation to your investment in Crusader Debentures.

The date of this Offer Memorandum is 19 May, 2008. This Offer Memorandum expires when Debentures worth \$800,000 have been issued. This Offer Memorandum has not been examined or approved by the Australian Securities and Investments Commission (ASIC).

Terms and Conditions

We suggest you retain this document for future reference.

Debentures

The Crusader Debentures *Series 2a* & *Series 2b* are issued by the Crusader Union of Australia (ABN 90 213 359 332).

- Your investment gives you a fixed rate of interest for the whole of its term (subject to early repayment terms) and, if accepted, starts earning interest from the day your application money is received at the Registry office.
- Interest is credited to your nominated account quarterly in arrears (30/6, 30/9, 31/12 & 31/3).
- Should you desire, you may direct Crusaders to transfer your interest entitlement by way of donation to the tax deductible Building Fund.
- You can choose your own interest rate up to a maximum rate.
- You have a choice to invest in either *Series 2a* or *Series 2b* or both.
- The minimum investment amount for *Series 2a* is \$25,000 and for *Series 2b* \$20,000.
- *Series 2a* will mature in 5 or 6 years with a fixed interest rate of up to 3.0% pa.
- *Series 2b* will mature in 3 or 4 years with a fixed interest rate of up to 2.5% pa.

Repayment of Debentures

The Crusader Debenture will be repaid by the Crusader Union of Australia on any of the following three occasions:

- At the maturity date of the Debenture; or
- At the discretion of the Crusader Union of Australia and subsequent acceptance by the investor; or
- At any time, where the investor chooses to make a tax deductible donation or a donation in lieu of receiving the full or partial principal value of their Debenture.

Note: Interest will be adjusted to the date of repayment or the date a tax deductible receipt is issued for any principal sum donated to the Building Fund.

A notice of intention will be issued 3 months prior to the maturity of a Debenture, asking whether you would like to reinvest, make a donation or to be repaid.

Statement to Investors

As an investor you should be aware:

- that Crusader Debentures are not subject to the normal requirement to be issued under a prospectus or other disclosure document or be constituted by a trust deed in accordance with the Corporations Act 2001;
- this Offer Memorandum has not been examined or approved by the ASIC;
- Crusader Debentures are offered to investors for whom considerations of profit are not of primary relevance in the investment decision; and
- Although a Deed Poll is not required by law, the Crusader Debentures are governed by the Crusader Debentures Deed Poll dated 29 November, 2004.

Use of Proceeds

The proceeds received from *Series 2* Crusader Debentures will be used to repay bank overdraft requirements and provide additional working capital requirements of the Company generally.

Deed Poll Information

The Crusader Debentures *Series 2* are issued in accordance with the Crusader Debenture Deed Poll dated 29 November 2004, executed by the Crusader Union of Australia in favour of each person who is from time to time a debenture holder ("Debenture Holder").

The Deed Poll protects the interests of Crusader Debenture Holders by ensuring that the Crusader Union of Australia complies with the terms of the Crusader Debentures Deed Poll, including borrowing limits.

Amendments to the Deed Poll

The Crusader Union of Australia may amend the Crusader Debenture Deed Poll if the amendment is approved by a general meeting and the rights of current Debenture Holders under the Deed Poll are maintained.

If you would like a free copy of the Crusader Debentures Deed Poll please call the Crusaders office on 02 9874 8933 or send an email to

debentures@crusaders.edu.au.

How to Invest

To proceed with your investment, complete the attached application form. Application money can be paid by either:

- Cheque made payable to "Crusader Union of Australia Debenture A/c" and crossed "Not Negotiable"; or
- Transfer of Funds to:

Account Name:

"Crusader Union of Australia Debenture A/c"

BSB: 704-998

Account No.: 100008682

Reference: *Your name & your bank A/c No.*

Send your application form and money to:

The Executive Director
Crusader Debentures
PO Box 590
Eastwood NSW 2122

Your Crusader Debentures will be recorded on the Register maintained at the office of the Crusader Union of Australia. We reserve the right to refuse any application or to accept any application in part only. Applications accepted will begin accruing interest from the date your application is received. Application money not accepted will not be paid interest and will be returned within 14 days.

The Registry will send you a certificate confirming your investment within 14 days, subject to the clearance and acceptance of cheques.

Signature

The application form **must** be signed by:

- the applicant personally; or
- each of the parties to a joint application; or
- the authorised representative of a company investor with title/position specified; or
- the authorised attorney of the applicant(s) (original power of attorney or certified copy should be forwarded with the application); or
- the trustee of a Trust.

Registry

The principal register for Crusader Debentures is administered by The Crusader Union of Australia and its email address is:

debentures@crusaders.edu.au

and its postal address is:

Crusader Debentures
PO Box 590
Eastwood NSW 2122



The Crusader Union of Australia
ABN 90 213 359 332

Crusader Debentures Application Form

Registry use only
Acceptance date / /

This application form is for Debentures of the Crusader Union of Australia offered under the Offer Memorandum for Crusader Debentures Series 2a and Series 2b dated 19 May, 2008, with a maximum combined issue amount of \$800,000 ("Offer Memorandum"). Receipt of the application does not constitute an acceptance.

- I/We hereby apply for Debentures of Crusader Union of Australia as set out below upon the terms and conditions in the Offer Memorandum. No Debentures will be issued pursuant to the Offer Memorandum in excess of \$800,000.
- I/We acknowledge that the Debentures are issued pursuant to the Crusader Debentures Deed Poll.
- I/We acknowledge that before applying for Debentures, I/We have had access to the complete Offer Memorandum document which is 4 pages, including this page.
- By applying for Debentures I/we consent to the Crusader Union of Australia collecting and using my/our personal information for the purposes of the issue and administration of the Debentures.

Individual / Joint Personal Details	Applicant 1		
	Title	Surname	Given name(s)
	Applicant 2		
	Title	Surname	Given name(s)
	<u>Address</u>		
			Postcode
<u>Telephone (home)</u>		<u>(work)</u>	
<u>Email address</u>			

Company / Trust Details	<u>Name of Company / Trust</u>		
	<u>Address</u>		
			Postcode
	ABN/ACN	_____ - _____ - _____	
	<u>Email</u>	<u>Telephone</u>	

Interest Payment Instructions Credit to account	<u>Account name</u>		
	<u>Bank/Building Society/Credit Union</u>		
	BSB number	_____ - _____	Branch _____
	<u>Account number</u>		
	I would like to give _____% of my interest payment as a tax deductible donation. <i>(If left blank your interest will be transferred to the account information provided).</i>		

Debentures	Interest paid quarterly	Series 2a	Series 2b
	Term <i>(Please circle maturity date)</i>	5 or 6 years	3 or 4 years
	Minimum investment	\$25,000	\$20,000
	Interest rate (per annum)	_____ % (max 3.0% pa)	_____ % (max 2.5%pa)
	Amount invested	\$ _____ .00	\$ _____ .00

Authorised Signatories (must be signed by all applicants)	Applicant 1: X _____ Date / /
	<small>(for company/Trust lodgements, please specify company title/position)</small>
	Applicant 2: X _____ Date / /

Tax File Number (TFN) Optional	Collection is authorised by Tax Laws. Quotation is not compulsory, however, tax may be deducted from your interest if you do not disclose.	
	Applicant 1	or Exemption
	TFN _____	_____
	Applicant 2	
	TFN _____	_____