

## **Update to Unitholders of Prime Trust**

On 18th October 2010 Australian Property Custodian Holdings Limited ("APCHL"), the Responsible Entity ("RE") of the Prime Retirement and Aged Care Property Trust ("Prime Trust"), was placed into voluntary administration and Petr Vrsecky and I were appointed Administrators.

The appointment of Administrators occurred following Receivers and Managers being appointed to most of the Prime Trust retirement villages by the secured creditors.

There was concern by one of the secured creditors that our appointment may not have been valid and consequently we made an application to the Supreme Court to have our appointment validated. The application was heard on 27th October 2010 and the judge's decision was reserved. The court ordered that the first meeting of creditors be adjourned and it was therefore adjourned to 11th November 2010. On 29th October 2010 the court handed down its decision which confirmed our appointment as Administrators.

Whilst the Corporations Act regime in relation to voluntary administration deals with creditor claims and not unitholder claims, we recognise APCHL as RE has a responsibility to unitholders. Therefore we intend to provide unitholders with timely information on the process being undertaken by the various Receivers in selling the respective villages and on the prospects of a return to unitholders. Ultimately any return to unitholders will depend on the outcome of this process which is not in our control.

We have been liaising with the Australian Securities & Investment Commission and have endeavored to provide relevant information to stakeholders.

We have also received claims from or on behalf of a number of unitholders. Clearly it is premature to deal with unitholder claims at present except for the purposes of voting at creditor meetings. Any unitholder that lodges a proof of debt for voting purposes with adequate and appropriate supporting material may be admitted for a nominal amount and will therefore have a 'voice' at the meeting.

A second meeting of creditors will be held in due course in order for creditors to determine the future of the company and this may involve accepting a proposal (Deed of Company Arrangement) if one is put forward, placing the company into liquidation or taking the company out of administration.

**Unitholders are assured that as Administrators of APCHL we represent all creditors including priority (employee) claims, secured creditors, unsecured creditors and contingent creditors (unitholders with a proper basis for a claim).**

S.L. HORNE & P. VRSECKY  
Administrators