

27th April 2011

TO THE CREDITOR / UNITHOLDER AS ADDRESSED

Dear Sir / Madam

AUSTRALIAN PROPERTY CUSTODIAN HOLDINGS LTD. ("APCHL") IN ITS CAPACITY AS RESPONSIBLE ENTITY ("RE") FOR THE PRIME RETIREMENT & AGED CARE PROPERTY TRUST ("PRIME TRUST") (ADMINISTRATORS APPOINTED) ACN: 095 474 436

Sydney
Melbourne
Newcastle
Brisbane
Rockhampton

I refer to previous correspondence; in particular my circular dated 25th November 2010.

As advised in my previous circular the Supreme Court granted an extension of the Convening period for the second meeting of creditors to 16th May 2011.

At present a number of issues remain extant and accordingly, a second application was made to the Supreme Court seeking a further extension of the convening period. This application was approved and an extension granted until 16th November 2011.

The extension of the convening period enables the meeting of creditors to be held at any time prior to 16th November 2011 or alternatively five business days after 16th November 2011. Appropriate notice will be provided to all creditors / unitholders prior to the meeting.

The reasons for seeking a further extension include:

- The purpose of a second meeting of creditors is to enable creditors to make a decision as to the following outcomes:
 - The company execute a Deed of Company Arrangement ("DOCA")
 - The administration end
 - The company be wound up

At this stage no DOCA proposal has been received and the only outcome would be to place the company into liquidation. In my opinion this seems to be an unfavourable outcome for all stakeholders.

- Time for certain stakeholders to formulate a DOCA proposal.

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- Comprehensive investigations are being carried out in relation to all of the unitholder claims / issues. A meeting has been proposed with the solicitors acting for the Prime Trust Action Group in the week commencing 2nd May 2011 to discuss the matters investigated.
- I am presently considering taking action against Lend Lease Primelife in relation to its management of the villages and any recovery in this regard could have a telling outcome on the administration.
- The success or otherwise of the Receivers and Managers in dealing with their individual villages has a significant impact as to the likely direction of the Prime Trust.

Prior to holding the second meeting of creditors a detailed report to creditors will be provided with the notice.

In the meantime, if you have any queries please email them to prime@lawlerdd.com.au

Yours faithfully



S.L. HORNE
Administrator