

NOTICE TO MEMBERS

TO: The Members of the LM First Mortgage Income Fund ARSN 089 343 288 (Receivers and Managers Appointed)(Receiver Appointed)

John Richard Park and Ginette Dawn Muller are the liquidators of LM Investment Management Limited (in liquidation) (receivers appointed) ("LMIM"), which remains the responsible entity of the LM First Mortgage Income Fund ("FMIF").

TAKE NOTICE that:-

1. John Richard Park and Ginette Dawn Muller, as the liquidators of LM Investment Management Limited (in liquidation) (receivers appointed) ("LMIM") have applied to the Supreme Court of Queensland for the determination and fixing of their remuneration as liquidators of LMIM for the period from 1 August 2013 to 30 September 2015; and for a direction that they be authorised to draw that sum from the Scheme Property of the FMIF, as follows:-
 - (a) in respect of work directly referable to the FMIF, in the amount of \$739,323.31 (plus GST); and
 - (b) in the amount of \$481,479.11 (plus GST) in respect of the balance, which amount the Applicants claim represents a proportionate amount of such work relative to the capital contributed to the Scheme Property of the FMIF, relative to the capital contributed to the other funds of which LMIM is the responsible entity or the trustee ("**Other Funds**").
2. John Richard Park and Ginette Dawn Muller, as the former administrators of LMIM, have applied to the Supreme Court of Queensland for a direction that their remuneration as administrators of LMIM for the period 19 March 2013 to 31 July 2013 shall be borne by the FMIF and paid from the Scheme Property of the FMIF, as follows:-
 - (a) in respect of work directly referable to the FMIF, in the amount of \$1,092,133.73 (plus GST); and
 - (b) in the amount of \$785,315.68 (plus GST) in respect of the balance, which amount the Applicants claim represents a proportionate amount of such work relative to the capital contributed to the Scheme Property of the FMIF, relative to the capital contributed to the Other Funds.
3. John Richard Park and Ginette Dawn Muller have applied to the Supreme Court of Queensland for an order that their remuneration and expenses in the winding up of LMIM (as may be approved from time to time), be borne by the FMIF and the other funds of which LMIM is the responsible entity or trustee, in a proportion to be determined in the same manner as that which the Court directs the remuneration be borne and paid in respect of their role as liquidators of LMIM from 1 August 2013, to 30 September 2015.

The application is set down for hearing on 22 February 2016.

Copies of the application and other court documents filed in the proceeding will be available on the website www.lminvestmentadministration.com. Any member who reasonably requires a hardcopy of the application and other court documents should call Russells Lawyers on +61 7 3004 8888.

The members of the FMIF are not respondents to the application but any member is entitled to be heard in the application if they wish. Any member who wishes to appear and to make submissions at the hearing of the application must file a Notice of Appearance in Form 4 to the Rules for Proceedings under the *Corporations*

Act 2001, which are in Chapter 23 of the *Uniform Civil Procedure Rules 1999*; and serve a copy of that notice on Russells, the solicitors for John Richard Park and Ginette Dawn Muller, at their office at Level 18, 300 Queen Street, Brisbane, Q. 4000. Tel +61 7 3004 8888 Fax +61 1 3004 8899 email: Mail@RussellsLaw.com.au.

This notice is given pursuant to an order of the Supreme Court of Queensland made on 17 December 2015. A copy of the order may be seen on the website www.lminvestmentadministration.com.

Dated: 18 January 2016