

This is an important document. Please read it carefully.

If you are unable to attend the Extraordinary General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.



Notice of Extraordinary General Meeting

LEX Retail Property Trust

ARSN 115 789 243

Manager and Responsible Entity

LEX Property Management Limited

ACN 111 779 689

**For an Extraordinary General Meeting to be held on
Thursday 28 October 2010 at 10.00am (WST)
at LEX Property, 8B Sunray Drive, Innaloo Western Australia 6018**

LEX Retail Property Trust - ARSN 115 789 243

Notice of Extraordinary General Meeting of Unitholders

Notice is given that an Extraordinary General Meeting of unitholders of LEX Retail Property Trust ARSN 115 789 243 (**Trust**) will be held at LEX Property, 8B Sunray Drive, Innaloo, Western Australia 6018 at 10.00am (WST) on Thursday 28 October 2010 (**Meeting**).

LEX Property Management Limited, in its capacity as Responsible Entity of the Trust, is the issuer of this notice.

Agenda

The business to be considered at the Meeting is as follows:

Resolution 1

Authorisation for Responsible Entity to sell the Trust's Property and wind up Trust

To consider and, if thought fit, pass the following resolution (**Resolution**) as a special resolution:

- (a) *"That the Responsible Entity be authorised to investigate and pursue a sale of the Trust's property comprising the leasehold interest in, and ownership of the structures at the IKEA Adelaide Store, 397 Sir Donald Bradman Drive, Adelaide Airport, Adelaide, South Australia (**Property**) on or before 31 October 2012 on terms which the Responsible Entity considers are in the best interests of Unitholders of the Trust; and*
- (b) *That the termination of the Trust on a date to be determined by the Responsible Entity shortly after the conclusion of the sale of the Property and the winding up of the Trust in accordance with the Trust Constitution and the Corporations Act be authorised."*

Additional information concerning the Resolution is contained in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.

Dated this 29th day of September 2010

By Order of the Board



Nick Wyatt
Company Secretary

Notes:

1. A unitholder of the Trust who is entitled to attend and vote at a general meeting of unitholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the unitholder's voting rights. If the unitholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a unitholder of the Trust.
2. Where a voting exclusion applies, the Trust need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors of the Responsible Entity have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 10.00am (WST) on 26 October 2010.
4. Section 253E of the Corporations Act prohibits the Responsible Entity and its associates from voting if they have an interest in the Resolution or matter other than as a member of the Trust. The Responsible Entity has an interest in the Resolution so associates of the Responsible Entity will not be entitled to vote in respect of their interests in Units of the Trust.

LEX Retail Property Trust - ARSN 115 789 243

Explanatory Statement

1. Introduction

LEX Retail Property Trust ARSN 115 789 243 (**Trust**) is a managed investment scheme registered with the Australian Securities and Investments Commission under the Corporations Act. LEX Property Management Limited (**Responsible Entity**) is the Trust's responsible entity.

The Trust's property comprises the leasehold interest in the Ground Lease over, and ownership of the structures at the IKEA Adelaide Store, 397 Sir Donald Bradman Drive, Adelaide Airport, Adelaide, South Australia (**Property**).

2. General Information

This Explanatory Statement has been prepared for unitholders of the Trust (**Unitholders**) in connection with the Extraordinary General Meeting of the Unitholders to be held at 10.00am (WST) on Thursday 28 October 2010.

3. Background

The Trust completed the development of the Trust's Property in March 2006 after arranging an initial debt facility with National Australia Bank Limited (drawn to \$24.4 million) for a term expiring in March 2011, and completing a successful capital raising of \$18 million in October 2005. The Trust issued a PDS in respect of the capital raising.

The Trust entered into a Tenant Agreement for the Property with Cebas, the IKEA franchisee. The Tenant Agreement is for an initial term of fifteen (15) years expiring on 14 March 2021 and three (3) further option periods of five (5) years each.

The site is held as leasehold under the Ground Lease (not freehold) with a long term lease expiring at midnight on 27 May 2048 and a renewal term of 49 years less one day commencing on 28 May 2048 exercisable upon the satisfaction of certain conditions.

The Trust has paid the following cash distributions to Unitholders to date:

➤ 30 June 2006	2.65 cents per unit, 100% tax deferred
➤ 30 June 2007	9.95 cents per unit, 100% tax deferred
➤ 30 June 2008	10.40 cents per unit, 100% tax deferred
➤ 30 June 2009	10.70 cents per unit, 100% tax deferred
➤ 30 June 2010	11.25 cents per unit, 75.6% tax deferred

As at 30 June 2010, the Trust's Property was independently valued at \$47 million, which represents a capital uplift of \$1.9 million (4.2%) since the Property was independently valued at completion of the development.

4. Purpose of the Meeting

The PDS outlined the Responsible Entity's intention to convene a meeting of the Unitholders before 31 October 2010 to determine the future strategy of the Trust.

As set out in the PDS, alternatives to be considered for the purposes of such meeting of Unitholders include the sale of the Trust's Property over a defined period or other strategies which would provide Unitholders with a clear exit mechanism from the Trust prior to 31 October 2012 or alternatively extending the Trust.

The Directors of the Responsible Entity have concluded a strategic review of the Trust and have determined it appropriate to convene a meeting of Unitholders to consider the Resolution. Material details relevant to the Resolution are set out in this Explanatory Statement.

5. The Resolution

The following Resolution will be put as a special resolution to Unitholders at the Meeting:

- (a) *“That the Responsible Entity be authorised to investigate and pursue a sale of the Trust’s property comprising the leasehold interest in, and ownership of the structures at the IKEA Adelaide Store, 397 Sir Donald Bradman Drive, Adelaide Airport, Adelaide, South Australia (Property) on or before 31 October 2012 on terms which the Responsible Entity considers are in the best interests of Unitholders of the Trust; and*
- (b) *That the termination of the Trust on a date to be determined by the Responsible Entity shortly after the conclusion of the sale of the Property and the winding up of the Trust in accordance with the Trust Constitution and the Corporations Act be authorised.”*

6. If the Resolution is approved

6.1 Timetable for Disposal

If the Resolution is approved, it will take effect from the conclusion of the Meeting.

If so authorised pursuant to the Resolution, the Directors of the Responsible Entity intend to pursue a sale of the Trust’s Property by commencing an orderly sale process for the Property. Such a sale process will be conducted on terms which it considers to be in the best interests of Unitholders and it is intended to complete such sale before 31 October 2012.

If during the sale process, a sale of the Property at a sale price which the Directors of the Responsible Entity believe reflects the Property’s fair market value is not achieved, a further meeting of Unitholders will be convened on or before 31 October 2012.

The Responsible Entity must and will always act in the best interests of the Unitholders and it will manage the sale process accordingly.

6.2 Distribution of Proceeds from Disposal

The proceeds from the sale of the Property will first be applied to repay the Trust’s Debt Facility.

In accordance with the Trust Constitution, the Responsible Entity may set aside funds from the sale of the Property to meet the liabilities of the Trust.

The net proceeds from the sale of the Property, after payment of, or provision being made for, all costs and liabilities of the Trust, will be distributed to Unitholders in proportion to their holdings of Units in the Trust.

6.3 First Rights of Refusal to Trust Property

Any sale of the Property will be subject to applicable terms and conditions in the Tenant Agreement and the Ground Lease.

As set out in the PDS, pursuant to the Tenant Agreement between the Trust and Cebas, Cebas has a first right of refusal to purchase the structures on the Property if during the term of the Tenant Agreement, the landlord of the Tenant Agreement (being the Trust) wishes to sell or dispose of its interest in the structures on the Property to a third party. Cebas also has a first right of refusal if the Trust wishes to assign its interest in the Ground Lease. These first rights of refusal to Cebas would be applicable to any sale of the Trust Property if the Resolution is approved.

Also as set out in the PDS, pursuant to the Ground Lease between the Trust and AAL, AAL has a first right of refusal to purchase the structures on the Property if during the term of the Ground Lease, the Trust wishes to sell or dispose of its interest in the structures on the Property to a third party other than Cebas. AAL also has a first right of refusal if the Trust wishes to assign its interest in the Ground Lease to a third party other than Cebas. These first rights of refusal to AAL would be applicable to any sale of the Property if the Resolution is approved.

The Responsible Entity confirms that it will investigate and pursue the sale process, including compliance with its obligations to Cebas and AAL pursuant to their respective first rights of refusal and/or with any third party, in the best interests of Unitholders and in accordance with the Trust Constitution and the Corporations Act.

6.4 Timing and Tax implications

The sale of the Trust's Property and distribution of proceeds to Unitholders may not suit the individual circumstances of all Unitholders, including from a timing perspective and individual tax implications. In making a decision in respect of the Resolution, Unitholders should consider their personal circumstances and, if required, consult with their financial adviser, accountant or other professional adviser, including tax advice.

7. If the Resolution is not approved

If the Resolution is not approved:

- the Trust will continue on an "as-is" basis;
- the Responsible Entity will continue to diligently manage the Trust and the Property;
- the Responsible Entity will need to consider convening a meeting of Unitholders on or before 31 October 2012 to determine the future strategy of the Trust which alternatives may include extending the investment period of the Trust or proposing the sale of Trust Property or an alternate exit mechanism to be achieved by approximately 31 October 2014 or such other date as may be proposed; and
- the Trust's Debt Facility, which has a maturity date no earlier than 31 December 2012, will need to be refinanced should the Unitholders approve an extension of the Trust's investment period beyond that date at such a future Unitholder meeting.

Unitholders should note that there is no market on which the Units may be traded and unless otherwise determined there will continue to be no buy-back, withdrawal or redemption facilities available for Unitholders in connection with the Trust, whether or not the Resolution is approved.

8. Recommendation of the Responsible Entity

The Directors of the Responsible Entity have undertaken a comprehensive strategic review of the Trust and the Property. Pursuant to the strategic review the Directors considered all of the alternatives available to the Trust including a sale of the Trust's Property over a defined period, other strategies which would provide Unitholders with a clear exit mechanism from the Trust prior to 31 October 2012 and the alternative of continuing the Trust on an "as-is" basis and extending the Trust investment period beyond 31 October 2012. As a result of the review, the Responsible Entity has determined it appropriate to propose the Resolution seeking approval for an orderly sale of the Trust's Property and the Responsible Entity recommends that Unitholders vote in favour of the Resolution.

In making its recommendation, the Responsible Entity has considered various factors arising from its strategic review including:

- current and prevailing market conditions;
- independent market analysis and the independent valuation of the Property as at 30 June 2010; and
- the significant remaining term of the Tenant Agreement (10.7 years remaining on the original Term as at 30 June 2010) and the potential attraction of the Tenant Agreement to a broad range of potential purchasers including private investors, syndicates and institutional investors.

The Responsible Entity confirms that it must and will always act in the best interests of the Unitholders and it will manage the sale process accordingly.

The Responsible Entity has not taken into account the circumstances of individual Unitholders in making the above recommendation. Accordingly, the Responsible Entity's view should not be taken to constitute general or personal investment advice to Unitholders. In making a decision in respect of the Resolution, Unitholders should consider their personal circumstances and, if required, consult with their financial adviser, accountant or other professional adviser.

9. Quorum and Voting

A quorum for the Meeting is at least two Unitholders present in person or by proxy together holding not less than 10% of the total Units on issue in the Trust.

The Resolution will be decided on a poll. The Resolution will be passed on a poll if it is passed by at least 75% of the votes cast by Unitholders (in person or by proxy) entitled to vote on the Resolution.

On a poll, each Unitholder has one vote for each dollar of value of the Units they hold in the Trust. The Trust will determine the value of a Unit as at 10am (WST) on 26 October 2010 which is calculated using the Net Tangible Asset per Unit determined as at 30 June 2010.

Voting on the Resolution is at the discretion of the Unitholder. The Directors of the Responsible Entity encourage all Unitholders to vote.

10. Further Information

For further information you should:

- Consult your financial adviser, accountant or other professional adviser;
- Call LEX Investor Services on 1800 502 464; or
- Contact LEX Investor Services by email on info@lexproperty.com.au.

11. Definitions

AAL means Adelaide Airport Limited ABN 78 075 176 653.

Cebas means Cebas Pty Ltd ABN 15 009 156 003, a company in which Alan Tribe (a director of the Responsible Entity) has a beneficial interest.

Corporations Act means Corporations Act (Cth) 2001 as amended from time to time.

Debt Facility means a debt facility with National Australia Bank Limited, the terms of which are set out in a Corporate Letter of Offer dated 24 September 2010, the purpose of which is to refinance the Trust's initial debt facility which was due to expire in March 2011. The Debt Facility is due to mature no earlier than 31 December 2012.

Ground Lease means the underlease between the Trust (as lessee) and AAL (as lessor) for the site at 397 Sir Donald Bradman Drive, Adelaide Airport, Adelaide, South Australia, which is subject to the terms of the head lease between AAL and the Commonwealth of Australia.

PDS means the product disclosure statement dated 9 September 2005 issued by the Trust in respect of the capital raising of \$18 million.

Property means the leasehold interest in the Ground Lease over, and ownership of the structures at, the IKEA Adelaide Store at 397 Sir Donald Bradman Drive, Adelaide Airport, Adelaide, South Australia.

Responsible Entity means LEX Property Management Limited ABN 53 111 779 689, being the responsible entity of the Trust. The Directors of the Responsible Entity each have an ownership interest in the Responsible Entity and are associates of the Responsible Entity.

Tenant Agreement means the lease agreement between the Trust (as lessor) and Cebas (as lessee) in relation to the IKEA Adelaide Store at 397 Sir Donald Bradman Drive, Adelaide Airport, Adelaide, South Australia.

Trust means the LEX Retail Property Trust ARSN 115 789 243, being a managed investment scheme registered with the Australian Securities and Investments Commission under the Corporations Act.

Trust Constitution means the constitution of the Trust.

LEX Retail Property Trust ARSN 115 789 243

Proxy Form - Appointment of Proxy

Extraordinary General Meeting

I/We

Name:
Address:

being a member of LEX Retail Property Trust entitled to attend and vote at the Meeting, hereby

Appoint

--

Name of proxy

or failing the person so named or, if no person is named, the chairman of the meeting (Chairman) or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Extraordinary General Meeting to be held at LEX Property, 8B Sunray Drive, Innaloo, Western Australia 6018 on Thursday 28 October 2010 at 10.00am (WST) and at any adjournment thereof. If you appoint the Chairman as your proxy and no directions are given, the Chairman will vote in favour of the Resolution put at the Meeting.

Voting on Business of the General Meeting

		For	Against	Abstain	Discretion
Resolution 1	<p>(a) <i>“That the Responsible Entity be authorised to investigate and pursue a sale of the Trust’s property comprising the leasehold interest in, and ownership of the structures at the IKEA Adelaide Store, 397 Sir Donald Bradman Drive, Adelaide Airport, Adelaide, South Australia (Property) on or before 31 October 2012 on terms which the Responsible Entity considers are in the best interests of Unitholders of the Trust; and</i></p> <p>(b) <i>That the termination of the Trust on a date to be determined by the Responsible Entity shortly after the conclusion of the sale of the Property and the winding up of the Trust in accordance with the Trust Constitution and the Corporations Act be authorised.”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signed this _____ day of _____ 2010.

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

LEX Retail Property Trust - ARSN 115 789 243

Instructions for completing Proxy Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxies must be allocated a proportion of the member's voting rights. If the member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Trust. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary - that director.

For the Trust to rely on the assumptions set out in section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a member completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney or a certified copy must be lodged in like manner as this proxy.
6. Please complete and sign this Proxy Form as soon as possible and either: send the proxy by facsimile to the Company Secretary on facsimile number 08 9446 2966, or deliver or post to the Responsible Entity at 8B Sunray Drive, Innaloo WA 6018, so that it is received not later than 10.00am on Tuesday 26 October 2010.