



PRIME US REAL ESTATE EQUITY FUND INC.





Prime US Real Estate Equity Fund

COMPANY OVERVIEW

National Real Estate Investor

PRIME US REAL ESTATE EQUITY FUND management is one of the country's oldest and most experienced real estate organizations active nationally in the ownership and operation of high-quality commercial properties. Due to their success over many years and multiple real estate cycles, **PRIME US REAL ESTATE EQUITY FUND** management has established their reputation as creative and knowledgeable investors. The company is privately owned and is headquartered in Dallas, Texas USA.

Providing Real Property Services

PRIME US REAL ESTATE EQUITY FUND will provide asset management, leasing, property management and construction services to the properties in its portfolio through its wholly-owned property services affiliates.

Seamless Integration of Capabilities

The close coordination between the investment, asset management and operating professionals within the **PRIME US REAL ESTATE EQUITY FUND** is the key to our ability to deliver exceptional services to its tenants and exceptional value to its clients and partners. With internal resources and a commitment to excellence, **PRIME US REAL ESTATE EQUITY FUND** has an ability to address operating issues and to capitalize on investment opportunities.

Experience

The management of **PRIME US REAL ESTATE EQUITY FUND** currently manage approximately \$4.5 billion USD in assets held by affiliated public and private companies. They are a seasoned executive team that provides onsite management and leasing services for commercial properties. They average 25+ years in the United States commercial real estate business.

Affiliated Companies

The management of **PRIME US REAL ESTATE EQUITY FUND** currently oversees the operations in 3 publicly traded U. S. real estate companies: Transcontinental Realty Investors (TCI), American Realty Investors (ARL) and Income Opportunity Realty Investors (IOT) .

The experienced asset management, leasing, property management and construction professionals who work for **PRIME US REAL ESTATE EQUITY FUND** think and act as first-tier service providers. All of our employees understand that it is their job to ensure that all of our properties offer the highest quality business environments and occupancy services in their respective marketplaces. "We manage what we own and own what we manage."

INVESTMENT PHILOSOPHY

Attractive Risk-Adjusted Returns through Strategic Investments

PRIME US REAL ESTATE EQUITY FUND seeks to generate attractive risk-adjusted returns through investments in high-quality income producing commercial properties in the United States. We will pursue this strategy by combining sophisticated capital market and investment expertise with extensive asset management, operating capabilities and experience.



Centura Tower, Dallas Texas



Due to U.S. Government intervention, a clearing price has emerged for distressed U.S. real estate debt as the assets of failed banks have been dumped on the market. Some prime commercial property can now be acquired at very substantial discounts to cost. At this time, the United States is arguably the most dynamic market for distressed debt investment in the world and **PRIME US REAL ESTATE EQUITY FUND** intends to take advantage of this window of investment opportunity.

Utilizing Debt Appropriately

PRIME US REAL ESTATE EQUITY FUND believes that leverage should be employed at a level that provides a meaningful enhancement to investment returns but not be so high that a fundamentally sound asset will be put at risk during periods when leasing markets soften or capital markets become constrained as they are at this time. Our average leverage will not exceed 66.66% of appraised value. Our Fund will do a new appraisal every 12 months on all properties.

FUND OVERVIEW

Investment

PRIME US REAL ESTATE EQUITY FUND will have a minimum of \$33 million USD (equity) in United States real estate assets when the initial proposed real estate is acquired by the fund. This process will begin when the minimum escrow threshold of \$10 million has been raised. These assets have an appraised market value of \$258,500,000 USD. There will be an annual distribution of cash flow and the total life of the Fund is expected to be 7 years.

Investors

The minimum net worth requirement for all investors must be in the amount of \$2 million USD. The minimum unit investment amount is \$1 million USD and the Fund reserves the right to fractionalize the Units, provided that it does not have 500 or more equity holders. There will be a period of up to eighteen months from the fund start-up to accept investments, up to a maximum fund total of \$300,000,000 USD at which time the fund will be closed to new investment.

Fees

A 7% sales commission will be paid for all investor referrals up to the first \$100 million USD of Fund investments, any investor referrals thereafter will be paid a 5% sales commission. An annual asset management fee will be limited to 1% of the Fund asset value paid to the Fund Manager. All new fund acquisitions will have a fee of 2% of the full purchase price. All asset sales will also have a



2% fee assessed. 30% of cash flow and capital distribution will be paid to the Fund general manager after a 7% cumulative return to investors. All normal and customary real estate management fees will be assessed.

The 1% asset management fee, will be deferred until the 7% preferred return is paid to investors. There will be no buys and sells of assets allowed between related parties.

PRIME US REAL ESTATE EQUITY FUND is putting together a unique opportunity that offers the security of a loan, that may potentially receive favorable tax treatment in the U.S., coupled with an equity interest in the entity that controls and owns a real estate corporation that owes on the loan. This would be accomplished by offering a combination of a note from a real estate entity, which will be the ultimate owner of all the real estate assets owned by the Fund, together with a direct investment as a direct stockholder in a real estate entity. For each \$1,000,000 investment unit, \$900,000 would be in the form of a participation in a note and \$100,000 would be in the form of shares of the real estate entity.

The note would be an interest-only loan to the real estate entity collectively owned by the note investors. The note would provide for a stated fixed pay rate of interest that would be paid in cash each year. In addition, the note would be structured so that it might qualify as exempt income for U.S. withholding tax purposes. Depending upon a variety of factors, the non-U. S. investor should not have to file a U.S. tax return in connection with the interest received on the note. Such factors are explained in more detail in the Tax Opinion furnished in connection with the Private Placement Memorandum.

Escrow Agent

The Escrow Agent for **PRIME US REAL ESTATE EQUITY FUND** will be U.S. Bank National Association, 1420 5th Avenue, 7th Floor Seattle, Washington, 98101.

Recitals

A. The Fund, domiciled in Texas and registered pursuant to Nevada and Texas law, is conducting a private offering of units (the “Units”) at a price of \$1,000,000 per Unit, each Unit consisting of a Partnership Interest in Fund’s securities (the “Securities”), under applicable state and Federal laws and regulations (the “Offering”). The Fund retains the right to “fractionalize units.

B. The Fund wishes to assure those who subscribe for Units (the “Subscriber”) that the Subscribers’ monies will be released to the Fund only if and when at least \$10,000,000 (the “Threshold Amount”) in subscriptions Units are accepted by the Fund’s Manager from the sale of Securities.

The Escrow Bank (US Bank) shall effectuate all financial transactions contemplated herein between the Fund and its customers through the Escrow Account, which shall be designated as “Special Account for the Exclusive Benefit of Customers of **PRIME US REAL ESTATE EQUITY FUND**” or the designated Broker/Dealer.



Interior-Fenton Centre, Dallas Texas



The proposed initial property portfolio in the fund:

1. *Centura Tower*

15 Story 431,520 square foot Class “A” office building located at 14185 North Dallas Parkway, Farmers Branch, Dallas County Texas 75240

2. *Stanford Corporate Center*

The building contains 336,632 SF of net rentable area which is inclusive of a stand alone facility of 63,000 SF known as the Telos Fitness Center. Located at 14001 Dallas Parkway, Dallas Texas 75240

3. *Fenton Centre*

Two 7 Story 350,000 square foot Class “A” office buildings at 1501, 1503, 1505, 1507 LBJ Freeway, Dallas Texas 75234

4. *Laguna Vista Apartments*

Luxury Apartment Community with 206 units of 188,009 square feet built in 2006. 1580 Mira Lago Blvd. Farmers Branch, Texas 75234

Contact Information

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www.PrimeUSRealEstateEquityFund.com

or

www.primeusreef.com

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FUND has prepared this informational brochure. This brochure is a preliminary informational document for non-US persons and entities, and is not an offering of securities. Securities subscriptions will only be accepted after the respective investor has (1) received a copy of a confidential private placement memorandum in compliance with Regulation S of the US Securities Act of 1933, as amended, and (2) completed a Subscription Agreement relevant thereto, which the Company has accepted in its sole discretion.