



5 July 2016

Dear Unitholder

**Real Estate Capital Partners USA Property Trust (ASX: RCU)
Entitlement Offer – Notification to Ineligible Unitholders**

Quattro RE Limited (ACN 115 913 810) (**Responsible Entity**) is the responsible entity for the Real Estate Capital Partners USA Property Trust (ARSN 114 494 503) (**RCU**).

The Responsible Entity announced on 1 July 2016 that it is conducting a capital raising for RCU of approximately \$605,000 via a fully underwritten renounceable entitlement offer of 0.64 new units (**New Units**) offered for every 1 unit in RCU held at 7.00 pm (AEST) on Friday, 8 July 2016 (**Record Date**) by Eligible Unitholders (as defined below) at an issue price of \$0.067 per New Unit (**Entitlement Offer**).

The Responsible Entity will offer the New Units for issue without disclosure to investors under section 1012DAA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Class Order 08/35. The offer booklet for the Entitlement Offer (**Offer Booklet**) and notice given in accordance with section 1012DAA(2)(f) of the Corporations Act have been lodged with ASX and are available to view on the ASX website (www.asx.com.au).

The Entitlement Offer is open to Eligible Unitholders (as defined below) and will close at 5.00 pm (AEST) on Friday, 22 July 2016. Entitlement trading will commence on Thursday, 7 July 2016 and conclude on Friday, 15 July 2016.

The proceeds of the Entitlement Offer will be used to:

- add value to 1700 W, Higgins, Chicago, the sole property of RCU, by funding leasing, promotional, and other costs; and
- fund the strategy set out in the overview of RCU in section 5 of the Offer Booklet, as well as for working capital purposes.

In addition, on completion of the Entitlement Offer, RCU will be able to drawdown on the undrawn balance (US\$675,000) of the recent loan facility entered into and announced on 7 June 2016 together with the recent placement.

In accordance with the conditions to drawdown under the recent loan facility entered into and announced on 7 June 2016, the Entitlement Offer is fully underwritten by SA Capital Pty Ltd ACN 114 959 803 (AFSL 291787) (**Underwriter**), subject to the terms of the Underwriting Agreement. In addition to underwriting the Entitlement Offer, the Underwriter is responsible for managing and marketing the Entitlement Offer.

The Underwriter has entered into sub-underwriting arrangements (**Sub-Underwriting Arrangements**) with Zerve Pty Ltd ACN 154 616 912, a current substantial Unitholder controlled by Director and Company Secretary Andrew Saunders (who in turn controls the Responsible Entity), Jascot Rise Pty Ltd ACN 137 767 634, a current substantial Unitholder, and Kushkush Investments Pty Ltd ACN 152 612 363, a current Unitholder (**Sub-Underwriters**). Under the Sub-Underwriting Arrangements, each Sub-Underwriter has agreed to subscribe for one third of any shortfall following completion of allocations under the Entitlement Offer and the Top-Up Facility (as defined below) up

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to a maximum of 3,013,071 New Units (\$201,875.76) per Sub-Underwriter. Any allocation to a Sub-Underwriter under the Sub-Underwriting Arrangements will be in addition to any allocation made to the Sub-Underwriter pursuant to the Sub-Underwriter's Entitlement. The Responsible Entity intends to appoint Mr Mordechai Benedikt to the Board of the Responsible Entity. Mr Benedikt is a Director of Jascot Rise Pty Ltd which is a current substantial Unitholder and sub underwriter to the Entitlement Offer.

Further details of the sub-underwriting arrangements and the potential effect on the control of RCU are set out in the Offer Booklet.

All Eligible Unitholders who have applied to take up their Entitlements in full may also apply for additional New Units (**Top-Up Units**) under a top-up facility (**Top-Up Facility**).

The Responsible Entity has appointed Patersons Securities Limited ACN 008 896 311 (AFSL 239052) as a nominee, including for the purposes of section 615 of the *Corporations Act 2001* (Cth) (**Corporations Act**), to sell the Entitlements of Ineligible Unitholders (as defined below) on ASX. Any proceeds of sale (net of expenses and any withholding tax) will be distributed pro rata to each Ineligible Unitholder.

Eligible Unitholders

Unitholders who are eligible to participate in the Entitlement Offer (**Eligible Unitholders**) are unitholders in RCU who:

- are registered as a holder of units as at 7.00 pm (AEST) on the Record Date;
- as at the Record Date, have a registered address in Australia or New Zealand;
- are not in the United States or a U.S. Person (as defined below) or acting on the account or benefit of a U.S. Person; and
- are not ineligible under any applicable securities laws to receive an offer under the Entitlement Offer.

An Eligible Unitholder who holds units on behalf of a person in a jurisdiction outside Australia or New Zealand is not precluded from participating in the Entitlement Offer on behalf of that person provided that person is eligible under applicable securities laws to receive an offer, and be issued New Units, under the Entitlement Offer without any requirement for a Product Disclosure Statement or other offer document to be lodged or registered.

Eligible Unitholders will receive an Offer Booklet and personalised entitlement and acceptance form (**Entitlement and Application Form**).

Ineligible Unitholders

Holders of units in RCU who are not Eligible Unitholders are not eligible to participate in the Entitlement Offer (**Ineligible Unitholders**).

The Responsible Entity has determined under ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act that it would be unreasonable to make offers to Ineligible Unitholders in connection with the Entitlement Offer. Accordingly, this letter is to inform you that the Responsible Entity has determined that you are not an Eligible Unitholder and you are therefore ineligible to apply for the New Units. You are not required to do anything in response to this letter.

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Key Dates

The key dates in relation to the Entitlement Offer are as follows:

EVENT	DATE
Announcement, Appendix 3B and cleansing statement lodged	Friday, 1 July 2016
Eligible Unitholders and Ineligible Unitholders notification date and Offer Booklet lodged	Tuesday, 5 July 2016
Ex-date for Entitlement Offer and commencement of Entitlement Offer Trading Period	Thursday, 7 July 2016
Entitlement Offer Record Date (at 7:00 pm)	Friday, 8 July 2016
Offer Booklet and Entitlement Offer Acceptance Form dispatched	Monday, 11 July 2016
Entitlements trading scheduled to end	Friday, 15 July 2016
Entitlement Offer closes (5:00 pm)	Friday, 22 July 2016
Under Subscriptions notified to the ASX	Wednesday, 27 July 2016
Issue Date	Friday, 29 July 2016
Normal trading commences	Monday, 1 August 2016

Note: Dates and times are indicative only and subject to change. All times and dates refer to AEST.

The Responsible Entity reserves the right, subject to the Corporations Act, Listing Rules, the Underwriting Agreement and other applicable laws, to amend any or all of these events, dates and times. In particular, the Responsible Entity reserves the right to extend the date for closing of the Entitlement Offer, delay the allotment of new units, accept late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Accordingly, applicants are encouraged to submit their applications as soon as possible after the Entitlement Offer opens. No cooling-off period applies to the Entitlement Offer. The commencement of quotation of new units is subject to confirmation from ASX.

The capital structure of RCU on successful completion of the Entitlement Offer will be as follows:

Existing Units	14,123,771
New Units	9,039,214
Total Existing Units and New Units	23,162,985

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Important Information

If you have any questions in relation to any of the above matters, please seek professional advice or contact the Real Estate Capital Partners USA Property Trust Offer Information Line on 1300 853 816 (within Australia) or on +61 1300 853 816 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday during the offer period.

Yours faithfully

Ben Dillon
Chairman
Quattro RE Limited



IMPORTANT INFORMATION

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any US person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the **Securities Act**) (**U.S. Person**)). No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Units or Entitlements in any jurisdiction outside Australia and New Zealand. In particular, neither the Entitlements nor the New Units have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Units may not be offered or sold to, persons in the United States or persons who are US Persons or are acting for the account or benefit of US Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

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