SR Realty Trust, Inc. and Subsidiaries

Consolidated Financial Statements

December 31, 2023 and 2022

Independent Auditors' Report

To the Stockholders and Board of Directors of
SR Realty Trust, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of SR Realty Trust, Inc. (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Minneapolis, Minnesota
April 1, 2024

SR Realty Trust, Inc. and Subsidiaries

Consolidated Balance Sheets
December 31, 2023 and 2022

	2023	2022
Assets		
Assets		
Land and land improvements	$ 75,502,711	$ 61,275,099
Buildings and improvements	221,747,510	171,464,890
Tenant improvements	12,634,923	9,074,977
Total real estate property	309,885,144	241,814,966
Accumulated depreciation	(41,323,606)	(32,358,782)
Net real estate property	268,561,538	209,456,184
Cash and cash equivalents	2,236,610	4,366,938
Rents receivable	789,803	634,291
Notes receivable	2,839,799	1,425,054
Prepaid expenses and other assets	990,038	1,218,497
Deferred rent	2,339,414	1,570,725
Restricted escrows and reserves	3,477,393	3,287,343
Intangible assets, net of accumulated amortization	9,432,944	11,088,402
Leasing commissions, net of accumulated amortization	2,319,865	2,444,837
Investments in real estate ventures	17,421,748	15,716,782
Due from related parties	2,631,759	2,080,407
Total assets	$ 313,040,911	$ 253,289,460

See notes to consolidated financial statements

SR Realty Trust, Inc. and Subsidiaries

Consolidated Balance Sheets
December 31, 2023 and 2022

	2023	2022
Liabilities and Stockholders' Equity		
Liabilities		
Mortgage notes payable	$ 189,057,570	$ 151,383,701
Time certificates	901,650	1,518,924
Other notes payable	807,845	906,342
Line of credit	20,810,000	15,285,000
Financing fees, net of accumulated amortization	(1,554,191)	(1,391,540)
Notes payable, net	210,022,874	167,702,427
Accounts payable	1,155,988	1,084,747
Tenant security deposits	1,122,695	1,078,558
Deferred development fee payable	-	577,310
Accrued liabilities	2,389,206	2,135,607
Due to related parties	490,122	597,726
Total liabilities	215,180,885	173,176,375
Stockholders' Equity		
Preferred stock, $0.01 par value per share 50,000,000 shares authorized No shares issued and outstanding	-	-
Common stock, $0.01 par value per share 100,000,000 shares authorized 2,561,384 and 2,313,583 shares issued and outstanding	25,614	23,136
Additional paid-in capital	29,956,646	26,378,946
Accumulated deficit	(8,819,732)	(6,515,879)
Total SR Realty Trust, Inc. stockholders' equity	21,162,528	19,886,203
Noncontrolling interest	76,697,498	60,226,882
Total stockholders' equity	97,860,026	80,113,085
Total liabilities and stockholders' equity	$ 313,040,911	$ 253,289,460

SR Realty Trust, Inc. and Subsidiaries

Consolidated Statements of Operations
Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Rental revenues	$ 34,574,375	$ 23,774,558
Other revenue	2,126,459	1,624,310
Total revenues	36,700,834	25,398,868
Operating Expenses		
Operating and maintenance	12,460,293	9,593,380
Real estate taxes	4,797,792	4,043,961
Insurance expenses	890,508	601,580
Asset management fee	1,238,164	896,905
Acquisition fees and expenses	31,171	43,133
Depreciation and amortization	12,336,984	8,813,464
Total operating expenses	31,754,912	23,992,423
Operating income	4,945,922	1,406,445
Other Income (Expense)		
Interest expense	(9,713,578)	(6,837,821)
Loss from real estate ventures	(505,816)	(247,943)
Gain on acquisition of real estate property	398,682	199,454
Gain on sale of real estate ventures	112,923	1,069,019
Net other expense	(9,707,789)	(5,817,291)
Net loss	(4,761,867)	(4,410,846)
Net loss attributable to noncontrolling interest	4,178,599	4,053,911
Net Loss Attributable to SR Realty Trust, Inc. and Subsidiaries	$ (583,268)	$ (356,935)

See notes to consolidated financial statements

SR Realty Trust, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2023 and 2022

	Common Stock					
	Shares	**Amount**	**Additional Paid-in Capital**	**Accumulated Deficit**	**Noncontrolling Interest**	**Total Stockholders' Equity**
Balances, December 31, 2021	1,861,206	$ 18,612	$ 20,244,817	$ (4,662,367)	$ 38,720,579	$ 54,321,641
Net loss	-	-	-	(356,935)	(4,053,911)	(4,410,846)
Common stock issued for cash, net of issuance costs	411,599	4,116	5,607,375	-	-	5,611,491
Issuance of common stock as settlement for liabilities	54,109	541	729,936	-	-	730,477
Operating Partnership common units issued for property acquisitions	-	-	-	-	28,457,702	28,457,702
Contributions from noncontrolling interest	-	-	-	-	1,422,786	1,422,786
Operating Partnership common units issued for investment in real estate venture	-	-	-	-	3,317,349	3,317,349
Purchase of noncontrolling interest, net of expenses	-	-	-	-	(2,105,420)	(2,105,420)
Redemption of common stock and Operating Partnership common units	(54,547)	(545)	(767,954)	-	(1,252,495)	(2,020,994)
Shares (units) issued through dividend reinvestment program	41,216	412	564,772	-	113,696	678,880
Distributions	-	-	-	(1,496,577)	(4,393,404)	(5,889,981)
Balances, December 31, 2022	2,313,583	23,136	26,378,946	(6,515,879)	60,226,882	80,113,085
Net loss	-	-	-	(583,268)	(4,178,599)	(4,761,867)
Common stock issued for cash, net of issuance costs	150,877	1,509	2,185,430	-	-	2,186,939
Issuance of common stock as settlement for liabilities	52,792	528	774,312	-	-	774,840
Operating Partnership common units issued for property acquisitions	-	-	-	-	26,763,022	26,763,022
Contributions from noncontrolling interest	-	-	-	-	1,176,877	1,176,877
Redemption of Operating Partnership common units	-	-	-	-	(266,461)	(266,461)
Shares (units) issued through dividend reinvestment program	44,132	441	617,958	-	227,323	845,722
Distributions	-	-	-	(1,720,585)	(7,251,546)	(8,972,131)
Balances, December 31, 2023	2,561,384	$ 25,614	$ 29,956,646	$ (8,819,732)	$ 76,697,498	$ 97,860,026

See notes to consolidated financial statements

SR Realty Trust, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Net loss	$ (4,761,867)	$ (4,410,846)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation	9,068,626	6,474,808
Amortization	3,606,833	3,293,991
Equity in loss of real estate ventures	505,816	247,943
Gain on acquisition of real estate property	(398,682)	(199,454)
Gain on sale of real estate ventures	(112,923)	(1,069,019)
Changes in operating assets and liabilities:		
Rents receivable	(106,142)	(269,049)
Prepaid expenses and other assets	198,255	381,820
Deferred rent	(768,690)	(406,594)
Cash paid for leasing commissions	(421,958)	(1,289,223)
Accounts payable	30,308	611,059
Tenant security deposits	(74,552)	180,056
Accrued liabilities	341,343	124,839
Net cash flows from operating activities	7,106,367	3,670,331
Cash Flows From Investing Activities		
Cash received from (paid for) acquisitions, net of cash paid	1,430,030	(162,010)
Investments in real estate ventures	(13,670,457)	(20,270,859)
Advances to related parties	(286,073)	(233,369)
Purchases of real estate property	(6,551,062)	(7,487,255)
Cash received from sale of real estate venture	8,421,754	24,948,886
Distributions received from real estate ventures	799,263	710,821
Repayments of notes receivable	336,935	-
Issuance of notes receivable	-	(320,054)
Net cash flows from investing activities	(9,519,610)	(2,813,840)
Cash Flows From Financing Activities		
Common stock issued for cash, net of issuance costs	2,186,939	5,611,491
Distributions paid	(8,126,409)	(5,211,101)
Principal payments on mortgage notes payable	(16,657,902)	(41,428,147)
Principal payments on other notes payable	(98,497)	(94,138)
Net advances (repayments) on line of credit	5,525,000	(2,015,000)
Cash paid for financing fees	(297,601)	(562,072)
Redemption of common stock and Operating Partnership common units	(266,461)	(2,020,994)
Proceeds from issuance of mortgage notes payable and bonds payable	18,600,000	29,670,927
Payment of deferred development fee	(577,310)	-
Contributions from noncontrolling interests	802,480	636,039
Repayments of time certificates	(617,274)	(1,151,334)
Net cash flows from financing activities	472,965	(16,564,329)
Net change in cash and cash equivalents and restricted cash	(1,940,278)	(15,707,838)
Cash and Cash Equivalents and Restricted Cash, Beginning	7,654,281	23,362,119
Cash and Cash Equivalents and Restricted Cash, Ending	$ 5,714,003	$ 7,654,281

See notes to consolidated financial statements

	2023	2022
Supplemental Cash Flow Disclosures		
Cash paid for interest	$ 9,333,553	$ 6,142,174
Noncash Investing and Financing Activities		
Real estate assets and liabilities acquired through the issuance of Operating Partnership units, debt and liabilities	$ 65,879,237	$ 57,534,793
Reinvestment of dividends and distributions	$ 845,722	$ 678,880
Issuance of common stock for payment of advisory services, guarantees and board compensation	$ 774,840	$ 730,477
Contributions from noncontrolling interests included in due from related parties	$ 374,397	$ 786,747
Investment in real estate ventures included in due to related parties	$ (1,514)	$ (502,050)
Real estate property contributed for investment in real estate venture	$ 1,306,944	$ -
Operating Partnership units issued for investment in real estate venture	$ -	$ 3,317,349

1. Summary of Significant Accounting Policies

Nature of Operations

SR Realty Trust, Inc. (the Company or SR Realty Trust) is a Maryland corporation formed on September 15, 2014 for the purpose of investing in a portfolio of real estate properties and other real estate related assets. The Company has elected to be taxed as a Real Estate Investment Trust (REIT) under Sections 856-860 of the Internal Revenue Code, which requires that 75% of the assets of a REIT must consist of real estate assets and that 75% of its gross income must be derived from real estate. The net income of the REIT is allocated in accordance with stock ownership in the same fashion as a regular corporation. The Company's real estate holdings currently consist of commercial office, industrial, multifamily and retail properties located in Iowa, Minnesota, Missouri, Nebraska and Wisconsin.

The Company established an operating partnership, SRRT Properties, LP (the Operating Partnership or SRRT Properties), a Delaware limited partnership, to own its investments in real estate and other real estate related assets. The Company transferred cash to the Operating Partnership in exchange for general partnership units. As the general partner, the Company has management responsibility for all activities of the Operating Partnership. As of December 31, 2023 and 2022, the Company owned 21.3% and 23.2% of the Operating Partnership, respectively. As of December 31, 2023 and 2022, there were 12,037,203 and 9,977,358 limited partnership units outstanding, respectively.

The limited partners in the Operating Partnership have a redemption option that they may exercise. Upon exercise of the redemption option by the limited partners, the Company has the choice of redeeming the limited partners' interests (Units) for SR Realty Trust common stock based on the terms of the partnership agreement, or making a cash payment to the unit holder. The redemption generally may be exercised by the limited partners at any time after the first anniversary of the date of the acquisition of the Units subject to volume restrictions.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its interest in SRRT Properties. SRRT Properties owns a controlling interest in SRRT Harding, LLC, SRRT Kennedy, LLC, Roseville Fairview, LLC, Railroad Properties, LLC, 615 Properties, LLC, 530 Third, LLC, Cobblestone Properties, LLC, SRRT 2112, LLC, IDC Properties, LLC, SRRT Bedford, LLC, SRRT Edge, LLC, SRRT Duluth, LLC, SRRT Lee, LLC, SRRT Industrial Blvd, LLC, SRRT Parkway, LLC, SRRT Boone, LLC, SRRT Outlot, LLC, SRRT Northland Drive, LLC, SRRT Hale, LLC, SRRT Empire I, LLC, Firestation MT, LLC, SRRT Redwell, LLC, SRRT Solar NE, LLC, BP Holdings Realty, LLC, SRRT Executive Park I, LLC, SRRT Sentry I, LLC, SRRT Botts Road I, LLC, Gurley Lofts, LLC, SRRT Libra, LLC, SRRT Jackson Street, LLC, SRRT Fleet I, LLC, SRRT Hillside, LLC, SRRT Pearl Street, LLC, SRRT Maple Plain, LLC, SRRT Lone Oak, LLC, SRRT Orpheum, LLC, and 48th Street Investments, LLC. Significant intercompany accounts and transactions have been eliminated in consolidation.

Principles of Consolidation

The Company evaluates the need to consolidate affiliates based on standards set forth in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidation*. In determining whether the Company has a controlling interest in an affiliate and the requirement to consolidate the accounts of that entity, management considers factors such as ownership interest, authority to make decisions, contractual and substantive participating rights of the limited partners and shareholders, as well as whether the entity is a variable interest entity for which the Company is the primary beneficiary.

Investments in Real Estate Ventures

Certain investments where the Company does not have control but has the ability to exercise significant influence are accounted for by the equity method of accounting. Under this method, the Company's investments in real estate ventures are recorded at cost and the investment accounts are adjusted for the Company's share of the entities' income or loss and for distributions and contributions.

The Company evaluates the carrying amount of the investments for impairment if the carrying amount of the investment exceeds its fair value. An impairment charge is recorded when an impairment is deemed to be other-than-temporary. To determine whether impairment is other-than-temporary, the Company considers whether it has the ability and intent to hold the investment until the carrying amount is fully recovered. The evaluation of a real estate venture for potential impairment can require management to exercise significant judgments. No impairment losses were recorded related to real estate ventures for the years ended December 31, 2023 and 2022.

In determining whether an investment in a limited liability company or tenancy in common is a variable interest entity, the Company considers many factors, including: the form of its ownership interest and legal structure; the size of the Company's investment; the financing structure of the entity, including the existence of subordinated debt; estimates of future cash flows; the Company and its partners ability to participate in the decision making related to acquisitions, dispositions, budgeting and financing of the entity; and obligations to absorb losses and preferential returns.

Five of our tenant in common arrangements did not qualify as variable interest entities and did not meet the control requirements for consolidation as of, and for the year ended, December 31, 2023. Nine of our tenant in common arrangements did not quality as variable interest entities and did not meet the control requirements for consolidation as of, and for the year ended, December 31, 2022.

Properties Held for Sale

We classify operating properties as properties held for sale in the period in which all of the following criteria are met: (i) management, having the authority to approve the action, commits to a plan to sell the asset; (ii) the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets; (iii) an active program to locate a buyer and other actions required to complete the plan to sell the asset have been initiated; (iv) the sale of the asset is probable and the transfer of the asset is expected to qualify for recognition as a completed sale within one year; (v) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) given the actions required to complete the plan to sell the asset, it is unlikely that significant changes to the plan would be made or that the plan would be withdrawn.

At such time as a property is classified as held for sale, it is carried at the lower of (i) its carrying amount or (2) fair value less costs to sell. In addition, a property being held for sale ceases to be depreciated.

There were no properties classified as held for sale as of December 31, 2023 or 2022.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to use estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Significant items subject to such estimates and assumptions include the determination of the useful life of property and other long-lived assets, valuation and impairment analysis of property and other long-lived assets and valuation of the allowance for doubtful accounts. It is at least reasonably possible that these estimates could change in the near term.

Limited Liability Companies

Certain of the Company's subsidiaries are limited liability companies (LLC's). As such, the members of each LLC are not liable for any of the debts or liabilities of that LLC, or of any other LLC included in these consolidated financial statements.

Cash and Cash Equivalents

The Company considers short-term investments with original maturities of 90 days or less to be cash equivalents.

The Company presents the statements of cash flows including all restricted cash in the beginning and ending balances. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets to the amounts shown in the statements of cash flows:

	2023	2022
Cash and cash equivalents	$ 2,236,610	$ 4,366,938
Restricted escrows and reserves (Note 10)	3,477,393	3,287,343
Total cash, cash equivalents and restricted cash	$ 5,714,003	$ 7,654,281

Rents Receivable

The Company makes a determination of whether the collectibility of lease payments in its operating leases is probable. If the Company determines the lease payments are not probable of collection, the Company would fully reserve for any outstanding rent receivables related to contractual lease payments and variable lease payments, would write-off any deferred rent receivable and would recognize income only to the extent cash has been received. The Company exercises judgment in assessing collectibility and considers payment history, current credit status, the tenant's financial condition, security deposits, letters of credit, lease guarantees and current market conditions that may impact the tenant's ability to make payments in accordance with its lease agreements, in making the determination. The allowance for doubtful accounts was $174,672 and $131,685 as of December 31, 2023 and 2022, respectively. The Company charges interest and late fees on delinquent accounts.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. The Company considers factors such as current and expected market conditions, current and expected rental rates, estimated future development costs and expected holding period and carry costs in estimating cash flows and related fair values used in the impairment assessments. Based on this assessment, property that is considered impaired is written down to its fair value. An impairment loss is recognized when the undiscounted estimated future cash flows from continued use and eventual disposition of the asset are less than the carrying amount. To date, there have been no such losses.

Revenue Recognition

The Company accounts for leases to its tenants under ASC 842, *Leases*. The Company leases real estate to its tenants under month-to-month and long-term leases which it accounts for as operating leases. Leases that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. Rental increases based upon variable factors are recognized only after changes in such factors have occurred and are then applied according to the lease agreements. Recognition of rental income commences when control of the leased space has been transferred to the tenant.

Recognizing rent escalations on a straight-line method results in rental revenue in the early years of a lease being higher than actual cash received, resulting in the Company recording a deferred rent asset on the consolidated balance sheets.

Some leases provide for reimbursement from tenants for common area maintenance (CAM), insurance, real estate taxes and other operating expenses. Leases may also include income for parking, storage and other items. A portion of the operating cost reimbursement revenue is estimated each period and is recognized as rental income in the period the recoverable costs are incurred and accrued.

The Company elected a practical expedient under ASC 842 which allows lessors to not separate lease and nonlease components when the timing and pattern of transfer for the lease and nonlease components are the same, and if the lease component, if accounted for separately, would be classified as an operating lease. As a result, the Company presents all rentals and reimbursements from tenants as a single line item, rental revenues, within the consolidated statement of operations.

Revenue streams that are accounted for under ASC 606, *Revenue from Contracts with Customers*, include:

- Gains upon the sale of property, which are recognized in revenue at a point in time upon closing of the sale transaction.

- Lease termination fees, which are recognized in revenue at a point in time, as such fees are incurred.

Leasing Commissions

Direct costs, including estimated internal costs and leasing commissions, associated with the leasing of real estate investments owned by the Company are capitalized as deferred leasing costs and are amortized on a straight-line basis over the term of the related lease. Lease incentive costs, which are payments made on behalf of a tenant to sign a lease, are amortized on a straight-line basis over the respective lease term as a reduction to rental revenue. Unamortized costs are charged to expense upon the early termination of the lease. Costs associated with unsuccessful leasing opportunities are expensed. The Company had amortization expense of $550,527 and $401,638 for the years ended December 31, 2023 and 2022, respectively. The Company had accumulated amortization of $1,630,330 and $1,105,170 as of December 31, 2023 and 2022, respectively.

Financing Fees

The Company presents debt issuance costs as a direct reduction from the carrying value of its long-term debt liabilities. Costs incurred in connection with obtaining financing are capitalized and are being amortized on a straight-line basis, which approximates the effective interest method, over the financing term and are included in interest expense. The Company had amortization expense of $338,475 and $955,335 for the years ended December 31, 2023 and 2022, respectively that was included in interest expense. No amortization of deferred financing fees was capitalized for either of the years ended December 31, 2023 or 2022. The Company had accumulated amortization of deferred financing fees totaling $587,523 and $799,526 as of December 31, 2023 and 2022, respectively.

Real Estate Property

Investments in real estate property with a useful life longer than one year are carried at cost less accumulated depreciation and amortization. Property such as land, building and improvements includes costs of acquisitions, development, construction and tenant allowances and improvements.

The Company's acquisitions of investment properties are accounted for as asset acquisitions. The Company allocates the purchase price of each acquired investment property based upon the relative fair value of the individual assets acquired and liabilities assumed, which generally include (i) land, (ii) building, (iii) in-place lease value intangibles, (iv) acquired above and below-market lease intangibles and (v) any assumed financing. Asset acquisitions do not give rise to goodwill and the related transaction costs are capitalized and included with the allocated purchase price.

For tangible assets acquired, including land, building and other improvements, the Company considers available comparable market and industry information in estimating the acquisition date fair value. Key factors considered in the calculation of fair value of both real property and intangible assets include the current market rent values, "dark" periods (building in vacant status), direct costs estimated with obtaining a new tenant, discount rates, escalation factors, standard lease terms and tenant improvement costs. The Company allocates a portion of the purchase price to the estimated acquired in-place lease value intangibles based on factors available in third party appraisals or cash flow estimates of the property prepared. These estimates are based upon cash flow projections for the property, existing leases, lease origination costs for similar leases as well as lost rental payments during an assumed lease-up period. The Company also evaluates each acquired lease as compared to current market rates. If an acquired lease is determined to be above or below-market, the Company allocates a portion of the purchase price to such above or below-market lease based upon the present value of the difference between the contractual lease payments and estimated market rent payments over the remaining lease term. Renewal periods are included within the lease term in the calculation of above and below-market lease values if, based upon factors known at the acquisition date, market participants would consider it reasonably assured that the lessee would exercise such options. Fair value estimates used in acquisition accounting, including the discount rate used, require the Company to consider various factors, including, but not limited to, market knowledge, demographics, age and physical condition of the property, geographic location and size and location of tenant spaces within the acquired investment property.

Depreciation is provided using the straight-line method over the estimated useful life of the assets for buildings and improvements and the term of the lease for tenant improvements. The estimated useful lives are as follows:

Land improvements	15 years
Buildings	27.5-39 years
Building improvements	5-39 years
Tenant improvements	1-15 years

Repair and maintenance costs are expensed as incurred, whereas expenditures that improve or extend the service lives of assets are capitalized. Disposal and abandonment of improvements are recognized at occurrence as a charge to depreciation.

Construction in process represents costs incurred by the Company on the construction of real estate property that has not yet been placed in service. Depreciation of these costs will begin upon completion of the construction activities.

Intangible Assets or Liabilities

Upon acquisitions of real estate, the Company assesses the fair value of acquired tangible assets and any significant intangible assets and liabilities (such as above and below-market leases and value of acquired in-place leases) and any assumed liabilities and allocates the purchase price based on these fair value assessments. The Company amortizes identified intangible assets and liabilities based on the period over which the assets and liabilities are expected to affect the future cash flows of the real estate property acquired. Lease intangibles (such as in-place or above and below-market leases) are amortized over the term of the related lease.

Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code, as amended. A REIT calculates taxable income similar to other domestic corporations, with the major difference being that a REIT is entitled to a deduction for dividends paid. A REIT is generally required to distribute at least 90% of its taxable income each year. If it chooses to retain the remaining 10% of taxable income, it may do so, but it will be subject to a corporate tax on such income. REIT shareholders are taxed on REIT distributions of ordinary income in the same manner as they are taxed on other corporate distributions.

A summary of the tax characterization of the dividends paid to shareholders of the Company's common stock for the years ended December 31 is as follows:

	2023		2022	
Ordinary income	$ 0.0714	9.92 %	$ -	- %
Capital gain	0.0319	4.43	-	-
Return of capital	0.6167	85.65	0.7200	100.00
	$ 0.7200	100.00 %	$ 0.7200	100.00 %

The Company intends to continue to qualify as a REIT and, as such, will not be taxed on the portion of the income that is distributed to the shareholders. In addition, the Company intends to distribute all of its taxable income; therefore, no provisions or liabilities for income taxes has been recorded in the consolidated financial statements.

The Company conducts its business activity as an Umbrella Partnership Real Estate Investment Trust (UPREIT) through its Operating Partnership. The Operating Partnership is organized as a limited partnership. Income or loss is allocated to the partners in accordance with the provisions of the Internal Revenue Code. UPREIT status allows nonrecognition of gain by an owner of appreciated real estate if that owner contributes the real estate to a partnership in exchange for partnership interest. The conversion of partnership interests to shares of common stock in the REIT will be a taxable event to the limited partner.

The Company's policy of accounting for uncertain tax positions is to recognize the tax effects from an uncertain tax position in the consolidated financial statements, only if the position is more likely than not to be sustained on audit, based on the technical merits of the position. The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood of being realized, upon ultimate settlement with the relevant tax authority.

The Company is not currently under examination by any taxing jurisdiction. In the event of any future tax assessments, the Company has elected to record the income tax penalties as operating and maintenance expense and any related interest as interest expense in the Company's consolidated statements of operations.

Noncontrolling Interest

Interests in the Operating Partnership held by limited partners are represented by partnership common units of the Operating Partnership. The Company's interest in the Operating Partnership was 21.3% and 23.2% of the common units of the Operating Partnership as of December 31, 2023 and 2022, respectively. The Operating Partnership's income is allocated to holders of units based upon the ratio of their holdings to the total units outstanding during the period. Capital contributions, distributions and profits and losses are allocated to noncontrolling interests in accordance with the terms of the Operating Partnership agreement.

During 2022, the Company acquired approximately 38% of the noncontrolling interest in the property owned by SRRT Empire I, LLC for 157,426 common units of SRRT Properties valued at $2,125,254, plus cash of $34,525, which was in excess of the net book value of the noncontrolling interest of $2,105,420. The excess of the consideration paid over the net book value was treated as a distribution to the noncontrolling interest members.

Reclassification

For comparability, certain 2022 amounts have been reclassified to conform with classifications adopted in 2023. The reclassifications had no impact on previously reported net loss or stockholders' equity.

Accounting Pronouncements Adopted

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses of Financial Instruments (ASU 2016-13)*. ASU 2016-13 affects entities holding financial assets and net investments in leases that are not accounted for at fair value through net income. The amendments in ASU 2016-13 require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net carrying value at the amount expected to be collected on the financial asset. ASU 2016-13 also requires additional required disclosures. For financial assets measured at amortized cost, an entity will be required to disclose information about how it developed its allowance for credit losses, including changes in the factors that influenced management's estimate of expected credit losses and the reasons for those changes. ASU 2018-19 was subsequently issued, which clarified that operating lease receivables are excluded from the scope of Topic 326. ASU 2016-13 and ASU 2018-19 are effective for annual periods beginning after December 15, 2022, including interim periods within those fiscal years. The adoption of ASU 2016-13 and ASU 2018-19 did not have a material impact on the consolidated financial statements.

2. Notes Receivable

During 2020, the Company issued a note receivable in the amount of $161,000 to a related party. The note bears interest at 4.50%. Interest only payments are due monthly beginning November 2020, with all remaining unpaid principal and interest due on October 2030. The outstanding balance of the note receivable was $161,000 as of both December 31, 2023 and 2022.

During 2020, the Company issued a note receivable in the amount of $944,000 to a related party. The note bears interest at 4.50%. Interest only payments are due monthly beginning November 2020, with all remaining unpaid principal and interest due on November 1, 2029. The outstanding balance of the note receivable was $944,000 as of both December 31, 2023 and 2022.

During 2022, the Company issued a note receivable in the amount of $222,022 to an unrelated party. The note bears interest at the one-month Secured Overnight Financing Rate (SOFR), plus 2.75% (8.15% and 7.08% as of December 31,2023 and 2022, respectively), with a minimum rate of 3.50%. Quarterly payments of interest only are due beginning October 2022, with all outstanding principal and interest due March 2024. Subsequent to December 31, 2023, the note was applied towards the redemption of common stock.

During 2022, the Company issued a note receivable in the amount of $98,032 to a related party. The note bore interest at 8.00%. All outstanding principal and interest were due July 2030. The note was repaid during 2023.

During 2023, the Company acquired a tax increment financing note receivable with its acquisition of 48th Street Investments, LLC (see Note 12). The note bears interest at 3.75%, and will be repaid through semi-annual payments due each June and December, the amount of which will be determined by the tax increment generated by the development of the property. The note is due December 31, 2032. The outstanding balance of the note receivable was $1,512,777 as of December 31, 2023.

The Company has assessed the credit risk of these receivables to be low based on factors such as the value of the security supporting the notes and the expected future net income and cash flows for the borrowers.

3. Tenant Leases

The Company leases commercial and industrial space to tenants over terms ranging from month-to-month to 16 years. Some of the leases have renewal options for additional terms. The leases expire at various dates from January 2024 to August 2038. Some leases provide for base monthly rentals and reimbursements for real estate taxes and common area maintenance.

The Company has elected the practical expedient in ASC 842 to not separate lease and nonlease components. The lease and nonlease components combined as a result of this election include tenant rentals and maintenance charges respectively. The nonlease components, along with reimbursements for real estate taxes and insurance, are considered to be variable lease payments. The Company applies the accounting requirements of ASC 842 to the combined component.

The following table includes information regarding the Company's operating leases for the years ended December 31:

	2023	2022
Lease income related to fixed lease payments	$ 25,872,431	$ 16,696,570
Lease income related to variable lease payments	8,701,944	7,077,988
Rental revenues	$ 34,574,375	$ 23,774,558

The Company has the following future minimum base rentals on noncancelable leases as of December 31, 2023:

Years ending December 31,	
2024	$ 17,922,546
2025	15,085,118
2026	13,526,674
2027	10,410,641
2028	7,651,922
Thereafter	42,308,024
Total	$ 106,904,925

4. Mortgage Notes Payable

Mortgage notes payable consisted of the following notes payable as of December 31:

	2023	2022
Mortgage note payable to a bank with borrowing capacity up to $11,332,717; initial borrowing of $9,569,278; interest at 4.79% through October 2027; thereafter, interest will be fixed at the then five-year U.S. constant maturity Treasury rate as defined in the agreement, plus 2.0%, with a minimum rate of 4.79%; interest only payments due through April 2023; thereafter, the mortgage note payable will be due in monthly installments amortized over a 25-year period through September, 2032, with a final balloon payment due October, 2032; the note is collateralized by a mortgage on the properties owned by SRRT Harding, LLC, SRRT Kennedy, LLC, and SRRT 2112, LLC and an assignment of all rents on such properties; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by SRRT Properties.	$ 9,436,758	$ 9,569,278
Mortgage note payable to a bank in the original amount of $5,880,000; interest at 4.30%; due in monthly installments of $32,217 through December 2026, with a final balloon payment due January 2027; the note is collateralized by a mortgage on the property owned by Railroad Properties, LLC; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by certain stockholders of the Company. Based on the results of the existing financial covenants as of December 31, 2023, it is anticipated that the Company will be required to make an additional principal payment during the year ending December 31, 2024 currently estimated to be approximately $1,250,000.	5,362,481	5,511,752

	2023	2022
Mortgage note payable to a bank in the original amount of $10,000,000; interest at the one-month SOFR, plus 1.50% (6.88% as of December 31, 2023); monthly interest only payments due through March 2026, with a final balloon payment due April 2026; the note is collateralized by a mortgage on the property owned by 615 Properties, LLC; the note is subject to certain financial and nonfinancial covenants; the note is guaranteed by SRRT Properties.	$ 10,000,000	$ -
Mortgage note payable to a bank in the original amount of $7,400,000; interest at 3.86%; due in monthly installments of $34,734 through April 2023, with a final balloon payment due May 2023; the note is collateralized by a mortgage on the property owned by 615 Properties, LLC. Repaid during 2023.	-	5,926,681
Mortgage note payable to a bank in the original amount of $8,600,000; interest at 5.82%; monthly interest only payments due through March 2025; thereafter, due in monthly installments of $54,468 through March 2026, with a final balloon payment due March 2026; the note is collateralized by a mortgage on the property owned by Cobblestone Properties, LLC; the note is subject to certain nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by SRRT Properties.	8,600,000	-
Mortgage note payable to a bank in the original amount of $9,850,000; interest at 3.95%; due in monthly installments of $46,742 through March 2023, with a final balloon payment due April 2023; the note is collateralized by a mortgage on the property owned by Cobblestone Properties, LLC. Repaid during 2023.	-	8,362,750
Mortgage note payable to a bank in the original amount of $4,600,000; interest at 4.76%; monthly interest only payments due through October 2018; thereafter, due in monthly installments of $24,024 through September 2025, with a final balloon payment due October 2025; the note is collateralized by a mortgage on the property owned by IDC Properties, LLC; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by the Company and SRRT Properties.	4,212,752	4,295,550

	2023	2022
Mortgage note payable to a bank in the original amount of $1,170,000; interest at 3.75% through July 2021; thereafter interest will be the weekly average yield on United States Treasury Securities adjusted to a constant maturity of five years, plus a margin of 2.50% as defined in the mortgage note payable, with a minimum rate of 3.75% (effective rate of 3.75% as of both December 31, 2023 and 2022); due in monthly installments of $6,043 through June 2026, with a final balloon payment due July 2026; the note is collateralized by a mortgage on the property owned by SRRT Bedford, LLC and an assignment of all rents on such property; the note is subject to certain nonfinancial covenants; the note is guaranteed by the Company and SRRT Properties.	$ 941,016	$ 977,004
Mortgage note payable to a bank in the original amount of $7,350,000; interest at 4.125%; the note was due in monthly installments of $39,550 through September 2021, with a final balloon payment due October 2021. The mortgage note payable was refinanced in January 2022 with a drawable loan in an amount up to $7,200,000; interest at 3.50%; payable on demand; however, if no demand is made, monthly interest only payments are due through February 2024; thereafter, due in monthly installments of $36,045 through January 2027, with a final balloon payment due February 2027; the new note is collateralized by a mortgage on the property owned by SRRT Edge, LLC; the new note is subject to certain financial and nonfinancial covenants; the new note is guaranteed by SRRT Properties.	7,010,329	7,010,329
Mortgage note payable to a bank in the original amount of $2,119,000; interest at 4.28%; monthly interest only payments due through September 2022; thereafter, due in monthly installments of $10,461 through September 2027, with a final balloon payment due October 2027; the note is collateralized by a mortgage on the property owned by SRRT Lee, LLC; the note is subject to certain nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by SRRT Properties.	2,078,925	2,113,435
Mortgage note payable to a bank in the original amount of $8,115,000; interest at 3.87%; monthly interest only payments due through November 2019; thereafter, due in monthly installments of $42,254 through October 2029, with a final balloon payment due November 2029; the note is collateralized by a mortgage on the property owned by SRRT Industrial Blvd, LLC; the note is subject to certain nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by the Company and SRRT Properties.	7,262,750	7,484,059

	2023	2022
Mortgage note payable to a bank in the original amount of $770,072; interest at 4.06% through October 2022; thereafter the interest rate will adjust to the then current Five Year US Treasury Constant Maturity Rate as provided by the Federal Reserve plus a margin of 2.25% and shall be fixed at that rate; however in no instance shall the interest rate be less than 3.75% (effective rate of 6.20% as of both December 31, 2023 and 2022); due in monthly installments of $4,090 through October 2022; beginning November 2022, due in monthly installments of $4,891, with a final balloon payment due November 2027; the note is collateralized by a mortgage on the property owned by SRRT Parkway, LLC; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by SRRT Properties.	$ 655,585	$ 673,039
Mortgage note payable to a bank in the original amount of $1,852,500; interest at 4.00%; due in monthly installments of $9,839 through March 2027, with a final balloon payment due April 2027; the note is collateralized by a mortgage on the property owned by SRRT Boone, LLC; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by SRRT Properties.	1,539,203	1,593,668
Mortgage note payable to a bank in the original amount of $4,650,000; interest at 4.125%; monthly interest only payments due through November 2020; thereafter, due in monthly installments of $22,697 through October 2029, with a final balloon payment due November 2029; the note is collateralized by a mortgage on the property owned by SRRT Empire I, LLC; the note is subject to certain financial and nonfinancial covenants.	4,394,444	4,481,579
Construction loan agreement with a bank allowing for proceeds up to $1,700,000; interest at the FHLB 5-year Advance Rate plus 2.50% as determined on the date of permanent loan conversion (5.58%) through the five year anniversary of permanent conversion, at which time the rate will reset to the FHLB 5-year Advance Rate, plus 2.50% as of such date; monthly interest only payments due through August 1, 2022; the loan converted to a permanent loan on August 1, 2022; the loan requires monthly repayments of the loan balance based on a twenty-five year amortization, with a final balloon payment due August 1, 2032; the note is collateralized by a mortgage on the property owned by The Redwell Commercial, LLC (a subsidiary of SRRT Redwell, LLC) and an assignment of all rents on such property; the note is subject to certain financial and nonfinancial covenants; the note is guaranteed by two individuals.	1,658,544	1,687,594

	2023	2022
Mortgage note payable to a bank in the original amount of $4,291,800; interest at 3.51% through July 2027; thereafter interest will be the then current Three Year US Treasury Constant plus 2.25% as defined in the mortgage note payable, and shall be fixed at that rate through the maturity date, with minimum rate of 3.51%; due in monthly installments of $17,946 through June 2030, with a final balloon payment due July 2030; the note is collateralized by a mortgage on the property owned by BP Holdings Realty, LLC and an assignment of all rents on such property; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by the Company.	$ 3,723,036	$ 3,806,121
Mortgage note payable in the original amount of $7,310,000; interest at 4.61%; due in monthly installments of $41,089 through October 2028, with a final balloon payment due November 2028; the note is collateralized by a deed of trust and security agreement on the property owned by SRRT Executive Park I, LLC and an assignment of all rents on such property; the note is subject to certain prepayment penalty provisions; the note is guaranteed by SRRT Properties.	6,417,852	6,610,221
Mortgage note payable to a bank in the original amount of $3,940,000; interest at 4.47%; monthly interest only payments due through July 2024; thereafter, due in monthly installments of $20,047 through June 2029, with a final balloon payment due July 2029; the note is collateralized by a mortgage on the property owned by SRRT Sentry I, LLC and an assignment of all rents on such property; the note is subject to certain financial and nonfinancial covenants.	3,940,000	3,940,000
Mortgage note payable to a bank in the original amount of $10,400,000; interest at 3.50%; due in monthly installments of $52,346 through August 2027, with a final balloon payment due September 2027; the note is collateralized by mortgages on the properties owned by 530 Third, LLC, SRRT Outlot, LLC, SRRT Northland Drive, LLC, SRRT Hale, LLC, and SRRT Duluth, LLC and an assignment of all rents on such properties; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by the Company.	9,534,297	9,818,630
Mortgage note payable to a bank in the original amount of $14,738,000; interest at 3.67%; due in monthly installments of $62,371 through July 2037, with a final balloon payment due August 2037; the note is collateralized by a mortgage on the property owned by The Redwell, LLLP and an assignment of all rents on such property; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by two individuals.	14,465,472	14,671,512

	2023	2022
Mortgage note payable to a bank in the original amount of $16,000,000; interest at 4.15%; monthly interest only payments due through September 2024; thereafter, due in monthly installments of principal and interest of $85,785, amortizing the loan over a 25-year period, with a final balloon payment due September 2029; the note is collateralized by a mortgage on the property owned by SRRT Botts Road I, LLC and an assignment of all rents on such property; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by SRRT Properties.	$ 16,000,000	$ 16,000,000
Mortgage note payable in the original amount of $8,207,500; interest at 2.27%; due in monthly installments of $28,339 through October 2056; the note is collateralized by a mortgage on the property owned by Gurley Lofts, LLC; the note is subject to certain prepayment penalty provisions.	7,866,350	8,025,888
Mortgage note payable to a bank in the original amount of $3,200,000; interest at 3.35%; monthly interest only payments due through April 2024; thereafter, due in monthly installments of principal and interest of $14,190, amortizing the loan over a 30-year period, with a final balloon payment due May, 2027; the note is collateralized by a mortgage on the property owned by SRRT Libra, LLC and an assignment of all rents on such property; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by SRRT Properties.	3,200,000	3,200,000
Mortgage note payable to a bank in the original amount of $3,843,510; the Company has the ability to draw an additional $1,016,490 as defined under the agreement; interest at 3.50% through June 2029; thereafter interest will be the Five Year US Treasury Constant, plus a margin of 1.75% as defined in the note, and will be fixed at such rate through the maturity date with a minimum rate of 3.50%; due in monthly installments of interest only through May 2024; thereafter, due in monthly installments of principal and interest of $21,824, based on a 30-year amortization with a final balloon payment due June 2032; the note is collateralized by a mortgage on the property owned by SRRT Jackson Street, LLC and an assignment of all rents on such property; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by SRRT Properties.	3,843,510	3,843,510

	2023	2022
Mortgage note payable to a bank in the original amount of $2,700,000; interest at 5.75%; due in monthly installments of $15,901 through November 2027, with a final balloon payment due December 2027; the note is collateralized by a mortgage on the property owned by SRRT Hillside, LLC; the note is subject to certain financial and nonfinancial covenants and certain prepayment penalty provisions; the note is guaranteed by SRRT Properties.	$ 2,665,686	$ 2,700,000
Mortgage note payable to a bank in the original amount of $20,028,250; interest at 4.10% through January 2027; thereafter interest will be adjusted to a fixed annual rate equal to 2.35% in excess of the three year Treasury Constant Maturity Rate as defined in the agreement; due in monthly installments of $97,469 through January 2027; beginning February 2027, monthly principle and interest payments will be recalculated based upon the then applicable interest rate and an assumed term ending January 2050 with a final balloon payment due January 2030; the note is collateralized by a mortgage on the property owned by SRRT Fleet I, LLC and an assignment of all rents on such property; the note is subject to certain financial and nonfinancial covenants and certain prepayment penalty provisions; the note is guaranteed by SRRT Properties.	18,697,401	19,081,101
Mortgage note payable to a bank in the original amount of $6,380,000; interest at 3.50%; monthly interest only payments due through May 2024; thereafter, due in monthly installments of $28,832 through April 2031, with a final balloon payment due May 2031; the note is collateralized by a mortgage on the property owned by SRRT Lone Oak, LLC; the note is subject to certain nonfinancial covenants; the note is guaranteed by SRRT Properties.	6,380,000	-
Mortgage note payable to a bank in the original amount of $5,825,000; interest at 3.50%; monthly interest only payments due through September 2023; thereafter, due in monthly installments of $28,955 through July 2031, with a final balloon payment due August 2031; the note is collateralized by a mortgage on the property owned by SRRT Pear Street, LLC; the note is subject to certain nonfinancial covenants; the note is guaranteed by SRRT Properties.	5,789,565	-
Mortgage note payable to a bank in the original amount of $3,349,000; interest at 3.25%; monthly interest only payments due through February 2024; thereafter, due in monthly installments based on a 30 year amortization, with a final balloon payment due February 2029; the note is collateralized by a mortgage on the property owned by SRRT Maple Plain, LLC; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions.	3,349,000	-

	2023	2022
Mortgage note payable to a bank in the original amount of $9,990,743; interest at 3.25%; payable on demand; however, if no demand is made, monthly interest only payments due through February 2024; thereafter, due in monthly installments of $48,732 through December 2026, with a final balloon payment due January 2027; the note is collateralized by a mortgage on the property owned by 48th Street Investments, LLC; the note is subject to certain nonfinancial covenants; the note is guaranteed by SRRT Properties.	$ 9,989,841	$ -
Tax Increment Financing (TIF) note payable to a bank in the original amount of $1,831,400; interest at the United States T-Bill rate plus 2.50%, adjustable every five years with a floor of 3.75% and a maximum rate of 5.75%; principal and interest due in payments to be made each June and December as defined in the agreement, with a maturity date of December 2032; the TIF note is secured by all accounts, rents, furniture, fixtures, equipment, inventory and other personal property owned by 48th Street Investments, LLC.	1,222,773	-
Mortgage note payable to a bank in the original amount of $8,820,000; interest at 3.45%; monthly interest only payments due through December 2024; thereafter, due in monthly installments of $39,500 through November 2026, with a final balloon payment due December 2026; the note is collateralized by a deed of trust and security agreement on the property owned by SRRT Orpheum, LLC; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the note is guaranteed by SRRT Properties.	8,820,000	-
Total mortgage notes payable	$ 189,057,570	$ 151,383,701

Principal requirements on mortgage notes payable for years ending after December 31, 2023, including demand features are as follows:

Years ending December 31:	
2024	$ 19,954,495
2025	7,844,362
2026	31,546,020
2027	25,914,931
2028	8,352,012
Thereafter	95,445,750
Total	$ 189,057,570

Principal requirements on mortgage notes payable, assuming no demand features are requested by the lenders, are as follows:

Years ending December 31:	
2024	$ 4,383,941
2025	8,061,063
2026	31,769,673
2027	41,045,131
2028	8,352,012
Thereafter	95,445,750
	$ 189,057,570

5. Bonds Payable and Bond Escrows

In connection with the development of an affordable housing project on the property owned by The Redwell, LLLP, the Company received proceeds from the sale of tax-exempt mortgage-backed bonds. The Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEMS) were payable to a bank for proceeds received from the bond issuance of Hennepin County Housing and Redevelopment Authority M-TEMS, Series 2019 in the amount of $16,065,000; interest at 2.67%; monthly interest only payments through August 2022; thereafter, due in monthly installments of principal and interest through July 2037, with a final balloon payment due August 2037. On August 1, 2022, through permanent loan conversion (Note 4), the M-TEMS were assumed by Fannie Mae.

Bond Proceeds Fund

The Redwell, LLLP established a Bond Proceeds Fund in the amount of $16,065,000 for the purpose of holding and reinvesting the proceeds from the M-TEMS. Income earned on these investments were used to pay the monthly debt service as required by the agreement. As of December 31, 2021, the Bond Proceeds Fund had a balance of $16,048,875. As part of the permanent loan conversion (Note 4), the funds in the Bond Proceeds Fund were assumed by Fannie Mae.

6. Time Certificates

The Company offers time certificates which may be issued for periods ranging from 30 days to 10 years. The interest rates on the time certificates range from 5.00% to 6.15% as of December 31, 2023, and 0.95% to 4.40% as of December 31, 2022, depending on the term elected for each time certificate issued. Interest is paid quarterly for each time certificate; however, the time certificate holder may elect to compound quarterly interest on certificates with original maturities of 180 days or longer. All principal and unpaid interest is due upon maturity of each time certificate. The time certificates are unsecured and subordinate to other senior obligations of the Company. As of December 31, 2023 and 2022, $901,650 and $1,518,924 of time certificates were outstanding, respectively. Of the outstanding time certificates as of December 31, 2023, $718,338 mature in 2024 and $183,312 mature in 2025. Time certificates due to related parties totaled $283,312 and $449,759 as of December 31, 2023 and 2022, respectively.

7. Other Notes Payable

Other notes payable consisted of the following as of December 31:

	2023	2022
Note payable to a bank in the original amount of $161,000; interest at 4.50%; due in monthly installments of $1,674 through October 2030; the note is collateralized by a mortgage on the property owned by SRRT Harding, LLC, an assignment of rights in the related note receivable from SR Solar, LLC, and the membership interests of SR Solar, LLC; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions; the loan is guaranteed by SRRT Properties and certain individuals.	$ 117,730	$ 132,055
Note payable to a bank in the original amount of $944,000; interest at 4.50%; due in monthly installments of $9,813 through November 2029; the note is collateralized by a mortgage on the property owned by SRRT Industrial Blvd, LLC, an assignment of rights in the related note receivable from SR Solar, LLC, and membership interests of SR Solar, LLC; the note is subject to certain financial and nonfinancial covenants and prepayment penalty provisions the loan is guaranteed by SRRT Properties and certain individuals.	690,115	774,287
Total other notes payable	$ 807,845	$ 906,342

Principal requirements on other notes payable for years ending after December 31, 2023 are as follows:

Years ending December 31:	
2024	$ 103,041
2025	107,787
2026	113,022
2027	118,255
2028	123,659
Thereafter	242,081
Total	$ 807,845

8. Line of Credit

As of December 31, 2023, the Company had a $25,000,000 line of credit with a bank. Interest was payable monthly at 2.50% above the one-month SOFR (7.90% as of December 31, 2023), with a floor of 3.25%. The line of credit had an outstanding balance of $20,810,000 as of December 31, 2023. The line of credit matures July 2024.

As of December 31, 2022, the Company had a $25,000,000 line of credit with a bank. Interest was payable monthly at 2.50% above the one-month SOFR (6.83% as of December 31, 2022), with a floor of 3.25%. The line of credit had an outstanding balance of $15,285,000 as of December 31, 2022.

The line of credit is secured by mortgages, security agreements, fixture and financing statements and assignments of leases on two of the Company's properties (the property owned by Roseville Fairview, LLC and a portion of the property owned by Railroad Properties, LLC). In addition, the line of credit requires the Company to apply certain proceeds of any refinancing of the mortgage on the Cobblestone Properties, LLC property, as defined in the agreement, to pay down the outstanding balance of the line of credit. Certain stockholders of the Company have also guaranteed the line of credit. The agreement contains certain financial and nonfinancial covenants.

The Company's line of credit matures in July 2024. The Company does not believe that it will have sufficient liquidity available to repay the line of credit at its scheduled maturity date. Based upon the financial condition and results of operations of the Trust and the properties to which this obligation relates and based upon the Trust's ability to previously finance and refinance or extend its line of credit, management believes that the Trust's ability to refinance or extend the line of credit is probable.

9. Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash and accounts receivable. Cash and cash equivalents and restricted cash are placed with area banks and balances occasionally exceed federally insured limits. The Company has not experienced any losses in such accounts.

As of December 31, 2023, the Company had no tenants that occupied more than 10% of the Company's total rentable space. As of December 31, 2022, the Company had two tenants that occupied approximately 22% of the Company's total rentable space. The Company had one tenant that represented approximately 12% of the base rental income for the year ended December 31, 2023. The Company had no tenants that represented over 10% of base rental income for the year ended December 31, 2022.

10. Restricted Escrows and Reserves

According to the terms of certain of the Company's mortgage notes payable (Note 4), the Company is required to make monthly or quarterly deposits to various escrow and reserve accounts for the payment of insurance, real estate taxes, tenant improvements, leasing commissions and replacements. The balances in these restricted escrow and reserve accounts as of December 31 are as follows:

	2023	2022
Real estate tax escrow	$ 413,417	$ 607,063
Insurance escrow	34,591	54,030
Leasing commission and tenant improvement escrows	390,121	555,127
Replacement escrows	514,075	409,086
Other escrows	2,125,189	1,662,037
Total	$ 3,477,393	$ 3,287,343

11. Intangible Assets and Liabilities

The Company's identified intangible assets and liabilities as of December 31 were as follows:

	2023	2022
Identified Intangible Assets:		
In-place leases	$ 19,957,157	$ 17,894,247
Above-market leases	1,459,557	1,395,998
Accumulated amortization	(9,792,822)	(7,107,075)
Net carrying amount	11,623,892	12,183,170
Identified Intangible Liabilities:		
Below-market leases	3,198,141	1,735,856
Accumulated amortization	(1,007,193)	(641,088)
Net carrying amount	2,190,948	1,094,768
Intangible assets, net of accumulated amortization	$ 9,432,944	$ 11,088,402

The effect of amortization of intangible assets was $2,717,831 and $1,937,018 for the years ended December 31, 2023 and 2022, respectively. In-place leases, and above and below-market leases acquired in 2023 and 2022 had a weighted average amortization period of 6.22 and 11.31 years in the years acquired, respectively.

The estimated annual amortization of acquired intangible assets and liabilities for each of the five succeeding fiscal years is as follows:

	Assets	Liabilities	Net
Years ending December 31:			
2024	$ 2,572,160	$ 438,627	$ 2,133,533
2025	2,088,848	415,565	1,673,283
2026	1,860,158	373,573	1,486,585
2027	1,287,339	297,567	989,772
2028	737,830	215,063	522,767
Thereafter	3,077,557	450,553	2,627,004
Total	$ 11,623,892	$ 2,190,948	$ 9,432,944

12. Acquisitions

As of December 31, 2022, the Company owned a 12% interest as a tenant in common in a multifamily property in Omaha, NE (the Orpheum property). The undivided interest in the property was owned by a wholly-owned subsidiary of SRRT Properties, SRRT Orpheum, LLC. On February 1, 2023, the Company entered into a contribution agreement to acquire the remaining 88% interest in the Orpheum property. The acquisition of the Orpheum property was accounted for as an asset acquisition.

Cash paid	$ 191,901
Issuance of 415,783 common units of SRRT Properties	6,132,800
Total purchase price	$ 6,324,701

The Company has allocated the total cost of the acquisition as follows:

Tangible Assets:		
Land	$	1,021,250
Building		14,667,795
Cash and cash equivalents		182,297
Rents receivable, prepaid expenses and other assets		41,674
Intangible Assets:		
In-place leases		99,407
Above-market leases		1,437
Liabilities Incurred:		
Mortgage note payable		(8,820,000)
Financing fees		84,120
Accounts payable, security deposit and other accrued expenses		(92,060)
Net assets acquired	$	7,185,920
Fair value of existing 12% ownership	$	861,219
Recorded value of existing ownership at date of acquisition		730,893
Gain on acquisition of real estate property	$	130,326

As of December 31, 2022, the Company owned a 16% interest as a tenant in common in an industrial building in Waukesha, WI (the Pearl Street property). The undivided interest in the property was owned by a wholly-owned subsidiary of SRRT Properties, SRRT Pearl Street, LLC. On March 1, 2023, the Company entered into a contribution agreement to acquire the remaining 84% interest in the Pearl Street property. The acquisition of the Pearl Street property was accounted for as an asset acquisition.

The consideration for the acquisition of the Pearl Street property as of the acquisition date consisted of the following:

Cash paid	$	7,868
Issuance of 409,690 common units of SRRT Properties		6,042,923
Total purchase price	$	6,050,791

The Company has allocated the total cost of the acquisition as follows:

Tangible Assets:		
Land	$	1,730,971
Building		10,259,678
Cash and cash equivalents		1,102,177
Intangible Assets (Liabilities):		
In-place lease		165,689
Below-market lease		(11,488)
Liabilities Incurred:		
Mortgage note payable		(5,825,000)
Financing fees		25,912
Accounts payable and other accrued expenses		(230,760)
Net assets acquired	$	7,217,179
Fair value of existing 16% ownership	$	1,166,388
Recorded value of existing ownership at date of acquisition		1,139,517
Gain on acquisition of real estate property	$	26,871

As of December 31, 2022, the Company owned a 5% interest as a tenant in common in an industrial building in Eagan, MN (the Lone Oak property). The undivided interest in the property was owned by a wholly-owned subsidiary of SRRT Properties, SRRT Lone Oak, LLC. On April 1, 2023, the Company entered into a contribution agreement to acquire the remaining 95% interest in the Lone Oak property. The acquisition of the Lone Oak property was accounted for as an asset acquisition.

The consideration for the acquisition of the Lone Oak property as of the acquisition date consisted of the following:

Cash paid	$	146,757
Issuance of 375,672 common units of SRRT Properties		5,541,163
Total purchase price	$	5,687,920

The Company has allocated the total cost of the acquisition as follows:

Tangible Assets:		
Land	$	7,248,739
Building		4,802,098
Cash and cash equivalents		276,460
Prepaid expenses and other assets		3,520
Intangible Assets (Liabilities):		
In-place lease		1,291,333
Below-market lease		(1,255,096)
Liabilities Incurred:		
Mortgage note payable		(6,380,000)
Financing fees		28,108
Accounts payable and other accrued expenses		(13,646)
Net assets acquired	$	6,001,516
Fair value of existing 5% ownership	$	313,596
Recorded value of existing ownership at date of acquisition		336,229
Loss on acquisition of real estate property	$	(22,633)

As of December 31, 2022, the Company owned a 24% interest as a tenant in common in a mixed-use property in Lincoln, NE (the 48th Street property). The undivided interest in the property was owned by a wholly-owned subsidiary of SRRT Properties, 48th Street Investments, LLC. On April 1, 2023, the Company entered into a contribution agreement to acquire the remaining 76% interest in the 48th Street property. The acquisition of the 48th Street property was accounted for as an asset acquisition.

The consideration for the acquisition of the 48th Street property as of the acquisition date consisted of the following:

Cash paid	$	198,925
Issuance of 356,569 common units of SRRT Properties		5,259,392
Total purchase price	$	5,458,317

The Company has allocated the total cost of the acquisition as follows:

Tangible Assets:		
Land	$	2,671,548
Building		13,686,802
Cash and cash equivalents		416,309
Rents receivable, prepaid expenses and other assets		71,963
Intangible Assets (Liabilities):		
In-place leases		246,764
Above-market leases		54,680
Below-market leases		(2,066)
Liabilities Incurred:		
Mortgage notes payable		(9,989,841)
Financing costs		27,185
Accounts payable, security deposit and other accrued expenses		(28,838)
Net assets acquired	$	7,154,506
Fair value of existing 24% ownership	$	1,696,189
Recorded value of existing ownership at date of acquisition		1,427,968
Gain on acquisition of real estate property	$	268,221

As of December 31, 2022, the Company owned a 3% interest as a tenant in common in an industrial building in Maple Plain, MN (the Maple Plain property). The undivided interest in the property was owned by a wholly-owned subsidiary of SRRT Properties, SRRT Maple Plain, LLC. On May 1, 2023, the company entered into a contribution agreement to acquire the remaining 97% interest in the Maple Plain property. The acquisition of the Maple Plain property was accounted for as an asset acquisition.

The consideration for the acquisition of the Maple Plain property as of the acquisition date consisted of the following:

Cash paid	$	128,012
Issuance of 256,728 common units of SRRT Properties		3,786,744
Total purchase price	$	3,914,756

The Company has allocated the total cost of the acquisition as follows:

Tangible Assets:		
Land	$	2,086,723
Building		4,752,238
Cash and cash equivalents		126,248
Rents receivable, prepaid expenses and other assets		20,336
Intangible Assets (Liabilities):		
In-place leases		699,019
Above-market leases		3,847
Below-market leases		(231,301)
Liabilities Incurred:		
Mortgage note payable		(3,349,000)
Financing fees		38,197
Accounts payable, security deposit and other accrued expenses		(109,783)
Net assets acquired	$	4,036,524
Fair value of existing 3% ownership	$	121,768
Recorded value of existing ownership at date of acquisition		125,871
Loss on acquisition of real estate property	$	(4,103)

On May 23, 2022, the Company entered into a contribution agreement to acquire 100% of the equity interest in a property known as SRRT Libra, LLC (the Libra property), a wholly-owned subsidiary of SRRT Properties. The acquisition of the Libra property was accounted for as an asset acquisition.

The consideration for the acquisition of the Libra property as of the acquisition date consisted of the following:

Cash paid	$	18,467
Issuance of 239,882 common units of SRRT Properties		3,238,402
Total purchase price	$	3,256,869

The Company has allocated the total cost of the acquisition as follows:

Tangible Assets:	
Land	$ 948,678
Building	4,478,528
Cash and cash equivalents	49,673
Restricted escrows and reserves	25,000
Rents receivable, prepaid expenses and other assets	829,625
Intangible Assets (Liabilities):	
In-place leases	396,241
Below-market leases	(301,771)
Liabilities Incurred:	
Mortgage note payable	(3,200,000)
Financing fees	80,568
Accounts payable, security deposit and other accrued expenses	(49,673)
Net assets acquired	$ 3,256,869

On June 21, 2022, the Company entered into a contribution agreement to acquire 100% of the equity interest in a property known as SRRT Jackson Street, LLC (the Jackson Street property), a wholly-owned subsidiary of SRRT Properties. The acquisition of the Jackson Street property was accounted for as an asset acquisition.

The consideration for the acquisition of the Jackson Street property as of the acquisition date consisted of the following:

Cash paid	$ 795,685
Issuance of 231,944 common units of SRRT Properties	3,131,237
Total purchase price	$ 3,926,922

The Company has allocated the total cost of the acquisition as follows:

Tangible Assets:	
Land	$ 3,265,895
Building	3,157,208
Cash and cash equivalents	152,071
Restricted escrows and reserves	40,250
Intangible Assets (Liabilities):	
In-place leases	1,239,181
Above-market leases	83,585
Below-market leases	(123,785)
Liabilities Incurred:	
Mortgage note payable	(3,843,510)
Financing fees	68,179
Accounts payable, security deposit and other accrued expenses	(112,152)
Net assets acquired	$ 3,926,922

As of December 31, 2021, the Company owned a 9% interest as a tenant in common in a retail building in Oconomowoc, WI (the Fleet property). The undivided interest in the property was owned by a wholly-owned subsidiary of SRRT Properties, SRRT Fleet I, LLC. On November 4, 2022, the Company entered into a contribution agreement to acquire the remaining 91% interest in the Fleet property. The acquisition of the Fleet property was accounted for as an asset acquisition.

The consideration for the acquisition of the Fleet property as of the acquisition date consisted of the following:

Cash paid	$ 164,448
Issuance of 1,248,805 common units of SRRT Properties	18,419,869
Total purchase price	$ 18,584,317

The Company has allocated the total cost of the acquisition as follows:

Tangible Assets:	
Land	$ 9,243,756
Building	25,722,716
Cash and cash equivalents	894,590
Intangible Assets (Liabilities):	
In-place lease	4,099,490
Below-market lease	(177,883)
Liabilities Incurred:	
Mortgage note payable	(19,143,145)
Financing fees	148,299
Accounts payable, security deposit and other accrued expenses	(400,000)
Net assets acquired	$ 20,387,823
Fair value of existing 9% ownership	$ 1,803,506
Recorded value of existing ownership at date of acquisition	1,636,264
Gain on acquisition of real estate property	$ 167,242

On December 1, 2022, the Company entered into a contribution agreement to acquire 100% of the equity interest in a property known as SRRT Hillside, LLC (the Hillside property), a wholly-owned subsidiary of SRRT Properties. The acquisition of the Hillside property was accounted for as an asset acquisition.

The consideration for the acquisition of the Hillside property as of the acquisition date consisted of the following:

Cash paid	$ 1,224,488
Issuance of 108,291 common units of SRRT Properties	1,597,299
Total purchase price	$ 2,821,787

The Company has allocated the total cost of the acquisition as follows:

Tangible Assets:	
Land	$ 1,944,902
Building	2,439,797
Cash and cash equivalents	49,870
Intangible Assets (Liabilities):	
In-place leases	852,462
Above-market leases	297,003
Below-market leases	(31,210)
Liabilities Incurred:	
Mortgage note payable	(2,700,000)
Financing fees	11,226
Accounts payable, security deposit and other accrued expenses	(42,263)
Net assets acquired	$ 2,821,787

13. Investments in Real Estate Ventures

The Company owns a 15% interest in Fisk Properties, LLC, which was formed to invest in a specific real estate property in Minneapolis, MN.

A summary of the assets, liabilities and results of operations for Fisk Properties, LLC is presented below:

	2023	**2022**
Total assets	$ 8,130,964	$ 8,353,135
Total liabilities	11,009,090	11,271,689
Net income (loss)	160,701	(23,111)

The Company owns a 24% interest in North Loop Opportunity Fund, LLC, which was formed to invest in real estate properties in Minneapolis, MN.

A summary of the assets, liabilities and results of operations of North Loop Opportunity Fund, LLC is presented below:

	2023	**2022**
Total assets	$ 15,562,357	$ 16,244,038
Total liabilities	11,030,103	11,940,519
Net income (loss)	348,736	(192,897)

The Company owns a 24% interest in BC East, LLC which was formed to invest in a specific real estate property in Minneapolis, MN.

A summary of the assets, liabilities and results of operations for BC East, LLC is presented below:

	2023	2022
Total assets	$ 34,299,393	$ 36,332,637
Total liabilities	33,473,734	32,991,382
Net loss	(2,134,028)	(2,298,680)

The Company owns a 13% interest in WBL Land, LLC, which was formed to invest in a specific real estate property in White Bear Lake, MN.

A summary of the assets, liabilities and results of operations for WBL Land, LLC is presented below:

	2023	2022
Total assets	$ 3,157,818	$ 3,382,442
Total liabilities	1,460,012	2,559,552
Net income (loss)	(17,596)	3,437,445

During 2020, the Company invested in a 70% interest as a tenant in common in a real estate property in Lincoln, NE. The undivided interest in the property is owned by SRRT Properties.

A summary of the assets and liabilities and results of operations of the property are presented below:

	2023	2022
Total assets	$ 4,755,386	$ 4,890,795
Total liabilities	4,313,210	4,434,469
Net income	130,849	109,829

During 2020, the Company invested in an approximately 0.1% interest in SR Solar, LLC, which was formed to install and operate solar equipment to provide energy to various real estate properties.

A summary of the assets, liabilities and results of operations of SR Solar, LLC is presented below:

	2023	2022
Total assets	$ 1,165,789	$ 1,936,136
Total liabilities	1,538,347	1,497,940
Net income (loss)	(387,911)	12,029

During 2021, the Company invested in a 10% interest as a tenant in common in an industrial building in St. Michael, MN. The Company sold a part of their investment during 2022 and owned an approximately 2% interest as a tenant in common as of both December 31, 2023 and 2022. The undivided interest in the property is owned by a wholly-owned subsidiary of SRRT Properties, SRRT St. Michael, LLC.

A summary of the assets, liabilities and results of operations of the SRRT St. Michael, LLC property is presented below:

	2023	2022
Total assets	$ 6,689,796	$ 6,703,004
Total liabilities	3,069,673	3,057,013
Net income	142,133	178,034

The Company owns a 10% interest in Rya Apartments, LLC, which was formed to invest in a specific real estate property in Richfield, MN.

A summary of the assets, liabilities and results of operations for Rya Apartments, LLC is presented below:

	2023	2022
Total assets	$ 43,887,799	$ 44,597,181
Total liabilities	37,006,855	35,918,943
Net loss	(1,668,240)	(1,442,626)

During 2022, the Company invested in an industrial building in Germantown, WI as a tenant in common. The Company sold part of their initial investment during 2023 and 2022 and owned an approximately 2% and 10% interest as a tenant in common as of December 31, 2023 and 2022, respectively. The undivided interest in the property is owned by a wholly-owned subsidiary of SRRT Properties, SRRT Carnegie, LLC.

A summary of the assets, liabilities and results of operations of the SRRT Carnegie, LLC property is presented below:

	2023	2022
Total assets	$ 10,907,074	$ 11,039,543
Total liabilities	50	71,054
Net income	321,211	140,868

During 2022, the Company invested in a residential property in White Bear Lake, MN as a tenant in common. The Company sold part of their initial investment during 2022 and owned an approximately 27% interest as a tenant in common as of both December 31, 2023 and 2022. The undivided interest in the property is owned by wholly-owned subsidiaries of SRRT Properties, SRRT Barnum, LLC, SRRT Kennedy, LLC, and SRRT WBL, LLC.

A summary of the assets, liabilities and results of operations of the SRRT Barnum, LLC property is presented below:

	2023	2022
Total assets	$ 50,066,252	$ 52,114,103
Total liabilities	32,331,890	32,201,796
Net loss	(2,218,945)	(1,461,495)

During 2023, the Company invested in an industrial building in Eagan, MN as a tenant in common. The Company sold part of their investment during 2023 and owned an approximately 13% interest as a tenant in common as of December 31, 2023. The undivided interest in the property is owned by a wholly-owned subsidiary of SRRT Properties, SRRT Yankee, LLC.

A summary of the assets, liabilities and results of operations of the SRRT Yankee, LLC property is presented below:

	2023
Total assets	$ 25,552,065
Total liabilities	14,952,592
Net loss	(8,285)

During 2023, the Company invested in a 96% ownership in a real estate property in Lincoln, NE. The interest is owned by SRRT Properties.

A summary of the assets and liabilities and results of operations of the property are presented below.

	2023
Total assets	$ 1,602,590
Total liabilities	19,814
Net loss	(17,224)

During 2023, the Company sold the land and building previously owned by SRRT Firestation, LLC to SRRT Firestation DST, LLC. The Company sold a part of their investment during 2023 and owned approximately 81% of SRRT Firestation DST, LLC as of December 31, 2023. Subsequent to December 31, 2023, the Company sold approximately 75% of the ownership in SRRT Firestation DST, LLC, and as of April 1, 2024, the Company owns approximately 6% of SRRT Firestation DST, LLC. The investment in SRRT Firestation DST, LLC is owned by SRRT Properties.

A summary of the assets, liabilities and results of operations of SRRT Firestation DST, LLC is presented below:

	2023
Total assets	$ 1,950,276
Total liabilities	-
Net loss	-

14. Related-Party Transactions

Advisory Services

SRRT Advisor, LLC (the advisor), the special operating partner of SRRT Properties and a related party through common ownership, provides advisory services to the Company. Under the advisory agreement, the advisor receives monthly fees based on the invested assets of the Company, as well as additional fees for any acquisition or disposition of assets by the Company. In addition, the advisor is eligible to earn additional compensation each year based on the performance of the Company. For the years ended December 31, 2023 and 2022, the Company incurred $2,639,672 and $2,337,948 in advisory services from the advisor, respectively. The Company owed $1,032,609 and $833,217 to the advisor as of December 31, 2023 and 2022, respectively, which is included in accrued liabilities in the consolidated balance sheets. During the years ended December 31, 2023 and 2022, the Company issued shares valued at $583,252 and $622,477, as partial settlement of the amounts owed as of December 31, 2022 and 2021, respectively. The remainder of the amounts due as of December 31, 2022 and 2021 were paid in cash during 2023 and 2022, respectively.

Property Management Agreements

A related party through common ownership, provides property management services to the Company. For the years ended December 31, 2023 and 2022, the Company incurred $1,234,164 and $896,905 in management services from the property manager, respectively. No amounts were due to the property manager as of December 31, 2023 or 2022.

Other Related-Party Transactions

For the years ended December 31, 2023 and 2022, the Company incurred costs totaling $3,561,369 and $6,510,423 for building improvements, tenant improvements and repairs and maintenance from a related party through common ownership.

As of December 31, 2023 and 2022, the Company had received advances of $490,122 and $597,726 from two and three related parties, respectively. As of December 31, 2023 and 2022, the Company had advanced $2,631,759 and $2,080,407 to ten and eleven related parties, respectively. The amounts are unsecured and due on demand.

15. Subsequent Events

Effective February 1, 2024, the Company acquired the remaining approximately 73% interest in the SRRT WBL, LLC (dba The Barnum) property in which the Company previously owned 27% as a tenant in common. The consideration paid for the acquisition primarily consisted of 530,000 Series A Preferred Units of SRRT Properties, valued at approximately $10,600,000, and the assumption of a mortgage of approximately $26 million. The Series A Preferred Units were established as part of the transaction, and contain the following terms:

- The holders of the Series A Preferred Units shall be entitled to receive cumulative cash distributions at a rate of 7.50% per annum of the $20 per Series A Preferred Unit issuance price. The Series A Preferred Return shall be paid only when, and as if authorized by the General Partner and declared by the Partnership, but if the Series A Preferred Return is not paid quarterly, it shall continue to accrue and be cumulative.

- Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of SRRT Properties, before any distribution or payment shall be made to the holders of any Partnership Units or Series A Junior Preferred Units, as defined in the agreement, the holders of the Series A Preferred Units then outstanding shall be entitled to be paid, or have the Partnership declare and set apart for payment, out of the assets of SRRT Properties legally available for distribution to its Partners after payment or provision for payment of all debts and other liabilities of SRRT Properties, a liquidation preference in cash or property at fair market value, as determined by the Company, of $20 per Series A Preferred Unit plus an amount equal to any accrued and unpaid distributions to, and including, the date of payment or the date the liquidation preference is set apart for payment (the Series A Liquidating Distributions).

- If upon any such voluntary or involuntary liquidation, dissolution or winding up of SRRT Properties, the available assets of SRRT Properties are insufficient to pay the full amount of the Series A Liquidating Distributions on all outstanding Series A Preferred Units, as defined in the agreement, then the holders of Series A Preferred Units shall share ratably in any such distribution of assets in proportion to the full Series A Liquidating Distributions to which they would otherwise be respectively entitled.

- After payment of the full amount of the Series A Liquidating Distributions to which they are entitled, holders of Series A Preferred Units will have no right or claim to any of the remaining assets of SRRT Properties.

- Once the Barnum Property attains a fair market asset value of $51,700,000 or greater, with such asset value being determined by SRRT Properties in its sole discretion, the holders of Series A Preferred Units shall be entitled to exchange Series A Preferred Units for Partnership Units, at any time and at their option, on the following terms and subject to the following conditions:

- At any time after the Barnum Property reaches an asset value of $51,700,000 or greater (as defined), each holder of Series A Preferred Units at its option may exchange each of its Series A Preferred Units for 2.00 Partnership Units (as may be adjusted for any subdivisions, stock splits, stock dividends, combinations and reclassification of Partnership Units); provided, however, that no Series A Preferred Units may be exchanged unless at least 1,000 Series A Preferred Units, in the aggregate, are exchanged by one or more holders thereof on such Series A Exchange Date.

- A holder of Series A Preferred Units will not have the right to exchange Series A Preferred Units if the Company would no longer qualify or its status would be seriously compromised as a real estate investment trust or such exchange would constitute or be likely to constitute a violation of applicable securities laws.

SRRT Properties may require the holders of Series A Preferred Units to convert the Series A Preferred Units into Partnership Units on the following terms and subject to the following conditions:

- At any time after December 31, 2033, SRRT Properties shall have the option to require each holder of Series A Preferred Units to convert each of its Series A Preferred Units into 2.00 Partnership Units (as may be adjusted for any subdivisions, stock splits, stock dividends, combinations and reclassification of Partnership Units). SRRT Properties may exercise this option in its sole discretion and shall have no obligation to exercise the option at any time.

- A holder of Series A Preferred Units will not have the obligation to convert Series A Preferred Units to Partnership Units unless there is no accrued but unpaid Series A Preferred Return on the Series A Preferred Units to be converted.

- The Series A Preferred Units will not have any voting rights or right to consent to any matter requiring the consent or approval of the Limited Partners of SRRT Properties; provided, however, that no action may be taken to amend, alter or repeal any provision of the rights or preferences of the Series A Preferred Units if such amendment, alteration or repeal would result in the Series A Preferred Units no longer having a preference superior or prior to the Partnership Units (as defined in the agreement) as to payment of distributions or distributions of assets.

Effective February 6, 2024, the Company acquired 100% of the equity interest in a property known as SRRT Shakopee Goodwill, LLC. The consideration paid for the acquisition primarily consisted of cash paid of approximately $4,425,000. Subsequent to the acquisition, the Company sold the land and building to SRRT Shakopee DST, LLC, and entered into a master lease agreement with SRRT Shakopee DST, LLC for the underlying lease acquired.

Effective February 6, 2024, the Company entered into a promissory note agreement for $8,000,000 with a third party. The note bears interest at 12.00% and requires monthly interest only payments through January 2025, with the entire unpaid principal and accrued interest being due February 2025. The Company has the one-time right to extend the maturity date for one year until February 2026. The Company pledged its ownership interest in SRRT Shakopee DST, LLC as security for the loan in an amount equal to the difference between the outstanding balance on the loan and $5,000,000. The promissory note is guaranteed by the Company.

Effective March 4, 2024, the Company entered into an amendment on its line of credit, increasing the availability on the line from $25,000,000 to $32,000,000.

Effective March 6, 2024, the Company acquired 100% of the equity interest in a property known as SRRT 4200 Industrial, LLC. The consideration paid for the acquisition primarily consisted of cash paid of approximately $22,800,000, which was partially financed by a mortgage on the property of approximately $15,960,000.

The Company has evaluated subsequent events occurring through April 1, 2024, the date the consolidated financial statements were available to be issued.