

## ACQUISITION



Property: 4450 12th Avenue East, Shakopee, MN  
Type: Net Leased  
Year Built: 2015  
Size: 20,000 square feet  
Tenancy: Single-tenant  
Acquired: February 2024

SR Realty Trust, Inc. purchased a 100% leased NNN property in Shakopee, Minnesota near Highway 169 and Canterbury Road. The property has 20,000 square feet and sits on a 2.54 acre site with excellent visibility from Highway 169 (Annual Average Daily Traffic count is over 66,000 on Highway 169).

This is SR Realty Trust's 5<sup>th</sup> net leased acquisition and 7<sup>th</sup> retail asset in its 45 property portfolio (as of 1Q 2024).

## NEW OFFERINGS

SR Realty Trust is pleased to announce two new offerings commenced May 1, 2024.

**STOCK OFFERING** at \$13.50 per share. Minimum investment is \$20,000.

**NOTES PROGRAM** offers various terms (30 days to 10 years) and rates ranging from 5.50% to 6.65%. Minimum investment is \$10,000. Conversion to stock option for one year notes and longer will result in a discount to share purchase price.

If you or anyone you know, would like to learn more about these offerings and/or consider making an investment, please reach out to Laura Hanneman (lhanneman@sr-re.com | 612.305.7083).

SR Realty Trust  
900 North Third Street  
Minneapolis, MN 55401

Client Name  
Address  
City, State Zip

**SR REALTY TRUST**<sup>®</sup>  
A Schaefer Richardson Company  
[www.srrealtytrust.com](http://www.srrealtytrust.com)

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news  
update

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# DELAWARE STATUTORY TRUSTS

After evaluating the opportunities and challenges presented by the Delaware Statutory Trust (DST) structure, SR Realty Trust sponsored its first DST in the fourth quarter 2023. Since then, the REIT has sponsored an additional DST during the first half of 2024 and is working on another DST it hopes to bring to market in the latter half of 2024.

As the name suggests, a Delaware Statutory Trust is a trust. An IRS Revenue Ruling 2004-86 (2004) held that taxpayers may exchange real property for an interest in a DST without the recognition of gain. Taxpayers who acquire interests in the DST are treated as grantors of the DST and are considered to own the assets of the DST; therefore, taxpayers are considered to own an undivided interest in the real property owned by the DST. To qualify for this treatment, several other requirements must be met, or more appropriately, not broken - aka the "Seven Deadly Sins."

The primary benefit to prospective partners is the relative ease of completing a 1031 exchange into a DST, as compared to a tenant-in-common, or direct real estate ownership. DST interests are offered via private placement and the closing does not incur the cost and hassle associated with transferring title to the underlying property.

Other DST benefits include:

- Passive cash flow
- No management responsibilities
- Lower minimum investments
- No investor guarantee

If you or someone you know is expecting to sell a real estate investment property and considering a 1031 exchange, please contact Evan Richardson (612.359.5849 or erichardson@sr-re.com) to learn more about how you can use 1031 exchange funds to invest in a DST.

# SRRT REALTY TRUST PORTFOLIO SUMMARY

1ST QUARTER | 2024

**\$492M**      **45**      **59%**

PORTFOLIO VALUE<sup>(1)</sup>      PROPERTIES      LOAN TO VALUE

**6**      **4.9M**

DEVELOPMENT JOINT VENTURE INVESTMENTS      TOTAL SQUARE FEET

**\$9,922,000**

GROSS REVENUE  
3 MOS. ENDED 03/31/2024

**\$6,141,000**

NET OPERATING INCOME  
3 MOS. ENDED 03/31/2024

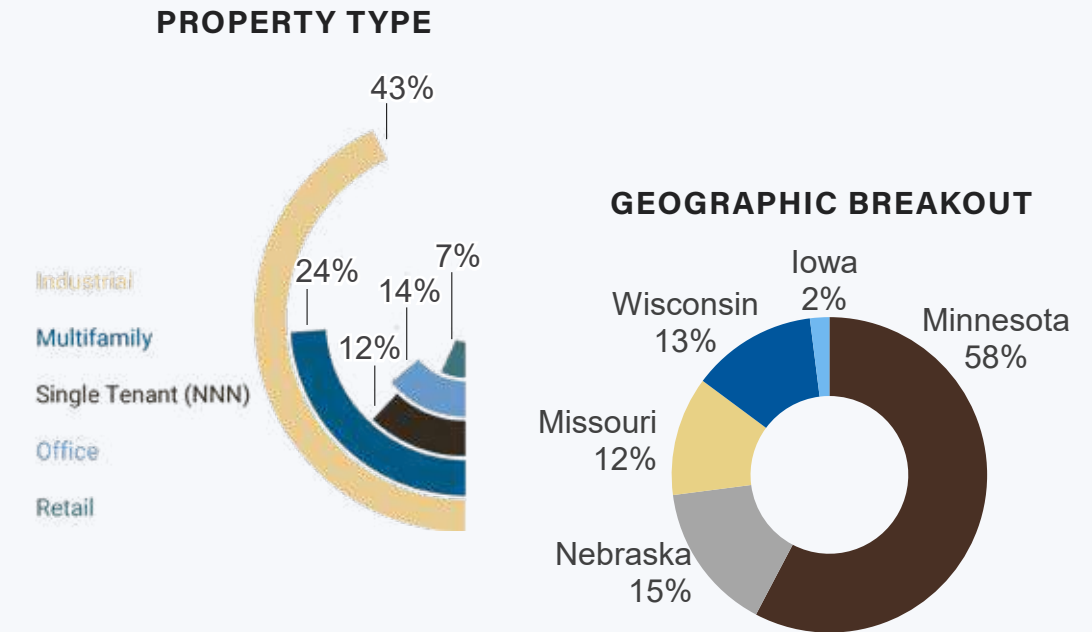
NOTES:  
(1) Portfolio value includes both owned and managed assets.

## ANNUAL MEETING

The Annual Shareholder's Meeting and Presentation was held on Thursday, May 9, 2024. N. Christopher ("Kit") Richardson was re-appointed as a director, David W. Smith was re-elected as a director, and Baker Tilly US, LLP was re-appointed as the Company's public accounting firm. Also, the Second Amendment to the Limited Partnership Agreement was approved for SRRT Properties, LP.

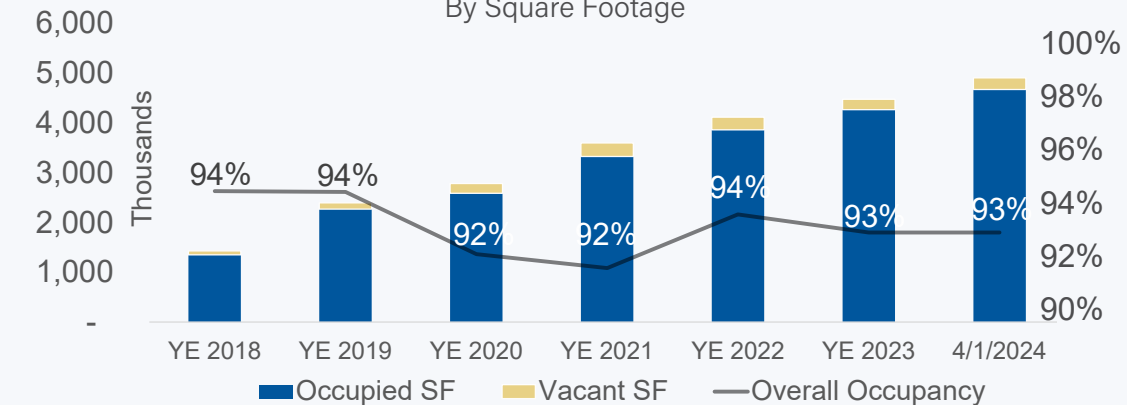
## PORTFOLIO & INVESTMENT COMPOSITION

By Percentage of Gross Asset Value



## PORTFOLIO SIZE & OCCUPANCY

By Square Footage



## VALUE & LOAN-TO-VALUE

