

# District REIT

## EXECUTIVE SUMMARY

Invest in Real Estate Together



DistrictREIT.ca | 1.833.308.REIT



DIVERSIFIED REIT



## District Property Trust

District Property Trust, also known as District REIT, is a private Real Estate Investment Trust that owns and operates a portfolio of diversified income-producing real estate and real estate mortgage investments. As unit holders, investors can benefit from the capital appreciation of District REITs assets through on-going management and value creation strategies.



### Our District

As a Canadian entity, District REIT seeks to acquire Canadian properties with a focus primarily on emerging secondary and tertiary markets within Southern Ontario. We strategically invest in this targeted region and consider it to be Our District.

### Southern Ontario Focus

With real estate growth in Southern Ontario over the past decade, District REIT's experienced acquisition team believes this targeted market has displayed a favourable value of appreciation and is anticipated to have potential room for growth.

### Private Portfolio

District REIT is a private REIT that is not traded on a public exchange. Unit prices are calculated quarterly, offering ease from daily fluctuations. The Net Asset Value of the REIT is based directly upon the market value of the underlying real estate.



100 Bronte Street  
Mixed-Use Property



100 Bronte Street South

PROPERTY MANAGEMENT  
1.833.308.REIT

Current Annual  
Distributions Paid Monthly **8% Per Annum  
(Cash or Drip)**

Targeted Annual  
Portfolio Appreciation **3-5%**

Targeted Total  
Annual Return **11-13%**

Minimum Investment **\$10,000**

Registered Plan  
Eligible? **Yes**

Distribution Reinvestment  
Plan (DRIP) Availability? **Yes**

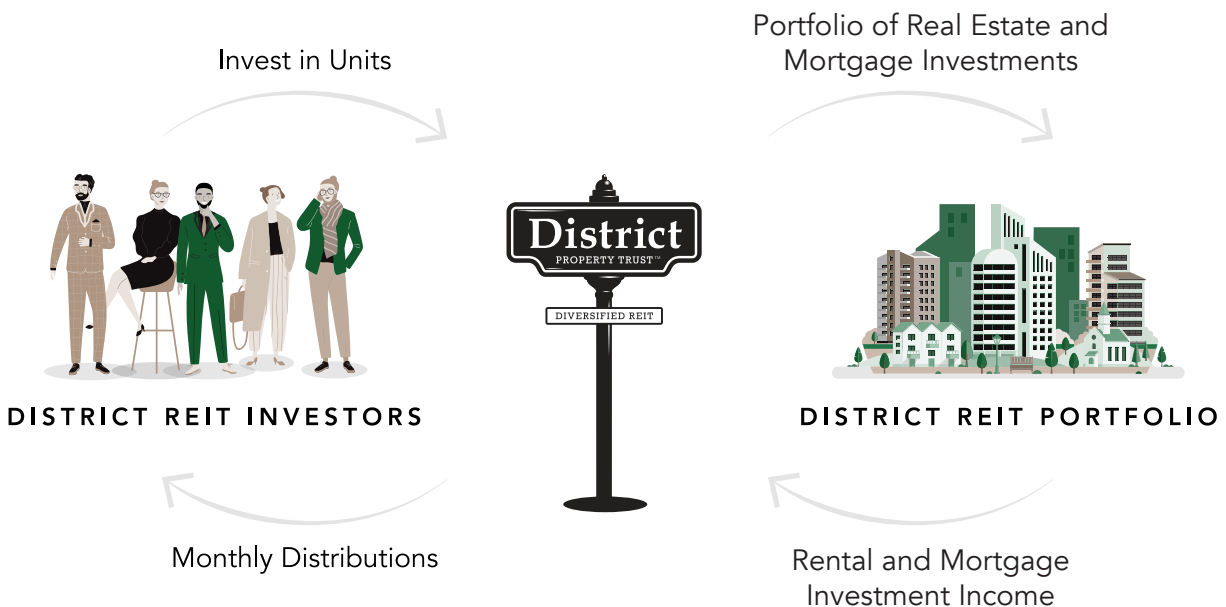
Price Per Unit **\$10.60**

Please refer to the Offering Memorandum for complete details.



District REIT offers an investment opportunity to participate in the ownership of a portfolio of diversified, income-producing real estate and real estate mortgage investments. Investors can benefit from capital gains realized through rental increases, asset refurbishments and repositioning strategies within the portfolio.

## How Your Distributions Are Earned



### Minimum Investment

A minimum investment option starting at \$10,000 offers participants a simplified entrance into the REIT.



### Distribution Reinvestment Plan

Earn an additional 2% Unit Bonus on your monthly distributions when you choose to automatically reinvest your earnings with DRIP.



### Registered Funds Eligible

Investments can be made from a wide range of registered funds such as RRSPs, RRIAs, RESPs and TFSAs.



## How Do You Qualify?

District REIT is classified as an Exempt Market Product by the Securities Regulators in Canada and is open to investors that must qualify to participate.

CONTACT OUR INVESTMENT RELATIONS TEAM TO LEARN MORE



11-13%

Targeted Total Annual Return

8%

Per Annum  
Current Distribution

+

3-5%

Targeted Per Annum  
Capital Appreciation

District  
PROPERTY TRUST

100 Bronte Street South

PROPERTY MANAGEMENT  
1.833.308.RE



## SUMMARY OF OFFERING MEMORANDUM

SECURITIES OFFERED	Class A Units ("Units").
PRICE PER SECURITY	\$10.60 per Unit, or such other price as the Trustees may determine from time to time.
MINIMUM OFFERING	\$20,000,000 (2,000,000 Units). The Trustees may at any time waive the Minimum Offering, in which case you may be the only purchaser and Offering Proceeds available under the Offering may not be sufficient to accomplish our proposed objectives.
MAXIMUM OFFERING	The Offering is a continuous Offering of Units and there is no maximum Offering.
MINIMUM SUBSCRIPTION AMOUNT	The Offering requires minimum subscription proceeds of \$10,000 for each subscriber. This is the minimum amount required for both initial and subsequent investments. The Trustees may, in their sole discretion, reduce the minimum investment amount per subscriber.
ELIGIBLE JURISDICTIONS	The Offering is available in all jurisdictions subject to compliance with applicable provincial and territorial securities law.
INITIAL & SUBSEQUENT CLOSINGS	The initial closing occurred February 22, 2018 followed by further subsequent closings up to and including April 30, 2021. Additional closings may be held on a continuous basis as may be approved by the Trustees in their sole discretion.
USE OF PROCEEDS	The net proceeds of this Offering have or are intended to be used to a) for the acquisition of income producing real estate b) expand District REIT's mortgage lending portfolio. District REIT may reallocate any proceeds received for sound business reasons. Any amounts raised in addition to the Minimum Offering will result in additional working capital.
INCOME TAX CONSEQUENCES	There are important tax consequences associated with the ownership of Units. Investors are advised to consult their personal tax advisors.
SELLING AGENTS	Selling Agents permitted under applicable legislation to sell Units may be appointed from time to time to offer the Units for sale pursuant to this Offering. As of this date, Fundscraper Capital Inc., and Quantus Investment Corp. (licensed exempt market dealers) have been engaged as Selling Agents.
INVESTMENT OBJECTIVES	<p>The objectives of District REIT are to:</p> <ul style="list-style-type: none"> <li>i. provide Unit holders with stable and growing cash distributions from investments in real estate properties in Ontario;</li> <li>ii. expand the asset base of District REIT and enhance the value of District REIT's assets to maximize long-term Unit value and;</li> <li>iii. increase District REIT's net operating income per Unit, through internal growth strategies, accretive acquisitions and hands on management.</li> </ul>
THE ASSET MANAGER	<p>District REIT Asset Management Inc. (the "Asset Manager") is responsible for providing asset management services to District REIT. The Asset Manager is majority-owned and controlled by Carmen Campagnaro and Richard Hall.</p> <p>The Asset Manager is entitled to the following fees: an asset management fee equal to 5% of the Net Operating Income of District REIT; an acquisition fee of 1% of the purchase price of any real properties acquired by District REIT; a disposition fee of 1% of the sale price of any real properties disposed of by District REIT; an investor administration fee of up to 0.25% per year of Equity Under Administration plus recovery of costs of employees of the Asset Manager or its affiliates dedicated to District REIT investor administration and communications; an equity organization fee of up to 1% of new capital raised from District REIT investors, and; a guarantee fee of up to 0.25% of the principal any mortgage or loan to District REIT or its affiliates which is guaranteed by the Asset Manager or its affiliates or principals.</p>
THE PROPERTY MANAGER	<p>District Property Management Inc. (the "Property Manager") is responsible for providing property management services to District REIT. The Property Manager is majority-owned and controlled by Carmen Campagnaro and Richard Hall. The Property Manager is entitled to a property management fee of 5% of Adjusted Gross Rental Revenue per Property, unless otherwise negotiated in writing, taking into consideration the Property type and lease structures. The Property Manager is also entitled to the following leasing fees, unless otherwise negotiated in writing with District REIT:</p> <ul style="list-style-type: none"> <li>i. with respect to commercial lease renewals, 1% percent of the net rentals payable by the tenant for each year of the renewal term;</li> <li>ii. for new commercial leases, 5% of the net rentals payable by the tenant for the first 3 years of the term of the lease, and 2% percent thereafter, and;</li> <li>iii. for new residential leases, ½ of the monthly rent on a vacant unit leased.</li> </ul> <p>The Property Manager is also entitled to fees for coordinating, supervising and managing (i) tenant leasehold improvements, residential unit renovations and capital improvements of 5% to 10% of project costs, depending on the scope of the work as determined in writing with District; and (ii) for extraordinary services, including but not limited to, emergency management, insurance claim coordination, default management or other services beyond the normal course of day to day management, at preferred market rates.</p>



## SUMMARY OF OFFERING MEMORANDUM

### THE MORTGAGE MANAGER

The Mortgage Manager is responsible for providing all mortgage-related services to District REIT, including: (i) arranging with third party lenders short and long-term financing of District REIT's business or properties, and; (ii) identifying, assessing, funding and administering the investment by District REIT in Mortgage Assets. The Mortgage Manager is majority-owned and controlled by Carmen Campagnaro and Richard Hall.

The Mortgage Manager is entitled to:

- i. a mortgage arranging commission of up to 1% of the principal amount of any new conventional mortgage and up to 0.5% for any renewal of a conventional mortgage procured by the Mortgage Manager with respect to any real property owned by District REIT;
- ii. a mortgage arranging commission for any non-conventional (and extraordinary) mortgage procured by the Mortgage Manager based on a percentage of the principal amount, at market rates to be determined and approved by District REIT;
- iii. a commission of up to 1% of the principal of any Mortgage Asset originated by the Mortgage Manager in which District REIT invests, and;
- iv. a mortgage administrative fee for any Mortgage Asset originated by the Mortgage Manager in which District REIT invests, based on the principal amount, at a market rate to be determined and approved by District REIT.

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### DISTRICT REIT LIMITED PARTNERSHIP (PARTNERSHIP)

The Partnership is a limited partnership formed under the laws of the Province of Ontario. All investing activities of District REIT will be carried out through the Partnership.

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### THE GENERAL PARTNER

The General Partner is a corporation incorporated under the laws of the Province of Ontario. It is not expected that the General Partner will carry on any business other than acting as the general partner of the Partnership. The General Partner is majority owned and controlled by Carmen Campagnaro and Richard Hall. The General Partner is entitled to an Incentive Allocation from the Partnership equal to twenty percent (20%) of the Total Return on Units over a preferred threshold of 7% per year.

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### DISTRIBUTION POLICY OF DISTRICT REIT

District REIT intends to distribute, to the extent possible, its distributable cash to unitholders on a monthly basis. The timing and amount of District REIT distributions is at the discretion of the Trustees. District REIT is initially targeting a 6-8% annual distribution to unitholders, and the current distribution rate is 8%.

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### REDEMPTION RIGHTS

Units are redeemable at any time on demand by the holders thereof. Upon receipt of the redemption written notice by District REIT, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive the Redemption Price. Units redeemed within 6 months of their initial purchase are subject to a 10% early withdrawal fee, which may be waived in the discretion of the Asset Manager.

The aggregate Redemption Price payable by District REIT in respect of all Units surrendered for redemption during any calendar month shall be satisfied by way of a cash payment no later than the last day of the month following the month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitation that the total amount payable by District REIT in respect of those Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000, provided that the Trustees may, in their sole discretion, waive this limitation in respect of all Units tendered for redemption in any calendar month.

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### RISK FACTORS

An investment in the Units is subject to a number of risks that should be considered by a prospective purchaser. Cash distributions by District REIT are not guaranteed and will be based indirectly upon the business operated by the Partnership, which is subject to a number of risks. These risks, and other risks associated with an investment in the Units, include those related to: future property acquisitions dependence on key personnel; real property ownership; tenant terminations and financial stability; competition for real property investments; competition for tenants; access to capital; interest rates; financing; restrictions on potential growth and reliance on credit facilities; unexpected costs or liabilities related to acquisitions; financial illustration and operating highlights; availability of Funds From Operations; environmental matters; general uninsured losses; potential conflicts of interest; Coronavirus Disease (COVID-19) impact; sensitivity to interest rates; changes in property values; investment not insured; renewal of mortgages; nature on the investments; specific investment risk for non-conventional mortgage investments; priority over security; limited liability; redemptions; nature of REIT units; dilution; unit holder liability; and tax related risks. See "Risk Factors" in the Confidential Offering Memorandum.



## ACQUIRED PROPERTIES



### Assumption Plaza

230 Shellard Lane, Brantford

Assumption Plaza is a commercial retail plaza comprising of four building structures on 2.69 acres built between 2007-2013. The plaza is 100% leased and occupied by ten commercial tenants that include national retail chains and professional offices. The plaza is in a visible location in the City of Brantford near the Brantford Municipal Airport and is close to schools and parks. It is one of a small number of retail locations servicing the many homes in the surrounding subdivisions.

Location	Acquired	Size	Commercial Units
Brantford	October 2017	20,415 sq ft.	10



### The Rose

100 Bronte Street South, Milton

This property is a three-storey mixed use rental residential/commercial building well-located in the south quadrant of Main Street West and Bronte Street South in Milton, Ontario. This newly constructed building is situated within a desirable, rapidly-growing commercial and professional node in close proximity to the new hospital and a new proposed campus for Wilfrid Laurier University. The site has a desirable walk score of 76, and has convenient access to several major arteries, including Highway 401 and 407 located approximately 4 and 10 km away, respectively. The improvements in the area are diverse with some buildings dating back to the early 1900's, with the vast majority of improvements constructed in recent years, as the area continues to show rapid growth.

Location	Acquired	Size	Residential Units	Commercial Units
Milton	July 2018	8,168 comm sq ft.	24	7

## ACQUIRED PROPERTIES



### McClary Apartments

11 & 23 McClary Avenue, London

McClary Apartments consists of two multi-family apartment buildings located in the trendy and desirable location of Old South in London, Ontario. The area, being just minutes away from the core, has been nominated in the "best-neighborhood" category in the Great Places Canada competition. It has a small-town feel, where people are able to walk or bike to shops, and boasts restaurants offering cuisine from around the globe.

**Location**  
London

**Acquired**  
February 2018

**Size**  
26,554 sq ft.

**Residential Units**  
34



### Riddell Gardens

225 Riddell Street, Woodstock

Located in a desirable and rapidly expanding residential community, Riddell Gardens is a 56-unit, two-bedroom townhouse development. This property is located within a short distance to the downtown core featuring popular restaurants, recreational amenities such as parks, a local YMCA, as well as banks, grocery stores, pharmacies, and other large retailers. This property is currently close to full occupancy.

**Location**  
Woodstock

**Acquired**  
January 2020

**Size**  
47,001 sq ft.

**Residential Units**  
56



## TARGET PROPERTIES



### The Wish at Windsong **AYR, ONTARIO**

The Wish at Windsong includes two buildings with 31 units each, consisting of one and two bedroom apartments. The units include fine finishes such as in-suite laundry and modern kitchens. As of February 1, 2021, the first building is almost fully leased with 26 of 31 units leased, and the second building while still undergoing construction, has pre-leased 14 of the 31 units. This attractive building is being quickly leased due to the close proximity to highway 401 and surrounding amenities such as Foodland and LCBO.



### Residences at Millpond Estates **TILLSONBURG, ONTARIO**

Millpond Estates consists of 33 one and two bedroom apartments. As of February 1, 2021, the building is 94% leased. The location of the property allows for easy access to a number of desirable amenities including walking trails at Coronation Park, proximity to elementary and secondary schools, and access to commercial amenities such as Shoppers Drug Mart, Walmart Supercentre, Metro, and Canadian Tire.



### Wonderland Path **LONDON, ONTARIO**

This property is comprised of 47 three and four bedroom executive rented condominium townhouses located in a desirable residential community in London, Ontario. As of February 1, 2021, the building is fully leased.



### Victoria Westmount Center **KITCHENER, ONTARIO**

The Victoria Westmount Center is a commercial medical office/retail plaza comprised of 3 freestanding buildings, namely one two-storey medical office building with a finished and leasable basement office area, one in line commercial retail plaza and one freestanding restaurant pad. The property is comprised of approximately 49,542 sq. ft. of gross leasable area on a 2.55 acre site.



### Liebe Living **KITCHENER, ONTARIO**

This property is currently under development and is adjacent to the Victoria Westmount Center. Upon completion, the property will have 85 residential units, including amenity spaces, and 12,300 sq. ft. of commercial space. The development is a planned adult lifestyle apartment, which is geared towards independent seniors.

Our principals and trustees have a combined 50+ years of  
real estate management experience

**Carmen Campagnaro**

Principal & Trustee



Carmen Campagnaro has been active in the real estate industry for over 25 years, with expertise in mortgage finance and real estate investment. Since investing in real estate from an early age, Carmen has acquired various multi-residential and commercial opportunities over the years. Her real estate investor focused brokerage, Pro Funds Mortgages, as part of the District REIT group of companies, provides finance and advisory services in the residential, multi-residential and commercial real estate sectors. Over the last 20 years, Carmen has arranged and coordinated mortgage funding in excess of \$1.5 billion. Carmen's success can be attributed to her deeply rooted love of real estate, and her constant drive in assisting clients achieving their financial goals.

**Richard Hall**

Principal & Trustee



Richard Hall provides over 25 years of experience as an asset, project, development, and construction manager and real estate advisor. As Principal & Trustee of District REIT, Richard Hall is also President of Valour Group, part of the District REIT group of companies. Valour Group consists of various integrated real estate service companies, including development, construction, asset management, property management and financial services. Managing various commercial and multi-residential projects and portfolios, Richard has been responsible for a portfolio in excess of 8 million sq.ft. with asset values in excess of \$1 billion. His expertise includes asset management planning, acquisitions, due diligence reviews, real estate work-outs, property repositioning, valuations, development, financing, property dispositions, leasing and project marketing.

WORKING TOGETHER

District REIT's association with the Valour Group offers the REIT first-hand access to income producing properties, through assets owned, developed, and managed by the Valour Group.



**Strategic Partner**

As a part of the District REIT group of companies, Valour Group is an experienced real estate asset property manager and developer of commercial and multi-residential properties in Ontario.

District REIT works closely with Valour Group, to identify opportunities for the growth of District REIT.

**Strategic Planning**

This strategic relationship has the potential to offer District REIT primary access to purchase newly constructed assets in targeted locations, allowing investors in District REIT access to these off market projects.





#### INVESTOR RELATIONS



**District Property Trust**  
3410 South Service Rd. Suite 201  
Burlington, Ontario L7N 3T2  
1.833.308.7348  
info@DistrictREIT.ca

#### EXEMPT MARKET DEALERS



**Fundscrapper Capital Inc.**  
805 - 370 King Street West  
Toronto, Ontario M5V 1J9  
1.888.281.2235  
info@Fundscrapper.com  
FSRA #12859 | NRD #53460



**Quantus Investment Corp.**  
2300 Yonge St. Suite 1600  
Toronto, Ontario, M4P 1E4  
1.800.264.8100

**Invest in Real Estate Together**

**DistrictREIT.ca**  
**1.833.308.REIT**

Please refer to the Confidential Offering Memorandum dated April 30, 2021 for a full discussion of the features and risks of investing in District REIT. Capitalized terms used in this Executive Summary but not defined have the meaning given to them in the Confidential Offering Memorandum. This information is provided for general informational purposes only. This document does not constitute and should not be construed as an offer to sell, a solicitation of an offer to buy, or a recommendation by District REIT or its affiliates. Units in District REIT are only available to qualified investors under the Offering Memorandum Exemption (as provided in NI 45-106) for purchase through a registered Exempt Market Dealer (EMD). District REIT is working with Fundscrapper Capital Inc. as the EMD for this offering. Please contact Fundscrapper at info@fundscrapper.com for additional information about investing in District REIT. No commissions, service charges or brokerage fees are payable by participants in connection with the Dividend Re-Investment Plan. The Dividend Re-investment Plan may be subject to certain restrictions. Please see Offering Memorandum for full details. Certain information contained herein constitutes forward looking information, particularly related to targeted returns and the successful acquisition of several target properties at estimated purchase prices. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of District REIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statement. For a discussion of risk factors impacting District REIT and its business, please see our Confidential Offering Memorandum dated April 30, 2021 (the "Offering Memorandum").