



BUILDING OUR FUTURE

2018 ANNUAL REPORT

 **Edgewood**
REAL ESTATE INVESTMENT TRUST

Edgewood Real Estate Investment Trust
and Subsidiaries / Fargo, North Dakota
Audited Consolidated Financial Statements
December 31, 2018 and 2017

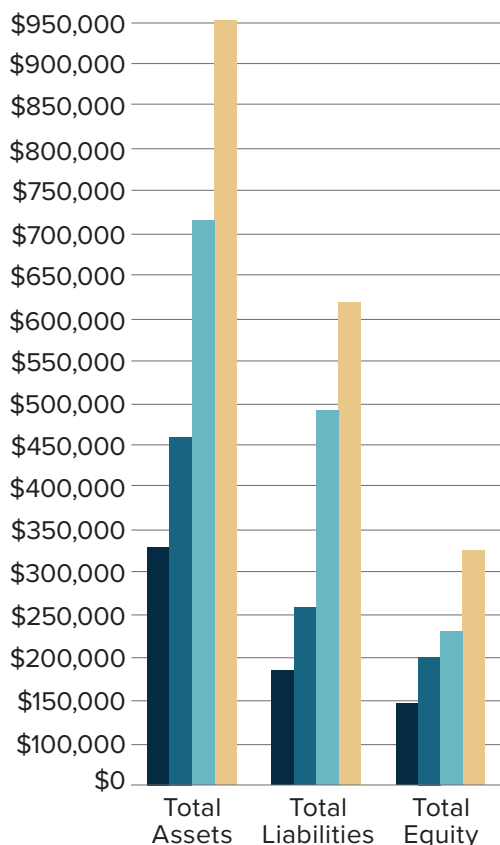
Financial Highlights 2015-2018

Key Financial Metrics (in thousands, except share data)

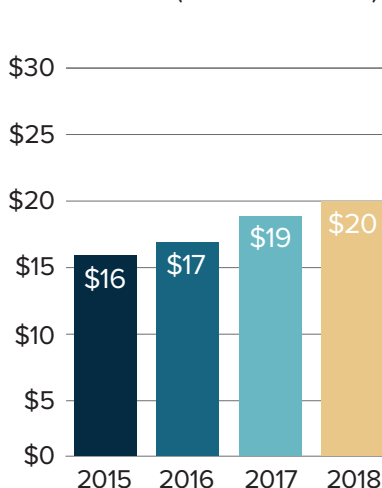
	2018	2017	2016	2015
Total Assets	\$ 941,439	\$ 713,140	\$ 460,659	\$ 332,099
Total Liabilities	\$ 617,495	\$ 481,396	\$ 259,591	\$ 185,014
Total Equity	\$ 323,944	\$ 231,744	\$ 201,068	\$ 147,085
Net Operating Income	\$ 63,148	\$ 43,727	\$ 23,320	\$ 20,670
Normalized Funds from Operations (per weighted share)	1.663	1.465	1.124	1.305
Dividends Paid (per share)	.975	.915	.88	.86

Balance Sheet Bar Graph (in thousands)
as of December 31

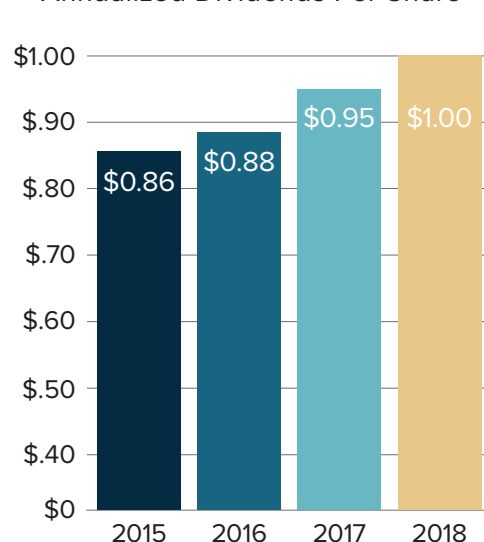
■ 2015 ■ 2016 ■ 2017 ■ 2018



Share Value (Issuance Price)



Annualized Dividends Per Share



Cautionary Language: Some of the information in this annual report constitutes forward-looking statements. Forward-looking statements are based upon Edgewood's present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Edgewood's actual results may differ materially from those contained in Edgewood's forward-looking statements.

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Dan Mikkelsen
Chairman



Jon Strinden
President

Letter to the Shareholders

Dear Shareholders and Partners:

We are pleased to present the 2018 Annual Report for Edgewood Real Estate Investment Trust. In this report we highlight the financial accomplishments, including regular increases in our share price and dividend payout, over the past eight years. We ended 2018 with approximately \$950,000,000 (“Cost Basis”) in assets and are pleased to report an 11% (18 cents) per share year-over-year increase in our funds from operations.

We continue to operate the REIT following these primary investment themes:

- ▲ Successful investing is about managing risk not avoiding risk;
- ▲ Deliver shareholder value; and
- ▲ Adaptability – being an opportunistic investor.

1. *“Successful investing is about managing risk and not avoiding risk.”* This quote is attributable to Benjamin Graham, who was one of the preeminent American value investors. We adhere to this investment philosophy and on a day-in and day-out basis seek ways to deliver attractive returns while, at the same time, reducing risk. At times, we forgo what would appear to be an attractive investment opportunity based on our assessment the risk associated with the investment is too great. Balancing risk and return has resulted in an expansion into the multi-family asset class while continuing to look for opportunities to add healthcare properties (both senior housing and medical office buildings) at attractive values.

Part of managing risk is reducing our tenant credit concentration exposure. To that end, we are making a concerted effort to enter into relationships with multiple senior housing operators/managers. We recently entered into a relationship with a senior housing operator/manager for the development and ownership of a senior housing property in Springfield, Missouri. Construction will commence in the summer of 2019, with an expected completion date in 12-15 months. Similar to our other senior housing assets, we will own the real estate and lease the facility to an independent operator pursuant to a 15-year triple-net lease with CPI based annual escalators. It is our expectation we will pursue additional projects with this operator. We are also in active discussions with another senior housing provider in the Iowa market. Our objective is to continue to expand our tenant mix and mitigate our credit concentration risk, without adversely impacting shareholder return.

2. *Deliver shareholder value.* Your Management Team is focused on creating and delivering shareholder value. Among the REIT's annual financial performance goals are the following:
 - i. 5% to 7% increase in earnings (FFO) per share;
 - ii. Annual dividend increase of 5 cents or greater; and
 - iii. Annual share price increase of \$1.00 or greater.

We have a solid asset base in place which is expected to continue generating consistent and growing earnings-per-share, and also appreciate in value. In addition, on an annual basis, we continue to make principal payments on debt, which further adds to the value of your investment. For 2018, we realized an 11% year-over-year increase in FFO per share, comfortably exceeding our target of 5% to 7%. In addition, we increased the dividend payout from \$.95 to \$1.00 per share and share price from \$19.00 to \$20.00 per share.

If the above financial goals are accomplished, our shareholders should realize an annual return of 10% to 12%, or greater, per share. Based on 2018 performance, 2019 budget and early 2019 performance, at the most recent Board of Trustees' meeting (March 20, 2019) the Board approved an increase in share price from \$20.00 to \$21.00 per share effective May 1, 2019, and effective the third quarter (commencing July 1, 2019) an increase in the annual dividend payout from \$1.00 to \$1.05 per share.

3. *Adaptability.* As we have stated many times, Edgewood REIT will never grow solely for growth's sake but, instead, purchase assets when the ongoing unlevered yield provides an adequate spread over our cost of capital. Management and the Board of Trustees strictly follow this investment philosophy and, as a result, pass on many acquisition opportunities. Frankly, in certain parts of the country, healthcare assets and multi-family assets are selling for cap rates less than purchaser's, and our, cost of capital. However, we continue to find opportunities to invest capital in certain geographic markets and asset classes which satisfy our investment requirements. Most of these transactions are off-market transactions which come to us because of relationships that have developed over time.

In conclusion, 2018 was another successful year for your REIT. We are looking forward to continuing the climb in 2019 and building upon our past success. As always, if you have any questions please do not hesitate to contact us.



Dan Mikkelsen, Chairman of the Board



Jon Strinden, President

Your Investment

CREATING SHAREHOLDER VALUE

Edgewood REIT is a North Dakota based real estate investment trust organized in December of 2010. Edgewood REIT's primary investment objective is to acquire healthcare assets (comprised of senior housing and medical offices) and multi-family assets, which will provide a strong rate of return to its shareholder base.

Since its inception, Edgewood REIT has acquired quality healthcare, multi-family and commercial triple-net leased assets which has resulted in a 16.21% compounded annual rate of return to its shareholders. These real estate assets have produced year-over-year increases in net operating income which have resulted in year-over-year increases in earnings per share and share value. Edgewood REIT has continued to expand its geographic reach and in 2018 expanded its real estate holdings into the states of Arizona, Iowa, Missouri and Kansas.

As of December 31, 2018, Edgewood REIT owns approximately \$520,000,000 (cost basis) of healthcare assets; \$364,000,000 (cost basis) of multi-family assets; and an additional \$59,000,000 (cost basis) of commercial real estate and other investments.

Edgewood REIT continues to seek opportunities to grow its senior housing and multi-family portfolios and diversify into medical office buildings as attractive opportunities arise. Edgewood REIT is proud of its strong balance sheet and consistent history of earnings growth. The REIT enters 2019 with a strong foundation and a commitment to continue to grow its asset base, shareholder dividend payout, and stock value.

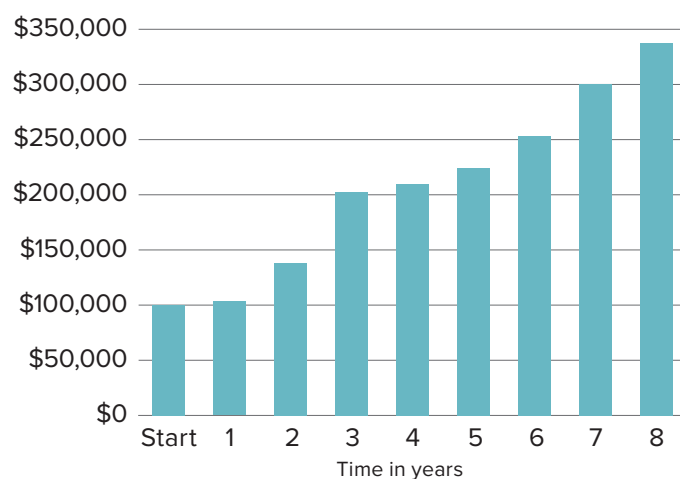
DIVIDEND REINVESTMENT PLAN

A Dividend Reinvestment Plan is offered as a convenience to investors of record who wish to increase their holdings in the Company. Additional shares may be purchased, without a service or sales charge, through automatic reinvestment of quarterly cash dividends at a 5% discount off the current share price.

INVESTMENT PERFORMANCE

Calculations for the Investment Performance Chart are based on an initial investment of \$100,000 with all quarterly dividends reinvested. An investment of \$100,000 on January 1, 2011, (inception) would be worth \$332,741.70 as of December 31, 2018.

Investment Performance



EDGEWOOD REIT PROPERTIES

● HEALTHCARE

● MULTI-FAMILY

● COMMERCIAL

ArizonaMesa
Scottsdale**Idaho**American Falls
Boise
Eagle
Fruitland
Meridian
Soda Springs**Iowa**

West Des Moines

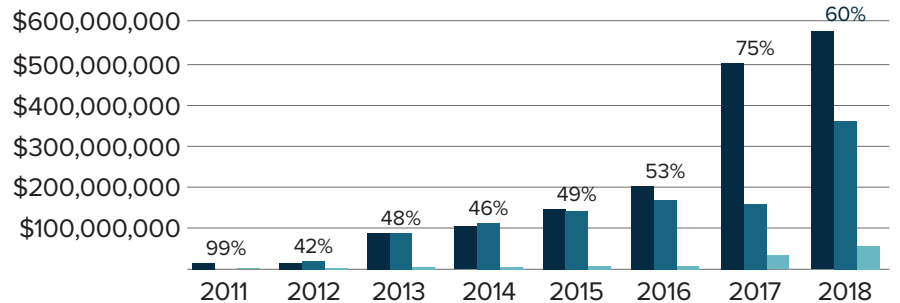
KansasDerby
McPherson
Wichita**Minnesota**Alexandria
Baxter
Blaine
Brainerd
East Grand Forks
Hermantown
Minnetonka
Sartell
St. Paul
Virginia
Walker**Missouri**

Springfield

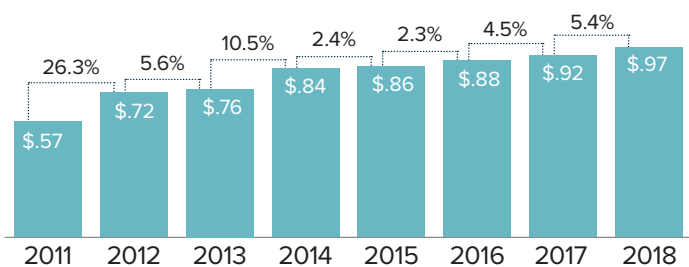
MontanaBelgrade
Billings
Helena
Kalispell
Missoula**Nebraska**Columbus
Fremont
Grand Island
Hastings
Norfolk
Omaha**North Dakota**Bismarck
Burlington
Dickinson
Fargo
Grand Forks
Jamestown
Kindred
Mandan
Minot
West Fargo**South Dakota**Brookings
Flandreau
Mitchell
Pierre
Rapid City
Sioux Falls
Sisseton
Spearfish
Watertown**Wyoming**Casper
Cheyenne
Laramie

Real Estate Investment By Sector

■ Healthcare ■ Multi-Family ■ Commercial

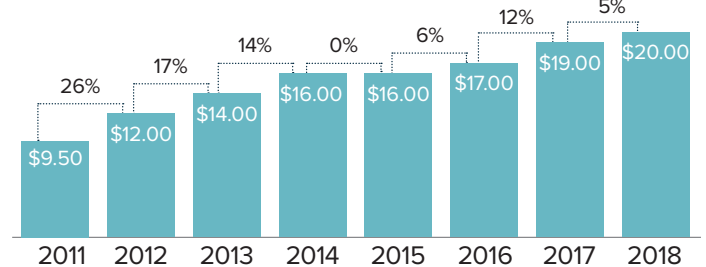


Annual Dividend Growth



Effective July 1, 2019 – Dividend \$1.05 per year.

Annual Share Price Growth



Effective May 1, 2019 – Stock price \$21 per share.

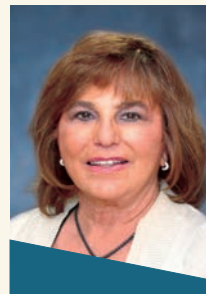
Board of Trustees

OUR BOARD

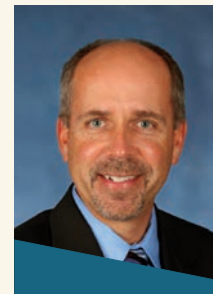
When we established Edgewood Real Estate Investment Trust, we understood it was imperative we select board members who represent the interest of our investors with the highest degree of integrity. We currently have nine board members who meet those standards. These individuals are highly competent, ethical and understand their fiduciary responsibilities to the Company and its investors. We appreciate their hard work and the value they bring to Edgewood Real Estate Investment Trust.



Dan Mikkelson
Chairman



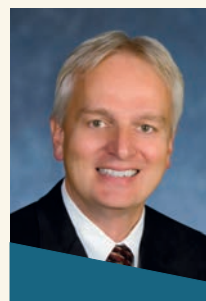
Peggy Becker



Mark Dosch



Dennis J. Elbert



Philip Gisi



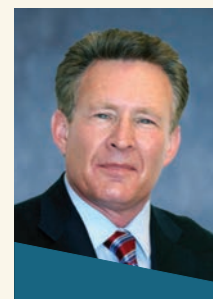
Dale Klein



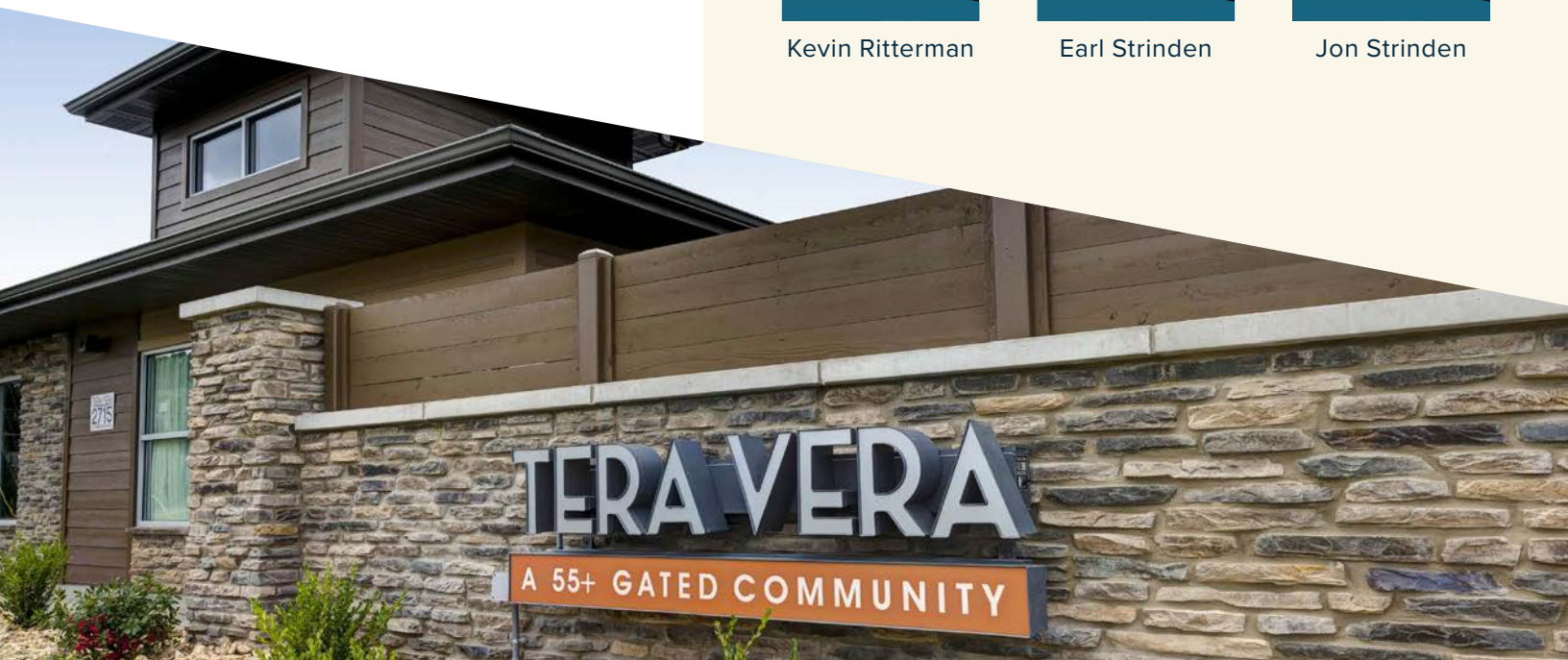
Kevin Ritterman



Earl Strinden



Jon Strinden



Edgewood REIT Advisors

EDGEWOOD PROPERTIES MANAGEMENT LLC (“EPM”)

EPM is the Advisor for Edgewood Real Estate Investment Trust. The team at EPM consists of a unique blend of seasoned professionals, with extensive experience in the following related areas:

- ▲ Multi-Family Development and Management;
- ▲ Senior Housing Development and Management;
- ▲ Commercial Real Estate Development and Management;
- ▲ Healthcare Administration, Accounting and Finance;
- ▲ Investment Advisement and Placement;
- ▲ Real Estate, Tax, Accounting and Finance, Legal;
- ▲ M&A, Commercial, Real Estate and Securities Law.

The Advisor is responsible for finding suitable acquisitions, obtaining financing, closing transactions and overseeing the management of each of the assets.



Rex Carlson



Roger Domres



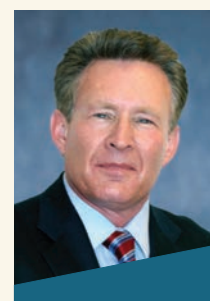
Philip Gisi



Danny Hanson



Nola McNeally



Jon Strinden



Brad Williams

Healthcare

Building & Location	Year Built	Year REIT Acquired	Total Units (Senior Housing)	Licensed Housing Capacity (Beds)*				Office Square Footage
				IL	AL	MC	Total	
Arizona								
Verve Wellness Center – Mesa, AZ	2006	2018	—	—	—	—	—	19,455
Idaho								
Edgewood Spring Creek – American Falls, ID	2000	2016	32	—	32	—	32	—
Edgewood Plantation Place – Boise, ID	1996	2011	39	—	39	—	39	—
Edgewood Spring Creek – Boise, ID	2008	2016	37	—	—	38	38	—
Edgewood Spring Creek Overland – Boise, ID	2010	2016	45	—	47	—	47	—
Pioneer Family Medical Office – Boise, ID	2002	2018	—	—	—	—	—	4,140
All Care Medical Office – Eagle, ID	2007	2018	—	—	—	—	—	6,523
Edgewood Spring Creek – Eagle, ID	2000	2016	30	—	30	—	30	—
Edgewood Spring Creek Eagle Island – Eagle, ID	2014	2014	61	—	31	32	63	—
Edgewood Townhomes Eagle Island – Eagle, ID	2014	2014	49	49	—	—	49	—
Edgewood Spring Creek – Fruitland, ID	2013	2016	54	—	35	19	54	—
Edgewood Spring Creek – Meridian, ID	2006	2016	49	—	29	20	49	—
Edgewood Townhomes – Meridian, ID	2006	2016	26	26	—	—	26	—
Edgewood Spring Creek Ustick – Meridian, ID	2011	2016	47	—	47	—	47	—
Edgewood Soda Springs – Soda Springs, ID	1995	2016	27	—	27	—	27	—
Minnesota								
Arabella Manor – Alexandria, MN	2001	2014	74	74	—	—	74	—
Edgewood – Alexandria, MN	2001	2009	59	—	37	23	60	—
Edgewood – Baxter, MN	2002	2016	50	—	50	—	50	—
Edgewood – Blaine, MN	2014	2014	59	—	34	25	59	—
Edgewood – Brainerd, MN	2005	2017	98	—	49	53	102	—
Edgewood – East Grand Forks, MN	1996	2017	30	—	—	36	36	—
Edgewood – Hermantown, MN	2000	2017	257	88	144	61	293	—
South Lake Medical Building – Minnetonka, MN	1980	2017	—	—	—	—	—	15,629
Edgewood – Sartell, MN	2008	2017	47	—	47	—	47	—
Edgewood – Sartell, MN	2009	2017	50	—	—	50	50	—
Healtheast Rice Creek Clinic – St. Paul, MN	2004	2018	—	—	—	—	—	15,635
Edgewood – Virginia, MN	2001	2017	175	19	131	42	192	—
May Creek – Walker, MN	1999	2015	49	—	29	20	49	—
Montana								
Edgewood – Belgrade, MT	1999	2017	10	—	—	13	13	—
Edgewood – Billings, MT	1997	2017	24	—	—	28	28	—
Edgewood – Helena, MT	2017	2017	70	—	29	41	70	—
Edgewood – Kalispell, MT	2001	2017	19	—	—	24	24	—
Edgewood – Missoula, MT	1996	2017	20	—	—	25	25	—

*IL: Independent Living AL: Assisted Living MC: Memory Care

Building & Location	Year Built	Year REIT Acquired	Total Units (Senior Housing)	Licensed Housing Capacity (Beds)*				Office Square Footage
				IL	AL	MC	Total	
Nebraska								
Edgewood – Columbus, NE	1999	2017	10	—	—	12	12	—
Edgewood – Fremont, NE	2000	2017	10	—	—	14	14	—
Edgewood – Grand Island, NE	1998	2017	10	—	—	14	14	—
Edgewood – Hastings, NE	2000	2017	10	—	—	14	14	—
Edgewood – Norfolk, NE	2000	2017	10	—	—	14	14	—
Edgewood – Omaha, NE	2001	2017	10	—	—	14	14	—

North Dakota

Edgewood – Bismarck, ND	2009	2011	190	90	100	—	190	—
Edgewood Vista – Bismarck, ND	1998	2017	95	—	77	20	97	—
Horizon Medical Clinic – Bismarck, ND	2016	2018	—	—	—	—	—	17,796
Edgewood Hawks Point – Dickinson, ND	2017	2017	101	—	—	—	101	—
Edgewood – Fargo, ND	2007	2017	184	89	79	23	191	—
Med Park Mall – Grand Forks, ND	1989&1996	2018	—	—	—	—	—	59,117
Parkwood – Grand Forks, ND	1986	2015	165	75	90	—	165	—
Valley Bone and Joint Clinic – Grand Forks, ND	1988	2017	—	—	—	—	—	20,828
Edgewood – Jamestown, ND	2016	2016	68	—	33	42	75	—
Edgewood – Mandan, ND	2013	2013	143	—	129	22	151	—
Edgewood – Minot, ND	1993	2017	150	—	146	22	168	—
Edgewood Memory Care – Minot, ND	2002	2019	28	—	—	28	28	—
North Star Building – Minot, ND	2006	2018	—	—	—	—	—	13,094

South Dakota

Edgewood – Brookings, SD	1997	2011	45	—	24	21	45	—
Edgewood – Flandreau, SD	1999	2011	23	—	26	—	26	—
Edgewood – Mitchell, SD	2017	2017	56	—	59	—	59	—
Edgewood – Mitchell, SD	1997	2013	33	—	—	36	36	—
Edgewood – Pierre, SD	2015	2015	68	—	48	24	72	—
Edgewood – Rapid City, SD	2004	2018	87	—	87	—	87	—
Edgewood Prairie Crossings – Sioux Falls, SD	1998	2013	54	—	58	—	58	—
Edgewood Assisted Living – Sioux Falls, SD	2003	2011	36	—	43	—	43	—
Edgewood Memory Care – Sioux Falls, SD	1998	2017	24	—	—	26	26	—
Edgewood – Sisseton, SD	1999	2011	23	—	25	—	25	—
Edgewood – Spearfish, SD	2004	2017	97	—	80	37	117	—
Edgewood – Watertown, SD	1994	2013	20	—	—	24	24	—
Edgewood Assisted Living – Watertown, SD	2001	2013	82	27	55	—	82	—

Wyoming

Edgewood Meadow Wind – Casper, WY	1998	2017	95	—	59	38	97	—
Edgewood Park Place – Casper, WY	1984	2017	60	—	60	—	60	—
Edgewood Aspen Wind – Cheyenne, WY	1998	2017	69	—	30	39	69	—
Edgewood Sierra Hills – Cheyenne, WY	1998	2017	81	—	81	—	81	—
Edgewood Spring Wind – Laramie, WY	1999	2017	79	—	61	18	79	—

Healthcare



VERVE WELLNESS CENTER

(EWR Mesa Medical Office Building, LLC)

4838 E Baseline Rd, Bldg. 2 | Mesa, AZ

Assisted Living

- ▲ Built 2006
- ▲ Acquired 2018
- ▲ 19,455 square feet



EDGEWOOD SPRING CREEK

605 Hillcrest Ave | American Falls, ID
208.226.1856

Assisted Living

- ▲ Opened 2000
- ▲ Acquired November 2016
- ▲ 32 Units, 32 Beds



EDGEWOOD PLANTATION PLACE

3921 Kessinger Ln | Boise, ID
208.853.7300

Assisted Living

- ▲ Opened 1996
- ▲ Acquired September 2011
- ▲ 39 Units, 39 Beds



EDGEWOOD SPRING CREEK

10681 W McMillan Rd | Boise, ID
208.954.5660

Memory Care

- ▲ Opened 2008
- ▲ Acquired November 2016
- ▲ 37 Units, 38 Beds



EDGEWOOD SPRING CREEK OVERLAND

10139 W Overland Rd | Boise, ID
208.639.7000

Assisted Living

- ▲ Opened 2010
- ▲ Acquired November 2016
- ▲ 45 Units, 47 Beds



PIONEER FAMILY MEDICAL OFFICE

(EWR Boise Persimmon LLC)

13150 W Persimmon Ln | Boise, ID

- ▲ Built 2002
- ▲ Acquired 2018
- ▲ 4,140 square feet



ALL CARE MEDICAL OFFICE

(EVI Boise AL, LLC)

815 S Bridgeway Place | Eagle, ID

- ▲ Built 2007
- ▲ Acquired 2018
- ▲ 6,523 square feet



EDGEWOOD SPRING CREEK

653 N Eagle Rd | Eagle, ID
208.938.5578

Assisted Living

- ▲ Opened 2000
- ▲ Acquired November 2016
- ▲ 30 Units, 30 Beds

Healthcare



EDGEWOOD SPRING CREEK EAGLE ISLAND

77 N Fisher Park Way | Eagle, ID
208.939.6499

Assisted Living • Memory Care

- ▲ Opened 2015
- ▲ Acquired October 2015
- ▲ 61 Units, 63 Beds



EDGEWOOD TOWNHOMES EAGLE ISLAND

77 N Fisher Park Way | Eagle, ID
208.939.6499

Townhomes (Independent Living)

- ▲ Opened 2014
- ▲ Acquired June 2014
- ▲ 49 Units, 49 Beds



EDGEWOOD SPRING CREEK

1255 Allen Ave | Fruitland, ID
208.452.5163

Assisted Living • Memory Care

- ▲ Opened 2013
- ▲ Acquired November 2016
- ▲ 54 Units, 54 Beds



EDGEWOOD SPRING CREEK

175 E Calderwood Dr | Meridian, ID
208.884.6199

Assisted Living • Memory Care

- ▲ Opened 2011
- ▲ Acquired November 2016
- ▲ 49 Units, 49 Beds



EDGEWOOD TOWNHOMES

175 E Calderwood Dr | Meridian, ID
208.884.6199

Town Homes (Independent Living)

- ▲ Opened 2006
- ▲ Acquired November 2011
- ▲ 26 Units



EDGEWOOD SPRING CREEK USTICK

3165 Meridian Rd | Meridian, ID
208.287.2064

Assisted Living

- ▲ Opened 2011
- ▲ Acquired November 2016
- ▲ 47 Units, 47 Beds

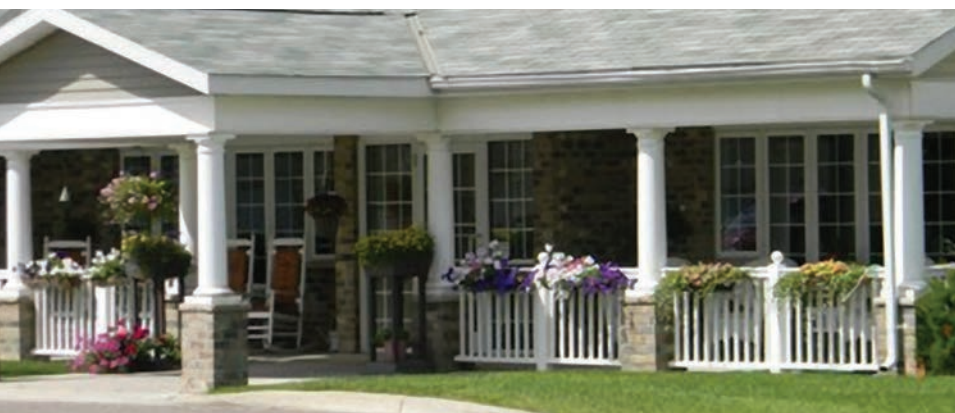


EDGEWOOD SODA SPRINGS

425 S Spring Creek Dr | Soda Springs, ID
208.547.0257

Assisted Living

- ▲ Opened 1995
- ▲ Acquired November 2016
- ▲ 27 Units, 27 Beds



ARABELLA MANOR

1810 Darling Ave E | Alexandria, MN
320.759.2121

Independent Living

- ▲ Opened 2001 & 2014
- ▲ Acquired November 2014
- ▲ 74 Units (2 buildings)

Healthcare



EDGEWOOD

1902 7th Ave E | Alexandria, MN
320.759.2121

Assisted Living • Memory Care

- ▲ Opened 2001
- ▲ Acquired December 2010
- ▲ 59 Units, 60 Beds



EDGEWOOD

14211 Firewood Dr | Baxter, MN
218.828.4770

Assisted Living

- ▲ Opened 2002
- ▲ Acquired December 2016
- ▲ 50 Units, 50 Beds



EDGEWOOD

12450 Cloud Dr NE | Blaine, MN
763.754.1723

Assisted Living • Memory Care

- ▲ Opened January 2014
- ▲ Acquired January 2014
- ▲ 59 Units, 59 Beds



EDGEWOOD

14890 Beaver Dam Rd | Brainerd, MN
218.828.3691

Assisted Living • Memory Care

- ▲ Opened 2005
- ▲ Acquired 2017
- ▲ 98 Units, 102 Beds



EDGEWOOD

608 5th Ave NW | East Grand Forks, MN
218.773.6648

Memory Care

- ▲ Opened 1996
- ▲ Acquired 2017
- ▲ 30 Units, 36 Beds



EDGEWOOD

4195 Westberg Rd | Hermantown, MN
218.723.8905

Independent Living · Assisted Living Memory Care

- ▲ Opened 2000
- ▲ Acquired 2017
- ▲ 257 Units, 293 Beds



SOUTH LAKE MEDICAL

17705 Hutchins Dr | Minnetonka, MN

- ▲ Built 1980
- ▲ Acquired 2017
- ▲ 15,629 square feet



EDGEWOOD

673 Brianna Dr | Sartell, MN
320.281.3343

Assisted Living

- ▲ Opened 2008
- ▲ Acquired 2017
- ▲ 47 Units, 47 Beds

Healthcare



EDGEWOOD

677 Brianna Dr | Sartell, MN
320.281.3343

Memory Care

- ▲ Opened 2009
- ▲ Acquired 2017
- ▲ 50 Units, 50 Beds



HEALTHEAST RICE CREEK CLINIC

(EWR St. Paul Rice Street, LLC)

964 & 980 Rice St | St. Paul, MN

- ▲ Built 2004
- ▲ Addition 2014
- ▲ Acquired 2018
- ▲ 15,635 square feet



EDGEWOOD

705 17th St N | Virginia, MN
218.741.7106

Independent Living • Assisted Living Memory Care

- ▲ Opened 2001
- ▲ Acquired 2017
- ▲ 175 Units, 192 Beds



MAY CREEK

303 10th St S | Walker, MN
218.547.4515

Assisted Living • Memory Care

- ▲ Opened 1999
- ▲ Acquired December 2015
- ▲ 49 Units, 49 Beds



EDGEWOOD

1011 Cardinal Dr | Belgrade, MT
406.388.9439

Memory Care

- ▲ Opened 1999
- ▲ Acquired 2017
- ▲ 10 Units, 13 Beds



EDGEWOOD

1225 Wicks Ln | Billings, MT
406.256.5398

Memory Care

- ▲ Opened 1997
- ▲ Acquired 2017
- ▲ 24 Units, 28 Beds



EDGEWOOD

3207 Colonial Dr | Helena, MT
406.502.1001

Assisted Living • Memory Care

- ▲ Opened 2017
- ▲ Acquired 2017
- ▲ 70 Units, 70 Beds



EDGEWOOD

141 Interstate Ln | Kalispell, MT
406.203.1129

Memory Care

- ▲ Opened 2001
- ▲ Acquired 2017
- ▲ 19 Units, 24 Beds

Healthcare



EDGEWOOD

2815 Palmer St | Missoula, MT
406.549.9660

Memory Care

- ▲ Opened 1996
- ▲ Acquired 2017
- ▲ 20 Units, 25 Beds



EDGEWOOD

3386 53rd Ave | Columbus, NE
402.564.3785

Memory Care

- ▲ Opened 1999
- ▲ Acquired 2017
- ▲ 10 Units, 12 Beds



EDGEWOOD

2910 N Clarkson St | Fremont, NE
402.753.8800

Memory Care

- ▲ Opened 2000
- ▲ Acquired 2017
- ▲ 10 Units, 14 Beds



EDGEWOOD

214 N Piper St | Grand Island, NE
308.384.0717

Memory Care

- ▲ Opened 1998
- ▲ Acquired 2017
- ▲ 10 Units, 14 Beds



EDGEWOOD

2400 W 12th St | Hastings, NE
402.462.4633

Memory Care

- ▲ Opened 2000
- ▲ Acquired 2017
- ▲ 10 Units, 14 Beds



EDGEWOOD

1109 Pasewalk Ave | Norfolk, NE
402.371.0052

Memory Care

- ▲ Opened 2000
- ▲ Acquired 2017
- ▲ 10 Units, 14 Beds



EDGEWOOD

17620 Poppleton Ave | Omaha, NE
402.333.5749

Memory Care

- ▲ Opened 2001
- ▲ Acquired 2017
- ▲ 10 Units, 14 Beds



EDGEWOOD

3124 Colorado Dr | Bismarck, ND
701.751.5300

Independent Living • Assisted Living

- ▲ Opened August 2009
- ▲ Acquired April 2011
- ▲ 190 Units, 190 Beds

Healthcare



EDGEWOOD VISTA ON DOMINION

3406 Dominion St | Bismarck, ND
701.258.7489

Assisted Living • Memory Care

- ▲ Opened 1998
- ▲ Acquired 2017
- ▲ 95 Units, 97 Beds



HORIZON MEDICAL CLINIC

(EWR Bismarck Horizon Clinic, LLC)

205 Durango Dr | Bismarck, ND

- ▲ Built 2016
- ▲ Acquired 2018
- ▲ 17,796 square feet



EDGEWOOD HAWKS POINT

1266 Signal Butte | Dickinson, ND
701.225.9173

Independent Living • Assisted Living

- ▲ Opened 2017
- ▲ Acquired 2017
- ▲ 101 Beds



EDGEWOOD

4440 37th Ave S | Fargo, ND
701.365.8200

Independent Living • Assisted Living Memory Care

- ▲ Opened 2007
- ▲ Acquired 2017
- ▲ 184 Units, 191 Beds, 4 Homes



MED PARK MALL

1375 & 1395 S Columbia Rd
Grand Forks, ND

- ▲ Buildings constructed in 1989 and 1996
- ▲ Acquired 2018
- ▲ 59,117 square feet total



PARKWOOD

749 S 30th St | Grand Forks, ND
701.757.2727

Independent Living • Assisted Living

- ▲ Opened 1986
- ▲ Acquired December 2015
- ▲ 165 Units, 165 Beds



VALLEY BONE AND JOINT CLINIC

3035 Demers Ave | Grand Forks, ND

- ▲ Built 1988
- ▲ 7,000 square foot addition in 2003
- ▲ Acquired 2017
- ▲ 20,828 square feet



EDGEWOOD

1104 25th St SW | Jamestown, ND
701.952.8750

Assisted Living • Memory Care

- ▲ Opened October 2016
- ▲ Acquired October 2016
- ▲ 68 Units, 75 Beds

Healthcare



EDGEWOOD

2801 39th Ave SE | Mandan, ND
701.663.5664

Assisted Living · Memory Care

- ▲ Opened 74 beds September 2013
- ▲ Opened 75 beds February 2015
- ▲ 143 Units, 151 Beds



EDGEWOOD

800 16th Ave SE | Minot, ND
701.852.1399

Assisted Living · Memory Care

- ▲ Opened 1993
- ▲ Acquired 2017
- ▲ 150 Units, 168 Beds



EDGEWOOD MEMORY CARE

520 28th Ave SE | Minot, ND
701.858.9767

- ▲ Built 2002
- ▲ Addition 2006
- ▲ Acquired 2019
- ▲ 28 Beds



NORTH STAR BUILDING

(EWR Minot Dental Office, LLC)

2615 Elk Dr | Minot, ND

- ▲ Built 2006
- ▲ Acquired 2018
- ▲ 13,094 square feet



EDGEWOOD

2015 8th St S | Brookings, SD
605.692.6311

Assisted Living • Memory Care

- ▲ Opened 1997
- ▲ Acquired June 2011 (Memory Care 2013)
- ▲ 45 Units, 45 Beds



EDGEWOOD

800 S Wind St | Flandreau, SD
605.997.2775

Assisted Living

- ▲ Opened 1999
- ▲ Acquired June 2011
- ▲ 23 Units, 26 Beds



EDGEWOOD

501 E Spruce St | Mitchell, SD
605.996.2730

Assisted Living

- ▲ Opened 2017
- ▲ Acquired 2017
- ▲ 56 Units, 59 Beds



EDGEWOOD

2201 N Wisconsin St | Mitchell, SD
605.996.2730

Memory Care

- ▲ Opened 1997
- ▲ South building opened 1999
- ▲ Acquired 2013
- ▲ 33 Units, 36 Beds

Healthcare



EDGEWOOD

1950 E 4th St | Pierre, SD
605.494.3400

Assisted Living • Memory Care

- ▲ Opened March 2015
- ▲ Acquired March 2015
- ▲ 68 Units, 72 Beds



EDGEWOOD

4001 Derby Ln | Rapid City, SD
605.718.3600

Assisted Living

- ▲ Built 2004
- ▲ Acquired 2018
- ▲ 87 Units
- ▲ 98,484 square feet



EDGEWOOD PRAIRIE CROSSINGS

1810 S Dorothy Ave | Sioux Falls, SD
605.361.0056

Assisted Living

- ▲ Opened 1998
- ▲ Acquired August 2013
- ▲ 54 Units, 58 Beds



EDGEWOOD ASSISTED LIVING

3409 E 5th St | Sioux Falls, SD
605.275.0074

Assisted Living

- ▲ Opened 2003
- ▲ Acquired June 2011
- ▲ 36 Units, 43 Beds



EDGEWOOD MEMORY CARE

3401 W Ralph Rogers Rd | Sioux Falls, SD
605.367.9570

Memory Care

- ▲ Opened 1998
- ▲ Acquired 2017
- ▲ 24 Units, 26 Beds



EDGEWOOD

308 Hillview Rd | Sisseton, SD
605.698.3500

Assisted Living

- ▲ Opened 1999
- ▲ Acquired June 2011
- ▲ 23 Units, 25 Beds



EDGEWOOD

540 Falcon Crest Dr | Spearfish, SD
605.642.2977

Assisted Living • Memory Care

- ▲ Opened 2004
- ▲ Acquired 2017
- ▲ 97 Units, 117 Beds



EDGEWOOD

420 9th St SE | Watertown, SD
605.882.3084

Memory Care

- ▲ Opened 1994
- ▲ Acquired August 2013
- ▲ 20 Units, 24 Beds

Healthcare



EDGEWOOD ASSISTED LIVING

901 14th Ave NE | Watertown, SD
605.882.3084

Independent Living · Assisted Living

- ▲ Opened 2001
- ▲ Acquired August 2013
- ▲ 55 Units, 55 Beds - Assisted Living
- ▲ 27 Units - Independent Living



EDGEWOOD MEADOW WIND

3955 E 12th St | Casper, WY
307.577.3045

Assisted Living · Memory Care

- ▲ Opened 1998
- ▲ Acquired 2017
- ▲ 95 Units, 97 Beds



EDGEWOOD PARK PLACE

1930 E 12th St | Casper, WY
307.265.2273

Assisted Living

- ▲ Opened 1984
- ▲ Acquired 2017
- ▲ 60 Units, 60 Beds



EDGEWOOD ASPEN WIND

4010 North College Dr | Cheyenne, WY
307.778.9511

Assisted Living · Memory Care

- ▲ Opened 1998
- ▲ Acquired 2017
- ▲ 69 Units, 69 Beds



EDGEWOOD SIERRA HILLS

4606 N College Dr | Cheyenne, WY
307.638.7798

Assisted Living

- ▲ Opened 1998
- ▲ Acquired 2017
- ▲ 81 Units, 81 Beds



EDGEWOOD SPRING WIND

1072 N 22nd St | Laramie, WY
307.755.5811

Assisted Living • Memory Care

- ▲ Opened 1999
- ▲ Acquired 2017
- ▲ 79 Units, 79 Beds

Multi-Family Housing

Building & Location	Year Built	Year REIT Acquired	Sq. Ft. Commercial	Total Units
Iowa				
92 West Apartments – West Des Moines, IA	2002	2018	—	296
Kansas				
Springcreek Apartments – Derby, KS	1991	2018	—	122
Eastgate Apartments – Wichita, KS	1969	2018	—	108
High Point East Apartments – Wichita, KS	1974 – Phase I 2014 – Phase II	2018	—	216
Morgan's Landing Apartments – Wichita, KS	1972 – Phase I 2013 – Phase II	2018	—	182
Northridge Crossing Apartments – McPherson, KS	1996 – Phase I 2000 – Phase II	2018	—	68
Minnesota				
Minnesota Heights – East Grand Forks, MN	2013	2013	6,682	39
Northern Pacific – East Grand Forks, MN	2014	2014	—	36
Pinecone Townhome Villas – Sartell, MN	2009	2017	—	24
Missouri				
Cambridge Park Apartments – Springfield, MO	2001 – Phase I 2006 – Phase II	2018	—	134
Coryell Crossings – Springfield, MO	2006	2018	—	176
Essex Place Apartments – Springfield, MO	1980	2018	—	192
Falcon at Southern Hills – Springfield, MO	2017	2018	—	106
Highland Park Apartments – Springfield, MO	2003	2018	—	97
Marion Park Apartments – Springfield, MO	2007	2018	—	128
Palm Village Apartments – Springfield, MO	2007	2018	—	83
Scenic Station Apartments – Springfield, MO	2001	2018	—	96
Sherwood Village Apartments East – Springfield, MO	2006	2018	—	56
Tera Vera Apartments – Springfield, MO	2016	2018	—	31
Trail's Bend Apartments – Springfield, MO	2018	2018	—	100
Watermill Park – Springfield, MO	2006	2018	—	164

Building & Location	Year Built	Year REIT Acquired	Sq. Ft. Commercial	Total Units
North Dakota				
Coulee Ridge Apartments – Bismarck, ND	2015	2016	—	246
Legacy Business Condominiums – Bismarck, ND	2015	2016	—	1
Overlook Ridge Apartments – Bismarck, ND	2013	2013	—	124
Burlington Apartments – Burlington, ND	2010	2012	—	24
Burlington Apartments – Burlington, ND	2010	2012	—	12
Aspen Park – Grand Forks, ND	1999	2015	—	38
Briarwood – Grand Forks, ND	1995	2015	—	61
Campus Place I – Grand Forks, ND	2005	2013	9,766	6
Campus Place II – Grand Forks, ND	2005	2013	—	44
Campus Place III – Grand Forks, ND	2006	2013	—	74
Campus Place IV – Grand Forks, ND	2008	2013	—	26
Campus Place V – Grand Forks, ND	2009	2013	—	24
Campus Place VI – Grand Forks, ND	2009	2013	—	20
Gallery Apartments – Grand Forks, ND	1971	2014	—	143
Kensington Place – Grand Forks, ND	1993	2015	—	91
McEnroe Place I – Grand Forks, ND	2008	2013	—	44
McEnroe Place II – Grand Forks, ND	2008	2013	—	44
McEnroe Place III – Grand Forks, ND	2009	2013	—	67
McEnroe Place IV – Grand Forks, ND	2011	2013	—	34
McEnroe Place V – Grand Forks, ND	2013	2013	—	48
McEnroe Place VI – Grand Forks, ND	2014	2014	—	48
Northern Heights – Grand Forks, ND	2011	2013	7,500	53
Parkview Terrace – Grand Forks, ND	1992	2015	—	61
University Pointe – Grand Forks, ND	2007	2014	10,316	6
VRE Pines A & B – Grand Forks, ND	2004	2013	—	48
Kindred Apartments – Kindred, ND	1999	2018	—	14
Collins Place – Mandan, ND	2014	2014	3,410	29
Lakewood Apartments – Mandan, ND	2015	2018	—	107
Mandan Place – Mandan, ND	2010	2013	6,642	28
Minot Place Apartments – Minot, ND	2011	2012	—	144
Westbrook Apartments – West Fargo, ND	1976 – Phase I 1977 – Phase II 1978 – Phase III	2018	—	119
Greenfield Apartments – Southeast ND	1999 – 2001	2018	—	140

Multi-Family Housing



92 WEST APARTMENTS

1770 92nd St | West Des Moines, IA

- ▲ Built 2002
- ▲ Acquired 2018
- ▲ 296 Units



SPRINGCREEK APARTMENTS

1804 E Osage Rd | Derby, KS

- ▲ Opened 1991
- ▲ Acquired 2018
- ▲ 122 Units



EASTGATE APARTMENTS

604 Eastern St | Wichita, KS

- ▲ Opened 1969
- ▲ Acquired 2018
- ▲ 108 Units



HIGH POINT EAST APARTMENTS

9400 E Lincoln St | Wichita, KS

- ▲ Opened 1974
- ▲ Acquired 2018
- ▲ 216 Units



MORGAN'S LANDING APARTMENTS

3801 W 13th St N | Wichita, KS

- ▲ Opened 1972
- ▲ Acquired 2018
- ▲ 182 Units



NORTHRIDGE CROSSING APARTMENTS

507 E Northview Rd | McPherson, KS

- ▲ Opened 1996
- ▲ Acquired 2018
- ▲ 68 Units



MINNESOTA HEIGHTS

316 4th St NW | East Grand Forks, MN

- ▲ Built 2013
- ▲ Acquired 2013
- ▲ 39 Units
- ▲ 6,682 square feet - Commercial



NORTHERN PACIFIC

525 Demers Ave | East Grand Forks, MN

- ▲ Built 2014
- ▲ Acquired 2014
- ▲ 36 Units

Multi-Family Housing



PINECONE TOWNHOME VILLAS

659-699 Brianna Dr | Sartell, MN
320.258.6000

- ▲ Built 2009
- ▲ Acquired 2017
- ▲ 24 townhomes



CAMBRIDGE PARK APARTMENTS

2828 S Nettleton Ave | Springfield, MO

- ▲ Opened 2001
- ▲ Acquired 2018
- ▲ 134 Units



CORYELL CROSSINGS

2015 W University St | Springfield, MO

- ▲ Built 2006
- ▲ Acquired 2018
- ▲ 176 Units



ESSEX PLACE APARTMENTS

1131 West Battlefield | Springfield, MO

- ▲ Opened 1980
- ▲ Acquired 2018
- ▲ 192 Units



FALCON AT SOUTHERN HILLS

2320 S Ingram Mill Rd | Springfield, MO

- ▲ Built 2017
- ▲ Acquired 2018
- ▲ 106 Units



HIGHLAND PARK APARTMENTS

1625 S Marion Ave | Springfield, MO

- ▲ Opened 2003
- ▲ Acquired 2018
- ▲ 97 Units



MARION PARK APARTMENTS

1725 S Marion Ave | Springfield, MO

- ▲ Opened 2007
- ▲ Acquired 2018
- ▲ 128 Units



PALM VILLAGE APARTMENTS

2861 S Nettleton Ave | Springfield, MO

- ▲ Opened 2007
- ▲ Acquired 2018
- ▲ 83 Units

Multi-Family Housing



SCENIC STATION APARTMENTS

1130 S Scenic Dr | Springfield, MO

- ▲ Opened 2001
- ▲ Acquired 2018
- ▲ 96 Units



SHERWOOD VILLAGE APARTMENTS EAST

1634 S Marion Ave | Springfield, MO

- ▲ Opened 2006
- ▲ Acquired 2018
- ▲ 56 Units



TERA VERA APARTMENTS

2715 S Kimbrough Ave | Springfield, MO

- ▲ Built 2016
- ▲ Acquired 2018
- ▲ 31 Units



TRAIL'S BEND APARTMENTS

2621 S Jefferson Ave | Springfield, MO

- ▲ Under Construction
- ▲ Certificate of Occupancy May 2019
- ▲ 100 Units



WATERMILL PARK

1730 E Valley Water Mill Rd | Springfield, MO

- ▲ Opened 2006
- ▲ Acquired 2018
- ▲ 164 Units



COULEE RIDGE APARTMENTS

3009 43rd Ave NE | Bismarck, ND

- ▲ Built 2015/2016
- ▲ 246 Units



LEGACY BUSINESS CONDOMINIUMS

3320 Hamilton St | Bismarck, ND

- ▲ Built 2015
- ▲ Acquired 2016
- ▲ 1 Unit



OVERLOOK RIDGE APARTMENTS

2200 Koch Dr | Bismarck, ND

- ▲ 55+ Apartments
- ▲ Acquired October 2013
- ▲ 124 Units

Multi-Family Housing



BURLINGTON APARTMENTS

25 Robert St | Burlington, ND

- ▲ Built 2010
- ▲ Acquired 2012
- ▲ 24 Units



BURLINGTON APARTMENTS

25 Robert St | Burlington, ND

- ▲ Built 2010
- ▲ Acquired 2012
- ▲ 12 Units



ASPEN PARK

2450 S 27th Ave | Grand Forks, ND

- ▲ Built 1999
- ▲ Acquired 2015
- ▲ 38 Units



BRIARWOOD

2650 S 26th Ave | Grand Forks, ND

- ▲ Built 1995
- ▲ Acquired 2015
- ▲ 61 Units



CAMPUS PLACE I

415 N 42nd St | Grand Forks, ND

- ▲ Built 2005
- ▲ Acquired 2013
- ▲ 6 Units
- ▲ 9,766 square feet - Commercial



CAMPUS PLACE II

4274 University Ave | Grand Forks, ND

- ▲ Built 2005
- ▲ Acquired 2013
- ▲ 44 Units



CAMPUS PLACE III

4278 University Ave | Grand Forks, ND

- ▲ Built 2006
- ▲ Acquired 2013
- ▲ 74 Units



CAMPUS PLACE IV

4270 University Ave | Grand Forks, ND

- ▲ Built 2008
- ▲ Acquired 2013
- ▲ 26 Units

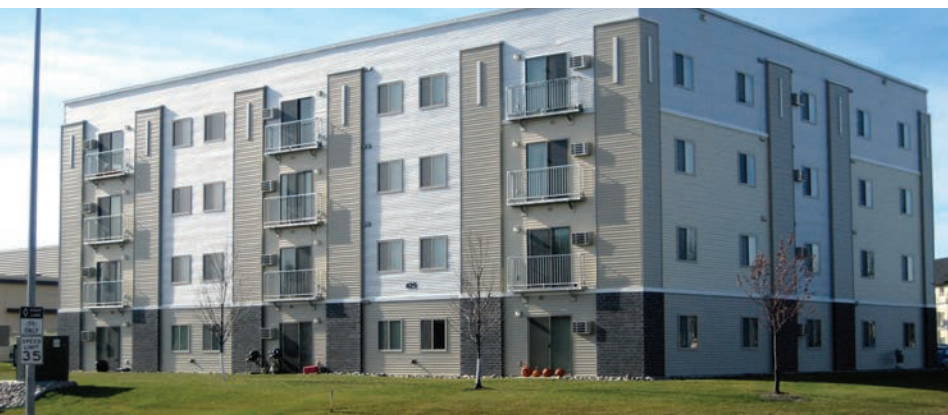
Multi-Family Housing



CAMPUS PLACE V

411 N 42nd St | Grand Forks, ND

- ▲ Built 2009
- ▲ Acquired 2013
- ▲ 24 Units



CAMPUS PLACE VI

425 N 42nd St | Grand Forks, ND

- ▲ Built 2009
- ▲ Acquired 2013
- ▲ 20 Units



GALLERY APARTMENTS

615 & 815 N 39th St | Grand Forks, ND

- ▲ Built 1971
- ▲ Acquired 2014
- ▲ 143 Units



KENSINGTON PLACE

2303 S 27th Ave | Grand Forks, ND

- ▲ Built 1993
- ▲ Acquired 2015
- ▲ 91 Units



MCENROE PLACE I

3920 Garden View Dr | Grand Forks, ND

- ▲ Built 2008
- ▲ Acquired 2013
- ▲ 44 Units



MCENROE PLACE II

3850 Garden View Dr | Grand Forks, ND

- ▲ Built 2008
- ▲ Acquired 2013
- ▲ 44 Units



MCENROE PLACE III

3880 Garden View Dr | Grand Forks, ND

- ▲ Built 2009
- ▲ Acquired 2013
- ▲ 67 Units



MCENROE PLACE IV

3750 Garden View | Grand Forks, ND

- ▲ Built 2011
- ▲ Acquired 2013
- ▲ 34 Units

Multi-Family Housing



MCENROE PLACE V

3841 Garden View | Grand Forks, ND

- ▲ Built 2013
- ▲ Acquired 2013
- ▲ 48 Units



MCENROE PLACE VI

3941 Garden View | Grand Forks, ND

- ▲ Built 2014
- ▲ Acquired 2014
- ▲ 48 Units



NORTHERN HEIGHTS

615 1st Ave N | Grand Forks, ND

- ▲ Built 2011
- ▲ Acquired 2013
- ▲ 53 Units
- ▲ 7,500 square feet - Commercial



PARKVIEW TERRACE

2396 27th Ave S | Grand Forks, ND

- ▲ Built 1992
- ▲ Acquired 2015
- ▲ 61 Units



UNIVERSITY POINTE

2860 10th Ave N | Grand Forks, ND

- ▲ Built 2007
- ▲ Acquired 2014
- ▲ 6 Units
- ▲ 10,316 square feet - Commercial



VRE PINES A & B

4297 5th Ave | Grand Forks, ND

- ▲ Built 2004
- ▲ Acquired 2013
- ▲ 48 Units



KINDRED APARTMENTS

31 4th Ave S | Kindred, ND
351 Linden St | Kindred, ND

- ▲ Opened 1999
- ▲ Acquired 2018
- ▲ 14 Units



COLLINS PLACE

100 Collins Ave | Mandan, ND

- ▲ Built 2014
- ▲ Acquired 2014
- ▲ 29 Units
- ▲ 3,410 square feet - Commercial

Multi-Family Housing



LAKEWOOD APARTMENTS

2303 Shoal Loop | Mandan, ND

- ▲ Built 2015
- ▲ Acquired 2018
- ▲ 107 Units



MANDAN PLACE

200 Main Ave | Mandan, ND

- ▲ Built 2010
- ▲ Acquired 2013
- ▲ 28 Units
- ▲ 6,642 square feet - Commercial



MINOT PLACE APARTMENTS

1710 13th Ave SE | Minot, ND

- ▲ Built 2011
- ▲ Acquired 2012
- ▲ 144 Units



WESTBROOK APARTMENTS

901, 908 & 919 9th St W | West Fargo, ND
911 9th Ave W | West Fargo, ND
902 & 912 10th St W | West Fargo, ND
901 & 913 10th Ave W | West Fargo, ND

- ▲ Opened 1976
- ▲ Acquired 2018
- ▲ 119 Units



GREENFIELD APARTMENTS

Southeast ND

- ▲ Opened 1999
- ▲ Acquired 2018
- ▲ 140 Units

Commercial

Building & Location	Year Built	Year REIT Acquired	Sq. Ft. Commercial
Arizona			
Princess & Perimeter Office Building – Scottsdale, AZ	2007	2018	85,527
North Dakota			
EAPC Building – Grand Forks, ND	1997	2017	14,361
Edgewood Corporate Plaza – Grand Forks, ND	1915	2012	44,129
University Real Estate – Grand Forks, ND	2004	2013	10,678



PRINCESS & PERIMETER OFFICE BUILDING

(EWR Scottsdale P&P, LLC)

17550 N Perimeter Dr | Scottsdale, AZ

- ▲ Built 2007
- ▲ Acquired 2018
- ▲ 85,527 square feet



EAPC BUILDING

3100 Demers Ave | Grand Forks, ND

- ▲ Built 1997
- ▲ Acquired 2017
- ▲ 14,361 square feet



EDGEWOOD CORPORATE PLAZA

322 Demers Ave | Grand Forks, ND

- ▲ Built 1915
- ▲ Acquired 2012
- ▲ Edgewood Management Group
Corporate Office
- ▲ 44,129 square feet



UNIVERSITY REAL ESTATE

2855 10th Ave N | Grand Forks, ND

- ▲ Built 2004
- ▲ Acquired 2013
- ▲ 10,678 square feet - Commercial

**EDGEWOOD REAL ESTATE INVESTMENT TRUST
AND SUBSIDIARIES**

FARGO, NORTH DAKOTA

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

To the Management and Board of Trustees
Edgewood Real Estate Investment Trust
Fargo, North Dakota

We have audited the accompanying consolidated financial statements of Edgewood Real Estate Investment Trust and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations, other comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Edgewood Real Estate Investment Trust and Subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Effect on Adopting New Accounting Standard

As discussed in Note 1, the Financial Accounting Standards Board recently issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which supersedes accounting standards that currently exist under GAAP and provides clarification on the definition of a business affecting many areas of accounting, such as acquisitions, disposals, goodwill impairment, and consolidation. The guidance assists entities in evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The Company has decided to early adopt ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, effective for the year ending December 31, 2018. Our opinion is not modified with respect to this matter.



BRADY, MARTZ & ASSOCIATES, P.C.
Minot, North Dakota

April 11, 2019

EDGEWOOD REAL ESTATE AND INVESTMENT TRUST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017

ASSETS		
	2018	2017
REAL ESTATE INVESTMENTS	\$ 946,759,796	697,542,850
Less accumulated depreciation	<u>(57,234,871)</u>	<u>(36,423,136)</u>
Total real estate investments	<u>889,524,925</u>	<u>661,119,714</u>
OTHER ASSETS		
Cash and cash equivalents	17,317,755	25,081,458
Land held for investment	4,213,041	2,065,211
Accounts receivable, net	4,367,237	2,589,209
Related party receivable	1,706,588	1,084,817
Related party notes receivable	8,024,980	12,901,987
Straight-line rent receivable	8,329,937	4,658,620
Prepaid expenses	804,640	318,974
Other investments	149,156	975,811
Restricted cash	7,000,938	2,343,985
Total other assets	<u>51,914,272</u>	<u>52,020,072</u>
TOTAL ASSETS	<u><u>\$ 941,439,197</u></u>	<u><u>\$ 713,139,786</u></u>
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable	\$ 5,787,415	\$ 3,450,321
Advance rents and security deposits	1,572,624	860,739
Accrued expenses and other liabilities	3,154,942	1,453,612
Distributions payable	5,858,889	4,302,963
Related party payable	1,233,627	1,797,060
Line of credit	3,500,000	3,500,000
Notes payable	597,632,893	475,668,548
Less: unamortized debt issuance costs	<u>(8,854,435)</u>	<u>(9,637,511)</u>
TOTAL LIABILITIES	<u>609,885,955</u>	<u>481,395,732</u>
NON-CONTROLLING INTERESTS IN PARTIALLY OWNED PROPERTIES	<u>7,608,916</u>	<u>-</u>
EQUITY		
Common shares of beneficial interest (10,000,000 shares authorized, no par value, 8,818,609 and 6,678,776 shares issued and outstanding as of December 31, 2018 and 2017, respectively)	128,040,571	88,154,329
Retained earnings (accumulated deficit)	(12,614,556)	(10,000,304)
Accumulated other comprehensive income (loss)	(1,327,833)	(54,036)
Non-controlling interests in operating partnership (14,797,231 and 11,976,976 units outstanding at December 31, 2018 and 2017, respectively)	209,846,144	153,644,065
Total equity	<u>323,944,326</u>	<u>231,744,054</u>
TOTAL LIABILITIES, NON-CONTROLLING INTERESTS IN PARTIALLY OWNED PROPERTIES, AND EQUITY	<u><u>\$ 941,439,197</u></u>	<u><u>\$ 713,139,786</u></u>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
REVENUE		
Real estate rentals	\$ 85,407,035	\$ 55,324,056
Other operating income	1,975,940	1,154,820
Total revenue	<u>87,382,975</u>	<u>56,478,876</u>
EXPENSES		
Interest expense	28,684,766	20,628,951
Depreciation/amortization on real estate investments	21,420,106	14,896,133
Acquisition fees	271,047	1,405,775
Management fees	6,651,923	4,093,031
Repairs and maintenance	3,388,956	2,223,793
Property taxes	4,295,114	2,536,768
Utilities	4,278,042	2,576,087
Insurance	1,300,525	629,075
Professional services	595,100	484,778
General and administrative	3,383,614	876,590
Advertising	631,133	247,538
Supplies	487,030	71,925
Bad debt expense	302,126	23,113
Miscellaneous	95,045	59,066
Total operating expenses	<u>75,784,527</u>	<u>50,752,623</u>
INCOME FROM OPERATIONS	11,598,448	5,726,253
OTHER INCOME (EXPENSE)		
Gain on sale of real estate	2,354,712	612,827
Interest income	1,169,507	1,069,910
Total other income	<u>3,524,219</u>	<u>1,682,737</u>
NET INCOME	15,122,667	7,408,990
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS IN PARTIALLY OWNED PROPERTIES	(28,314)	-
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS IN OPERATING PARTNERSHIP	<u>(9,714,252)</u>	<u>(4,939,271)</u>
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 5,380,101</u>	<u>\$ 2,469,719</u>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Net income	\$ 15,122,667	\$ 7,408,990
Other comprehensive income (loss)		
Unrealized gain (loss) from derivative instrument	<u>(1,273,797)</u>	<u>(54,036)</u>
Total comprehensive income (loss)	13,848,870	7,354,954
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	<u>(8,942,144)</u>	<u>(4,904,580)</u>
COMPREHENSIVE INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u><u>\$ 4,906,726</u></u>	<u><u>\$ 2,450,374</u></u>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Number of Common Shares	Common Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests in Operating Partnership	Total Equity
BALANCE JANUARY 1, 2017	6,712,411	\$ 88,044,795	\$ (6,613,957)	-	\$ 119,636,982	\$ 201,067,820
Net income	-	-	2,469,719	-	4,939,271	7,408,990
Other comprehensive income (loss)	-	-	-	(54,036)	-	(54,036)
Common shares issued (net of commissions)	938,230	17,269,469	-	-	-	17,269,469
Operating partnership units issued	-	-	-	-	41,684,334	41,684,334
Distributions - common shares	-	-	(5,856,066)	-	-	(5,856,066)
Distribution reinvested	204,547	3,692,068	-	-	-	3,692,068
Net redemptions	(1,176,412)	(20,852,003)	-	-	(2,396,183)	(23,248,186)
Distributions - non-controlling interests	-	-	-	-	(10,220,339)	(10,220,339)
BALANCE DECEMBER 31, 2017	6,678,776	88,154,329	(10,000,304)	(54,036)	153,644,065	231,744,054
Net income	-	-	5,380,101	-	9,714,252	15,094,353
Other comprehensive income (loss)	-	-	-	(1,273,797)	-	(1,273,797)
Common shares issued (net of commissions)	1,955,223	36,404,253	-	-	-	36,404,253
Operating partnership units issued	-	-	-	-	62,330,477	62,330,477
Distributions - common shares	-	-	(7,994,353)	-	-	(7,994,353)
Distributions reinvested	281,943	5,233,978	-	-	-	5,233,978
Net redemptions	(97,333)	(1,751,989)	-	-	(2,521,306)	(4,273,295)
Distributions - non-controlling interests	-	-	-	-	(13,321,344)	(13,321,344)
BALANCE DECEMBER 31, 2018	8,818,609	\$ 128,040,571	\$ (12,614,556)	\$ (1,327,833)	\$ 209,846,144	\$ 323,944,326

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 15,122,667	\$ 7,408,990
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation/amortization on real estate investments	21,420,106	14,896,133
Amortization on finance fees	2,599,338	2,327,419
Gain on sale of real estate	(2,354,712)	(612,827)
Net other non-cash (revenues)/expenses incurred related to acquisitions	1,304,001	3,452,282
Effects on operating cash flows due to change in:		
Accounts receivable	(1,778,028)	(1,693,023)
Straight-line rent receivable	(3,671,317)	(3,337,781)
Prepaid expenses	(485,666)	13,432
Accounts payable	2,337,094	426,808
Accrued expenses	1,701,330	372,890
Advance rents and security deposits	711,885	(224,859)
Net cash provided (used) by operating activities	<u>36,906,698</u>	<u>23,029,464</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of property and equipment	568,645	5,975,000
Purchase of property and equipment	(112,962,425)	(92,307,935)
Proceeds on sale of land held for investment	-	22,024,288
Purchase of land held for investment	(2,015,824)	(975,811)
Net change in other assets	(4,656,953)	(527,500)
Payments (advances) on related party receivable/payable	(1,185,204)	8,846,124
Payments (advances) on related party notes receivable	4,877,007	(12,895,587)
Net cash provided (used) by investing activities	<u>(115,374,754)</u>	<u>(69,861,421)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions paid to non-controlling interests	(10,217,840)	(9,528,470)
Distributions paid to non-controlling interests in partially owned properties	(28,314)	-
Distributions paid to common shareholders	(1,204,449)	(2,054,390)
Repurchase of non-controlling interests	-	(1,277,976)
Repurchase of common shares	(1,751,989)	(20,852,003)
Brokerage commissions paid on shares issued	(1,002,729)	(556,892)
Proceeds from common shares issued	17,286,802	17,826,361
Net proceeds on notes payable	67,622,872	45,720,520
Net cash provided (used) by financing activities	<u>70,704,353</u>	<u>29,277,150</u>
CHANGE IN CASH AND CASH EQUIVALENTS	<u>(7,763,703)</u>	<u>(17,554,807)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>25,081,458</u>	<u>42,636,265</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 17,317,755</u></u>	<u><u>\$ 25,081,458</u></u>
 Cash paid during the year for interest	 <u><u>\$ 25,544,556</u></u>	 <u><u>\$ 17,762,283</u></u>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING
AND FINANCING ACTIVITIES**

Real estate investments acquired through issuance of notes payable	\$ 54,341,473	\$ 173,344,567
Real estate investments acquired through issuance of non-controlling interests and common shares	82,034,378	21,544,550
Issuance of non-controlling interests through related party receivable	-	20,000,000
Redemption of non-controlling interests through issuance of common shares	2,521,306	1,032,459
Distributions on non-controlling interests declared and not paid	3,654,237	2,716,754
Distributions on common shares declared and not paid	2,204,652	1,586,209
Distribution of common shares reinvested	5,233,978	3,692,068

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Edgewood Real Estate Investment Trust ("The Company" or "Edgewood REIT") is a real estate investment trust engaged in acquiring, owning and leasing assisted living facilities, commercial real estate, and other housing-related real property in North Dakota, South Dakota, Minnesota, Montana, Nebraska, Wyoming, Idaho, Missouri, Iowa, Arizona, and Kansas. REITs are subject to a number of organizational and operational requirements, including a requirement to distribute 90% of REIT taxable income to shareholders and, generally, are not subject to federal income tax on net income. The Company was formed during 2010. The Company conducts a majority of its business activities through its consolidated operating partnership, Edgewood Properties LLLP, a North Dakota Limited Liability Limited Partnership (the "Operating Partnership"), and through several wholly-owned subsidiaries, which are listed in Note 15.

Basis of Presentation

The consolidated financial statements include the accounts of Edgewood Real Estate Investment Trust and its subsidiaries, as noted above, in which it maintains a controlling interest. All material inter-company transactions and balances have been eliminated in the consolidated financial statements. Edgewood Properties is a 100% owner of the above-listed LLC entities. The Company's interest in the Operating Partnership was 37% as of December 31, 2018 which includes 100% of the general partnership interest. The limited partners own units in the Operating Partnership which have a conversion option they may exercise for Edgewood REIT common shares of beneficial interest, on a one-for-one basis. The limited partners have no voting rights in Edgewood REIT.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Real Estate Investments

Real estate investments held for rental are stated at the lower of cost less accumulated depreciation or fair value if impairment is identified. Real estate investments held for sale are reported at the lower of their carrying amount or fair value less cost to sell. Buildings and land improvements are depreciated on the straight-line method over their estimated life not to exceed 40 and 20 years, respectively. Furniture, fixtures, and equipment are depreciated on the straight-line method over their estimated life not to exceed 9 years. All direct and indirect costs, including interest and real estate taxes associated with the development, construction, leasing or expansion of real estate investments, are capitalized as a cost of the property. Expenditures for renewals and improvements which significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for routine maintenance and repairs, which do not add to the value or extend the useful life of an asset, are charged to expense as incurred.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

The Company allocates the purchase price based on the relative fair values of the tangible and intangible assets of an acquired property (including the land, building, and personal property) which are determined by valuing the property as if it were vacant and to the fair value of the intangible assets (including in-place leases.) The as-if-vacant value is allocated to land, buildings, and personal property based on management's determination of the relative fair values of these assets. The estimated fair value of the property is the amount which would be recoverable upon the disposition of the property. Techniques used to estimate fair value include discounted cash flow analysis and reference to recent sales of comparable properties. A land value is assigned based on the purchase price if land is acquired separately or based on estimated fair value if acquired in a merger or in a single or portfolio acquisition.

Acquired above and below-market lease values are recorded as the difference between the contractual amounts to be paid pursuant to the in-place leases and management's estimate of fair market value lease rates for the corresponding in-place leases. The capitalized above and below-market lease values are amortized and included as part of rent expense over the remaining terms of the respective leases, which include fixed rate renewal options for below-market leases if it is determined probable the tenant will execute a bargain renewal option. The REIT currently does not have any allocations to above or below- market lease values.

Other intangible assets acquired include amounts for in-place lease values which are based on the Company's evaluation of the specific characteristics of the leases. Factors considered in the fair value analysis include an estimate of carrying costs and foregone rental income during hypothetical expected lease-up periods, considering current market conditions, and costs to execute similar leases. The Company also considers information about each property obtained during its pre-acquisition due diligence, marketing and leasing activities in estimating the relative fair value of the tangible and intangible assets acquired. The in-place lease allocations are included in real estate investments and amortized over the lease terms, including extensions, no greater than 20 years.

At least annually, or upon the occurrence of significant changes in the operations, Edgewood REIT evaluates its real estate investments to assess whether any impairment indications are present, including recurring operating losses and significant adverse changes in legal factors or business climate which affect the recovery of the recorded value. If any real estate investment is considered impaired, a loss is provided to reduce the carrying value of the property to its estimated fair value.

Cash and Cash Equivalents

Highly liquid investments with a maturity of three months or less when purchased are classified as cash equivalents.

Notes Receivable

Notes receivable are recorded at cost.

Straight-Line Rent Receivable

Rental revenue is recognized on a straight-line basis, which averages minimum required rents to be received over the terms of the leases. Rent recognized in advance of collection is reflected as a receivable arising from straight-lining rents, net of allowance for doubtful accounts. Rent concessions, including free rent, are reflected as a payable and are amortized over the terms of the related leases.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

Receive-variable, Pay-fixed Interest Rate Swaps

The Company has adopted the alternative offered to nonpublic entities in FASB ASC 815-20 for certain variable rate borrowings involving receive-variable, pay-fixed interest rate swaps. In accordance with this alternative, the Company assumes there is no hedge ineffectiveness and applies the simplified hedge accounting approach for all interest rate swaps meeting those criteria. In addition, the Company measures the swap using settlement value rather than fair value.

Other Investments

Other investments consist of earnest money deposits and other nonmarketable investments recorded at cost.

Allowance for Doubtful Accounts

Accounts receivable are considered past due if any portion of the receivable balance is outstanding more than 90 days. Interest is charged on accounts receivable which are past stated terms and recognized as it is charged. The accrual of interest is discontinued when management believes the receivables are impaired or collection of interest is doubtful. There were no significant nonaccrual accounts receivable at December 31, 2018 and 2017.

Management evaluates the allowance for doubtful accounts by assessing the recoverability of rent and other receivables, and comparing the carrying value with the estimated realizable value. Management considers the tenant's financial condition and credit history as well as current economic conditions. Accordingly, management has recorded an allowance for doubtful accounts of \$64 and \$7,408 as of December 31, 2018 and 2017, respectively.

Distributions Payable

Distributions payable represent distributions declared to common shareholders and unit holders in the operating partnership of record on December 31, 2018 payable on January 15, 2019.

Federal Income Taxes

Edgewood REIT operates in a manner intended to qualify as a Real Estate Investment Trust under Sections 856-860 of the Internal Revenue Code of 1986, as amended. Under those sections, a REIT which distributes at least 90% of its taxable income as a dividend to its shareholders each year and which meets certain other conditions will not be taxed on that portion of its taxable income. For the year ended December 31, 2018, the Company distributed in excess of 90% of its taxable income within the prescribed time limits; accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to federal income tax on its taxable income at regular corporate rates (including any alternative minimum tax) and may not be able to qualify as a REIT for the four subsequent taxable years. Even as a REIT, the Company may be subject to certain state and local income and property taxes, and to federal income and excise taxes on undistributed taxable income. In general, however, if the Company qualifies as a REIT, no provisions for federal income taxes are necessary except for taxes on undistributed REIT taxable income.

Edgewood REIT conducts its business activity as an Umbrella Partnership Real Estate Investment Trust ("UPREIT") through its Operating Partnership. UPREIT status allows Edgewood REIT to accept the contribution of real estate in exchange for operating partnership units. Generally, such a contribution to a limited partnership allows for the deferral of gain by an owner of appreciated real estate.

Distributions were characterized, for federal income tax purposes, as 60% ordinary income and 40% return of capital for the year ended December 31, 2018, and 28% ordinary income and 72% return of capital for the year ended December 31, 2017.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

The Company's policy is to evaluate the likelihood its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence.

Adoption of New Accounting Standard

The Financial Accounting Standards Board recently issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which clarifies the definition of a business and affects many areas of accounting, such as acquisitions, disposals, goodwill impairment, and consolidation. The Company has decided to early adopt ASU No. 2017-01, effective for the year ending December 31, 2018, which has modified their financial statement recognition of acquisition fees at the point of purchase (disposal).

Non-controlling Interests

Ownership interests in the Operating Partnership held by limited partners are represented by operating partnership units. The Operating Partnership's income is allocated to holders of units based upon the ratio of their unit holdings to the total common shares and operating partnership units outstanding during the period. Capital contributions, distributions, and profits and losses are allocated to limited partners in accordance with the terms of the Operating Partnership agreement. Limited partners as of December 31, 2018 and 2017, were considered non-controlling interests.

Non-controlling Interests in Partially Owned Properties

Non-controlling interests in partially owned properties represents minority shares in real estate held as tenant-in-common.

Variable Interest Entity

The Company has determined the Operating Partnership, Edgewood Properties, LLLP, is a variable interest entity (VIE). The limited partners lack voting rights and substantive participating rights. The Company is the primary beneficiary of the VIE, and the partnership is required to be consolidated on the Company's balance sheet because it has a controlling financial interest in the VIE and has both the power to direct the activities of the VIE which most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE which could be significant to the VIE. Because the Operating Partnership is a VIE, substantially all of its assets and liabilities are held through a VIE.

Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial presentation. Such reclassifications had no effect on net income previously reported.

NOTE 2 OFF-BALANCE SHEET RISK

The Company maintains cash on deposit at various financial institutions. The amounts on deposit were insured by the FDIC up to \$250,000 per financial institution. At December 31, 2018 the Company had approximately \$11,981,000 in excess of FDIC coverage.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

NOTE 3 PROPERTY

Property, consisting principally of real estate owned and leased to tenants, is stated at cost less accumulated depreciation and is summarized as follows:

	2018	2017
Land	\$ 72,109,035	\$ 47,514,161
Buildings	845,758,520	633,028,217
In-place leases	4,072,500	4,072,500
Furniture, fixtures, and equipment	14,888,463	12,576,480
Construction in progress	9,931,278	351,492
Total property	946,759,796	697,542,850
Less accumulated depreciation/amortization	(57,234,871)	(36,423,136)
Total property, net	<u>\$ 889,524,925</u>	<u>\$ 661,119,714</u>

Depreciation expense for the years ended December 31, 2018 and 2017 was \$21,420,106 and \$14,896,133, respectively.

The Company has entered into long-term operating leases for commercial properties. The terms and payment amounts vary among the properties, many of which are managed by related parties, see Note 10.

The future minimum lease revenue under non-cancellable leases for commercial properties (assuming no options to renew or buy-out the leases are exercised) are as follows:

For the year ending December 31:

2019	\$ 42,492,298
2020	42,862,353
2021	41,891,518
2022	41,662,969
2023	39,319,521
Thereafter	235,257,045
Total	<u>\$ 443,485,706</u>

Rent revenues under the leases which were in-place for the years ended December 31, 2018 and 2017 were \$44,597,665 and \$36,396,228, respectively.

The effect of amortization of acquired in-place lease allocations was approximately \$101,813 and \$81,000 for the years ended December 31, 2018 and 2017, respectively. This amount was included in depreciation/amortization expense related to real estate investments. The estimated amortization of acquired in-place leases for each of the five succeeding fiscal years is as follows:

For the year ending December 31,

2018	\$ 101,813
2019	101,813
2020	101,813
2021	101,813
2022	101,813

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

NOTE 4 PROPERTY ACQUISITIONS AND DISPOSITIONS

For the year ended December 31, 2018:

Acquisition	Location	# of units	Date Acquired	Acquisition Cost
<u>Assisted Living</u>				
Edgewood Rapid City	Rapid City, SD	87	Dec-18	\$ 6,873,350
Total Assisted Living				<u>6,873,350</u>
<u>Commercial Property</u>				
Bismarck Horizon Clinic	Bismarck, ND		Aug-18	6,253,767
Grand Forks Medical Park	Grand Forks, ND		Sep-18	5,575,000
St. Paul Rice Street	St. Paul, MN		Jun-18	5,590,000
Minot Dental Office	Minot, ND		Nov-18	3,350,000
Scottsdale P & P	Scottsdale, AZ		Oct-18	17,250,000
Edgewood Boise AC	Eagle, ID		Jun-18	1,566,000
Total Commercial Property				<u>39,584,767</u>
<u>Multi-Family Residential</u>				
Cambridge Park Apartments	Springfield, MO	134	Jan-18	8,700,000
Essex Place Apartments	Springfield, MO	192	Jan-18	8,600,000
Falcon Apartments	Springfield, MO	106	Feb-18	7,821,433
Greenfield Apartments	Various*	140	Jan-18	5,692,500
Highland Park Apartments	Springfield, MO	97	Jan-18	5,796,000
Kindred	Kindred, ND	14	Jan-18	354,000
Marion Park Apartments	Springfield, MO	128	Jan-18	8,900,000
Westlake Apartments	Des Moines, IA	296	Sep-18	32,000,000
Mandan Lakewood	Mandan, ND	107	May-18	12,500,000
Springfield Coryell Crossings	Springfield, MO	176	Nov-18	8,140,000
Springfield Tera Vera	Springfield, MO	31	Aug-18	8,588,957
Palm Village	Springfield, MO	83	Jan-19	7,245,000
Scenic Station Apartments	Springfield, MO	96	Jan-19	8,000,000
Sherwood Village East	Springfield, MO	56	Jan-18	4,300,000
Springcreek	Derby, KS	122	Jan-19	6,680,000
Watermill Park	Springfield, MO	164	Jan-19	11,700,000
Westbrook	West Fargo, ND	119	Jan-18	3,900,000
Eastgate	Wichita, KS	108	Jan-19	5,536,660
High Point East	Wichita, KS	216	Jan-19	12,326,903
Morgan's Landing	Wichita, KS	182	Jan-19	8,566,153
Northridge Crossing	Wichita, KS	68	Jan-19	3,812,983
Total Multi-Family Residential				<u>179,160,589</u>
Total Acquisitions				<u><u>\$ 225,618,706</u></u>

* Enderlin, Forman, Gwinner, Lisbon, Milnor, & Oakes, North Dakota

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

For the year ended December 31, 2017:

Acquisition	Location	# of units	Date Acquired	Acquisition Cost
<u>Assisted Living</u>				
Edgewood Aspen Wind	Cheyenne, WY	71	Feb-17	\$ 13,900,000
Edgewood Belgrade	Belgrade, MT	10	Feb-17	875,000
Edgewood Billings MC	Billings, MT	24	Feb-17	2,070,000
Edgewood Brainerd	Brainerd, MN	98	Jan-17	14,300,000
Edgewood Columbus	Columbus, NE	10	Feb-17	1,210,000
Edgewood Dickinson	Dickinson, ND	101	Jun-17	13,800,000
Edgewood Dominion	Bismarck, ND	95	Jan-17	13,200,000
Edgewood East Grand Forks	East Grand Forks, ND	30	Jan-17	4,750,000
Edgewood Fargo	Fargo, ND	189	Jan-17	29,000,000
Edgewood Fremont	Fremont, NE	10	Feb-17	580,000
Edgewood Grand Island	Grand Island, NE	10	Feb-17	1,120,000
Edgewood Hastings	Hastings, NE	10	Mar-17	1,330,000
Edgewood Helena	Helena, MT	66	Aug-17	8,079,066
Edgewood Hermantown I	Hermantown, MN	171	Oct-17	21,812,000
Edgewood Hermantown II	Hermantown, MN	86	Oct-17	15,072,000
Edgewood Kalispell	Kalispell, MT	19	Mar-17	1,310,000
Edgewood Laramie	Laramie, WY	78	Feb-17	12,400,000
Edgewood Meadow Wind	Casper, WY	95	Feb-17	8,900,000
Edgewood Minot	Minot, ND	150	Feb-17	17,285,280
Edgewood Missoula	Missoula, MT	20	Feb-17	2,590,000
Edgewood Mitchell	Mitchell, SD	33	Aug-17	7,594,868
Edgewood Norfolk	Norfolk, NE	10	Feb-17	1,440,000
Edgewood Omaha	Omaha, NE	10	Mar-17	1,220,000
Edgewood Park Place	Casper, WY	61	Feb-17	6,600,000
Edgewood Sartell AL	Sartell, MN	97	Apr-17	9,960,000
Edgewood Sierra Hills	Cheyenne, WY	71	Feb-17	7,800,000
Edgewood Sioux Falls MC	Sioux Falls, SD	24	Feb-17	3,530,000
Edgewood Spearfish	Spearfish, SD	99	Jan-17	8,678,000
Edgewood Virginia	Virginia, MN	175	Mar-17	31,488,000
Total Assisted Living				<u>261,894,214</u>
<u>Commercial Property</u>				
EVI South Lake Medical	Minnetonka, MN		May-17	4,100,000
EREIT GF Medical Office	Grand Forks, ND		Dec-17	5,210,390
EREIT GF NNN	Grand Forks, ND		Dec-17	2,867,742
Total Commercial Property				<u>12,178,132</u>
<u>Multi-Family Residential</u>				
EVI Sartell IL	Sartell, MN	24	Apr-17	3,540,000
Total Multi-Family Residential				<u>3,540,000</u>
Total Acquisitions				<u><u>\$ 277,612,346</u></u>

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

Dispositions

The following properties were disposed of during the year ending December 31, 2018 to unrelated third-parties:

EVI Winterland
EVI Winterland II
EVI Gazebo Apartments
EVI Maple Garden Apartments

In addition to the properties listed above, EVI Legacy Storage sold multiple units to unrelated parties and EVI Fargo sold two twin-homes to unrelated parties.

The following disposals occurred during the year ending December 31, 2017:

EVI Legacy Storage sold multiple units to unrelated third parties.

Three parcels of land located in Burleigh County, ND were sold to Bismarck Land Company, LLC. Edgewood REIT is related to Bismarck Land Company, LLC, as disclosed in Note 10.

NOTE 5 NOTES RECEIVABLE

Notes receivable of \$8,000,000 at December 31, 2018 and 2017 consists of a loan receivable from Edgewood Group, LLC secured by the preferred stock of Edgewood OpCo, LLC, which carries an interest rate of 9% and is due on demand (see Note 10).

Notes receivable of \$24,980 and \$4,901,987 as of December 31, 2018 and 2017, respectively, consists of a loan secured by real estate to Bismarck Land Company, LLC (a related party) which carries an interest rate of 6% and is due March 1, 2019 (see Note 10).

NOTE 6 COMMITMENTS AND CONTINGENCIES

Risk of Uninsured Property Losses

Edgewood REIT maintains, at management's discretion, adequate insurance against property damage, fire loss, and liability insurance. However, there are certain types of losses (generally of a catastrophic nature) which may be either uninsurable or not economically insurable. Such excluded risks may include war, earthquakes, hurricanes, certain environmental hazards, and floods. Should such events occur, (i) Edgewood REIT might suffer a loss of capital invested, (ii) tenants may suffer losses and may be unable to pay rent for the spaces, and (iii) Edgewood REIT may suffer a loss of profits.

Litigation

Edgewood REIT is subject to a variety of legal actions for personal injury or property damage arising in the ordinary course of business, most of which are covered by liability insurance. Various claims of resident discrimination are also periodically brought, most of which are covered by insurance. While resolution of these matters cannot be predicted with certainty, management believes that the final outcome of these claims and legal proceedings will not have a material effect on our liquidity, financial position, cash flows, or results of operations.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

Environmental Matters

Under various federal, state, and local laws, ordinances, and regulations, a current or previous owner or operator of real estate may be liable for the costs of removal of, or remediation of, certain hazardous or toxic substances in, on, around, or under the property. While management currently has no knowledge of any material violation of environmental laws, ordinances, or regulations at any properties, there can be no assurance the areas of contamination will not be identified at the properties or changes in environment laws, regulations, or cleanup requirements would not result in material costs.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

NOTE 7 NOTES PAYABLE

Details pertaining to the Company's debt and assets assigned as collateral thereon as of December 31, 2018 and 2017 are as follows:

Lender	Maturity Date	Current Note Rate	Current Portion	Balance Dec 31, 2018	Balance Dec 31, 2017
Alerus Financial	2019 - 2028	4.02% - 4.91%	\$ 1,931,822	\$ 22,290,596	\$ 6,968,696
American Federal Bank	2039	4.60% - 4.75%	113,968	3,889,838	3,997,602
Americo	2028 - 2033	4.18% - 4.98%	1,132,886	48,898,726	-
Ameritas Life Insurance	2026	4.25%	63,351	2,362,225	2,422,945
Assurity Life	2024	4.75%	184,065	4,208,153	4,383,696
BankWest	2022 - 2040	4.25% - 4.60%	365,731	11,136,928	11,487,283
Bell State Bank	2019 - 2027	4.10% - 4.55%	2,357,899	25,484,737	27,747,477
Black Ridge Bank	2022	4.45%	130,381	3,072,910	3,198,997
Bremer Bank	2019 - 2031	3.68% - 5.31%	12,173,644	84,531,751	111,023,310
Cornerstone Bank	2028	4.74%	92,037	4,261,459	-
EGF Economic Development	2023	3.10%	26,096	121,608	146,909
Everbank	2025	4.17%	99,993	3,445,221	-
First International Bank & Trust	2042	4.00%	285,030	10,994,094	11,290,371
First National Bank	2020 - 2026	4.25% - 4.40%	175,019	4,448,585	4,615,535
First State Bank	2021 - 2038	4.07% - 5.15%	925,853	26,766,801	18,242,007
First Western Bank & Trust	2024 - 2025	4.25%	250,685	8,403,259	8,643,409
FNMA	2031	4.73% - 4.78%	204,904	29,736,202	8,883,438
Forethought	2025	4.35%	752,841	18,270,651	-
Frandsen Bank & Trust	2019	4.54%	-	-	774,349
Genworth Life	2036	4.28%	129,236	6,728,638	6,852,469
Gershman Investment Corp	2048	3.32%	101,779	5,506,114	-
Grand Bridge	2033	4.71%	77,614	5,135,003	-
Greystone	2026	4.12%	96,128	5,047,676	-
Key Bank	2052	3.45% - 4.10%	714,258	44,989,412	45,679,483
Morgan Stanley	2023	5.04% - 5.13%	373,739	21,787,167	22,142,190
NDHFA	2029	0.00%	73,333	806,667	880,000
Protective Life	2030 - 2033	4.13% - 4.50%	3,726,326	179,460,483	169,299,550
Southern Bank	2043	4.25%	220,283	8,948,514	-
Starion Bank	2027	4.75%	245,001	6,899,475	6,988,832
Total			<u>\$ 27,023,902</u>	<u>597,632,893</u>	<u>475,668,548</u>
Less: unamortized debt issuance costs				(8,854,435)	(9,637,511)
Net notes payable				<u>\$ 588,778,458</u>	<u>\$ 466,031,037</u>

All of the notes payable are secured by the acquired real property.

Interest expense for the years ended December 31, 2018 and 2017 includes amortization of loan fees of \$2,599,338 and \$2,327,419, respectively.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

Future principal payments due for the above long-term debt as of December 31, 2018 are as follows:

<u>December 31,</u>		
2019	\$	27,023,902
2020		18,594,662
2021		17,964,058
2022		20,384,601
2023		35,513,956
Thereafter		<u>478,151,714</u>
Total	\$	<u><u>597,632,893</u></u>

NOTE 8 LINE OF CREDIT

The Company has a revolving line of credit with Alerus Financial, N.A. with a limit of \$15,000,000. The note has a stated maturity date of May 1, 2019, with interest payable monthly at a variable rate based on 1-month LIBOR. As of December 31, 2018, the line of credit carried an interest rate of 3.97%. The note is secured by real property owned by the Company. The outstanding balance as of December 31, 2018 and 2017 was \$3,500,000 and \$3,500,000, respectively.

NOTE 9 RECEIVE-VARIABLE, PAY-FIXED INTEREST RATE SWAPS

As disclosed in Note 7, the Company has multiple notes outstanding with Bremer Bank which total \$84,531,751 and \$111,023,309 as of December 31, 2018 and 2017, respectively. As of December 31, 2018, the Company had entered into interest rate swap contracts with ten of the notes referred to above, which mature when the debt matures, to effectively convert these variable-rate borrowings into fixed-rate borrowings with interest rates ranging from 3.98% to 4.59%.

In addition, the Company has multiple notes outstanding with Alerus Financial which total \$22,290,596 and \$6,968,696 as of December 31, 2018 and 2017, respectively. As of December 31, 2018, the Company had entered into interest rate swap contracts with three of the notes referred to above, which mature when the debt matures, to effectively convert these variable-rate borrowings into fixed-rate borrowings with interest rates ranging from 4.89% to 5.04%.

Lastly, the Company has a note outstanding with Cornerstone Bank which totals \$4,261,459 and \$0 as of December 31, 2018 and 2017, respectively. As of December 31, 2018, the Company had entered into a interest rate swap contract with this note referred to above, which matures when the debt matures, to effectively convert the variable-rate borrowings into fixed-rate borrowings with an interest rate of 4.74%.

The swap contracts qualify for the simplified hedge accounting alternative offered to nonpublic entities and are measured at settlement value. As of December 31, 2018, and 2017, the Company has cumulative unrealized losses of \$1,327,833 and \$54,036, respectively, in other comprehensive income (loss) from changes in the swap contract's settlement value. This cumulative amount is included in accrued expenses and other liabilities as of December 31, 2018 and 2017.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

NOTE 10 TRANSACTIONS WITH RELATED PARTIES

Edgewood REIT and Subsidiaries (the Company) is routinely involved in transactions with other entities within the Edgewood Group of companies (Edgewood OpCo, LLC (the operating companies), Edgewood Group, Edgewood Development Group, and Edgewood Management Group, et al). Mr. Philip Gisi and his family own approximately 2.60 percent of the outstanding voting shares of the Company. Mr. Gisi currently serves as an "at large" member of the Board of Trustees of Edgewood REIT. Prior to March 20, 2018, Mr. Gisi served as President of the Company's Board of Trustees. Mr. Gisi and his family also control a majority ownership of the Edgewood Group of companies. As a result, Edgewood REIT and the Edgewood Group of companies are related parties. See below for a summary of the entities, the amount receivable or payable to each as of December 31, 2018 and 2017, and the revenue or expenses incurred to each of the years ended December 31, 2018 and 2017.

The Company receives rental income from the various Edgewood operating companies. Total rental revenues for the years ended December 31, 2018 and 2017 were \$44,838,218 and \$36,586,923, with \$296,131 and \$515,433 included in related party receivable, respectively. Also see Note 3 for related party leases and Note 5 for related party notes receivable.

The Company receives rental income on its undeveloped land from Edgewood Development Group. Total rental revenues for the years ended December 31, 2018 and 2017 were \$112,732 and \$375,769, respectively.

Edgewood Management Group, LLC rents office space in Edgewood Corporate Plaza. Total rental revenue for the years ended December 31, 2018 and 2017 was \$178,112 and \$185,592, with \$0 outstanding receivable as of December 31, 2018 and 2017, respectively.

The Company has accounts receivable from various operating Companies which amount to \$749,966 and \$940,471 as of December 31, 2018 and 2017, respectively.

As of December 31, 2018 and 2017, the Company had total amounts receivable from Edgewood Development Group of \$19,053 and \$149,868, respectively. These amounts were advanced, with board approval, to support construction projects which will be acquired by the REIT upon completion.

As of December 31, 2018 and 2017, the Company had amounts receivable from Edgewood OpCo of \$181,479 and \$249,473, respectively.

The Company has notes receivable from Edgewood Group, LLC in the amount of \$8,000,000 as of December 31, 2018 and 2017. As of December 31, 2018, under the terms of the note, Edgewood Group, LLC is allowed to borrow up to \$8,000,000 at an interest rate of 9%, which is secured by the preferred stock of Edgewood OpCo, LLC. The note receivable and related interest are both due on demand with interest paid quarterly. The Company also has notes receivable from Bismarck Land Company in the amount of \$24,980 and \$4,901,987 as of December 31, 2018 and 2017, respectively. The note carries an interest rate of 6% and is due on demand. Interest income of \$1,010,676 and \$904,612 was earned on the outstanding balances of the notes receivable during the years ended December 31, 2018 and 2017, respectively.

The Company has accounts payable to various operating Companies which amount to \$1,297,748 and \$854,940 as of December 31, 2018 and 2017, respectively.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

The Company pays management, acquisition, and finance fees to Edgewood Properties Management, LLC (the Advisor) for its work in acquiring properties, negotiating financing, and providing management services. The Advisor is partially owned by individuals who have positions on the Board of Trustees of the Company, including Jon Strinden (the Board President) and Philip Gisi (an at-large member of the Board). All owners of the Advisor are also investors in Edgewood REIT although no individual owns more than three percent and, as a group, the owners of the Advisor own less than 10 percent of the outstanding voting shares of the Company. In addition to voting shares, the owners of the Advisor own units in the operating partnership. Total costs incurred for management and acquisition fees for the years ended December 31, 2018 and 2017 were \$4,746,843 and \$3,288,275, respectively. In addition, finance fees in the amount of \$3,784,365 and \$2,271,848 were capitalized during the years ended December 31, 2018 and 2017. As of December 31, 2018 and 2017, \$1,240,450 and \$942,120 were owed to Edgewood Properties Management, LLC, respectively.

NOTE 11 MAJOR CUSTOMERS

The Company derived 10% or more of its revenue for the years ended December 31, 2018 and 2017 from the following customer:

The Company had rental income from the various Edgewood operating companies totaling \$44,597,665 and \$36,586,923, with \$719,227 and \$515,433 included in related party receivables, respectively, for years ended December 31, 2018 and 2017 .

NOTE 12 ADVERTISING COSTS

Advertising costs totaling \$631,133 and \$247,538 for the years ended December 31, 2018 and 2017, respectively, were expensed as incurred.

NOTE 13 INCOME TAXES

It is the opinion of management the Company has no significant uncertain tax positions which would be subject to change upon examination. The federal income tax returns of the Company are subject to examination by the IRS, generally for three years after they are filed. All required filings with tax authorities are up-to-date.

NOTE 14 FUTURE ACCOUNTING PRONOUNCEMENTS

ASU 2014-09, Revenue from Contracts with Customers (Topic 606)

During 2014, the FASB issued a new standard related to revenue recognition. ASU2014-09, upon its effective date, replaces almost all existing revenue recognition guidance, including industry-specific guidance, in current U.S. GAAP. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services in an amount which reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance will be effective for the Company for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.

ASU 2016-02, Leases (Topic 842)

During 2016, the FASB issued guidance to change the accounting for leases. The main provision of ASU 2016-02 is lessees will be required to recognize lease assets and lease liabilities for most long-term leases, including those classified as operating leases under GAAP. The ASU is effective for the Company for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)

Per this ASU, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For the Company, this ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.

ASU 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities

This ASU makes several targeted improvements to the accounting for hedging activities. For the Company, the ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.

Management has not yet determined what effect these pronouncements will have on the Company's financial statements.

With the exception of the new standards discussed above, we have not identified any other new accounting pronouncements that may have potential significance to the Company's Financial Statements.

NOTE 15 WHOLLY-OWNED SUBSIDIARIES

As disclosed in Note 1, the Company conducts a majority of its business activities through its consolidated operating partnership, Edgewood Properties LLLP, a North Dakota Limited Liability Limited Partnership and through several wholly owned subsidiaries, which are as follows:

EVI Alexandria, LLC - a Minnesota Limited Liability Company
EVI Plantation Place, LLC - an Idaho Limited Liability Company
EVI Greenleaf, LLC - a South Dakota Limited Liability Company
EVI Meridian, LLC - an Idaho Limited Liability Company
KCR Investments, LLC - dba Minot Place Apartments - a North Dakota Limited Liability Company
Rowan Apartments, LLC - dba Burlington Apartments - a North Dakota Limited Liability Company
Edgewood Corporate Plaza, LLC - a North Dakota Limited Liability Company
EVI Mandan, LLC - a North Dakota Limited Liability Company
EVI Bismarck Senior Apartments, LLC - a North Dakota Limited Liability Company
EVI Minnesota Heights, LLC - a Minnesota Limited Liability Company
EVI Prairie Crossings, LLC - a South Dakota Limited Liability Company
EVI Civic Place, LLC - a North Dakota Limited Liability Company
EVI Winterland Apartments, LLC - a North Dakota Limited Liability Company
EVI University Real Estate, LLC - a North Dakota Limited Liability Company
EVI Mandan Apartments, LLC - a North Dakota Limited Liability Company
EVI Campus Place, LLC - a North Dakota Limited Liability Company
EVI Campus Place II, LLC - a North Dakota Limited Liability Company
EVI McEnroe Apartments, LLC - a North Dakota Limited Liability Company

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

EVI McEnroe Apartments ND 4, LLC - a North Dakota Limited Liability Company
EVI McEnroe Apartments ND 5, LLC - a North Dakota Limited Liability Company
EVI Bismarck Village, LLC - a North Dakota Limited Liability Company
EVI Blaine, LLC - a Minnesota Limited Liability Company
EVI Collins Place, LLC - a North Dakota Limited Liability Company
EVI Gallery Apartments, LLC - a North Dakota Limited Liability Company
EVI McEnroe Apartments ND 6, LLC - a North Dakota Limited Liability Company
EVI Northern Pacific, LLC - a Minnesota Limited Liability Company
EVI University Real Estate, LLC - a North Dakota Limited Liability Company
EVI Winterland II, LLC - a North Dakota Limited Liability Company
EVI Legacy Storage, LLC - a North Dakota Limited Liability Company
Marston Development, LLC - a Minnesota Limited Liability Company
EVI Pierre, LLC - a South Dakota Limited Liability Company
EVI Spring Creek Eagle Island AL, LLC - an Idaho Limited Liability Company
EVI May Creek, LLC - a Minnesota Limited Liability Company
EVI GF 55+, LLC - a North Dakota Limited Liability Company
EVI Parkwood Place, LLC - a North Dakota Limited Liability Company
EVI Spring Creek Eagle Island IL, LLC - an Idaho Limited Liability Company
EVI Jamestown, LLC - a North Dakota Limited Liability Company
EVI American Falls, LLC - an Idaho Limited Liability Company
EVI Boise, LLC - an Idaho Limited Liability Company
EVI Overland, LLC - an Idaho Limited Liability Company
EVI Soda Springs, LLC - an Idaho Limited Liability Company
EVI Ustick, LLC - an Idaho Limited Liability Company
EVI Eagle, LLC - an Idaho Limited Liability Company
EVI Baxter, LLC - a Minnesota Limited Liability Company
EVI Coulee Ridge, LLC - a North Dakota Limited Liability Company
EVI Meridian, LLC - an Idaho Limited Liability Company
EVI Aspen Wind, LLC - a Wyoming Limited Liability Company
EVI Belgrade, LLC - a Montana Limited Liability Company
EVI Billings Memory Care, LLC - a Montana Limited Liability Company
EVI Brainerd, LLC - a Minnesota Limited Liability Company
EVI Columbus, LLC - a Nebraska Limited Liability Company
EVI Dickinson, LLC - a North Dakota Limited Liability Company
EVI Dominion, LLC - a North Dakota Limited Liability Company
EVI East Grand Forks, LLC - a Minnesota Limited Liability Company
EVI Fargo, LLC - a North Dakota Limited Liability Company
EVI Fremont, LLC - a Nebraska Limited Liability Company

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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EVI Grand Island, LLC - a Nebraska Limited Liability Company
EVI Hastings, LLC - a Nebraska Limited Liability Company
EVI Helena, LLC - a Montana Limited Liability Company
EVI Hermantown I, LLC - a Minnesota Limited Liability Company
EVI Hermantown II, LLC - a Minnesota Limited Liability Company
EVI Kalispell, LLC - a Montana Limited Liability Company
EVI Laramie, LLC - a Wyoming Limited Liability Company
EVI Meadow Wind, LLC - a Wyoming Limited Liability Company
EVI Minot, LLC - a North Dakota Limited Liability Company
EVI Missoula, LLC - a Montana Limited Liability Company
EVI Mitchell, LLC - a South Dakota Limited Liability Company
EVI Norfolk, LLC - a Nebraska Limited Liability Company
EVI Omaha, LLC - a Nebraska Limited Liability Company
EVI Park Place, LLC - a Wyoming Limited Liability Company
EVI Sartell AL, LLC - a Minnesota Limited Liability Company
EVI Sartell IL, LLC - a Minnesota Limited Liability Company
EVI Sierra Hills, LLC - a Wyoming Limited Liability Company
EVI Sioux Falls Memory Care, LLC - a South Dakota Limited Liability Company
EVI South Lake Medical, LLC - a Minnesota Limited Liability Company
EVI Spearfish, LLC - a South Dakota Limited Liability Company
EVI Virginia, LLC - a Minnesota Limited Liability Company
EREIT Grand Forks Medical Office, LLC - a North Dakota Limited Liability Company
EREIT Grand Forks NNN, LLC - a North Dakota Limited Liability Company
EVI Cambridge Park Apartments, LLC - a Missouri Limited Liability Company
EVI Essex Place Apartments, LLC - a Missouri Limited Liability Company
EVI Gazebo Apartments, LLC - a Missouri Limited Liability Company
EVI Greenfield Apartments, LLC - a Missouri Limited Liability Company
EVI Highland Park Apartments, LLC - a Missouri Limited Liability Company
EVI Maple Garden Apartments, LLC - a Missouri Limited Liability Company
EVI Marion Park Apartments, LLC - a Missouri Limited Liability Company
EVI Falcon Apartments, LLC - a Missouri Limited Liability Company
EVI Kindred, LLC - a North Dakota Limited Liability Company
EVI Westlake Apartments, LLC - an Iowa Limited Liability Company
EWR Bismarck Horizon Clinic, LLC - a North Dakota Limited Liability Company
EWR Grand Forks Medical Park, LLC - a North Dakota Limited Liability Company
EWR Mandan Lakewood, LLC - a North Dakota Limited Liability Company
EWR Minot Dental Office, LLC - a North Dakota Limited Liability Company
EWR Rapid City, LLC - a South Dakota Limited Liability Company

EDGEWOOD REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
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EWR Scottsdale P & P, LLC - an Arizona Limited Liability Company
EWR St. Paul Rice Street, LLC - a Minnesota Limited Liability Company
EWR Springfield Coryell Crossing Apartments, LLC - a Missouri Limited Liability Company
EWR Springfield Tera Vera, LLC - a Missouri Limited Liability Company
MV Scenic Station Apartments, LLC - a Missouri Limited Liability Company
MV Sherwood Village East, LLC - a Missouri Limited Liability Company
MV Springcreek, LLC - a Kansas Limited Liability Company
MV Watermill Park, LLC - a Missouri Limited Liability Company
MV Westbrook, LLC - a Missouri Limited Liability Company
MV Wichita 1, LLC - a Kansas Limited Liability Company
MV Palm Village, LLC - a Missouri Limited Liability Company
MV Westbrook, LLC - a North Dakota Limited Liability Company

NOTE 16 SUBSEQUENT EVENTS

Subsequent to December 31, 2018, the Company completed the following acquisitions:

The acquisition of Mesa MOB was finalized as of March 15, 2019. The purchase price was \$5,800,000.

No other significant events have occurred subsequent to the Company's year-end. Subsequent events have been evaluated through April 11, 2019, the date these financial statements were available to be issued.



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