CHURCHILL

Private REIT Summary of Offering Memorandum

Churchill
REAL ESTATE INVESTMENT TRUST

Marketing Information

Churchill REIT is a private real estate investment trust (the "REIT") that invests in a diversified portfolio of income-producing real estate assets in Canada and the U.S., purpose-built to provide investors with stable and growing quarterly cash distributions and long-term capital appreciation, while protecting and preserving their equity.

Target Annual Return:	7%
Cash Distributions:	Quarterly
Minimum Investment:	$5,000
RRSP Eligible:	Yes
Auditor:	MNP LLP
Initial Price per Unit:	$10

NOTE: As of September 30, 2016 closings will be transacted at the **Net Asset Value per Unit** calculated and published for the quarter in which the closing date falls.

Minimum/Maximum Offering: There is no minimum or maximum to this offering. The REIT will offer an unlimited number of Units on a continuous basis.

REIT Highlights

Churchill REIT unitholders own – indirectly – a growing portfolio of commercial and multifamily real estate assets, generating positive cash-flow after debt service and the potential for attractive total returns upon divestment – all with limited liability and tax efficient allocation of income.

- Quarterly cash distributions with a target annual return of 7%
- Established pipeline of acquisition opportunities, preferential access to $250M of cash-flowing commercial real estate assets owned by affiliates of Churchill
- General ability for unitholders to deduct capital cost allowances against income, allowing current taxes to be reduced and/or deferred, while capital gains are taxed at the lower capital gain rate when realized
- 5-year minimum investment horizon (2-year deployment, 3-year value-add)
- Liquidity mechanism to accommodate investors facing unforeseen circumstances in the short-term, and a point of divestment for investors long-term
- Open-ended, perpetual life vehicle with **Net Asset Value (NAV) per Unit** calculated and published quarterly
- Available both to Accredited and Non-Accredited investors*

Why Invest in Real Estate?

Canadian and U.S. "bricks and mortar" hard assets have created more wealth in North American than any other single asset class.

- Private REITs offer the advantage of being disconnected from stock-market volatility, with Net Asset Value based upon the market value of the underlying real estate
- Real estate is one of the only assets that can be upgraded, repositioned and proactively managed by an experienced and proven asset manager to create value for investors
- Commercial real estate is a tangible asset with valuations that generally rise along with the cost of living, providing an excellent hedge against inflation
- Canadian commercial real estate has generated an annualized total return of 10.1% over the past 10 years *(REALpac/IPD Canada Quarterly Index, March 2016)*

Please refer to the Churchill REIT Offering Memorandum for a full discussion of the benefits and risks of investing in Churchill REIT.

* For Non-Accredited investors, limitations based on annual income or net-worth apply to the total amount that may be invested annually.

Peachtree City Warehouse, Atlanta, GA

Churchill is committed to Quality Real Estate Investments and Strong Financial Results

Our investment strategy is to acquire a diversified portfolio of high-quality commercial (including industrial, retail and office) and multifamily residential properties located in strong growth areas across Canada and the U.S. The asset mix will be weighted by location and product type with a goal of producing higher than average cash-flow distributions to investors while maintaining a conservative overall portfolio balance. Opportunistic asset enhancement will be pursued through hands-on management and value-added refurbishment programs and some limited profitable development.

8205 Dallas Drive, Kamloops, BC

Summary of Offering Memorandum

Issuers:	Unless otherwise defined, all capitalized terms used in this summary have the definitions given to such terms in the "Declaration of Trust". Churchill Real Estate Investment Trust (the "Trust").
Offering:	Series A Trust Units
Issue Size:	There is no minimum or maximum to this offering. The REIT will offer an unlimited number of Units on a continuous basis.
Price:	$9.58 (the NAV/unit as at Sept. 30, 2016)
Minimum Subscription:	$5,000 – with additional subscriptions in $1,000 increments.
Asset Manager:	Churchill International Asset Management Inc. (the "Asset Manager").
Trust Units:	Each Trust Unit has a price of $9.58, issued pursuant to the terms of the Declaration of Trust dated January 1, 2015. The Trust Units are retractable in specified circumstances. The Trust expects to distribute quarterly cash available after the payment of operating expenses, interest and principal on the mortgage loans and holdback for reasonable reserves for operating expenses and capital expenditures.
Use of Proceeds:	The net proceeds of this offering is intended to be used to acquire a diversified portfolio of high-quality commercial (including industrial, retail and office properties) and multifamily residential properties. For limited investment in real estate development opportunities and for limited investment in mortgages secured by real property and to fund certain reserves in the property portfolio and to fund fees and operating expenses of the Trust.
Investment Objectives:	The objectives of an investment in the units of Churchill REIT are to provide: 1. An investment in a diversified portfolio of high-quality commercial (industrial, retail and office properties) and multifamily residential properties across Canada and the U.S. with positive cash flow. For limited investment in real estate development opportunities and for limited investment in mortgages secured by real property located in Canada and the U.S.; and 2. A quarterly cash-flow distribution targeted to be 7.0% upon full investment of the Trust's funds; and 3. Potential for long-term growth of capital through value added enhancements and organic growth in rental rates with respect to properties acquired by the Trust as well as a potential increase in the value of the properties at the time the Trust sells the properties. Together with the advantage of continual debt reduction under amortizing mortgages.

SUMMARY OF OFFERING MEMORANDUM

Eligible Jurisdictions:	The Offering will be on a commercially best efforts basis to investors in the Provinces of Alberta, British Columbia, Manitoba, Ontario and Saskatchewan.
Investment Guidelines:	The Trust will, as a general rule, at the time of investment, observe the following guidelines in committing available funds to real estate acquisitions: 1. Upon acquisition, each property shall generate a positive cash return of not less than 5% per annum by the end of 24 months, with a general target of 7% per annum. The Asset Manager shall be able to waive this minimum requirement for acquisitions where it believes there are significant capital gain opportunities due to capital improvement programs or development; 2. Maintain a conservative overall loan-to-value ratio for the portfolio of not more than 70%; however, loan-to-value ratios averaging 65-70% are anticipated; which provide a safer leverage.
Asset Management Fee:	The Asset Manager will be paid an asset management fee (payable monthly in arrears) equal to 0.25% of the gross asset value, which is defined as the aggregate of: (a) for those Properties held by the Trust on the valuation date, the fair market value as determined under International Financial Reporting Standards (IFRS) as at that date; and (b) for all other Properties, including Properties acquired after a valuation date, means the Gross Book Value of such properties as defined in the Declaration of Trust.
Incentive Fee:	The Asset Manager will be entitled to receive an Incentive Management Fee. This is an amount equal to 25% of the aggregate of the total payments made to the Unitholders in respect of the Unitholders Minimum Return, provided that the Unitholders have received the Unitholders Minimum Return. This is defined as a minimum return to the Unitholders of 7.0% per annum, cumulative but not compounded, calculated on the Unitholders' Net Equity in the Trust.
Other Fees:	The Asset Manager, for the work of identifying, negotiating a contract and financing and undertaking all due diligence work and finally completing a successful purchase will be entitled to an Acquisition Fee equal to (i) 1.0% of the gross purchase price paid by the Trust for the purchase of a property, on the first $50 million of the purchase price; (ii) 0.75% on the next $50 million, up to $100 million, and (iii) 0.50% of the purchase price paid by the Trust for the purchase of a property, on any portion of the purchase price in excess of $100 million. The Asset Manager will not be entitled to any disposition fee on properties sold by the Trust.
Risk Factors:	This is a speculative offering. The Trust does have a pipeline of potential acquisition targets. The purchase of Units involves various risk factors as set forth in the Offering Memorandum.
Redemption of Units:	Churchill REIT is a private, open-ended, perpetual life vehicle that will offer units on a continuous basis and is ideally suited for investors with a minimum 5-year investment horizon. Because this is not an exchange-traded security, Churchill has incorporated a liquidity mechanism into the REIT to accommodate investors facing unforeseen circumstances over the short-term, which also serves as a point of divestment over the long-term. Redemptions will be processed monthly at the current NAV per Unit which will be recalculated and published quarterly. Redemptions will be subject to a 5% discount during the first year from date of purchase, 4% in the second year, 3% in the third year, 2% in the fourth year, 1% in the fifth year and will be processed at 100% of NAV after 5 years from the date of purchase. Please refer to the Offering Memorandum for a detailed discussion of the rights and limitations of redemptions, as well the REIT's Valuation Policy.
Initial Closing Date:	February 1, 2016

Investment and Growth Strategies

Offering structured to facilitate attractive investments in Canadian and U.S. real estate for yield and capital appreciation

- The Trust intends to acquire and operate a diversified portfolio of high-quality commercial (industrial, retail and office properties) and multifamily residential properties across Canada
- Current economic environment has created a number of compelling private real estate investment opportunities for medium to long-term investors with access to capital. A private REIT can act quickly and negotiate a fast-advantageous transaction
- The Asset Manager intends to generate attractive risk-adjusted returns for investors through a combination of quarterly cash flow distributions and medium to long-term capital gains, while monthly reducing the mortgage
  - Will seek opportunistic acquisitions where it can increase property values through asset refurbishment, repositioning and/or rental increases
  - Will generate stable recurring cashflow distributions for investors and longer-term tax advantaged capital appreciation upon the eventual sale of the properties
  - Will enhance investor returns through the prudent use of leverage to finance property acquisitions

The outlook for Canadian and U.S. real estate investment opportunities are strong for 2017 and beyond

- The Trust has preferential access to over $250 million of commercial real estate assets currently managed by affiliates of the Asset Manager, thereby reducing competition to secure high quality income producing assets
- We have established an industry network, over 40 years, which gives us access to a greater degree of supply for income-producing assets as institutions re-balance portfolios
- Real estate replacement costs have increased – providing more economical value-added/redevelopment opportunities
- Continued investment in Canadian and U.S. real estate from foreign investors

Garibaldi Village Shopping Centre, Squamish, BC

- Historically low interest rate debt financing is still available and becoming more attractive as spreads compress and loan-to-value levels have increased
- 2016/17 will go down in history as the years when smart money affected big low-interest mortgages
- Quality properties, in good locations, are currently in great demand in Canada and the U.S.

Canadian and U.S. Real Estate Remains an Attractive Asset Class for Investors

- High probability of consistent cashflow provided by commercial real estate investments
- Diversified tenant base with minimal lease exposure
  - Long-term triple-net lease structures require tenants to be responsible for all operating costs, including increases in Property Taxes and, in some cases, capital improvements
- Canadian and U.S. commercial real estate continues to provide above-average returns and yields to investors and outperforms bonds.
  - Canadian industrial, retail, office and residential real estate generated an annualized total return of 10.6% per year over the last 10 years. Comparatively, equities and bonds returned 5.7% and 7.0% per year, respectively, over the same period
- Multifamily residential real estate is considered by most analysts to be a very defensive asset class, working families need a home to rent
  - Housing affordability erodes in an inflationary interest rate environment, thereby stimulating demand for quality rental accommodation
  - Diversified tenant base in a multi-occupied industrial or commercial property belies dependence on any one major tenant
  - Short-term leases provide opportunity to quickly adjust rents to rising market rates
- Significant opportunities to acquire assets and enhance value through physical refurbishment and re-positioning in the marketplace
- Access to CHMC mortgage financing provides a significantly lower borrowing cost in Canada for quality apartments
- Historically, real estate has been a proven hedge against inflation as rents tend to track inflation in the economy

CARA Foods Headquarters, Vaughn, ON

Proven management team with strong track record

- Since 1970, Churchill has owned, operated, developed and sold over $1 Billion in real estate investments
- Over 70 years of combined commercial real estate experience in Senior Management
- Outstanding investment track record (average IRR of 16.4% on a portfolio basis)
- Professional, accredited and licensed property management team (CPC)
- Highly incentivized to achieve superior investor returns via an Incentive Management Interest

The Principals

Philip J. Langridge, FRICS, RIBC
Chairman and CEO
Professional Real Estate Appraiser, Developer & Investor

Mr. Langridge is a Trustee of the Trust and Chairman of Churchill Asset Management Inc., asset manager to the Trust. Mr. Langridge is a Fellow of the Royal Institution of Chartered Surveyors (FRICS), a preeminent worldwide organization of real estate professionals (established in London, England in 1868). This involved a four year full time University course in all aspects of real estate followed by two years of articling to a Firm of Chartered Surveyors in London, England. He is also a Member of the Real Estate Institute of British Columbia (RIBC). He has held a B.C. Real Estate License since 1976 (40 years).

Mr. Langridge has over forty years of professional real estate experience in residential, multi-family and commercial real estate and mixed use real estate investments throughout Canada, the U.S.A., and the United Kingdom. In the UK, he worked for the London Borough of Ealing as a Real Estate Valuer.

In 1975 he moved to Toronto and was a Senior Real Estate Appraiser for Revenue Canada (now CRA).

Mr. Langridge lived and worked in Atlanta, Georgia from 1983 - 1990, developing Fulton Business Park, a 186,000 sq. ft. industrial complex on 8 acres. He re-furbished a 556 unit apartment building in San Antonio, Texas. He was general partner of a Holiday Inn syndication in Coral Gables, Florida. He owned 100% Mobile Home Park, in Fayette, Georgia comprised of 222 pads for homes on 25 acres of land.

Mr. Langridge is the Founder, Chairman & CEO of Churchill International Property Corporation (CIPC), which was incorporated in British Columbia in 1989. He has been a principal of seven Canadian, Non-Trading Public Companies all undertaking investment in real estate. He is proud to tell you that he has never lost a penny of investors' capital and currently has over 4,500 investors. He was an Ernst & Young Entrepreneur Of The Year Finalist in 2012 in the real estate and construction category.

Mr. Langridge has 45 years of experience in real estate investment, development, finance and management, and has been involved in the acquisition, ownership, operations, and disposition of over $1 billion in real estate properties, representing over 2,603 residential apartment or retirement living units, 3,240,775 square feet of commercial space, and 210 acres of undeveloped industrial land.

Brad J. Wise, MBA
President

Mr. Wise is a Trustee of the Trust and President of Churchill Asset Management Inc., asset manager to the Trust. Mr. Wise has over 19 years of experience in finance and business and has been Executive Vice President of Churchill International Property Corporation and from 2009 to the present has been President of Churchill International Property Corporation. In this role, Mr. Wise has been involved in all aspects of real estate due diligence related to development, management, acquisition, financing and profitable dispositions. Mr. Wise has successfully structured equity and debt financings exceeding $500 million in value. From October 2002 to January 2004, Mr. Wise was a consultant with Trez Capital Corporation, a company engaged in the real estate finance sector. Prior to his employment with Trez Capital Corporation, from July 1998 to September 2002, Mr. Wise served as Senior Vice President with Investor First Financial Inc., a boutique venture capital and investment banking firm in Vancouver. During his tenure, Mr. Wise successfully developed and secured financing in excess of $100 million. Mr. Wise holds a Bachelor of Business Administration (Finance) and a Master of Business Administration from Simon Fraser University.

Previous Churchill Real Estate Investments:

The Churchill Building

Victoria, BC

Churchill acquired two old hotel properties in downtown Victoria which had not been in use for over 50 years, with the exception of two small retail spaces on the ground floor. Churchill demolished and rebuilt the interior of the buildings, added two additional floors– creating 40 residential apartments, serviced by 2 new elevators. Churchill also renovated the ground floor retail shops and seismically upgraded the property at a cost of $1 million, in return for this investment the City of Victoria, gave the property a tax free holiday to partially recover the cost of the seismic upgrade.

Cara Foods Headquarters

Vaughan, Ontario

Purchased in May 2010 for $34,750,800, on behalf of Churchill VII Real Estate Limited Partnership (50%), Churchill VI Real Estate Limited Partnership (25%) and Churchill Vaughan Real Estate Limited Partnership (25%). This property investment is a state-of-the-art single tenant office and headquarters of Cara Foods for Canada, completed in 2008 and was constructed with the latest in energy efficient design and technologies and is in the process of receiving a LEED Gold Status.(Leadership in Energy and Environmental Design (LEED) Green Building Rating System™

Maple Leaf Distribution Centre

Saskatoon, Saskatchewan

Acquired in June 2009 for $21.0 million, this refrigerated state-of-the-art cold storage state-of-the-art distribution facility has a 39-foot clear freezer warehouse with computer guided forklifts. Churchill negotiated a 20-year, fully net long term lease with rent escalations every five years. This property was sold in January 2010, for $25.5 million, to a publicly traded REIT. As an integral part of the acquisition of this property, Churchill negotiated fully net long term lease with rent escalations. Churchill took advantage of the global recession by purchasing the property at a very large discount on it's replacement value at that time.

Okanagan Lake Shopping Centre

West Kelowna, British Columbia

Currently owned by private investors, Churchill 10 Real Estate Limited Partnership and the Westbank First Nation, an opportunity is available to acquire the interest of Churchill 10 and the Westbank First Nation. This represents a 50% beneficial interest in the property and includes an option to acquire the balance of the property from Westbank First Nation. The property consists of a newly constructed 126,084 square foot open-air retail shopping centre. The property includes such blue chip tenants as Royal Bank of Canada, TD Canada Trust, Subway, Dairy Queen, Dollarama, Shell Gas, Landmark Cinemas, Shopper's Drug Mart and Tim Horton's. An additional value-add opportunity exists to lease the newly constructed space that is not yet leased and leasing activity is now brisk.

Garibaldi Village Shopping Centre

Squamish, British Columbia

Purchased in February 2005 for $9,225,000, Garibaldi Village Shopping Centre is a 39,147 square foot retail plaza located along Highway #99 on the scenic Sea-to-Sky corridor. The property boasts an exceptional tenant roster that includes Starbucks, Boston Pizza, Dollarama, Rogers Media, BlueShore Financial and Subway. The property's market value has risen to approximately $ 14 million and refinancing proceeds have been given to investors.

Holly Street Building

Toronto, ON

Acquired June 2008 for $11.8 million, well below replacement cost, when it was 30% vacant. Exceptionally well located 70,331 sq. ft. Class 'A' office building with 61 underground parking spaces, at Yonge Street and Eglinton Avenue near the Yonge Street Subway Station. This property was sold for $14.0 in April 2010. Churchill was successful in signing 14 new leases in 18 months to create significant added value.

Brampton Executive Centre

Brampton, Ontario

Acquired January 2007 for $11.2 million. This 6-storey, 79,000 sq. ft. office building is conveniently located next to the GO TRAIN station. The Bus Terminal is literally on the ground floor of the building. The City of Brampton leases over 50% of the building. Today it is 98% leased. This property was sold for $14.0 million in April 2010.

The Paris Building

Winnipeg, MB

Acquired July 2007 for $11.0 million, this 11-storey heritage office building is located in the very centre of downtown Winnipeg. It has a net rentable area of 91,000 sq. ft and is 100% leased. This property was sold for $12.9 million in April 2010.

Ranch Market Shopping Centre

Strathmore, Alberta

Currently owned by Churchill 11 Real Estate Limited Partnership, Ranch Market Shopping Centre consists of a 97,753 square foot open air retail plaza, shadow anchored by a Wal-Mart and a Sobey's grocery store. The property boasts an excellent tenant roster that includes such blue chip tenants as Royal Bank of Canada, Shopper's Drug Mart, Alberta Treasury Branch, Dollarama and The Source.

Canadian Tire Building

Canmore, AB

Acquired June 2012 for $17,800,000, this 50,000 square foot single-tenant retail building is leased to Canadian Tire for a 20-year term. The investment benefited from a long-term, strong covenant, tenant lease. The property was strategically sold a public REIT, and the neighbouring property owner, in August 2015 for $20,500,000.

Since 1970, Churchill has owned, operated, developed and sold over $1 Billion in real estate investments.

Churchill
REAL ESTATE INVESTMENT TRUST

www.churchillinvestments.com

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