MAXUS REALTY TRUST, INC.



DISCLOSURE FOR QUARTER ENDED JUNE 30, 2015

104 Armour Road, North Kansas City, Missouri 64116
(Address of principal executive offices)

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PART I

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included in this report, as well as "Risk Factors" within our Annual Report for the year ended December 31, 2014. This discussion may contain forward-looking statements based on current judgments and current knowledge of management, which are subject to certain risks, trends and uncertainties that could cause actual results to vary from those projected, including but not limited to, expectations regarding our performance that are based on certain assumptions. Historical results and trends which might appear in the condensed consolidated financial statements should not be interpreted as being indicative of future operations.

Forward-Looking Statements

This quarterly report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this section and located elsewhere in this quarterly report regarding the prospects of our industry and our prospects, plans, financial position and business strategy may constitute forward-looking statements. These forward-looking statements are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "plan," "foresee," "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others: (i) the ability to retain tenants, (ii) general economic, business, market and social conditions, (iii) trends in the real estate investment market, (iv) projected leasing and sales, (v) competition, and (vi) inflation. Readers are urged to consider these factors carefully in evaluating the forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements included herein are made only as of the date of this quarterly report, and we do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

General

Maxus Realty Trust, Inc. (the "Trust") is a corporation formed on June 14, 1984. The Trust's purpose is to acquire equity investments in income-producing real properties, primarily multifamily apartments. Unless the context requires otherwise, "we," "our," "us," and the "Company" refer to the Trust. Our multifamily apartment communities are referred to as "communities," "multifamily communities," "properties," or "multifamily properties" in the following discussion.

The Trust's corporate offices are located at 104 Armour Road, North Kansas City, Missouri, 64116, and the telephone number is (816) 303-4500. Our website is located at www.mrti.com. On our website we make available free of charge our annual and quarterly reports. Our common stock is quoted on the OTC Pink market tier of the OTC market, which operates an interdealer quotation system and electronic messaging service, called OTC Link®, for broker-dealers to trade OTC equity securities. We post our annual and quarterly reports electronically with the OTC market, which can be found, along with additional information about how the OTC market operates, at the following website address: www.otcmarkets.com (symbol "MRTI").

Financial Information about Segments

The Trust is primarily engaged in the ownership and acquisition of ownership interests in multifamily apartment communities. Although located in different geographic locations, each of our multifamily apartment communities has similar economic characteristics, residents, amenities and services. Our operations have been aggregated into two segments; apartments and retail. The multifamily apartment communities we own consist primarily of market-rate apartments with rents paid by the residents and include 22 properties with 5,761 apartment homes as of June 30, 2015. The apartment homes account for 98.3% of the Trust's total revenues for the six months ended June 30, 2015. The retail real estate operations consist of one property with 40,412 square feet consisting of nine retail tenants as of June 30, 2015.

The retail operations account for 1.7% of the Trust's total revenues for the six months ended June 30, 2015. Our multifamily communities are located in Arkansas, Florida, Iowa, Kansas, Missouri, Oklahoma, and Texas. Our retail real estate is located in Missouri.

Description of the Company's Business

Since 2004, the Trust has been structured as what is commonly referred to as an umbrella partnership, real estate investment trust ("REIT", or "UPREIT"). Since the 2004 restructuring, the Trust has conducted and intends to continue to conduct all of its activities through its subsidiary Maxus Operating Limited Partnership, a Delaware limited partnership ("MOLP"). Maxus Realty GP, Inc., a Delaware corporation that is a wholly owned subsidiary of the Trust, is the sole general partner of MOLP and has a 0.001% interest in MOLP. As the sole general partner of MOLP, Maxus Realty GP, Inc. generally has the exclusive power under MOLP's limited partnership agreement to manage and conduct the business of MOLP, subject to certain limited approval and voting rights of the limited partners.

Pursuant to MOLP's limited partnership agreement, MOLP may issue limited partnership operating units (and corresponding limited partnership interests) in return for cash or other property that is contributed to MOLP. Holders of MOLP limited partnership operating units may redeem the units (and corresponding limited partnership interests) in return for either (at the Trust's election) the issuance of the Trust's common stock or cash (for a price per unit based on the average trading price as reported on the OTC market of the Trust's common stock, over a ten day period preceding the redemption) after a one year holding period. If MOLP operating units are redeemed for shares of common stock in the Trust, they are currently redeemable on a one unit-for-one share basis. Through June 30, 2015, two MOLP holders have redeemed operating units, which the Board elected to pay in cash. Holders of MOLP limited partnership operating units are not entitled to rights as shareholders of the Trust prior to conversion of their MOLP limited partnership operating units. The Trust believes the UPREIT structure enables it to make additional acquisitions of properties from tax-motivated sellers. As an UPREIT, the Trust may issue limited partnership operating units to tax-motivated sellers who contribute properties to MOLP, which allows those sellers to realize certain tax benefits that would be unavailable to them if the Trust purchased those properties directly for cash or common stock. As of June 30, 2015, the Trust owns approximately 87.91% of the limited partnership interests in MOLP as well as the general partnership interest. Non-controlling holders of MOLP operating units own 12.09% of the limited partnership interests in MOLP, which is represented by 155,441 MOLP operating units. A fractional interest is owned by the general partner of MOLP. Of the 12.09% non-controlling partnership interests in MOLP, affiliates of the Trust own 88.25% (or 137,181 of the 155,441 MOLP non-controlling operating units outstanding).

Twelve of the properties in which the Trust holds an interest are owned by single member limited liability companies that are directly and wholly owned by MOLP. MOLP owns a 52% interest in each of the limited liability companies that own Madison at Melrose Apartments ("Madison at Melrose"), Schoettler Village Apartments ("Schoettler Village"), Kirkwood Station Acquisition, LLC ("Kirkwood Station"), The Villages of Bogey Hills ("Bogey Hills"), Rosehill Pointe Apartments ("Rosehill") and Park Edge Apartments ("Park Edge"). MOLP owns a 61% interest in the limited liability company that owns Glen at Polo Park Apartments ("Glen"). MOLP, through King's Court/Terrace Acquisition, LLC ("King's Court/Terrace"), a wholly owned subsidiary of MOLP, owns a 59% tenant in common ownership interest in The Reserve at Tranquility Lake Apartments ("Tranquility"). Forest Place TIC 1, L.L.C., a wholly owned subsidiary of MOLP, owns a 52% tenant in common ownership interest in Forest Place Apartments ("Forest Place"). MOLP owns a 77% interest in the limited partnership that owns Ashbrooke Apartments ("Ashbrooke"). In each such case where MOLP owns a majority interest, except for Tranquility and Forest Place, in which MOLP holds an undivided interest, MOLP has the authority to generally take actions on behalf of the limited liability companies or the underlying properties without needing the approval of any of the non-controlling owners.

Operating and Business Strategy

We believe producing consistent earnings growth through property operations, acquisitions and market balance has been and will continue to be crucial to our success. We rely heavily on experienced management capabilities and innovative operating strategies, which help to maximize the earnings potential of our communities.

Real Estate Investments and Market Balance. We believe we are well positioned in our current markets and have the expertise to take advantage of new opportunities as they arise. These capabilities, combined with what we believe to be a conservative financial structure, are designed to allow us to concentrate our growth efforts toward selective opportunities that will enhance our strategy of having a portfolio of assets that meet the requirements of our residents.

We currently intend to continue to operate in our core markets, within the Midwest and Southeast regions of the United States, which we believe provides an advantage due to economies of scale. The Trust believes, where possible, it is best to operate with a strong base of properties to benefit from the personnel allocation and the market strength associated with managing multiple properties in the same market. We intend to improve our geographically diverse portfolio of apartment communities, which averaged in the last three years "B+/A-" in quality (defined below) by selling apartment communities that are inconsistent with our portfolio strategy and investing the proceeds from such sales in the acquisition of higher-quality apartment communities.

Our portfolio strategy seeks predictable rent growth from a portfolio of "A", "B" and "C" quality market-rate apartment communities, which average "B/B+" in quality and are diversified among the Midwest and Southeast job growth markets in the United States, as measured by total apartment value. We measure our apartment communities quality based on average rents of our apartment home compared to local market average rents as reported by a third-party provider of commercial real estate performance and analysis. Under this rating system, we classify as (i) "A" quality apartment communities those earning rents greater than 125% of the local market average, (ii) "B" quality apartment communities those earning rents 90% to 125% of the local market average and (iii) "C" quality apartment communities those earning rents less than 90% of the local market average. We classify as "B+/A-" those apartment communities earning rents ranging from 100% to 125% of the local market average. Although some companies and analysts in the multifamily real estate industry use apartment community class ratings of "A", "B" and "C", some of which are tied to local market rent averages, the metrics used to classify apartment community quality as well as the timing for which local market rents are calculated may vary from company to company. Accordingly, our rating system for measuring apartment community quality is neither broadly nor consistently used in the multifamily real estate industry.

We upgrade the quality of our portfolio through the sale of apartment communities with lower projected returns, lower operating margins, and lower expected future rent growth, and we reinvest the sale proceeds in apartment communities already in our portfolio, through capital improvements or through the purchase of other apartment communities.

We will try to maximize capital appreciation of our properties by investing in markets characterized by conditions favorable to multifamily property appreciation. These markets generally feature one or more of the following:

- Strong economic growth leading to household formation and job growth, which we believe in turn should lead to high demand for our apartments;
- An attractive quality of life, which may lead to high demand and retention for our apartments and allow us to more readily increase rents;
- High barriers to entry where, because of factors such as land scarcity or government regulation, it is difficult or costly to build new apartment properties, which lead to low supply of apartments; and
- High single family home prices making our apartments a more economical housing choice.

Subject to market conditions, the Trust intends to continue to look for opportunities to acquire existing multifamily communities and complete selective property dispositions.

We intend to continue to focus on strengthening our capital and liquidity positions by generating positive cash flows from operations, maintaining appropriate debt levels and leverage ratios, and controlling overhead costs. The Trust intends to meet its liquidity requirements through cash flows generated from operations, available cash balances, proceeds from property dispositions and the use of debt and secured mortgages and by raising capital through debt or equity offerings. The Trust has been able to increase its borrowing capacity as the Trust considers refinancing alternatives for existing properties, particularly those with upcoming debt maturities.

Experienced Property Management. Maxus Properties, Inc. ("MPI") provides property management services for each of the Trust's properties. The Trust believes that MPI's property management depth enables the Trust to deliver quality services, promote resident satisfaction, and retain residents, thereby reducing operating expenses. MPI currently manages the Trust's properties utilizing a staff of professionals and support personnel, including certified property managers, experienced apartment managers and leasing agents, and trained apartment maintenance technicians. The Trust believes MPI's on-site personnel are trained to deliver high quality services to the residents, and MPI strives to motivate their on-site employees through incentive compensation arrangements based upon operational results, rental rate increases, occupancy levels, and levels of lease renewals achieved.

Operations. Our results for the six months ended June 30, 2015 reflect an increase in rental revenue as compared to the same period in 2014, which we believe was primarily due to a gradually improving economy, favorable demographics and a manageable supply of new multifamily housing, which have resulted in increases in realized rental rates and stable average occupancy levels. Excluding the effect of properties acquired and disposed of in 2014, property revenues increased 2.83% in the six months ended June 30, 2015 compared to 2014. For the six months ended June 30, 2015 and 2014, we had property revenue of $4.6 million and $2.1 million, respectively, for properties acquired in 2014.

The Trust had net income attributable to common shareholders of $236 thousand and $3.5 million for the six months ended June 30, 2015 and 2014, respectively. Our results are summarized as follows:

(amounts in thousands)	For The Six Months Ended	
	June 30, 2015	June 30, 2014
Operating income	$ 9,293	$ 7,364
Interest income	9	6
Interest expense	(7,823)	(7,144)
Impairment of asset	(589)	--
Gain from insurance recovery	--	1,364
Gain from insurable event, net	--	14
Income from continuing operations	890	1,604
Income from discontinued operations	--	2,765
Net income	890	4,369
Net income attributable to non-controlling interests	(654)	(824)
Net income attributable to common shareholders	$ 236	$ 3,545

The Trust believes an intense focus on operations is necessary to realize consistent, sustained earnings growth. Ensuring resident satisfaction, increasing rents as market conditions allow, maximizing rent collections, maintaining property occupancy at optimal levels, and controlling operating costs comprise the Trust's principal strategies to maximize property financial results. The Trust believes that MPI's web-based property management and revenue management systems strengthen on-site operations and allow MPI to quickly adjust rental rates as local market conditions change. The Trust generally attempts to stagger lease terms based on vacancy exposure by apartment type, so lease expirations are matched to each property's seasonal rental patterns. The Trust generally offers leases ranging from six to twelve months with individual property marketing plans structured to respond to local market conditions. In addition, MPI conducts ongoing customer service surveys to help ensure timely response to residents' changing needs and a high level of satisfaction.

Liquidity and Capital Resources

Liquidity is the ability to meet present and future financial obligations. Our primary source of liquidity is cash flow from our operations. Additional sources are proceeds from property sales, proceeds from refinancing of existing property loans, equity or debt financing, and borrowings under new property loans.

Our principal uses for liquidity include normal operating activities, payments of principal and interest on outstanding debt, capital expenditures, distributions, acquisitions of properties and purchases of treasury shares. We use our cash and cash equivalents including cash provided by operating activities to meet short-term liquidity needs. In the event that our cash is not sufficient to cover our short-term liquidity demands, we have additional means, such as borrowing availability under our line of credit, to help us meet our short-term liquidity demands. We expect to meet our long-term liquidity requirements, such as debt maturities and property acquisitions, primarily through secured long-term borrowings, the issuance of debt and/or equity securities (including MOLP operating units), the sale of properties and cash generated from operations.

Cash Flow Analysis

At June 30, 2015, we had $6.8 million in cash and cash equivalents, an increase of $2.4 million from December 31, 2014. At June 30, 2015, we had $6.2 million of restricted cash, primarily consisting of reserves and escrows held by lenders for capital additions, property taxes, and insurance. The following discussion relates to changes in cash and cash equivalents due to operating, investing and financing activities, which are presented in our consolidated statements of cash flows.

(amounts in thousands)	For The Six Months Ended	
	June 30, 2015	June 30, 2014
Net cash flows provided by operating activities	$ 11,077	$ 6,281
Net cash flows used in investing activities	(4,498)	(16,646)
Net cash flows provided (used) by financing activities	(4,165)	10,162

Operating Activities

Our properties generate cash flow in the form of rental revenues, which is reduced by debt service payments, the funding of certain escrows and property-level operating expenses. Property-level operating expenses consist primarily of property management fees and payroll costs (paid to MPI), utilities, cleaning, repairs, insurance, security and building maintenance costs and property taxes. Additionally, our operating expenses include acquisition and disposition expenses.

For the six months ended June 30, 2015, our net cash flows provided by operating activities of $11.1 million was primarily related to our income from continuing operations of $890 thousand, adjusted for noncash items including depreciation and amortization of $6.0 million, the increase in accounts payable and other liabilities of $671 thousand, the decrease in escrows and reserves of $1.7 million and prepaid expenses of $815 thousand. Net cash flows provided by operating activities increased by $4.8 million compared with the six months ended June 30, 2014.

Investing Activities

Our investing activities generally consist of real estate-related transactions (purchases and sales of properties) and payments of capitalized property-related expenditures.

For the six months ended June 30, 2015, our net cash flows used in investing activities was $4.5 million consisting primarily of the cash used for capital expenditures of $4.0 million, of which $1.2 million relates to reconstruction expenses for Forest Place.

Although we hold all of our interests in properties for investment, we attempt to sell our interests in properties when they no longer meet our investment criteria or are located in areas that we believe do not justify our continued investment when compared to alternative uses for our capital.

Financing Activities

Our financing activities generally consist of funding property purchases by raising proceeds and securing mortgage notes payable as well as paying distributions to non-controlling interests in limited liability companies that are not wholly owned by MOLP and making principal payments on mortgage notes payable.

For the six months ended June 30, 2015, net cash flows used by financing activities of $4.1 million consisted primarily of the Jefferson Park mortgage note refinancing offset by principal payments on mortgage notes payable, note payable repayments and distributions to non-controlling members of limited liability companies that are not wholly owned by MOLP.

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Mortgage Debt

At June 30, 2015 and December 31, 2014, we had $289.1 million and $280.5 million, respectively, in consolidated mortgage notes outstanding. Each mortgage loan is secured solely by the property held by the MOLP subsidiaries or undivided interests that obtained the loan. The following is a summary of scheduled mortgage notes payable maturities:

Year		Amount (in thousands)
2015	$	2,712
2016		44,849
2017		20,618
2018		14,194
2019		32,831
Thereafter		173,857
Total:	$	289,061

The mortgage note for Fountainhead Apartments matured on July 1, 2015. The mortgage has a provision allowing the Trust to extend the maturity one year at a variable rate equal to the one month LIBOR rate plus 2.50%. The Trust elected to exercise this provision.

On June 18, 2015, the Trust obtained a $5.3 million second mortgage loan at a fixed interest rate of 5.19%. The loan has a maturity date of April 1, 2022 and is secured by a second lien on Rosehill Pointe's assets. In conjunction with the loan, a $3.0 million distribution was made to Rosehill Pointe's members. The Trust's portion of the distribution was $1.6 million.

On March 23, 2015, the Jefferson Park mortgage note was refinanced with NorthMarq Capital, L.L.C. with a fixed rate mortgage note. The note is in the amount of $11.0 million, matures April 1, 2025 and has a fixed interest rate of 3.54%. The Trust and MOLP are guarantors of the note. After the payment of certain settlement costs and a prepayment penalty of $408 thousand, the Trust received net proceeds of $5.3 million from the refinancing which was used to pay down the Missouri Bank & Trust ("MBT") line of credit.

On September 30, 2014, the Forest Park and Valley Forge mortgage notes were refinanced with a single fixed rate loan. The loan has a principal amount of $7.4 million, matures October 1, 2024 and has a fixed interest rate of 4.22%. After the payment of certain settlement costs, the Trust received $3.5 million from the refinancing proceeds of which $3.2 million was used to pay down the MBT line of credit. The Trust, MOLP and David L. Johnson, Chairman, President, Chief Executive Officer and a Trustee of the Trust and the beneficial owner of more than 10% of the Trust's issued and outstanding common stock, are carve-out guarantors on the loan.

On August 28, 2014, the Trust acquired a 77% interest in Applewood Partners, L.P. ("Applewood"), which holds the Ashbrooke Apartments. Pursuant to the acquisition, the Trust assumed the mortgage debt totaling $9.3 million. The loan matures September 1, 2024 and has a fixed interest rate of 4.04%. The Trust and MOLP are carve-out guarantors on the loan.

On August 4, 2014, the Trust entered into a $7.0 million second mortgage note for Bogey Hills at a fixed interest rate of 4.87%. The loan has a 7 year term, maturing October 1, 2021 and is secured by a second lien on Bogey Hills' assets. In conjunction with the loan, a $6.5 million distribution was made to Bogey Hills' members. The Trust's portion of the distribution was $3.4 million of which $3.0 million was used to pay down the MBT line of credit.

On June 11, 2014, the Trust through King's Court/Terrace Acquisition, LLC ("King's Court/Terrace"), a wholly owned subsidiary of MOLP, jointly purchased Reserve at Tranquility Lake Apartments ("Tranquility") with Grand Acquisition, LLC and USA Tranquility Lake 2, LLC, as the other two tenants in common, both of which are related parties. King's Court/Terrace acquired a 59% interest. A portion of the acquisition was financed with a mortgage loan from BMO Harris Bank, NA in the amount of $23.7 million. On September 25, 2014, the Tranquility mortgage note was refinanced in the amount of $28.5 million, with a maturity date of October 1, 2024 and a fixed interest rate of 3.97%. After the payment of certain settlement costs, Tranquility received $4.7 million in net refinancing proceeds of which $4.0 million

was distributed to Tranquility's tenants in common and $370 thousand was paid to a related party (David L. Johnson) for amounts previously advanced. The Trust's portion of such proceeds was $2.4 million of which $2.3 million was used to pay down the MBT line of credit. The Trust, MOLP and David L. Johnson, Chairman, President, Chief Executive Officer and a Trustee of the Trust and the beneficial owner of more than 10% of the Trust's issued and outstanding common stock, are carve-out guarantors for the loan.

The Trust, through Foothills Acquisition I, LLC, Foothills Acquisition II, LLC and Foothills Acquisition III, LLC, wholly owned subsidiaries of MOLP, purchased Foothills Apartments ("Foothills") on January 24, 2014. Foothills had three Housing and Urban Development ("HUD") mortgage loans in place that the Trust assumed at the date of purchase. The first mortgage loan with an original principal balance of $4.0 million accrues interest at 3.2% and matures July 1, 2037. The mortgage loan amortizes a debt discount of $349 thousand. The second loan with an original principal balance of $4.0 million accrues interest at 3.8% and matures November 1, 2047. The second mortgage loan amortizes a debt discount in the amount of $157 thousand. The third mortgage loan with an original principal balance of $21.6 million accrues interest at 3.25% and matures May 1, 2050. The third mortgage loan amortizes a debt discount in the amount of $2.5 million.

We intend to continue to refinance property debt primarily as a means of extending current and near term maturities and to finance certain capital projects.

Property Name [a]	Balance at June 30, 2015 (amounts in thousands)	Interest Rate	Fixed or Variable	Maturity Date
Kirkwood Station [e]	$ 21,349	2.31%	Variable	June 1, 2016
Fountainhead Apartments	3,981	5.98%	Fixed	July 1, 2016
Bicycle Club Apartments	9,860	6.19%	Fixed	September 1, 2016
The Landings Apartments	5,478	6.19%	Fixed	September 1, 2016
Highland Pointe Apartments	11,841	5.67%	Fixed	March 1, 2017
Barrington Hills Apartments [b]	4,749	3.68%	Variable	December 1, 2017
Province of Briarcliff[d]	10,393	5.64%	Fixed	January 1, 2018
Elements of Belle Rive - 1st [d]	9,855	6.47%	Fixed	June 1, 2019
Elements of Belle Rive - 2nd [d]	2,604	4.74%	Fixed	June 1, 2019
Madison at Melrose Apartments	11,276	5.99%	Fixed	July 1, 2019
Berkshire Apartments [b]	7,362	5.57%	Fixed	November 1, 2019
Schoettler Village Apartments [b]	18,141	5.58%	Fixed	April 1, 2020
Regency North Apartments [b]	4,737	5.13%	Fixed	December 1, 2020
Villages of Bogey Hills Apartments – 1st [b]	23,558	5.13%	Fixed	July 1, 2021
Villages of Bogey Hills Apartments - 2nd [b]	6,924	4.87%	Fixed	October 1, 2021
Forest Place Apartments [c]	6,938	4.13%	Fixed	April 1, 2022
Rosehill Pointe Apartments -1st [b]	22,089	4.04%	Fixed	April 1, 2022
Rosehill Pointe Apartments – 2nd [b]	5,315	5.19%	Fixed	April 1, 2022
Park Edge Apartments	18,767	3.63%	Fixed	January 1, 2023
Glen at Polo Park[d]	13,665	3.93%	Fixed	March 1, 2023
Ashbrooke Apartments	9,132	4.04%	Fixed	September 1, 2024
Forest Park Apartments - Phase I	7,320	4.22%	Fixed	October 1, 2024
Tranquility [b][c]	16,635	3.97%	Fixed	October 1, 2024
Jefferson Park Apartments	11,006	3.54%	Fixed	April 1, 2025
Foothills Acquisition I, LLC[d]	3,517	3.20%	Fixed	July 1, 2037
Foothills Acquisition II, LLC[d]	3,793	3.80%	Fixed	November 1, 2047
Foothills Acquisition III, LLC[d]	18,776	3.25%	Fixed	May 1, 2050
Total	$ 289,061			

(a) Mortgage loans are secured by the respective properties, assignment of rents, business assets, deeds to secure debt, deeds of trust, cash deposits with lender and a corporate guaranty from the Trust and MOLP unless otherwise noted in (b).

(b) Mortgage loan is also secured by a limited carve-out guaranty from a principal individual owner if certain provisions in the loan agreement are breached.

(c) This is the Trust's proportionate share of the total debt.

(d) Debt balances have premiums/discounts.

(e) The Trust has an interest rate cap that is designed to cap the interest rate at 4.0%.

Equity Transactions

The following less than wholly owned subsidiaries of MOLP made distributions from operating cash flow during the six months ended June 30, 2015: Madison at Melrose, Schoettler Village, Bogey Hills, Kirkwood Station, Rosehill, Park Edge, Glen and Tranquility. For the six months ended June 30, 2015 and 2014, the limited liability companies holding these properties collectively paid cash distributions of $2.1 million and $1.1 million, respectively, to their respective non-controlling members.

On June 30, 2015 the Trust amended warrants to acquire 25,000 shares of the Trust's common stock issued to entities controlled by David L. Johnson. The amendment provides that the holder of the warrants will have the right to purchase 25,000 MOLP units for $50 per unit in lieu of 25,000 shares of the Trust's common stock for $50 per share.

Dividend

In May, 2015 we announced our Board of Trustees had declared a monthly dividend for July, August and September, 2015 of $0.25 per common share to our common shareholders of record as of July 1, July 31st and September 1, 2015, respectively. The dividend was subsequently paid on July 15, 2015, and we paid equivalent amounts per unit to holders of the common operating partnership units. On August 10, 2015, the Board declared the monthly dividend for the months of October, November and December 2015, at the same rate.

Future Capital Needs

We expect to fund any future acquisitions, capital improvements and capital replacements with proceeds from property sales (including tax-free exchange proceeds), short-term borrowings, debt and equity financing and operating cash flows.

Funds From Operations (FFO)

FFO is considered by management to be an appropriate supplemental measure of our operating and financial performance. In calculating FFO, we exclude gains or losses related to dispositions and exclude real estate depreciation, which can vary among owners of identical assets in similar condition, based on historical cost accounting and useful life estimates. FFO helps compare the operating performance of a real estate company between periods or different companies. We believe that to understand our operating results, FFO should be examined with net income as presented in our Consolidated Financial Statements included elsewhere in this report.

Consistent with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts® ("NAREIT"), we calculate FFO as net income or loss computed in accordance with Generally Accepted Accounting Principles ("GAAP"), adjusted for:

- Gains or losses on sales of operating apartment communities;
- cumulative effect of change in accounting principle;
- impairment write-downs of depreciable real estate assets;
- gain on bargain purchase; and
- depreciation of real estate assets.

FFO does not represent net income attributable to common stockholders in accordance with GAAP, and therefore it should not be considered an alternative to net income, which remains the primary measure of performance. FFO should also not be used as an indication of the Trust's financial performance or cash flows from operating activities (determined in accordance with GAAP) or as a measure of the Trust's liquidity. In addition, FFO as calculated by other REITs may not be comparable to our calculation of FFO.

Reconciliation of Funds From Operations to Net Income Attributable to Common Shareholders

(dollars and shares in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Funds From Operations				
Net income available to common stockholders	$ 29	$ (208)	$ 236	$ 3,545
Plus:				
Property related depreciation (net of non-controlling interests' share)	2,056	2,409	4,112	4,510
Asset Impairment (net of non-controlling interests' share)	518	- -	518	--
Less:				
Gain from insurance recovery, net (net of non-controlling interests' share)	- -	(98)	- -	(1,221)
Gain from sale of King's Court/Terrace (net of non-controlling interests' share)	- -	- -	- -	(2,468)
Funds from operations	$ 2,603	$ 2,103	$ 4,866	$ 4,366
Funds from Operations per Share - Diluted				
Weighted average common shares outstanding, diluted	1,356	1,168	1,356	1,305
Diluted funds from operations, per share	$ 1.92	$ 1.80	$ 3.59	$ 3.35

Real Property Interests Owned by Company

The twenty-two operating properties in which we owned interests and operated at June 30, 2015 averaged 1,121 square feet of living per apartment unit. For the six month period ended June 30, 2015, no single operating property accounted for greater than 18% of our total revenues. Our operating properties had an average occupancy rate of approximately 94% for each of the three month periods ended June 30, 2015 and 2014, respectively, and average rental revenue per apartment home of $808 and $785 for the six month periods ended June 30, 2015 and 2014, respectively. Resident lease terms generally range from six to twelve months. Fourteen of the twenty-two operating properties have over 200 apartment homes, with the largest having 540 apartment homes. Our operating properties have an average age of 27 years.

Property Table

The following table sets forth information with respect to our twenty-two operating properties at June 30, 2015:

	OPERATING PROPERTIES					
Property and Location	Year of Construction	Year of Purchase	Average Unit Size (Sq. Ft.)	Number of Apartments	2015 Average Occupancy %	2015 Average Monthly Rental Rate Per Unit
APARTMENTS						
ARKANSAS						
Bentonville						
Glen at Polo Park	2006	2011/2013	912	356	97.85	$ 624
Little Rock						
Barrington Hills	1973	2001	792	232	88.23	555
Foothills I, II and III	1988/2006	2014	981	540	92.41	750
Forest Place	1974/1983	2012	1,063	256	87.31	846
The Landings	1986	2001	808	154	94.70	657
FLORIDA						
Jacksonville						
Elements of Belle Rive	1989	2013	1,103	201	92.37	1,060
IOWA						
Ankeny						
Ashbrooke	1989	2014	757	196	92.86	763
KANSAS						
Lenexa						
Park Edge	1999	2012	1,132	260	95.49	940
Rosehill Pointe	1985	2012	922	498	95.11	728
Wichita						
Berkshire	1991	2009	917	252	96.43	715
MISSOURI						
Chesterfield						
Schoettler Village	1979	2010	1,291	300	94.22	1,031
Kansas City						
Bicycle Club	1986	2005	899	312	94.39	621
Forest Park/Valley Forge	1967/1972	2000/2006	941	198	94.86	607
Fountainhead	1984	2008	705	112	96.73	642
Regency North	1970	2007	1,115	180	92.78	679
Province of Briarcliff	2003	2013	1,007	120	95.92	1,052
Liberty						
Jefferson Park	1987/2008	2012	677	207	94.93	588
St. Charles						
Villages of Bogey Hills	1985	2011	893	486	97.19	811
Kirkwood						
Kirkwood Station	2005	2011	965	155	94.84	1,293
OKLAHOMA						
Yukon						
Highland Pointe	2004	2007	920	232	94.01	852
TEXAS						
Pearland						
Tranquility	2003	2014	1,040	314	93.90	1,102
Richardson						
Madison at Melrose	1995	2009	947	200	96.25	1,072
Total				5,761		
RETAIL						
MISSOURI						
Kirkwood						
Kirkwood Station - Retail	2005	2011	3,367	- -	82.05	5,848

(a) The occupancy excludes the down units that are not inhabitable as a result of a series of fires during 2013. See Footnote 2, Summary of Significant Accounting Policies – Impairment of Long-Lived Assets in the Notes to Unaudited Condensed Consolidated Financial Statements.

Legal Proceedings

The Trust is not aware of any pending or threatened litigation that is likely to have a significant effect on the Trust's consolidated financial position, results of operations or liquidity.

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Part II

Quantitative and Qualitative Disclosure about Market Risk

We are exposed to certain market risks inherent in our operations. These risks generally arise from transactions entered into in the normal course of business. We believe our primary market risk exposure relates to interest rate risk.

The table below provides information about our liabilities' sensitivity to changes in interest rates as of June 30, 2015 and December 31, 2014:

(dollars in thousands)	June 30, 2015				December 31, 2014			
	Amount	Average Maturity (in years)	Average Interest Rate	% Of Total Amount	Amount	Average Maturity (in years)	Average Interest Rate	% Of Total Amount
Fixed rate debt	$ 271,675	9	4.95%	91%	$ 272,455	8	5.27%	91%
Variable rate debt	26,097	2	3.01%	9%	26,392	2	2.98%	9%
Total	$ 297,772				$ 298,847			

The Trust's results of operations are highly dependent on fluctuations in interest rates to the extent its properties are financed through variable interest rate loans or fixed interest rates loans nearing maturity. As of June 30, 2015, the Trust has two variable interest rate loans: Barrington Hills and Kirkwood Station. The Trust has entered into a rate cap agreement for the Kirkwood Station loan which caps the interest rate at 4%. The Trust may enter into future interest rate swaps and caps to protect against fluctuations in the rates of any additional variable rate debt. See Note 3 of the notes to unaudited condensed consolidated financial statements for interest rates on the mortgage loan for each property and the maturity date of each mortgage loan.

For fixed rate debt, interest rate changes affect the fair value but do not impact net income attributable to common shareholders or cash flows. Conversely, for variable rate debt, interest rate changes generally do not affect the fair value but do impact net income attributable to common shareholders and cash flows, assuming other factors are held constant.

We use predominantly long-term, fixed-rate non-recourse property debt to avoid the refunding and repricing risks of short-term borrowings. The Trust believes that the primary fair value risk is best quantified by considering prepayment penalties associated with the fixed-rate debt. The Trust's promissory notes allow prepayment in full, subject to compliance with the prepayment terms as set forth in the applicable promissory note, including payment of the applicable prepayment penalty. The prepayment penalty on the Trust's mortgage loans generally is the greater of 1% of the amount of principal being prepaid or a yield maintenance calculation based on the difference between the debt's fixed rate and the Treasury note rate that most closely corresponds with the remaining life of the mortgage.

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Part III

MAXUS REALTY TRUST, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share data)

	(unaudited) June 30, 2015	December 31, 2014
ASSETS		
Operating real estate		
Land	$ 27,121	$ 27,121
Buildings and improvements	325,219	322,862
Personal property	18,762	19,376
Total real estate	371,102	369,359
Less accumulated depreciation	(48,070)	(43,968)
Net operating real estate	323,032	325,391
Cash and cash equivalents	6,855	4,441
Certificates of deposit	1,813	1,367
Escrows and reserves	6,237	7,533
Prepaid expenses and other assets	917	1,732
Deferred financing costs, net	1,647	1,611
Accounts receivable, net	511	832
Intangible assets, net	39	169
Investment in unconsolidated real estate companies	459	459
Total assets	$ 341,510	$ 343,535
LIABILITIES		
Mortgage notes payable	$ 289,061	$ 280,543
Notes payable	3,050	11,227
Notes payable, related parties	5,661	7,077
Accounts payable, prepaid rent and other accrued expenses	3,071	3,675
Accounts payable, related parties	1,241	1,109
Real estate taxes payable	2,485	1,465
Refundable tenant deposits	1,715	1,592
Total liabilities	306,284	306,688
EQUITY		
Shareholders' equity		
Preferred stock, $0.01 par value; authorized 5,000,000 shares, no shares issued and outstanding	--	--
Common stock, $1 par value; authorized 5,000,000 shares, issued 1,419,000 shares in 2015 and 2014, outstanding 1,130,000 shares in 2015 and 1,144,000 shares in 2014	1,419	1,419
Treasury stock, at cost 289,000 shares at 2015 and 275,000 shares at 2014	(4,290)	(3,877)
Additional paid-in-capital	19,953	19,953
Retained earnings	4,134	3,898
Total shareholders' equity attributable to Maxus Realty Trust, Inc.	21,216	21,393
Non-controlling interests	14,010	15,454
Total shareholders' equity	35,226	36,847
Total liabilities and shareholders' equity	$ 341,510	$ 343,535

See accompanying notes to unaudited condensed consolidated financial statements.

MAXUS REALTY TRUST, INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
REVENUES				
Property revenue	$ 12,630	$ 12,077	$ 24,986	$ 23,330
Other	1,679	1,649	3,361	3,251
Total revenues	14,309	13,726	28,347	26,581
OPERATING EXPENSES				
Depreciation and amortization	2,969	3,135	5,952	6,029
Payroll reimbursement	1,534	1,477	3,134	2,942
Real estate taxes	1,199	1,113	2,379	2,172
Utilities	944	871	1,925	1,798
Other operating expenses	800	1,000	1,104	1,664
Repairs and maintenance	810	771	1,459	1,454
Related party management fee	556	517	1,092	1,015
Turn costs and leasing	522	581	1,017	1,017
Insurance	444	444	905	793
Legal fees	41	212	87	333
Total operating expenses	9,819	10,121	19,054	19,217
Operating income	4,490	3,605	9,293	7,364
Interest income	3	3	9	6
Interest expense	(3,576)	(3,638)	(7,823)	(7,144)
Asset impairment	(589)	- -	(589)	- -
Gain from insurance recovery	--	110	- -	1,364
Gain (loss) from insurable event, net	--	(170)	- -	14
Total other expenses, net	(4,162)	(3,695)	(8,403)	(5,760)
Income from continuing operations	328	(90)	890	1,604
Income from discontinued operations, net	--	- -	- -	2,765
Net income	328	(90)	890	4,369
Net income attributable to non-controlling interests	(299)	(118)	(654)	(824)
Net income attributable to common shareholders	$ 29	$ (208)	$ 236	$ 3,545
Earnings per common share – basic				
Income from continuing operations	$ 0.03	$ (0.18)	$ 0.21	$ 0.67
Income from discontinued operations	--	- -	--	2.37
Basic earnings per share	$ 0.03	$ (0.18)	$ 0.21	$ 3.04
Earnings per common share – diluted				
Income from continuing operations	$ 0.02	$ (0.18)	$ 0.17	0.60
Income from discontinued operations	--	- -	--	2.12
Diluted earnings per share	$ 0.02	$ (0.18)	$ 0.17	2.72
Weighted average common shares outstanding, basic	1,130	1,168	1,130	1,168
Weighted average common shares outstanding, diluted	1,356	1,168	1,356	1,305

See accompanying notes to unaudited condensed consolidated financial statements.

MAXUS REALTY TRUST, INC.
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)
(In thousands)

	Common Stock # of Shares	Common Stock Amount	Treasury Stock	Additional Paid- in- Capital	Retained Earnings	Total Maxus Realty Trust, Inc. Shareholders' Equity	Non-Controlling Interests	Total Shareholders' Equity
Balance December 31, 2014	1,419	$ 1,419	$ (3,877)	$ 19,953	$ 3,898	$ 21,393	$ 15,454	$ 36,847
Net income	- -	- -	- -	- -	236	236	654	890
Treasury shares repurchased	- -	- -	(413)	- -	- -	(413)	- -	(413)
Distributions to non-controlling interests	- -	- -	- -	- -	- -	- -	(2,098)	(2,098)
Balance June 30, 2015	1,419	$ 1,419	$ (4,290)	$ 19,953	$ 4,134	$ 21,216	$ 14,010	$ 35,226

See accompanying notes to unaudited condensed consolidated financial statements.

MAXUS REALTY TRUST, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Six Months Ended	
	June 30, 2015	June 30, 2014
Cash flows from operating activities:		
Net income	$ 890	$ 4,369
Income from discontinued operations	--	(2,765)
Income from continuing operations	890	1,604
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,952	6,029
Amortization of deferred loan costs and debt discount	134	292
Asset impairment	589	--
Gain from insurance recovery	- -	(1,364)
Changes in accounts affecting operations:		
Accounts receivable	321	(130)
Prepaid expenses and other assets	815	(450)
Escrows and reserves, net	1,705	(520)
Accounts payable and other liabilities	671	2,424
Net cash flows provided by operating activities	11,077	6,281
Cash flows from investing activities:		
Capital expenditures on investment properties	(4,052)	(3,949)
Investment in unconsolidated real estate companies, net	--	(336)
Investment in certificates of deposit, net	(446)	113
Forest Place insurance recovery	- -	1,364
Net cash paid for acquisition of Foothills	--	(12,718)
Net cash paid for acquisition of Tranquility	- -	(3,683)
Net cash from sale of King's Court/Terrace	- -	2,563
Net cash used in investing activities	(4,498)	(16,646)
Cash flows from financing activities:		
Principal payments on mortgage notes payable	(2,627)	(2,245)
Proceeds from mortgage loan refinancing	11,040	--
Repayment of mortgage loan refinanced	(5,559)	--
Rosehill Pointe supplemental mortgage proceeds	5,315	--
Note payable borrowings	--	21,148
Note payable repayments	(8,200)	(7,585)
Notes payable, related parties repayments	(1,501)	--
Loan fees paid	(122)	(60)
Redemption of MOLP units	--	(2)
Distributions paid to non-controlling interest	(2,098)	(1,094)
Treasury stock repurchased	(413)	- -
Net cash flows provided (used) by financing activities	(4,165)	10,162
Net increase in cash and cash equivalents	2,414	1,401
Cash and cash equivalents, beginning of period	4,441	1,589
Cash and cash equivalents, end of period	$ 6,855	$ 2,990
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest on continuing operations	$ 6,732	$ 7,032
Supplemental disclosure of non-cash investing and financing activities:		
Mortgage note for acquisition of Tranquility	$ --	$ 23,700
Foothills mortgage notes assumed	$ --	$ 26,666

See accompanying notes to unaudited condensed consolidated financial statements.

(1) ORGANIZATION AND BUSINESS

ORGANIZATION

Maxus Realty Trust, Inc. (the "Trust") is structured as what is commonly referred to as an umbrella partnership real estate investment trust ("REIT", or "UPREIT"). To establish the UPREIT, the Trust formed Maxus Operating Limited Partnership ("MOLP") to which the Trust contributed all of its assets in exchange for a 99.999% partnership interest in MOLP and the assumption by MOLP of all of the Trust's liabilities. The Trust conducts and intends to continue to conduct all of its activities through MOLP. Maxus Realty GP, Inc., a Delaware corporation that is wholly owned by the Trust, is the sole general partner of MOLP and has a 0.001% interest in MOLP. As the sole general partner of MOLP, Maxus Realty GP, Inc. generally has the exclusive power under the partnership agreement to manage and conduct the business of MOLP, subject to certain limited approval and voting rights of the limited partners.

Pursuant to MOLP's limited partnership agreement, MOLP may issue limited partnership operating units (and corresponding limited partnership interests) in return for cash or other property that is contributed to MOLP. Holders of MOLP limited partnership operating units may redeem the units (and corresponding limited partnership interests) in return for either (at the Trust's election) the issuance of the Trust's common stock or cash (for a price per unit based on the average trading price as reported on the OTC market of the Trust's common stock, over a ten day period preceding the redemption) after a one year holding period. If MOLP operating units are redeemed for shares of common stock in the Trust, they are redeemable on a one unit-for-one share basis. Through June 30, 2015, two MOLP holders have redeemed operating units, which the Board elected to pay in cash. Holders of MOLP limited partnership operating units are not entitled to rights as shareholders of the Trust prior to conversion of their MOLP limited partnership operating units. The Trust believes the UPREIT structure enables it to make additional acquisitions of properties from tax-motivated sellers. As an UPREIT, the Trust may issue limited partnership operating units to tax-motivated sellers who contribute properties to MOLP, which allows those sellers to realize certain tax benefits that would be unavailable to them if the Trust purchased those properties directly for cash or common stock. As of June 30, 2015, the Trust owns approximately 87.91% of the limited partnership interests in MOLP as well as the general partnership interest. Non-controlling holders of MOLP operating units own 12.09% of the limited partnership interests in MOLP, which is represented by 155,441 MOLP operating units. A fractional interest is owned by the general partner of MOLP. Of the 12.09% non-controlling interests in MOLP, affiliates of the Trust own 88.25% (or 137,181 of the 155,441 MOLP non-controlling operating units outstanding).

Twelve of the properties in which the Trust holds an interest are owned by single member limited liability companies that are directly and wholly owned by MOLP. MOLP owns a 52% interest in each of the limited liability companies that own Madison at Melrose Apartments ("Madison at Melrose"), Schoettler Village Apartments ("Schoettler Village"), Kirkwood Station Acquisition, LLC ("Kirkwood Station"), The Villages of Bogey Hills ("Bogey Hills"), Rosehill Pointe Apartments ("Rosehill") and Park Edge Apartments ("Park Edge"). MOLP owns a 61% interest in the limited liability company that owns Glen at Polo Park Apartments ("Glen"). MOLP, through King's Court/Terrace Acquisition, LLC ("King's Court/Terrace"), a wholly owned subsidiary of MOLP, owns a 59% tenant in common ownership interest in The Reserve at Tranquility Lake Apartments ("Tranquility"). Forest Place TIC 1, L.L.C., a wholly owned subsidiary of MOLP, owns a 52% tenant in common ownership interest in Forest Place Apartments ("Forest Place"). MOLP owns a 77% interest in the limited partnership that owns Ashbrooke Apartments ("Ashbrooke"). In each such case where MOLP owns a majority interest, except for Tranquility and Forest Place, in which MOLP holds an undivided interest, MOLP has the authority to generally take actions on behalf of the limited liability companies or the underlying properties without needing the approval of any of the non-controlling owners.

Except as the context otherwise requires, "we," "our," "us" and the "Company" refer to the Trust, MOLP and their consolidated subsidiaries, collectively.

BUSINESS

The Trust is primarily engaged in the business of investing, owning, developing and leasing real property located in Arkansas, Florida, Iowa, Kansas, Missouri, Oklahoma, and Texas. The Trust, through its subsidiary and related entities, owns and operates rental real estate in two segments; apartments and retail. As of June 30, 2015, the Trust holds an interest in and operates twenty-two apartment communities and 40,412 square feet of retail space.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Trust, MOLP, Maxus Realty GP, Inc. and MOLP's subsidiaries. Other than Forest Place and Tranquility, the Company reports the non-controlling interests in subsidiaries as required by the Consolidation Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Non-controlling interest is the portion of equity in a subsidiary not attributable, directly or indirectly, to the Trust. The ownership interests in the subsidiaries identified above that are held by owners other than the Trust are non-controlling interests. Such non-controlling interests are reported on the consolidated balance sheets within shareholders' equity, separate from the Company's shareholders' equity. On the condensed consolidated statements of operations, income, expenses and net income or loss from less-than wholly owned subsidiaries are reported at the consolidated amounts, including both the amounts attributable to the Company and non-controlling interests.

In regards to Forest Place and Tranquility, Forest Place TIC 1, L.L.C. and King's Court/Terrace Acquisition, L.L.C., respectively, own an undivided interest in the real estate and as such report their interest in the underlying real estate and obligations by proportional consolidation. Proportional consolidation requires that items of income, expense, assets, and liabilities are included in the consolidated balance sheets and consolidated statements of operations in proportion to the percentage of participation by the Company. Forest Place TIC 1, L.L.C., a wholly owned subsidiary of MOLP, owns a 52% undivided interest in Forest Place. King's Court/Terrace Acquisition, L.L.C., a wholly owned subsidiary of MOLP, owns a 59% undivided interest in Tranquility.

b. Variable Interest Entities

An entity is referred to as a variable interest entity ("VIE") if it lacks one or more of the following characteristics: (1) sufficient equity at risk to finance its activities without additional subordinated financial support provided by any parties, including the equity holders; (2) as a group the holders of the equity investment at risk have (a) the power, through voting rights or similar rights to direct the activities of a legal entity that most significantly impacts the entity's economic performance, (b) the obligation to absorb the expected losses of the legal entity or (c) the right to receive the expected residual returns of the legal entity; or (3) the voting rights of these investors are proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected returns of their equity, or both, and whether substantially all of the entity's activities involve or are conducted on behalf of an investor that has disproportionately fewer voting rights. An investment that lacks one or more of the above three characteristics is considered to be a VIE. The Trust reassesses its initial evaluation of an entity as a VIE based upon changes in the facts and circumstances pertaining to the VIE.

VIEs are required to be consolidated by their primary beneficiary. The primary beneficiary of a VIE is determined to be the party that has both the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. This determination may involve complex and subjective analyses. At June 30, 2015 the Trust did not identify any relationships with a VIE.

c. Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect amounts reported in the accompanying condensed consolidated financial statements. The most significant assumptions and estimates relate to depreciable lives of investment property, classification of real estate held for sale, and the accounting for business combinations including the valuation of investment property acquired. Application of these assumptions requires the exercise of judgment as to future uncertainties and, as a result, actual results could differ from these estimates.

d. Reclassifications

Due to certain reclassification, certain amounts previously reported in our 2014 consolidated financial statements have been reclassified to conform with the current year presentation, including: (i) consolidated statement of cash flows reclassification of related party accounts payable and (ii) accounts payable and notes payable to related parties.

e. Cash and Cash Equivalents

Cash equivalents include all highly liquid investments purchased with maturities of six months or less. Cash and cash equivalents consist of the Trust's bank demand deposits and investments in a money market mutual fund. We have a total of $3.0 million in depository accounts in excess of FDIC insured limits, including $389 thousand in excess of FDIC insured limits held by a bank affiliated with a related party as discussed in Note 4.

f. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable is reduced by an allowance for amounts that may become uncollectible in the future. The Trust's accounts receivable balance is comprised primarily of rents and operating cost recoveries due from tenants. The Trust records a provision for credit losses based on management's judgment of a tenant's creditworthiness, ability to pay and probability of collection. Accounts receivable is reflected in the condensed consolidated balance sheets net of allowance for doubtful accounts at June 30, 2015 and December 31, 2014 of $2.1 million and $1.9 million, respectively. The Trust regularly evaluates the adequacy of its allowance for doubtful accounts.

g. Operating Real Estate

Accounting for Acquisitions

Management accounts for acquisitions of properties in accordance with Financial Accounting Standards Board, ("FASB"), Accounting Standards Codification, ("ASC") Topic 805, "Business Combinations." We record the fair value of all identifiable assets acquired and liabilities assumed and any non-controlling interest relative to the acquired property. We determine the fair value of tangible assets, such as land, building, and personal property, generally using valuation techniques that consider comparable market transactions, discounted cash flow techniques, replacement costs, and other available information, including appraisals of the properties by a certified independent appraiser at the time of acquisition. As final information regarding fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments will be made in no case later than twelve months after the acquisition date. Transaction costs and fees incurred related to acquisitions are expensed as incurred. We determine the fair value of identified intangible assets (or liabilities), which typically relate to in-place leases, using valuation techniques that consider the terms of the in-place leases, current market data for comparable leases, and our experience in leasing similar properties. The value of in-place leases and any above or below market leases are amortized over the estimated average remaining life of leases in place at the time of acquisition, which generally average twelve months.

In accordance with FASB ASC Topic 805, the Trust has recorded the fair value of acquired in-place leases on the date of acquisition, which consist of the following:

(amounts in thousands)	June 30, 2015	December 31, 2014
In-place leases, net of accumulated amortization of $1.2 million and $2.2 million, respectively	$ 39	$ 169

Remaining unamortized in-place leases, at June 30, 2015, relate to Kirkwood Station Retail, Tranquility and Ashbrooke. In regards to the above-market and below-market lease values for acquired properties, we review the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimates of fair market lease rates for the comparable in-place leases, based on factors such as market surveys, historical experience, recently executed transactions and specific property issues, measured over a period equal to the remaining non-cancelable term of the leases. Due to the short-term nature of residential leases and the variances within the market regarding the unit's square footage, we believe that existing lease rates approximate market rates; therefore, no intangible asset is recognized for above or below market leases. Amortization expense for in-place leases totaled $130 thousand and $604 thousand for the six months ended June 30, 2015 and 2014, respectively.

Impairment of Long-Lived Assets

Management evaluates the recoverability of its investment in operating real estate and other long-lived assets, including related identifiable intangible assets, in accordance with FASB ASC Topic 360, "Property, Plant and Equipment." This Topic requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that recoverability of the assets is not assured. Management evaluates the long-lived assets on an ongoing basis and records an impairment charge when there is an indicator of impairment. The estimated undiscounted cash flows for the impairment analysis are based on our plans for the respective assets and our views of market and economic conditions.

Forest Place

Due to several fires that the Forest Place Apartments experienced in 2013, 63 of the apartment units, or 25%, were uninhabitable. The carrying value of the building and personal property lost due to the fires was approximately $3.9 million. During the year ended December 31, 2013, we recorded impairment charges, net of insurance recoveries, of $490 thousand. Through December 31, 2014, the property received $14.1 million in total payments from its insurer relating to these losses for both property losses and business interruption, $10.8 million of which was received during 2014. On November 19, 2014, the Trust reached a full settlement with its insurance carriers on all claims related to these fires. The amounts above reflect the total proceeds received in the settlement.

Total insurance recoveries for property loss realized during the six months ended June 30, 2015 and 2014, was $0 and $2.6 million, respectively. Forest Place TIC I's proportionate amount received for the six months ended June 30, 2014 was $1.4 million.

In addition, the Trust maintains business interruption insurance for the loss of revenue and additional expenses incurred such as maintenance and building safety. For the six months ended June 30, 2015 and 2014, the net amount recovered was $0 and $650 thousand, respectively. Forest Place TIC I's proportionate amount was $338 thousand during the six months ended June 30, 2014.

Jefferson Park

On May 19, 2015, a fire destroyed one building at the Jefferson Park Apartments. The fire caused 22 apartment units, or approximately 10.6% of the total apartment units, to be uninhabitable. The cause of the fire has not been determined to date. The fire resulted in the death of one resident.

The carrying value of the building and personal property lost as a result of the fire was approximately $589 thousand. As a result, we recorded this amount as an impairment charge during the three and six months ended June 30, 2015.

We anticipate the cost of the reconstruction will be covered by insurance proceeds. In addition, as noted above, the Trust maintains business interruption insurance for the loss of revenue and additional expenses incurred. To date, we have not received any insurance proceeds.

Depreciation and Amortization

Depreciation for all tangible operating real estate is calculated using the straight-line method over the estimated useful lives. Acquired buildings are depreciated over their estimated useful life of 40 years starting at the date of acquisition, regardless of their age at the time of acquisition. Building and land improvements are depreciated over their estimated useful life of 20 years. Personal property is depreciated over its estimated useful life ranging from 5 to 10 years. We capitalize replacements and improvements, such as HVAC equipment, structural replacements, windows, appliances, flooring, carpeting and kitchen/bath replacements and renovations over a useful life of 5 to 10 years. Ordinary repairs and maintenance, such as unit cleaning, painting and appliance repairs, are expensed when incurred.

h. Investments in Unconsolidated Real Estate Companies

We own membership interests in limited liability companies (the "LLCs") that directly own apartment properties or other real estate assets. Because of the limited level of ownership in the LLCs, they are accounted for under the cost method. These membership interests were bought in anticipation of cash distributions and appreciation of their fair market value. See Note 6 for additional information regarding these investments.

i. Discontinued Operations

A property is classified as a discontinued operation when (i) the operations and cash flows of the property could be clearly distinguished and had been or would be eliminated from our ongoing operations; (ii) the property had either been disposed of or was classified as held for sale; and (iii) there had not been any significant continuing involvement in the operations of the property after the disposal transactions. Significant judgments are involved in determining whether a property meets the criteria for discontinued operations reporting and the period in which these criteria are met. A property is classified as held for sale when (i) the Board commits to a plan to sell and it is actively marketed; (ii) it is available for immediate sale in its present condition and the sale is expected to be completed within one year; and (iii) it is unlikely significant changes to the plan will be made or the plan will be withdrawn. The results of operations for properties sold and classified as held for sale at the reporting date were classified as discontinued operations in the current and prior periods. However, in April 2014, FASB issued Accounting Standards Update (ASU) 2014-08, Presentation of Financial Statements, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. ASU 2014-08 changes the definitions of discontinued operations. The amendment updates the definition of discontinued operations and defines discontinued operations to be those disposals of components of an entity that represent a strategic shift that has, or will have, a major effect on an entity's operations and financial results. Upon adoption we believe under the new standard, routine sales of apartment communities and certain groups of apartment communities generally do not meet the requirements for reporting within discontinued operations.

See Note 7 for the property-specific components of earnings classified as discontinued operations including revenues, expenses, depreciation, and interest expense. Real estate assets held for sale are measured at the lower of carrying amount or fair value less costs to sell and are presented separately in the accompanying consolidated balance sheets. Subsequent to classification of a property as held for sale, no further depreciation is recorded.

j. Non-controlling Interests in Consolidated Real Estate Limited Liability Companies

We hold interests in various real estate assets through our ownership interests in LLCs, which are owned in whole or in part by the Trust. In turn, the LLCs are the direct owner of the real property. In certain of these LLCs, we are not the sole equity owner. We report the non-controlling members' interests in the net assets of our consolidated real estate companies as non-controlling interests in shareholders' equity. We attribute to non-controlling interests their share of income or loss based on their proportionate interest in the results of operations of the respective LLC, including their share of losses even if such attribution results in a deficit non-controlling interest balance within our equity accounts.

Upon receipt of a majority interest of the members, the terms of the applicable LLCs' operating agreements generally require the respective LLC to be liquidated following the sale of the company's real estate. The aggregate carrying amount of non-controlling interests in consolidated real estate companies is approximately $14.0 million and $15.5 million at June 30, 2015 and December 31, 2014, respectively. The aggregate fair value of these interests varies based on the fair value of the real estate owned by the respective LLC. Based on the complexities in determining the fair market value of the properties and the allocation of liquidation proceeds among partners, we believe it is impracticable to determine the fair market value of non-controlling interests in an assumed liquidation at June 30, 2015.

As a result of real estate depreciation that is recognized in our consolidated financial statements and appreciation in the fair value of real estate that is not recognized in our consolidated financial statements, we believe that the aggregate fair value of our non-controlling interests exceeds their aggregate carrying amount. As a majority member of the LLCs, we generally have the ability to control sales of real estate held by the LLCs, as well as other events that require payment to the non-controlling interests. Because we expect that proceeds from real estate sales will be sufficient to liquidate related non-controlling interests, we anticipate that the eventual liquidation of these non-controlling interests will not have an adverse impact on our consolidated financial condition.

k. Non-controlling Interests in Maxus Operating Limited Partnership

Non-controlling interests in MOLP consist of operating units held by persons other than the Trust. Within the Trust's consolidated financial statements, MOLP's income or loss is allocated to the holders of partnership units based on the proportionate number of partnership units outstanding during the period. As of June 30, 2015 and December 31, 2014, the non-controlling holders of operating units had an ownership interest in MOLP of 12.09% and 11.96%.

l. Revenue Recognition

Lease agreements with tenants are accounted for as operating leases, and total expected rentals from such leases are reported as rental revenues ratably over the lease term. Included in other revenues are non-rental income items such as application fees and late fees, which are recognized as revenue when earned. Recoveries from residential tenants for utility costs are recognized as revenue in the period that the applicable costs are incurred.

m. Fair Value of Financial Instruments

In accordance with FASB ASC Topic 820, "Fair Value Measurements and Disclosures," fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. Further, ASC Topic 820 requires the Trust to maximize the use of observable market inputs, minimize the use of unobservable market inputs and disclose in the form of an outlined hierarchy the details of such fair value measurements.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Trust's market assumptions. This hierarchy requires the use of observable market data when available. ASC Topic 820 establishes the following fair value hierarchy:

Level 1—quoted prices for *identical* instruments in active markets;

Level 2—quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3—fair value measurements derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable*.

If quoted market prices or inputs are not available, fair value measurements are based upon valuation models that utilize current market or independently sourced market inputs, such as interest rates, option volatilities, and credit spreads. Items valued using such internally-generated valuation techniques are classified according to the lowest level input that is significant to the fair value measurement. As a result, a financial asset or liability could be classified in either Level 2 or 3 even though there may be some significant inputs that are readily observable.

Financial Instrument Fair Value Disclosures. As of June 30, 2015 and December 31, 2014, the carrying values of cash and cash equivalents, certificates of deposit, accounts receivable and accounts payable represent fair value because of the short-term nature of these instruments. The carrying value of cash restricted in escrows and reserves approximates its fair value based on the nature of our assessment of the ability to recover these amounts. These financial instruments utilize Level 2 inputs.

The Trust does not carry its mortgage notes payable, notes payable or notes payable to related parties at fair value. However, the Trust estimates the fair value of these notes payable using a discounted cash flow analysis on the expected cash flows of each instrument. This analysis reflects the contractual terms of the instrument, including the period of maturity, and uses observable market-based inputs, including current market interest rates. The Company has concluded that the value of its notes payable fall within Level 2 of the fair value hierarchy.

n. Deferred Costs

Deferred expenses consist of financing costs which are amortized using the interest method over the term of the respective debt. Deferred charges are presented on the consolidated balance sheets net of accumulated amortization. Unamortized financing costs are written off when the associated debt is retired or otherwise extinguished before the maturity date.

o. Income Taxes

The Trust has elected to be taxed as a real estate investment trust ("REIT") under the Internal Revenue Code, Sections 856-860. Under those sections, a REIT which distributes at least 90% of its REIT 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 that is distributed to shareholders. The Trust intends to continue to qualify as a REIT and, to the extent it generates taxable income will distribute substantially all of its taxable income to its shareholders. The Trust had taxable losses in

2014 and 2013. There is no provision for income taxes reflected in the consolidated financial statements. The Trust has federal net operating loss carryovers of $10.4 million at December 31, 2014 for tax purposes, which will expire in various amounts from 2018 through 2034.

FASB ASC Topic 740-10 on Income Taxes prescribes a comprehensive model for how an entity should measure, recognize, present, and disclose in its consolidated financial statements uncertain tax positions that an entity has taken or expects to take on a tax return. The Trust has analyzed whether any tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates would require the establishment of reserves or related accruals for interest and penalties and it is management's belief that no such reserves or related accruals are necessary. Additionally, management intends to exercise all requisite diligence to ensure continued compliance with the income and assets tests of Section 856 of the Internal Revenue Code as well as the other requirements of that section in order to maintain the Trust's status as a REIT.

The Trust is no longer subject to U.S. federal, state or local examination by tax authorities for years prior to 2011.

p. Recent Accounting Pronouncements

In April 2015, the FASB issued Accounting Standards Update, ("ASU"), 2015-03, "Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs." The guidance requires debt issuance costs related to a recognized debt liability to be presented as a direct deduction from the carrying amount of that debt liability. The new guidance will only impact financial statement presentation. The guidance is effective in the first quarter of 2016 and allows for early adoption. The Company does not expect the adoption of this standard to materially impact its consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, "Consolidation: Amendments to the Consolidation Analysis, which amends the criteria for determining variable interest entities ("VIEs")," amends the criteria for determining if a service provider possesses a variable interest in a VIE, and eliminates the presumption that a general partner should consolidate a limited partnership. The guidance is effective in the first quarter of 2016 and allows for early adoption. The Company is currently assessing the effect of adoption on its consolidated financial statements.

During January 2015, the FASB issued ASU No. 2015-01, "Income Statement – Extraordinary and Unusual Items." ASU 2015-01 eliminates the concept of extraordinary items. However, the presentation and disclosure requirements for items that are either unusual or in nature infrequent in occurrence remain and will be expanded to include items that are both unusual in nature and infrequent in occurrence. ASU 2015-01 is effective for periods beginning after December 15, 2015. ASU 2015-01 is not expected to have a material impact on the Company's consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements – Going Concern." ASU 2014-15 requires an entity's management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued. ASU 2014-15 is effective for periods beginning after December 15, 2015. ASU 2014-15 is not expected to have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. The new standard is effective for the Company on January 1, 2017, however, the ASU does not apply to revenue recognition for lease contracts. Early application is not permitted. The ASU permits the use of either the retrospective or cumulative effect transition method. The Trust is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Trust has not yet selected a transition method nor has it determined the effect of the ASU on its ongoing financial reporting.

(3) ***MORTGAGE PAYABLE AND NOTES PAYABLE***

Mortgage payable [a]:	(amounts in thousands) June 30, 2015	December 31, 2014
Kirkwood Station mortgage note, monthly principal and interest payments of $83,000, with an adjustable mortgage interest rate based on the 1 month LIBOR Rate, 2.33% [e] at June 30, 2015, maturing June 1, 2016.	$ 21,349	$ 21,589
Fountainhead mortgage note, monthly principal and interest payments of $26,000, with an adjustable interest rate based on the BBA 1 month LIBOR Rate, 2.69% at June 30, 2015, maturing July 1, 2016.	3,981	4,018
Bicycle Club mortgage note, monthly principal and interest payments of $69,000, with interest fixed at 6.19%, maturing on September 1, 2016.	9,860	9,962
The Landings mortgage note, monthly principal and interest payments of $38,000, with a fixed interest rate of 6.19%, maturing September 1, 2016.	5,478	5,535
Highland Pointe mortgage note, monthly principal and interest payments of $75,000, with interest fixed at 5.67%, maturing March 1, 2017, with the right to extend an additional 1 year.	11,841	11,951
Barrington Hills mortgage note[b], monthly principal and interest payments of $24,000, with an adjustable interest rate based on the BBA 1 month LIBOR Rate, 3.69% at June 30, 2015, maturing December 1, 2017.	4,749	4,803
Province of Briarcliff[d] mortgage note, monthly principal and interest payments of $67,000, with interest fixed at 5.64%, maturing January 1, 2018.	10,393	10,517
Elements [d] - 1st mortgage note, monthly principal and interest payments of $62,000, with interest fixed at 6.47%, maturing June 1, 2019.	9,855	9,969
Elements[d] - 2nd mortgage note, monthly principal and interest payments of $15,000, with interest fixed at 4.74%, maturing June 1, 2019.	2,604	2,616
Madison at Melrose mortgage note, monthly principal and interest payments of $73,000, with interest fixed at 5.99%, maturing July 1, 2019.	11,276	11,373
Berkshire Apartments mortgage note[b], monthly principal and interest payments of $46,000, with interest fixed at 5.57%, maturing November 1, 2019.	7,362	7,428
Schoettler Village mortgage note[b], monthly principal and interest of $112,000, with interest fixed rate at 5.58%, maturing April 1, 2020.	18,141	18,299
Regency North mortgage note[b], monthly principal and interest payments of $28,000, with interest fixed at 5.13%, maturing December 1, 2020.	4,737	4,780
Bogey Hills 1st mortgage note [b], monthly principal and interest payments of $136,000, with interest fixed at 5.13%, maturing July 1, 2021.	23,558	23,762
Bogey Hills 2nd mortgage note [b], monthly principal and interest payments of $37,000, with interest fixed at 4.87%, maturing October 1, 2021.	6,924	6,975
Forest Place mortgage note [c], monthly principal and interest payments of $36,000, with interest fixed at 4.13%, maturing April 1, 2022.	6,938	7,006
Rosehill Pointe 1st mortgage note [b], monthly principal and interest payments of $112,000, with interest fixed at 4.04%, maturing April 1, 2022.	22,089	22,309
Rosehill Pointe 2nd mortgage note [b], monthly principal and interest payments of $29,152, with interest fixed at 5.19%, maturing April 1, 2022.	5,315	- -
Park Edge mortgage note [b], monthly principal and interest payments of $90,000, with interest fixed at 3.63%, maturing January 1, 2023.	18,767	18,959
Glen at Polo Park mortgage note[b] [d], monthly principal and interest payments of $72,000 with interest fixed at 3.93%, maturing on March 1, 2023.	13,665	13,749
Ashbrooke Apartments, monthly principal and interest payments of $44,000, with interest fixed at 4.04%, maturing September 1, 2024.	9,132	9,211
Forest Park mortgage note, monthly principal and interest payments of $36,000, with interest fixed at 4.22%, maturing October 1, 2024.	7,320	7,380
Reserve at Tranquility Lake mortgage note[b][c], monthly principal and interest payments of $80,000, with interest fixed at 3.97% maturing October 1, 2024.	16,635	16,780
Jefferson Park Apartments mortgage note, monthly principal and interest payments of $50,000, with interest fixed at 3.54%, maturing April 1, 2025.	11,006	5,277
Foothills I 1st mortgage note[d], monthly principal and interest payments of $20,000, with interest fixed at 3.20%, maturing July 1, 2037.	3,517	3,569
Foothills II 2nd mortgage note[d], monthly principal and interest payments of $18,000, with interest fixed at 3.80%, maturing November 1, 2047.	3,793	3,822
Foothills III 3rd mortgage note[d], monthly principal and interest payments of $84,000, with interest fixed at 3.25%, maturing May 1, 2050.	18,776	18,904
TOTALS:	$ 289,061	$ 280,543

[a] Mortgage loans are secured by the respective properties, assignment of rents, business assets, deeds to secure debt, deeds of trust, cash deposits with lender and a corporate guaranty from the Trust and MOLP unless otherwise noted in (b).

[b] Mortgage loan is also secured by a limited carve-out guaranty if certain provisions in the loan agreement are breached from certain MRTI entities and in some cases Mr. David L. Johnson.

[c] This is the Trust's proportionate share of the total debt and monthly principal and interest payments.

[d] Debt balances have premiums/discounts.

[e] The Trust has an interest rate cap that is designed to cap the interest rate at 4%.

Mortgage payable:

The Trust, through Foothills Acquisition I, L.L.C., Foothills Acquisition II, L.L.C. and Foothills Acquisition III, L.L.C. (collectively referred to as the "Buyers") purchased Foothills Apartments ("Foothills) on January 24, 2014. At closing, the existing three HUD mortgage loans on Foothills in the approximate aggregate amount of $29.6 million were assumed by the Buyers and other prorated items and expenses of $249 thousand that were paid, resulting in net consideration due from the Trust of approximately $12.7 million. This amount was funded in part with the Missouri Bank & Trust ("MBT") loan and proceeds from the notes and warrant offering described below. The mortgage loan associated with Foothills Acquisition I, LLC in the amount of $4.0 million has a fixed rate of 3.20%, matures July 1, 2037 and amortizes a debt discount charge of $349 thousand due to the fair value of the loan being less than the outstanding balance at time of assumption. The mortgage loan associated with Foothills Acquisition II, LLC of $4.0 million has a fixed rate of 3.80%, matures November 1, 2047 and amortizes a discount of $157 thousand. The mortgage loan associated with Foothills Acquisition III, LLC of $21.6 million has a fixed rate of 3.25%, matures May 1, 2050 and amortizes a discount of $2.5 million.

On August 4, 2014, the Trust entered into a $7.0 million second loan with NorthMarq Capital, L.L.C. secured by Bogey Hills' assets at a fixed interest rate of 4.87%. The second loan has a 7-year term, maturing October 1, 2021. In conjunction with the second loan, a $6.5 million distribution was made to the Bogey Hills' members. The Trust's portion of the distribution was $3.4 million, of which $3.0 million was used to pay down the MBT line of credit.

On August 28, 2014, MOLP acquired 77% of the limited partner interest in Applewood Partners, L.P. for 18,295 MOLP units. As a result of the acquisition, MOLP assumed a mortgage note in the principal amount of $9.3 million. The loan matures September 1, 2024 and has a fixed interest rate of 4.04%.

On September 30, 2014, the Tranquility mortgage note was refinanced with NorthMarq Capital, L.L.C. The new mortgage note is $28.5 million and has a fixed interest rate of 3.97%. The loan matures October 1, 2024. After the payment of certain settlement costs, Tranquility received net proceeds of $4.7 million from the refinancing of which $4.0 million was distributed to Tranquility's tenant in common owners and $370,400 was paid to a related party of David L. Johnson for payment of amounts previously advanced. David L. Johnson is Chairman, President, Chief Executive Officer and a Trustee of the Trust and the beneficial owner of more than 10% of the Trust's issued and outstanding common stock. The Trust's portion of such proceeds was $2.4 million of which $2.3 million was used to pay down the MBT line of credit.

On September 30, 2014, the Forest Park and Valley Forge mortgage notes were refinanced with NorthMarq Capital, L.L.C. with a single, fixed rate mortgage note. The note is in the amount of $7.4 million, matures October 1, 2024 and has a fixed interest rate of 4.22%. After the payment of certain settlement costs, the Trust received net proceeds of $3.5 million from the refinancing, of which $3.2 million was used to pay down the MBT line of credit.

On March 23, 2015, the Jefferson Park mortgage note was refinanced with NorthMarq Capital, L.L.C. with a fixed rate mortgage note. The note is in the amount of $11.0 million, matures April 1, 2025 and has a fixed interest rate of 3.54%. The Trust and MOLP are guarantors of the note. After the payment of certain settlement costs and a prepayment penalty of $408 thousand, the Trust received net proceeds of $5.3 million from the refinancing, which was used to pay down the MBT line of credit.

On June 18, 2015, the Trust obtained a $5.3 million second mortgage loan at a fixed interest rate of 5.19%. The loan has a maturity date of April 1, 2022 and is secured by a second lien on Rosehill Pointe's assets. In conjunction with the loan, a $3.0 million distribution was made to Rosehill Pointe's members. The Trust's portion of the distribution was $1.6 million.

The mortgage note for Fountainhead Apartments matured on July 1, 2015. The mortgage has a provision allowing the Trust to extend the maturity one year at a variable rate equal to the one month LIBOR rate plus 2.50%. The Trust elected to exercise this provision.

Each mortgage loan is secured solely by the property held by the MOLP subsidiaries or undivided interests that obtained the loan. The following is a summary of scheduled mortgage notes payable maturities:

Year		Amount (in thousands)
2015	$	2,712
2016		44,849
2017		20,618
2018		14,194
2019		32,831
Thereafter		173,857
Total:	$	289,061

Notes payable:

The following is a summary of the notes payable:

(amounts in thousands)		June 30, 2015		December 31, 2014
Notes payable	$	3,050	$	11,227
Notes payable, related parties		5,661[a]		7,077[b]
	$	8,711	$	18,304

[a] *Includes $5.1 million from warrant notes described below*
[b] *Includes $5.1 million from warrant notes described below; $1.6 million related to Elements notes and other notes.*

To fund the purchase of the Elements Apartments, the Trust executed a total of five notes in the aggregate amounting to $3.0 million. The notes are payable to (i) Grissinger Holdings, LLC, (ii) Terri McDowell, (iii) Garlich Alaska Investments, L.L.C., an affiliate of Chris Garlich, a Trustee of the Trust and the beneficial owner of 8.41% of the Trust's outstanding shares of common stock, (iv) McDowell Investments, L.P., an affiliate of Mr. Monte McDowell, a Trustee of the Trust and the beneficial owner of 1.93% of the Trust's outstanding shares of stock and (v) SLCas, L.L.C., whose sole member Sandra Castetter is David L. Johnson's spouse, Chairman, President, Chief Executive Officer and a Trustee of the Trust and the beneficial owner of more than 10% of the Trust's issued and outstanding common stock. The unsecured notes mature July 1, 2016 and accrue interest of 7.0%. Each of the note holders was paid a loan fee of $2,500. On February 4, 2015, the Trust paid off all of the Elements notes in full.

On December 24, 2013, the Board approved a short-term loan from Missouri Bank & Trust ("MBT loan") of $17 million. The note had a maturity date of December 2016, accrued interest at 5% and was secured by pledges of four LLC interests held by MOLP. On January 2, 2014, the proceeds of the loan were used to pay off the existing MBT loan, and the remaining balance was used for the purchase of the Foothills Apartments in Little Rock, Arkansas. In March 2014, the loan was restructured into a line of credit with a credit limit of $15 million, and a maturity of March 2015. The interest rate and pledges of four LLC interests held by MOLP remained unchanged. The line of credit was renewed on December 30, 2014 with a maturity date of December 29, 2015, a 5.0% interest rate and availability under the line totaling $14.6 million. Subsequent to December 31, 2014, there have been payments made against the MBT loan totaling $6.7 million of which $5.0 million was from the net proceeds due to the Jefferson Park refinance. As of June 30, 2015, the balance of the MBT loan is $1.6 million.

On December 24, 2013, the Trust commenced an offering to its existing shareholders and affiliates that are accredited investors of 7% unsecured promissory notes (the "Notes") in the aggregate up to $11.5 million, together with warrants (the "Warrants") to acquire shares of the Trust's common stock at an exercise price of $50 per share. As of June 30, 2015 and December 31, 2014, Notes in the aggregate amount of $7.0 million were subscribed together with Warrants exercisable for an aggregate number of 70,450 shares of the Trust's common stock. The Notes require periodic payments of the interest. All principal and accrued but unpaid interest is due on January 31, 2017. The Notes may be prepaid without penalty. Refer to footnote 4 for notes and warrants held by related parties.

(4) RELATED PARTY TRANSACTIONS

Maxus Properties, Inc. ("MPI") manages the Trust's properties. David L. Johnson, Chairman, Chief Executive Officer, President and a Trustee of the Trust and the beneficial owner of more than 10% of the Trust's issued and outstanding common stock, is the Chairman and sole shareholder of MPI. The Trust paid MPI property management fees of $1.1 million and $1.0 million for the six months ended June 30, 2015 and 2014, respectively. Management fees are determined pursuant to management agreements between the Trust and MPI that provide for fees calculated as a percentage of monthly gross receipts (as defined) from the properties' operations as well as reimbursement of payroll related costs. At June 30, 2015 the properties pay a management fee between 3% and 5% of receipts. At June 30, 2015 and December 31, 2014, $580 thousand and $515 thousand, respectively, was payable to MPI for accrued payroll and direct expense reimbursement; $661 thousand and $594 thousand respectively, was payable for accrued management fees.

Certain MPI employees are located at the Trust's properties and perform leasing, maintenance, office management, and other related services for these properties. The Trust recognized $3.1 million and $2.9 million of payroll costs from continuing operations in the six months ended June 30, 2015 and 2014, respectively, that have been reimbursed to MPI and are included in payroll reimbursement in the consolidated statements of operations.

For the six months ended June 30, 2015 and 2014, the Board approved $75 thousand and $208 thousand, respectively, in total fees for administrative services provided by MPI in regards to the acquisition, refinancing and disposition of certain properties held by the Trust. The Trust will expense the acquisition-related costs in the period in which the costs were incurred, which are included in other operating expenses in the consolidated statements of operations. Of the $75 thousand approved for payment to MPI, $50 thousand was for MPI's services in the due diligence of the loans associated with the Jefferson Park loan refinancing and the Rosehill supplemental loan.

On June 1, 2014, Bicycle Club, LLC, Regency North Associates, LP, MLake 5, LLC, (owner of Schoettler Village), Bogey Acquisition, LLC (Bogey Hills), Briarcliff Apartment Homes, LLC, Fountainhead Refunding, LLC and Jefferson Park Partners, each entered into a Solar Services Agreement (Solar Agreement), with MLake 82 LeaseCo. MLake 82 LeaseCo is wholly owned by David L. Johnson, Chairman, Chief Executive Officer, President and a Trustee of the Trust and the beneficial owner of more than 10% of the Trust's issued and outstanding common stock. Pursuant to the Solar Agreement, the MOLP subsidiaries agreed to lease solar energy systems from MLake 82 LeaseCo. The term of each such lease is 20 years, and such leases require total annual lease payments from the MOLP subsidiaries of $70 thousand, increasing 10% every five years. In exchange, MLake 82 LeaseCo guaranteed that total annual energy savings from the solar energy systems will be at least 10% greater than the annual lease payments. MLake 82 LeaseCo is responsible for all installation cost and on-going maintenance of the solar system. In addition, MLake 82 LeaseCo will receive all rebates, incentives and income tax credits related to the solar energy systems. At June 30, 2015 and 2014, $35 thousand and $0, respectively, was made in the form of lease payments to MLake 82 LeaseCo. The lease expense is included in utility expenses in the consolidated statement of operations.

As of June 30, 2015, the Trust (i) has operating cash of approximately $1.2 million on deposit with First Missouri National Bank ("First Missouri") (ii) holds certificates of deposit of approximately $1.6 million with First Missouri, and (iii) has cash in money market accounts in the amount of $31 thousand with First Missouri. The bank deposit insurance in connection with these deposits is provided by the Federal Deposit Insurance Corporation ("FDIC"). The FDIC has a $250 thousand limit per independent entity on deposit insurance for interest-bearing accounts. David L. Johnson, Chairman, President, Chief Executive Officer and a Trustee of the Trust and the beneficial owner of more than 10% of the Trust's issued and outstanding common stock, owns approximately 21.3% of First Missouri's outstanding common stock. Mr. Johnson is also a member of First Missouri's Board of Directors. Jose Evans, a Trustee of the Trust, also holds approximately 8.9% of First Missouri's outstanding common stock. An affiliate of Bob Kohorst, a former Trustee of the Trust, also holds 2.68% of First Missouri's outstanding common stock. Mr. Christopher Garlich, a Trustee of the Trust, individually and through an affiliate, holds 5.5% of First Missouri's outstanding common stock. Mr. Gregory Orman, a Trustee of the Trust, owns less than 1% of First Missouri's outstanding common stock. The Trust's operating cash is held in a non-interest bearing account. The interest on the money market account is a variable rate equal to 2.75% below the prime rate (the prime rate was 3.25% as of June 30, 2015) and the certificates of deposit earn interest at rates ranging from 0.35% to 1.15% per annum as of June 30, 2015. The balance of cash and cash equivalents at First Missouri at June 30, 2015 and December 31, 2014 was $2.8 million and $3.1 million, respectively. As of June 30, 2015, $389 thousand is held in excess of FDIC insurance limits from certain operating accounts.

In conjunction with the acquisition of Elements on July 16, 2013, five promissory notes were executed in the aggregate of $3.0 million. Three of the lenders were affiliates of the Trust's Board. Each of the three affiliates loaned the Trust $500 thousand. The three promissory notes were issued to (i) Garlich Alaska Investments, L.L.C., an affiliate of Mr. Christopher Garlich, (ii) McDowell Investments, L.P., an affiliate of Mr. Monte McDowell, and (iii) SLCas, L.L.C., owned by Sandra Castetter, Mr. David L. Johnson's spouse. Christopher Garlich and Monte McDowell are Trustees and are also beneficial owners of 8.41% and 1.93%, respectively, of the Trust's issued and outstanding shares of stock. Sandra Castetter jointly with Mr. David L. Johnson, Chairman, President, Chief Executive Officer and Trustee of the Trust, beneficially own more than 10% of the Trust's issued and outstanding common stock. Each of the note holders were paid a loan fee equivalent to 0.5% of their loan amount. The three loans accrued interest of 7.0%, and matured on July 1, 2016. On February 4, 2015, the Trust paid off all of the Elements notes in full.

In conjunction with the purchase of Province of Briarcliff Apartments, the Trust assumed a debt obligation in the form of a note with Liberty Park, L.L.C. in the amount of $421 thousand. The note has a maturity date of February 1, 2019 and accrues interest at 8%. Liberty Park, L.L.C. is an affiliate of David L. Johnson and Sandra Castetter. Mr. David L. Johnson, Chairman, President, Chief Executive Officer and Trustee of the Trust beneficially owns more than 10% of the Trust's issued and outstanding common stock.

On December 24, 2013, the Trust commenced an offering to its existing shareholders and affiliates that are accredited investors of 7% unsecured promissory notes (as defined above, the "Notes") in the aggregate up to $11.5 million, together with warrants (as defined above, the "Warrants") to acquire shares of the Trust's common stock at an exercise price of $50 per share (see Note 3 above). As of June 30, 2015, Notes in the principal amount of $2.5 million were subscribed by David L. Johnson and affiliates of Mr. Johnson. Together with the Notes, Mr. Johnson and affiliates of Mr. Johnson's also received Warrants to acquire 25 thousand shares of common stock exercisable for a three year period, but no later than January 31, 2017. Affiliates of Mr. Gregory Orman, Trustee of the Trust, subscribed for Notes in the principal amount of $3.0 million on January 24, 2014. Together with the Notes, affiliates of Mr. Orman also received Warrants to acquire 30 thousand shares of common stock exercisable for a three year period, but no later than January 31, 2017. The outstanding balance of Notes issued through June 30, 2015 was $7.0 million.

As of June 30, 2015, certain executive officers and members of our Board, either directly or through related parties, have an ownership interest in the following subsidiaries and undivided interest as set forth below:

Name of Subsidiary	Amount of Capital Contributed by Affiliates (amounts in thousands)	Affiliate Ownership	Percent of Affiliate Ownership
Kirkwood Station	$ 2,090	(1)	48.00 %
Madison at Melrose	125	(2)	3.75
Schoettler Village	360	(3)	6.40
Bogey Hills	500	(4)	7.44
Rosehill	315	(5)	3.91
Park Edge	200	(6)	3.76
Glen	1,000	(7)	34.36
Tranquility	3,060	(8)	41.00
MOLP	3,189	(9)	10.56

(1) Affiliates of Christopher Garlich, Monte McDowell and David L. Johnson own the majority of the non-controlling interest in Kirkwood Station.
(2) Affiliates of David L. Johnson and John Alvey
(3) Affiliates of Jose Evans, Christopher Garlich, Monte McDowell, and David L. Johnson
(4) Affiliates of Christopher Garlich
(5) Affiliates of Jose Evans, Christopher Garlich, Monte McDowell, and David L. Johnson
(6) Affiliates of David L. Johnson, John Alvey and Monte McDowell
(7) David L. Johnson and Sandra Castetter, husband and wife
(8) David L. Johnson and Sandra Castetter, husband and wife, Greg Orman and John Alvey own the majority of the non-controlling interest in Tranquility
(9) Affiliates of Jose Evans, Christopher Garlich, Monte McDowell, and David L. Johnson

Total distributions paid to all non-controlling interests including related parties from the Trust were $2.1 million and $1.1 million for the six months ended June 30, 2015 and 2014, respectively.

Certain executive officers and members of our Board, either directly or through related parties, have an ownership interest in the non-consolidated cost method investments as set forth below as of June 30, 2015:

Name of Non-Consolidated Investment	Amount of Capital Contributed by Affiliates (amounts in thousands)	Percent of Affiliate Ownership	Affiliate Ownership	MOLP Ownership
Centennial Park Kansas, L.L.C.	$ 2.3	6.6%	(1)	0.1%
Wild Oak Acquisition, L.L.C.	$ 2.8	59.8%	(1)	3.4%

[(1)] Affiliates of David L. Johnson and Sandra Castetter

(5) PROPERTY ACQUISITIONS AND DISPOSITIONS

Upon acquisitions of real estate properties, management makes subjective estimates of the fair value of acquired tangible assets (consisting of land, land improvements, building, improvements, and furniture, fixtures and equipment) and identified intangible assets and liabilities (consisting of above and below market leases, in-place leases, tenant relationships and assumed financing that is determined to be above or below market terms) in accordance with ASC Topic 805, "Business Combinations" (See also Note 2.g, Operating Real Estate, Accounting for Acquisitions). Based on these estimates, management records the acquired assets and liabilities at fair value. These estimates have a direct impact on net income.

Acquisitions

On January 24, 2014, three wholly owned subsidiaries of MOLP (Foothills Acquisition I, LLC, Foothills Acquisition II, LLC and Foothills Acquisition III, LLC collectively referred to as the "Buyers") completed the purchase of the multi-family 540 unit apartment complex located in Little Rock, Arkansas known as Foothills Apartments ("Foothills") for a total purchase price of $42.6 million, adjusted for standard prorations. The Sellers are unrelated third parties. At closing, the existing three HUD mortgage loans on Foothills in the approximate aggregate amount of $29.6 million were assumed by the Buyers and other prorated items and expenses of $249 thousand that were paid, resulting in net consideration due from the Trust of approximately $12.7 million. This amount was funded in part with the MBT loan and proceeds from the Notes and Warrant offering. The mortgage loan associated with Foothills Acquisition I, LLC in the amount of $4.0 million has a fixed rate of 3.20%, matures July 1, 2037 and amortizes a debt discount charge of $349 thousand due to the fair value of the loan being less than the outstanding balance at time of assumption. The mortgage loan associated with Foothills Acquisition II, LLC of $4.0 million has a fixed rate of 3.80%, matures November 1, 2047 and amortizes a debt discount of $157 thousand. The mortgage loan associated with Foothills Acquisition III, LLC of $21.6 million has a fixed rate of 3.25%, matures May 1, 2050 and amortizes a debt discount of $2.5 million**.**

For the acquisition of the Foothills property, the assets acquired and liabilities assumed, including identifiable intangible assets, were based on their respective estimated fair values. The respective estimated fair values of the property were determined by a third-party appraisal at the acquisition date.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition:

(amounts in thousands)		
Operating assets	$	988
In-place leases		390
Land		3,546
Land improvements		394
Building		34,066
Total assets acquired		39,384
Mortgage notes assumed		26,666
Net assets acquired	$	12,718

On June 11, 2014, a wholly owned subsidiary of MOLP, King's Court/Terrace Acquisition, L.L.C. ("King's Court/Terrace") jointly purchased the Reserve at Tranquility Lake Apartments ("Tranquility") with Grand Acquisition, L.L.C. ("Grand") and USA Tranquility Lake 2, L.L.C. ("USA Tranquility") as tenants in common. King's Court/ Terrace, Grand, and USA Tranquility hold tenant in common interests of 59%, 37% and 4%, respectively. Tranquility is a 314 unit residential apartment community with 326,534 square feet of rentable space and the property consists of 14 predominantly three-story apartment buildings located in Pearland, Texas, a suburb of Houston, Texas. The property was constructed in 2003. The purchase price was $30.4 million, which includes closing costs and acquisition fees of approximately $400 thousand, resulting in total consideration paid of $30.0 million. In conjunction with the acquisition, a $23.7 million mortgage loan was obtained by the tenants in common from BMO Harris Bank, NA secured by Tranquility Apartments. An affiliate controlled by Mr. Gregory Orman, a member of MRTI's board of trustees, owns 50% of Grand Acquisition, L.L.C. and an affiliate controlled by David L. Johnson and Sandra Castetter own the remaining 50%. USA Tranquility Lake 2, L.L.C., is owned by MLake 55, L.L.C. which is 100% owned by David L. Johnson and Sandra Castetter. Mr. David L. Johnson, Chairman, President, Chief Executive Officer and a Trustee of the Trust beneficially owns more than 10% of the Trust's issued and outstanding common stock. The net cash paid by the Trust for its interest in Tranquility was $3.7 million. In addition, the Trust's proportionate share of the mortgage loan was $14.0 million.

The following table summarizes the assets acquired and liabilities assumed at fair value at the date of the Tranquility acquisition:

(amounts in thousands)		Total
Operating assets	$	165
Land		3,532
Land improvements		393
In-place leases		306
Building		26,289
Total assets acquired		30,685
Total liabilities		241
Total non-controlling interest		12,697
Total liabilities and non-controlling interest		12,938
Net assets acquired	$	17,747

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On August 28, 2014, the Trust acquired a 77% interest in Applewood Partners, L.P. ("Applewood"). Applewood owns the Ashbrooke Apartments in Ankeny, Iowa, a suburb of Des Moines. Ashbrooke includes approximately 148,000 square feet of rentable area and has 196 apartment units. The Trust completed the acquisition through the exchange of 18,295 MOLP units and assumption of a mortgage note for the acquired 77% partnership interest. As discussed in Note 5, related parties of MRTI held interests in Applewood totaling approximately 67%, including the general partner interest. The Trust acquired all of the related party interests in this transaction. Following the consummation of the exchange, MOLP is the general partner and owns a 77% controlling interest in Applewood. Total consideration paid for this transaction was $915 thousand. In conjunction with the acquisition, Applewood assumed the mortgage note of approximately $9.3 million. The loan matures September 1, 2024 and has a fixed interest rate of 4.04%.

The following table summarizes the fair values of the assets and liabilities assumed at the date of the acquisition:

(amounts in thousands)	
Operating assets	$ 814
Land	917
Land improvements	102
In-place leases	170
Building	10,711
Total assets acquired	12,714
Mortgage note	9,250
Other liabilities	333
Total liabilities	9,583
Total non-controlling interest	275
Total liabilities and non-controlling interest	9,858
Net assets acquired	$ 2,856

The assets acquired and liabilities assumed, including identifiable intangible assets, were based on their respective estimated fair values, substantially all of which were determined by a third-party appraisal at the acquisition date. The Trust estimated the fair value of the MOLP units exchanged and non-controlling interest to be approximately $1.2 million.

The following table presents actual and unaudited pro forma information related to the properties acquired during the year ended December 31, 2014. The pro forma information is presented as if the properties acquired during 2014 were acquired on January 1, 2014. The pro forma presentation is presented for informational purposes only, and is not necessarily indicative of what our actual results of operations would have been had the acquisitions occurred at such time.

(amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Actual revenues from acquisitions	$ 2,303	$ 1,330	$ 4,574	$ 2,145
Actual net income / (loss) from acquisition	466	(61)	682	(159)
Pro forma total revenues	14,777	14,718	29,286[(a)]	28,967
Pro forma net income applicable to common shares	28	(30)	240[(a)]	3,970
Pro forma earnings per common share – basic:	0.02	(0.02)	0.21	3.39
Pro forma earnings per common share – diluted:	0.02	(0.02)	0.17	3.04

(a) *Reflects pro forma revenue and net income of Chalet which was sold in 2014.*

Dispositions

On December 11, 2013, the Board approved entering into a contract to sell King's Court/Terrace Apartments. The Trust entered into a Real Estate Sale Agreement on November 14, 2013 for a sales price of $7.8 million, which closed on February 26, 2014, resulting in a gain of $2.8 million. The net proceeds received after the payoff of the $5.0 million mortgage debt was $2.6 million. The proceeds were deposited in an escrow third-party qualified intermediary account. For tax purposes, the Trust has applied the gain on disposition of the King's Court/Terrace Apartments sale to the adjusted basis of the Tranquility Apartments as its replacement property in accordance with the Internal Revenue Code Section 1031 for tax-free exchanges.

The following table represents the amount of gain from the sale of the King's Court/Terrace after the adjustment of certain disposition fees and selling costs:

(amounts in thousands)		
King's Court/Terrace sales price	$	7,775
Less commissions, closing costs & other prorations		(523)
Net sale price		7,252
Less net carrying value		(4,494)
Gain	$	2,758

On August 19, 2014, the Board approved entering into a contract to sell Chalet Apartments. The Trust entered into a real estate sale agreement for a sales price of $12.5 million, which closed on October 17, 2014, resulting in a gain of $6.3 million. The net proceeds received after the payoff of the $7.2 million mortgage debt was $3.8 million. The proceeds were deposited in an escrow third-party qualified intermediary account in anticipation of applying the net proceed to a qualifying like kind exchange under section 1031 of the Internal Revenue Code. However, the Trust was not able to identify a replacement property. As such, the proceeds were released from escrow on February 3, 2015.

The following table represents the amount of gain from the sale of the Chalet after the adjustment of certain disposition fees, selling costs and the prepayment penalty during the fourth quarter:

(amounts in thousands)		
Chalet sales price	$	12,539
Less commissions, closing costs & other prorations		(1,259)
Net sale price		11,280
Less net carrying value		(4,988)
Gain	$	6,292

The gain for tax purposes was approximately $6.9 million.

(6) ACQUISITION OF NON-CONTROLLING INTEREST IN UNCONSOLIDATED REAL ESTATE COMPANIES

On May 2, 2011, the Trust's Board approved the purchase of equity securities in an apartment community located in Kansas City, Missouri. MOLP purchased a 3.36% minority equity interest for a purchase price of $150 thousand in WildOak Acquisition, LLC ("WildOak"). WildOak refinanced its mortgage loan in the amount of $16.5 million and, with Board approval, the Trust is a key principal/carve-out guarantor of the mortgage loan. MLake 44, LLC owns a majority interest in WildOak. David L. Johnson, Chairman, President, Chief Executive Officer and a Trustee of the Trust and the beneficial owner of more than 10% of the Trust's issued and outstanding common stock, owns 50% of MLake 44, LLC.

On May 2, 2011, MOLP purchased a 3% equity interest in MLake 11, LLC. This limited liability company is the managing member and 0.1% equity owner of Centennial Park Kansas, LLC ("Centennial"). MOLP's purchase price for this investment was $50 thousand. Centennial refinanced its mortgage loan with Freddie Mac in the amount of $10.3 million and, with Board approval the Trust is a key principal/carve-out guarantor of the mortgage loan. David L. Johnson, Chairman, President, Chief Executive Officer and a Trustee of the Trust and the beneficial owner of more than 10% of the Trust's issued and outstanding common stock, owns 47.5% of MLake 11, LLC.

The mortgage financing in which the Trust is a carve-out guarantor as described above is non-recourse because the borrowers, WildOak and Centennial and guarantors are not personally liable for the debt upon default, except in limited instances. The Trust believes that an event of default of the mortgage loans in these limited instances is remote and, if a situation arises where a default of the loan occurs, the guarantors' (including the Trust's) liability is limited to the losses and damages suffered by the lender as a result of the event. The probability of the defaults being triggered are remote; therefore management has recorded the fair value of the guarantee at 1% (similar to the 1% commitment fees on certain letters of credit).

The following table represents the amount of the guarantee liability as of June 30, 2015:

(amounts in thousands)	Mortgage Balance as of June 30, 2015	Guarantee
Centennial Park	$ 9,751	$ 98
WildOak	15,523	155
Total	$ 25,274	$ 253

The guarantee is reflected in other accrued expenses on our consolidated balance sheets.

(7) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

We report as discontinued operations real estate properties that meet the definition and have the criteria to be classified as held for sale. We include all results of these discontinued operations in a separate component of income on the consolidated statements of operations under the heading "Income (loss) from discontinued operations, net."

The Trust entered into a contract to sell the King's Court/Terrace real estate properties as the Trust believes such property is inconsistent with our long-term investment strategy. At the end of each reporting period, we evaluate whether such properties meet the criteria to be classified as held for sale, including whether such properties are expected to be sold within 12 months. Closing of the property occurred on February 26, 2014 and, after the payoff of the debt, proceeds from the sale were approximately $2.6 million.

The following is a summary of the components of income from discontinued operations and the related amounts of income from discontinued operations attributable to the Trust for the six months ended June 30, 2014:

(amounts in thousands)	Six Months Ended June 30, 2014
Rental and other property revenues	$ 222
Gain on sale	2,864
Less: Property operating expenses	140
Depreciation and amortization	106
Operating income	2,840
Less: Interest expense	75
Income from discontinued operations, net	$ 2,765

The operations for any real estate assets sold prior to January 1, 2014 and which were classified as held for sale and discontinued operations as of and for the year ended December 31, 2013, which includes King's Court/Terrace, was not subject to the new guidance for discontinued operations presentation and disclosure, as discussed in Note 2, "Summary of Significant Accounting Policies." These operations have been presented as income from discontinued operations in the accompanying consolidated statements of operations.

(8) TRANSACTIONS INVOLVING SHAREHOLDERS' EQUITY

Shareholders' Equity: Warrants

On December 24, 2013, the Trust commenced a note and warrant offering. (See Note 3). The offering consisted of 1,000 units, with each unit consisting of (i) a $10,000 principal amount of non-negotiable unsecured promissory note, and (ii) one warrant entitling the holder to acquire 100 shares of common stock of the Trust at an exercise price of $50 per share. The notes are issued at a face value of 100%, without any premium or discount (excluding the fair value of the warrants). The warrants expire on the third anniversary date from the date the warrant is issued, but no later than January 31, 2017. As of June 30, 2015, the Trust had received subscriptions totaling $7.0 million and warrants in the aggregate to purchase 70,450 shares of common stock were issued. The Trust classifies the warrants as equity instruments. The relative fair value of the warrants issued was $643 thousand, which was calculated using the Black-Scholes option pricing model. Variables used in the valuation include (1) risk free rate of 0.72%, which was the interest rate on three-year treasury note quoted on December 31, 2013, (2) a stock price of $37, (3) an exercise price of $50, (4) an expected life of 3 years and (5) annualized volatility of 50%.

On June 30, 2015 the Trust amended warrants to acquire 25,000 shares of the Trust's common stock issued to affiliates of David L. Johnson. The amendment provides that the holder of the warrants will have the right to purchase MOLP units for $50 per unit in lieu of 25,000 shares of the Trust's common stock for $50 per share.

Non-controlling Interests: MOLP Operating Units

In conjunction with the acquisitions of certain operating companies that owned apartment communities, we have issued a total of 155,441 MOLP operating units. If and when the MOLP units are presented for redemption, we have the option to convert the MOLP units for common shares of the Trust based on an exchange ratio that is currently a one-for-one basis, or the cash equivalent amount, determined as the average closing price for our common shares over the 10-day trading period on the OTC market preceding the redemption. Although the Trust intends to convert the units into common shares, to date the Trust has redeemed 585 MOLP operating units from two unrelated MOLP owners for $17,756 after such owners exercised their right to redeem the units in accordance with the conditions set forth in the MOLP limited partnership agreement. The price was determined based on the average closing price of the Trust's common stock for the 10 trading days immediately preceding the date the MOLP owner provided his notice of redemption to MOLP. As of June 30, 2015, affiliates of the Trust own 88.25% or 137,181 of the 155,441 MOLP non-controlling operating units outstanding.

Treasury Shares

On November 10, 2014, the Board approved a stock repurchase plan authorizing the Trust to purchase up to 25,000 shares of the Trust's common stock. The Trust intends to finance repurchases under the program through available cash. As of June 30, 2015, the Trust purchased 13,792 common shares totaling $413 thousand and the shares were placed in the Company's treasury stock account.

Dividend

In May, 2015 we announced our Board of Trustees had declared a monthly dividend for July, August and September, 2015 of $0.25 per common share to our common shareholders of record as of July 1, July 31st and September 1, 2015, respectively. The dividend was subsequently paid on July 15, 2015, and we paid equivalent amounts per unit to holders of the common operating partnership units. On August 10, 2015, the Board declared the monthly dividend for the months of October, November and December 2015, at the same rate

(9) EARNINGS PER SHARE ("EPS")

The Trust calculates earnings per share based on the weighted average number of shares of common stock, and dilutive convertible securities outstanding during the period. The exchange of MOLP units into common shares were included in the computation of diluted EPS. The warrants are not included in the computation of diluted EPS as they are anti-dilutive. The following table illustrates the Trust's calculation of basic and diluted EPS for the six months ended June 30, 2015 and 2014:

(amounts in thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Numerator:				
Income from continuing operations attributable to common stockholders	$ 328	$ (90)	$ 890	$ 1,604
Income from discontinued operations attributable to common stockholders	- -	- -	- -	2,765
Net income	328	(90)	890	4,369
Net (income) attributable to non-controlling interests	(299)	(118)	(654)	(824)
Net income (loss) attributable to common stockholders	$ 29	$ (208)	$ 236	$ 3,545
Denominator:				
Weighted average common shares outstanding – basic	1,130	1,168	1,130	1,168
Diluted potential common shares, MOLP units and warrants	226	- -	226	137
Weighted average common shares outstanding – diluted	1,356	1,168	1,356	1,305
Earnings per common share – basic:				
Income from continuing operations attributable to common stockholders	$ 0.03	$ (.18)	$ 0.21	$ .67
Income from discontinued operations attributable to common stockholders	- -	- -	- -	2.37
Net income (loss) attributable to common stockholders	$ 0.03	$ (.18)	$ 0.21	$ 3.04
Earnings per common share – diluted:				
Income from continuing operations attributable to common stockholders	$ 0.02	$ (.18)	$ 0.17	$ .60
Income from discontinued operations attributable to common stockholders	- -	- -	- -	2.12
Net income (loss) attributable to common stockholders	$ 0.02	$ (.18)	$ 0.17	$ 2.72

(10) CONTINGENCIES

Legal Proceedings

The Trust is subject to various routine legal proceedings and other matters in the ordinary course of business, some of which may be covered in whole or in part by insurance. In management's opinion, none of these matters will have a material adverse effect on the Trust's consolidated financial position, results of operations or cash flows.

(11) SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through August 13, 2015, which is the date the consolidated financial statements were available to be issued.

On July 14, 2015, the Trust completed the acquisition of Cross Creek apartment community for $14.9 million. Cross Creek includes 256 apartment units and is located in Wichita, Kansas. In conjunction with the acquisition, the Trust obtained a mortgage loan for $11.3 million from BMO Harris Bank, NA secured by Cross Creek Apartments and guaranteed by the Trust. The mortgage note has a variable rate of 2.25% plus the 30 day LIBOR rate, currently totaling 2.44%, and matures on July 13, 2018.

On July 28, 2015, the Trust obtained a $4.0 million second mortgage loan secured by Berkshire Apartments. The loan has a fixed interest rate of 4.92% and matures on November 1, 2019.

CERTIFICATION

I, David L. Johnson, certify that:

1. I have reviewed this Quarterly report for the six months ended June 30, 2015 of Maxus Realty Trust, Inc. (the "Trust");

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in a light of the circumstances under which such statements were made, not misleading with respect to the three month period covered by this disclosure statement; and

3. Based on my knowledge, the consolidated financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the Trust as of, and for, the period presented in this disclosure statement.

Date: 08/13/2015

By: *s/s David L. Johnson*
David L. Johnson
Chairman of the Board,
President and Chief Executive Officer
Trustee

CERTIFICATION

I, John W. Alvey, certify that:

1. I have reviewed this Quarterly report for the six months ended June 30, 2015 of Maxus Realty Trust, Inc. (the "Trust");

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in a light of the circumstances under which such statements were made, not misleading with respect to the three month period covered by this disclosure statement; and

3. Based on my knowledge, the consolidated financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the Trust as of, and for, the period presented in this disclosure statement.

Date: 08/13/2015

By: *s/s John W. Alvey*
John W. Alvey
Vice President, Treasurer

CERTIFICATION

I, Ryan Snyder, certify that:

4. I have reviewed this Quarterly report for the six months ended June 30, 2015 of Maxus Realty Trust, Inc. (the "Trust");

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in a light of the circumstances under which such statements were made, not misleading with respect to the three month period covered by this disclosure statement; and

3. Based on my knowledge, the consolidated financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the Trust as of, and for, the period presented in this disclosure statement.

Date: 08/13/2015

By: *s/s Ryan Snyder*
Ryan Snyder
Chief Financial Officer, Principal Accounting Officer,
Vice President