

CSRA 1530 W. Covina, DST



PROPERTY OVERVIEW

1530 West Covina Parkway, West Covina, Los Angeles County, CA 91790

*State-of-the-art fitness facility that is well-located in Greater Los Angeles.
100% leased on a triple net basis to the leading fitness operator nationwide.*

- 24 Hour Fitness “Sport”; most popular type of club
- Approximately 37,500 rentable square feet
- Two stories
- Three-level, free-standing parking garage
- 1.58 acres of land

PROPERTY DETAILS

- **LEASE:** Existing 26-year lease expires April 30, 2027, with three extension options of five years each
- **STRUCTURE:** Triple net lease
- **RENT BUMPS:** 11% increase every five years during initial term; increased fixed rent each five-year extension option
- **OFF MARKET ACQUISITION:** Favorable purchase price
- **DESIRABLE L.A. LOCATION:** West Covina, Los Angeles County, CA
- **PROPERTY CLOSING DATE:** April 30, 2015

ACQUISITION SUMMARY

SYNDICATION PRICE
\$18,325,000

EQUITY
\$7,575,000

DEBT
\$10,750,000

OFFERING DETAILS

INVESTMENT COST

\$18,325,000

EQUITY RAISE

\$7,575,000

CASH ON CASH RETURNS

6.25% Starting

6.57% Average

OFFERING LOAN-TO-VALUE

58.66%

FIXED INTEREST RATE

4.9895%

LOAN

5-Year Term

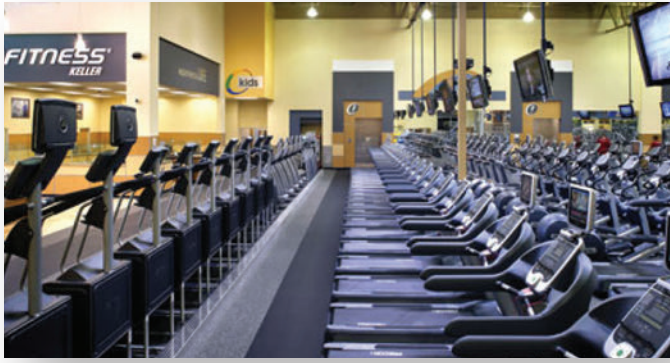
30-Year Amortization Schedule



Investment Highlights

- Desirable L.A. location - ideal for California investors.
- Off market acquisition at favorable purchase price.
- 100% leased to 24 Hour Fitness USA, Inc., through April 30, 2027.
- Triple net lease structure protects investor distributions from future inflation and expense increases.
- 24 Hour Fitness is the number one health club operator in each of its core markets and the number two health club operator in the U.S., by revenue.
- The property is located in West Covina, a city in Los Angeles County, approximately 19 miles east of downtown Los Angeles in the eastern San Gabriel Valley, and is part of Greater Los Angeles.
- Net leased properties in Greater Los Angeles have experienced a dramatic increase in value.
- The U.S. health club industry is large and growing, with total revenues of approximately \$22 billion in 2012. The industry has more than doubled in revenue and participation over the past 20 years and is one of the few sectors of the U.S. economy that grew throughout the past two recessions.



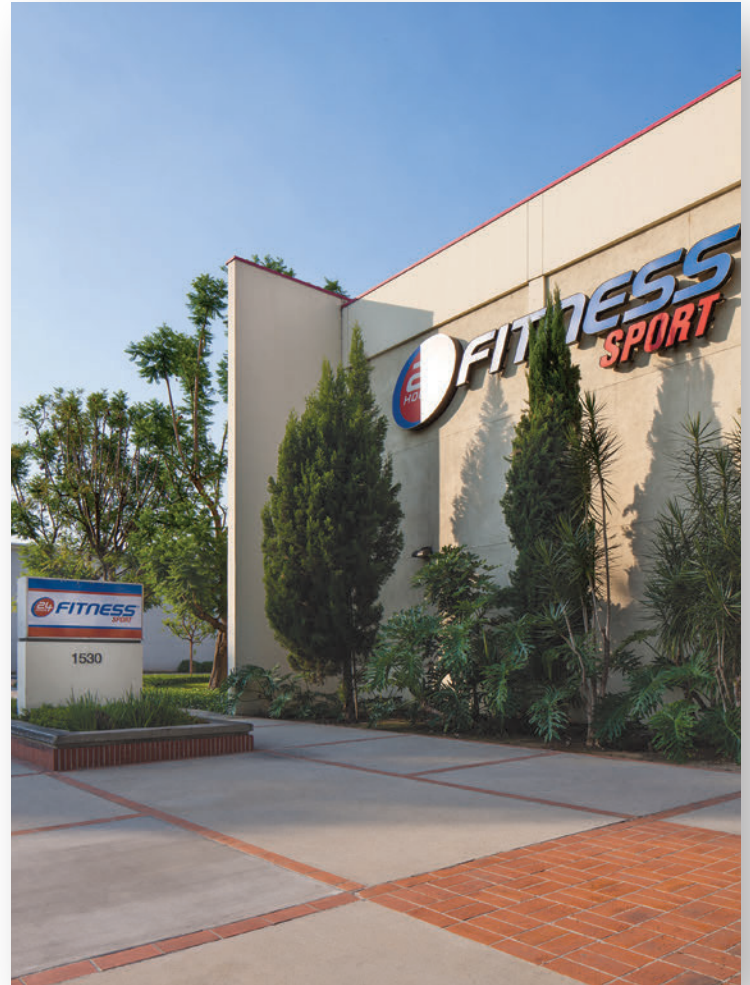


24 HOUR FITNESS USA, INC.

24 Hour Fitness USA, Inc. ("24 Hour Fitness") is the world's largest privately owned and operated fitness center chain with more than 400 locations in 18 states and three countries. The company presently has upwards of 3.8 million members and more than \$1.25 billion in annual revenue. It was ranked #1 in Club Industry's "Top 100" and has been on the Forbes "America's Largest Private Companies" list multiple times.

GYM AMENITIES

- Cardio Equipment
- Circuit Training
- Coin Collect Lockers
- Free Weights
- Group Cycling
- Group Exercise
- Lap pool
- Kids' Club
- Personal Training
- Pro Shop
- Sauna
- Steam Room
- Whirlpool



Founded in 1983 as a one-club operation in San Leandro, Calif., 24 Hour Fitness has grown to become a global fitness leader. Over the past 27 years, 24 Hour Fitness has opened more clubs in the U.S. than any other single operator and is currently the largest privately held fitness club chain. The company is widely credited with changing the industry landscape by introducing a variety of innovations, including the first club to be open 24 hours a day and offer month-to-month and online memberships. The company pioneered the concept of making fitness accessible, affordable and a way of life for everyone.

*Representative interior pictures for illustrative purposes.



FITNESS CLUB INDUSTRY OVERVIEW

The U.S. health club industry is large and growing. The industry achieved total revenues of approximately \$22 billion in 2012, according to the International Health, Racquet & Sportsclub Association. As of 2012, it had grown to include approximately 50 million members and about 30,500 health clubs.

The health club industry is one of the few sectors of the U.S. economy that remained “remarkably resilient” during the past two recessions, according to the *Gym, Health and Fitness Clubs in the*

U.S.: Market Research Report (2013), by IBISWorld, a global business research firm. Increased leisure time and improvements in health and morale have kept the industry highly competitive, the report states.

The industry will not only remain resilient with growing demand from health-conscious consumers, but will also benefit from the mounting elderly population becoming increasingly active, according to the December 2014 update of this same report.

ABOUT CAPITAL SQUARE REALTY ADVISORS, LLC (CSRA)

Capital Square is a real estate advisory company specializing in the creation and management of real estate investments. Capital Square uses the DST and other investment structures to fit the needs of its high net worth individual and institutional investors. Capital Square is also active in property and asset management, key elements in a successful real estate investment.

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Consider the Risks

An investment in the Interests involves substantial investment and tax risks, including, without limitation, the following risks:

- There are various risks associated with owning, financing, operating, and leasing commercial properties in California.
- The Interests do not represent a diversified investment.
- Beneficial Owners must completely rely on the Master Tenant to collect the rent and operate, manage, lease, and maintain the Property.
- The Beneficial Owners have no voting rights with respect to the management or operations of the Trust or in connection with the sale of the property.
- There are various conflicts of interest among the Trust, the Sponsor, the Signatory Trustee, and their Affiliates.
- The Interests are illiquid.
- There are tax risks associated with an investment in the Interests.
- There are risks related to competition from properties similar to and near the property.
- There may be environmental risks related to the property.