

CSRA Grocery Portfolio II, DST

Two grocery-anchored shopping centers in North Carolina, leased to Food Lion, a necessity retailer.

Each property is anchored by Food Lion, a subsidiary of Delhaize Group (NYSE:DEG), an international company with an investment grade S&P rating of BBB-/A-3. Food Lion operates more than 1,100 supermarkets in 10 Southeastern and Mid-Atlantic States. Proposed merger would create an even stronger anchor tenant and add substantial value.

ACQUISITION CLOSE DATE: SEPTEMBER 14, 2015



KIMBERLY PARK | 47,900 square feet | 1005 Monroe Street, Carthage, North Carolina 27288



EDEN CENTRE | 59,043 square feet | 824 S. Van Buren Road, Eden, North Carolina, 27288

OFFERING DETAILS

INVESTMENT COST
\$11,009,000

EQUITY RAISE
\$4,509,000

CASH-ON-CASH RETURN
6% Starting

OFFERING LOAN-TO-VALUE
59.04%
(62.19% with Disposition Fee)

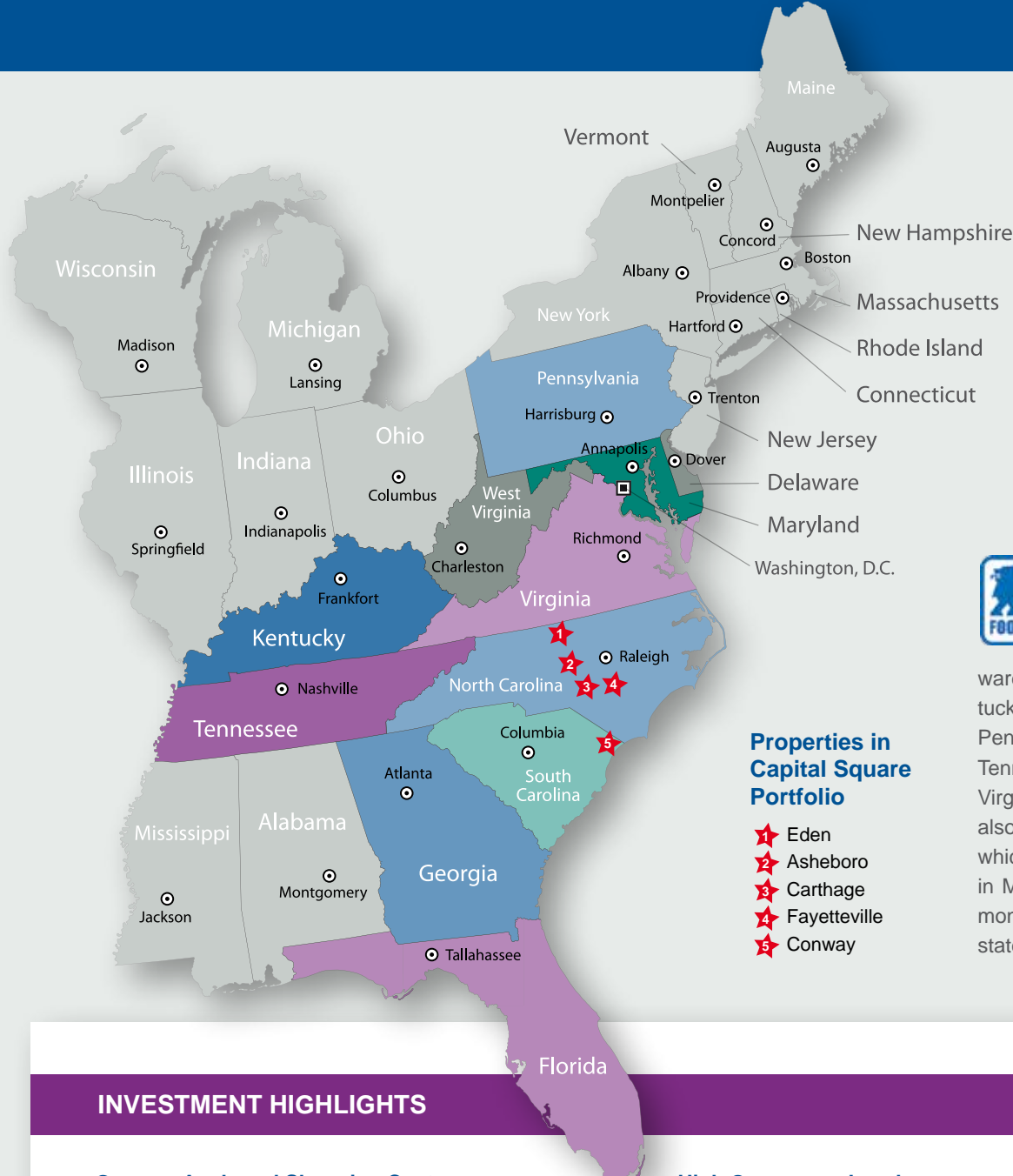
LOAN
10-Year Term
30-Year Amortization Schedule

FIXED INTEREST RATE
4.75%

AFTER-TAX RETURN FOR
CASH INVESTORS
9.37% (estimated)

Other Tenants Include:

Family Dollar
Subway
Verizon Wireless
H&R Block



Approximately 1,100 Food Lion stores can currently be found in Delaware, Florida, Georgia, Kentucky, Maryland, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia. The Delhaize Group also owns Hannaford Brothers, which operates grocery stores in Maine, New Hampshire, Vermont, Massachusetts, and upstate New York.

Properties in Capital Square Portfolio

- ★ 1 Eden
- ★ 2 Asheboro
- ★ 3 Carthage
- ★ 4 Fayetteville
- ★ 5 Conway

INVESTMENT HIGHLIGHTS

Grocery-Anchored Shopping Centers.

Food strategy – Food Lion is a necessity retailer with strong store sales.

Strong Anchor Tenant.

Food Lion is owned by Delhaize America, the U.S. division of Delhaize Group (NYSE: DEG), which has an investment grade S&P rating of BBB-/A-3.

Long-Term Anchor Leases.

Food Lion, the anchor tenant, recently signed new 10-year leases.

Triple Net Leases.

Tenants are responsible for the payment of taxes, insurance, maintenance and repairs, protecting investor distributions from future inflation.

Strong Locations.

The properties are in growing markets with strong Food Lion brand recognition.

High Occupancy Level.

Portfolio approximately 95 percent leased upon acquisition.

Renovated Shopping Centers.

Seller to complete substantial renovations, all at seller's cost.

Proposed Merger of Delhaize Group and Royal Ahold, NV.

Delhaize Group, which owns Food Lion and Hannaford, and Royal Ahold, NV, which owns Giant, Stop & Shop and Martins, recently announced a merger. The Sponsor believes that the proposed merger would be a positive for the properties by creating a financially stronger anchor-tenant with total sales of more than \$60 billion, and a combined enterprise with greater buying power and reduced corporate overhead. Moody's Investors Services is considering Delhaize Group for a credit rating upgrade as a result of the merger. However, the merger has not been completed and still has to clear regulatory hurdles.

MARKET OVERVIEW



Kimberly Park is located in Moore County, North Carolina, within the Pinehurst-Southern Pines, North Carolina Micropolitan Area. The economy in Pinehurst-Southern Pines is largely driven by the leisure and hospitality industry.

The area is known as “The Home of American Golf” and includes 44 golf courses. The area is also a major hub of equestrian activity, with a large cluster of expansive horse farms. Moreover, the leisure and hospitality industry fuels the retail trade industry, as many tourists spend money on retail items while visiting each year.

Through May 2015, retail sales in Pinehurst-Southern Pines totaled \$432.4 million, a 4.5% increase from retail sales recorded in the first five months of 2014.



Eden Centre is located within the Greensboro-High Point-Winston-Salem combined statistical area, commonly referred to as the Piedmont Triad. The CSA has an estimated population of nearly 1.8 million people.

The economy has three primary employment groups: trade, transportation and utilities; education and health services; and professional and business services.

There are 12 public school districts within the Piedmont Triad region, which also includes the University of North Carolina, Greensboro campus and Wake Forest University.



*Tractor Supply Co. is not a part of the offering.



Food Lion, LLC is owned by Delhaize America, the U.S. division of Delhaize Group (NYSE: DEG). Food Lion is the largest subsidiary of Delhaize Group.

Delhaize Group, founded in 1867, is a large food retailer headquartered in Brussels, Belgium. The principal activity of Delhaize Group is the operation of food supermarkets in 11 countries in North America, Europe and Southeast Asia. Delhaize Group's U.S. revenues rose 6.6 percent during 2014, equal to approximately \$1.1 billion.

Based in Salisbury, North Carolina, and founded in 1957, Food Lion operates more than 1,100 grocery stores in 10 Southeastern and Mid-Atlantic states. The company employs more than 63,000 associates and serves approximately 10 million customers a week.

ACQUISITION SUMMARY

SYNDICATION PRICE	
\$11,009,000	
EQUITY	DEBT
\$4,509,000	\$6,500,000



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 North Carolina.
- 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.