

CSRA MOB TX Portfolio III, DST

Portfolio consists of two medical office buildings containing 49,600 square feet 100% net leased to Arlington Orthopedic Associates, P.A.

PORTFOLIO OVERVIEW – ARLINGTON ORTHOPEDIC ASSOCIATES



800 Orthopedic Way, Arlington, Texas 76015
Approximately 37,100 Square Feet



2801 East Broad Street, Mansfield, Texas 76063
Approximately 12,560 Square Feet

OFFERING DETAILS

INVESTMENT COST
\$22,150,000

EQUITY RAISE
\$9,475,000

CASH ON CASH RETURN YR 1
6%

OFFERING LOAN-TO-VALUE
57.22%

FIXED INTEREST RATE
4.7%

AMORTIZATION
3 Years Interest Only
30-Year Schedule Thereafter

PROPERTY DETAILS

- **LEASE:** 12-year lease with two 5-year renewal options
- **STRUCTURE:** Triple Net Lease – expires in 2026
- **RENT ESCALATIONS:** 2% annual rent increases

ARLINGTON MOB | 800 ORTHOPEDIC WAY, ARLINGTON, TEXAS

- Two-story medical office building conveniently located in the heart of Arlington's commercial district
- Strategically adjacent to Baylor Surgical Center, one block south of Pioneer Parkway and two miles north of Interstate 20
- Built in 2003, the building includes imaging and physical therapy space in addition to general exam rooms, offering patients unparalleled service for orthopedic care
- Attractive brick façade and building signage are visible from the heavily traveled South Cooper Street thoroughfare, making the property easily accessible from surrounding neighborhoods
- Ample surface parking is located on the north and west sides of the property, while an inviting carriage porch entrance greets patients and visitors and allows for easy drop off and pick up



MANSFIELD MOB | 2801 EAST BROAD STREET, MANSFIELD, TEXAS



- Developed in 2012 in high growth suburban community south of Arlington
- Property is strategically positioned across from the 168-bed, award-winning Methodist Mansfield Medical Center, permitting affiliated physicians to freely move between the two locations
- Well-appointed, single story building houses imaging and physical therapy services, providing the community with a convenient option for complete orthopedic care
- Easily accessible via State Routes 287 and 360
- Property features an independent entrance for physical therapy patients adjacent to the main entrance and offers ample surface parking in the surrounding surface lot



INVESTMENT HIGHLIGHTS

Stable, Long-Term Net Lease Health Care Investment

- 12-year triple net lease with attractive annual fixed rent escalation of 2%

Strong Quality Tenant

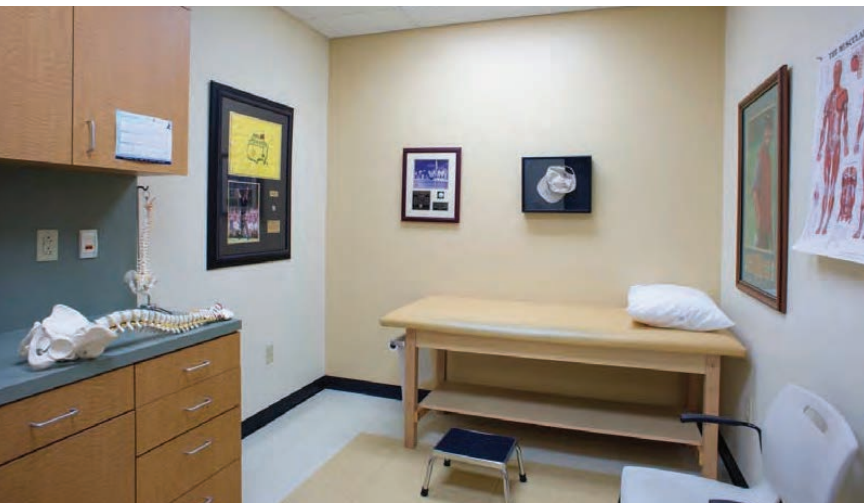
- Market-leading orthopedic practice with 19 physician partners and 125 staff employees
- Strong demonstrated financial performance and revenue growth
- Numerous award winning and renowned physicians with privileges at several leading area hospitals
- Two Centers of Excellence – Joint Preservation Center and Texas Comprehensive Spine Center
- Integrated orthopedic medical services with consultations, surgery, imaging and physical therapy related specialties
- Arlington Orthopedic owns 49.9% of 24-bed Baylor Orthopedic and Spine Hospital at Arlington, strengthening its financial position and economic ties to its partner, Baylor Scott & White Health

Desirable Hospital Affiliation

- Longstanding affiliation with Baylor Scott & White Health, the market leading integrated health system in Dallas-Fort Worth, and Methodist Mansfield Medical Center
- All Arlington Ortho physicians are active staff physicians at numerous local hospitals including Baylor Scott & White Health facilities, Methodist Mansfield and Texas Health Arlington Memorial

No Income Tax in Texas

- Texas is currently one of only seven states that has no income tax



ARLINGTON ORTHOPEDIC ASSOCIATES

Arlington Orthopedic Associates is the largest independent practice providing comprehensive orthopedic care in the Mid-Cities, Texas area. Its 19 member physicians are board-certified and rank consistently among the top orthopedic specialists in the Dallas-Fort Worth Metroplex. Arlington Ortho physicians specialize in orthopedics and its related subspecialties in joint replacement, orthopedic surgery and sports medicine. The practice group incorporates the latest technologies to provide state-of-the-art medical care and diagnostic imaging at all of its locations.

Arlington Ortho is designated as a Center of Excellence for both joint preservation and spine care. The Texas Comprehensive Spine Center was founded in 2004 as a center of excellence within Arlington Ortho to meet the spine care needs of patients residing in the Dallas-Fort Worth Metroplex. The Joint Preservation Center at Arlington Ortho is one of only ten designated cartilage restoration centers in the United States.



MARKET OVERVIEW

Dallas-Fort Worth, Texas

The Dallas-Fort Worth ("DFW") area, known as the DFW Metroplex, is the fastest growing metropolitan area in the United States with a current population of 7,200,000. The mild climate, abundance of companies with well-paying jobs and broad range of cultural, educational and recreational opportunities make DFW a choice location for individuals and companies alike.



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 third-party 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 Texas.
- The Interests do not represent a diversified investment.
- Beneficial Owners must completely rely on the Property Manager 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.