



Tax-Advantaged Real Estate Investments



CSRA Opportunity Zone Fund VII, LLC

A Qualified Opportunity Zone Fund

For investors seeking tax benefits from a qualified opportunity zone fund.

www.CapitalSq.com

Objectives

Reduce or permanently eliminate capital gains taxes

Generate attractive risk-adjusted returns

Return investor capital



Offering Overview

Offering Size: \$63,261,000¹

Minimum Purchase: 100 Investor Units (\$100,000) minimum for accredited investors

Price Per Unit: \$1,000

Suitability: For accredited investors only

Preferred Return 7% preferred return. See "Summary of the Offering" of the Fund's Private Placement Memorandum.²

Priority of Capital Distributions:*

1. To the Investors until each Investor has received a 7% per annum cumulative preferred return;
2. To the Investors until each Investor has received aggregate distributions under this clause (2) equal to such Investor's capital contributions to the Fund; and
3. 80% to the Investors and 20% to the Manager

Loan to Value: 55% (estimated)

Holding Period: 10-year minimum for permanent elimination of capital gains taxes generated during the holding period.

Lookback Provision: Upon liquidation of the Fund, if investors have not received 100% of their initial capital contribution during the life of the Fund, the Manager will be required to pay back any distributions received to the extent of any shortfall.

1. Subject to increase to \$69,853,000 | 2. Distributions and the preferred return are not guaranteed and subject to available cash flows.

*The discussion of Priority of Capital Distributions is merely a summary of the distribution provisions and is qualified in its entirety by the full text in the Operating Agreement. See "Summary of Operating Agreement and Income, Loss and Distributions" in the Fund's Private Placement Memorandum. | This investment is speculative and involves a high degree of risk. Capital Square provides no guarantee or assurance that investment objectives will be realized. | Defined terms used herein have the meanings ascribed to them in the PPM.



Project Scope

Develop approximately 352 market-rate apartment units across three adjoining infill properties. The development is in Scott's Addition, home to many rich amenities within a seven-by-seven block walkable retail radius.

2935 W. Clay Street | 2944 W. Marshall Street | 2931 W. Marshall Street

- Each with five and six stories of residential space situated above podium parking
- Retail amenities such as a neighborhood coffee shop
- Construction will involve the demolition of current structures on the three adjoining parcels and ground-up development will start thereafter
- Construction is slated to begin in Q2 2023

About Scott's Addition

Established in 1901, Scott's Addition is a historic area that is now the City of Richmond's fastest growing neighborhood.³ The area is known for its food, drink and entertainment amenities, including 13 breweries, cideries, meaderies and distilleries that cater to a growing number of millennial residents and empty-nesters.

Scott's Addition is a designated opportunity zone with a census tract that stretches across Virginia Commonwealth University and the Carver neighborhood. Once a hub for industrial buildings and businesses, Scott's Addition is the number one "millennial hot-spot" in Virginia, with a 43% increase in millennials in just five years, according to RENTCafe.⁴ According to Yardi Matrix, Scott's Addition's apartment rental rates are projected to increase 3.6-6.7% per year for five years.⁵

Scott's Addition is the **Second-Highest Performing Market in Richmond**, with an approximate 97.8% occupancy, according to Yardi Matrix.⁶

3. www.scottsaddition.com/about-scotts-addition/ | 4. www.wric.com/news/local-news/one-of-richmonds-fastest-growing-neighborhoods-is-virginias-number-1-millennial-hot-spot/ | 5. Yardi Matrix (between 2022-2026) | 6. Yardi Matrix (as of February 2022)

Location information is provided for educational purposes and is general in nature. It may not predict the performance of the property.





TAX-ADVANTAGED
REAL ESTATE INVESTMENTS



An opportunity to invest in a joint venture between LIV Development and Capital Square, which was formed to develop a 348-unit multifamily development called Livano Knoxville, breaking ground in the first quarter of 2023.

A QUALIFIED OPPORTUNITY ZONE FUND

CSRA OPPORTUNITY ZONE FUND VIII, LLC

451 W. BLOUNT AVENUE | KNOXVILLE, TENNESSEE 37920

OFFERING OVERVIEW

Offering Size:	\$46,684,000 ¹
Minimum Purchase:	100 Investor Units (\$100,000) minimum for accredited investors
Price Per Unit:	\$1,000
Suitability:	For accredited investors only
Preferred Return	8% preferred return. See “Summary of the Offering” of the Fund’s private placement memorandum. ²
Priority of Distribution:*	1. To the Investors until each Investor has received a 8% per annum cumulative preferred return; 2. To the Investors until each Investor has received aggregate distributions under this clause (2) equal to such Investor’s capital contributions to the Fund; and 3. 80% to the Investors and 20% to the Manager
Holding Period:	10-year minimum for permanent elimination of capital gains taxes generated during the holding period.
Lookback Provision:	Upon liquidation of the Fund, if investors have not received 100% of their initial capital contribution during the life of the Fund, the Manager will be required to pay back any distributions received to the extent of any shortfall.



348 Units



**Approximately
323,364 net rentable
square feet**



Knoxville, Tennessee



**Q3 2024 Projected
Completion**

PROJECT SUMMARY

The property is a 5.8-acre site located at 451 W Blount Avenue, just south of the Tennessee River and adjacent to Neyland Stadium, the University of Tennessee’s 101,915-person capacity football stadium. The development will feature 348 Class A units, ranging from studios to three bedrooms. The average unit size will be approximately 930 square feet, and estimated average rent will be \$2,228/month. The property will feature 35 workforce housing (WFH) units for residents who make 80% of the area’s medium family income (MFI). Construction is slated to begin in February of 2023.

1. Subject to increase to \$49,750,000 | 2. Distributions and the preferred return are not guaranteed and subject to available cash flows.

*The discussion of Priority of Capital Distributions is merely a summary of the distribution provisions and is qualified in its entirety by the full text in the Operating Agreement. See “Summary of Operating Agreement and Income, Loss and Distributions” in the Fund’s Private Placement Memorandum. | This investment is speculative and involves a high degree of risk. Capital Square provides no guarantee or assurance that investment objectives will be realized. | Defined terms used herein have the meanings ascribed to them in the PPM.



LOCATION OVERVIEW

Nestled next to the Great Smokey Mountains and the Tennessee River, Livano Knoxville is located in South Knoxville, Tennessee. Knoxville is the third largest city in the state behind only Nashville and Memphis.¹ The area is home to 18 four-year and two-year colleges and universities, led most prominently by the University of Tennessee, which has over 31,000 undergraduate and postgraduate students, 1,700 academic staff members and 9,500+ administrative staff members.² The University of Tennessee's endowment exceeds \$1.3 billion.³

Major employers in the area include the U.S. Department of Energy Oak Ridge Office (17,000+ employees), Covenant Health (11,000+ employees), University of Tennessee (11,700+ employees), Knox County Schools (9,500+ employees), University Health System (5,100+ employees), The Dollywood Company (4,500+ employees), Clayton Homes (4,200+ employees), DENSO (4,200+ employees), Tennova Healthcare (2,900+ employees), Blount Memorial Hospital (2,700+ employees) and the Tennessee Valley Authority (1,200+ employees).⁴

Yardi Matrix reports strong fundamentals for South Knoxville. The current occupancy rate is 97.2%, and rent growth is expected to exceed 3.3% through 2027. Occupancy is expected to stay above 95% for the next decade.⁵

KCDC REDEVELOPMENT AGREEMENT

The Knoxville Community Development Corporation (KCDC) is the housing, redevelopment and urban renewal authority in the city. Pursuant to the Knoxville South Waterfront Redevelopment and Urban Plan, KCDC is authorized to enter into development agreements in certain areas to spur development. In exchange for setting aside 35 apartment units for workforce housing, as well as building the parking garage and extending the Riverwalk greenway, the city will contribute \$6.5 million toward the project's cost.

CONSTRUCTION LOAN

LIV Development and Capital Square are currently finalizing the loan agreement with Truist Bank to provide debt financing. The closing will occur simultaneously with land closing at the end of January, subject to extension options provided for in the purchase and sale agreement. The executed term sheet has the following major terms:

- \$70,355,000 construction loan
- 61% loan to cost
- 0.80% commitment fee
- 48-month term, with one 12-month extension
- A floating interest rate of One-Month Term SOFR plus a margin of 2.85% (on Nov 14, 2022, 1 month term SOFR is approximately 3.81%)
- No prepayment penalty

With the construction loan being in place at the launch of the fund, a major source of uncertainty and risk is removed.



Why Invest?

Opportunity zone investments can lead to a permanent elimination of capital gains taxes.



The level of tax deferral grows over time as long as the investment is maintained in the qualified opportunity zone fund.

About Capital Square

Capital Square is a national investment sponsor specializing in tax-advantaged real estate offerings, including Delaware statutory trusts and qualified opportunity zone funds. Capital Square has transacted more than \$6 billion of real estate based on investment cost. Capital Square provides a range of services, including due diligence, acquisition, loan sourcing, property/asset management, and disposition, for a growing number of high net worth investors, private equity firms, family offices and institutional investors. Since 2017, Capital Square has been recognized by Inc. 5000 as one of the fastest growing companies in the nation for five consecutive years. Additionally, in 2021, the company was ranked 101st on the list of Inc. 5000 Washington D.C. Metro's Fastest-Growing Private Companies. In 2017, 2018 and 2020, the company was also ranked on Richmond BizSense's list of fastest growing companies. Capital Square was listed by Virginia Business on their "Best Places to Work in Virginia" report in 2019 and 2021 as well as on their "Fantastic 50" reports in 2019 and 2020.

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*"Tax-Advantaged" refers to any type of investment that is either exempt from taxation, tax-deferred, or that offers other types of tax benefits. Capital Square is a national sponsor of investment opportunities that can provide such benefits via our 1031 exchange and opportunity zone offerings, among others.

Securities offered through WealthForge Securities, LLC, member FINRA/SIPC. Capital Square and WealthForge are not affiliated.

Images used throughout are CSRA Opportunity Zone Fund VII, LLC project renderings and are subject to change.

Private placements are speculative.

Consider the Risks

There will be occasions when the Manager and its affiliates may encounter potential conflicts of interest in connection with the Fund and its Members and there is no independent dispute resolution mechanism in place to resolve such conflicts.

Potential investors should be aware that an investment in the Fund involves a significant degree of risk. An investment in investor units involves substantial risks including, but not limited to, the following risk factors:

- The Offering will be made on a "best efforts" basis with no minimum investment requirement.
- The various risks associated with acquiring, financing, owning, constructing, leasing and operating multi-family real estate located in Richmond, Virginia.
- The investor units do not represent a diversified investment because the Fund's activities will be limited to the Property.
- Although Capital Square and its affiliates have extensive experience in acquiring, improving and operating commercial real estate, the Fund and the Manager were recently organized and do not have an operating history or significant assets.
- Investors will rely solely on the Manager to manage the Fund and the Property; the Manager will have broad discretion to make decisions regarding the Property.
- There are substantial risks associated with developing the Property in an economically disadvantaged, qualified opportunity zone that permits investors in the Fund to qualify for available Opportunity Zone Tax Benefits.
- Diversification does not guarantee profits or protect against losses.
- The Fund may not make capital distributions until the sale or refinancing of the Property, if at all.
- Real estate-related investments involve substantial risks.
- The Fund will pay substantial fees to the Manager and its affiliates (including CS Development).
- The investor units will be highly illiquid; transferability of the investor Units is restricted and withdrawals of capital contributions are prohibited.
- Substantial actual and potential conflicts of interest exist among the Fund, the Manager, Capital Square, CS Development and their affiliates.
- An investor could lose all or a substantial portion of his investment in the Fund.
- There are tax risks associated with an investment in the investor units, including the possibility that government regulations regarding Opportunity Zone investments may change.
- Investment may result in a loss of entire amount invested.
- The income tax laws applicable to the Fund and to Investors therein are extremely complex, and the summary herein is not exhaustive and does not constitute tax advice. A person considering an investment in the Fund should consult its own tax advisor in order to understand fully the Federal, state, local, and foreign income tax consequences of an investment with respect to the Investor's particular situation.



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