

CS1031 ZERO COUPON DFW HOSPITALITY, DST

815 COMMERCE STREET | FORT WORTH, TX 76102



▶ ZERO CASH FLOW / HIGHLY LEVERAGED OFFERING

OFFERING DETAILS

Acquisition Date: August 19, 2025

Investment Cost \$41,530,000

Equity Raise \$9,230,000

Offering Loan-To-Value 77.78%

Loan Terms

Principal Balance at Closing \$32,300,000

Maturity Date November 15, 2061

Initial Blended Interest Rate 5.81%



INVESTMENT OPPORTUNITY

CS1031 Zero Coupon DFW Hospitality, DST, a Delaware statutory trust, has been formed for the purpose of acquiring (i) fee simple title to that certain approximately 0.92-acre site located at 815 Commerce Street, Fort Worth, Texas (the “land”), (ii) the ground landlord interest in the existing long-term ground lease to which the land is subject (the “ground lease”) and (iii) a reversionary interest in the improvements situated on the land, which consist of a 14-story building currently being operated as a Le Meridien Hotel, an upscale, full-service hotel with 188 rooms, a conference facility and a restaurant (the “improvements”).

HIGHLY SECURE, 99-YEAR GROUND LEASE OWNERSHIP

The trust’s fee ownership of the land is subject to a long-term ground lease with 815 Commerce LLC, a Texas limited liability company (“ground tenant”), which owns all of the improvements situated on the land. Effective as of the date of the ground lease, the ground tenant subleased the land and improvements to a hotel operator affiliated with the ground tenant. The 99-year ground lease has over 95 years of term remaining, with 2.0% annual rental increases throughout the entire term. The ground lease affords the trust, as its landlord, certain rights to take ownership of the improvements in the event of a non-payment of ground lease rent, thereby putting the landlord in an advantaged position to leasehold lenders.

SUPPORTED BY A LUXURY HOTEL

The ground lease is supported by a 188-room, full-service hotel that was completely renovated and reopened in 2024. Located in the heart of downtown Fort Worth, the 14-story hotel has a long-term franchise agreement with Marriott’s upscale Le Meridien brand and features a restaurant, rooftop bar with event space, pool lounge area and convention center.

HIGH-LEVERAGE EXCHANGE FLEXIBILITY

The offering features a high loan-to-value (LTV). This was achieved by structuring the loan so that the ground rent paid by the hotel operator is approximately the same as the debt service and fees due under the loan. Because of the high LTV, there will be no distributions to investors during the holding period. Section 1031 exchange investors whose relinquished property includes a relatively high LTV may be able to exchange into this offering without contributing additional capital to their exchange.

ATTRACTIVE, LONG-TERM FINANCING

- The 36-year loan term provides the trust with flexibility to exit the investment in ideal market conditions without risks imposed by a pending loan maturity.
- Fully amortizing loan with zero residual loan balance to pay off upon maturity
- The sponsor believes that the loan’s sub-6% interest rate is highly attractive compared to 30-year corporate bonds with investment grade A-AAA ratings.¹ This rate supports higher leverage and a larger loan amount.

Source: 1. “30-Year High Quality Market (HQM) Corporate Bond Spot Rate,” Federal Reserve Bank of St. Louis, July 2025.

PROPERTY HIGHLIGHTS

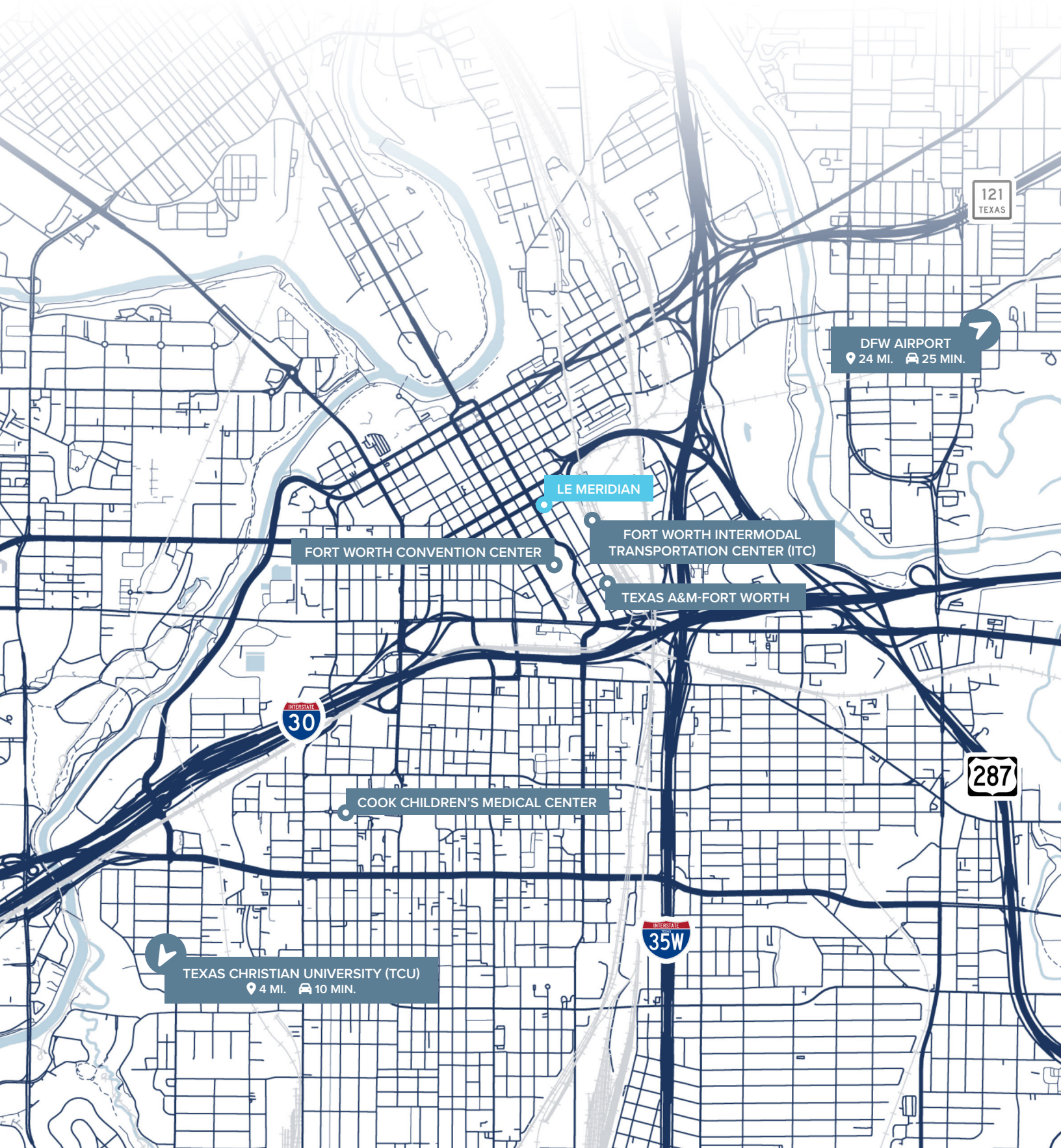
The property is a 0.92-acre parcel subject to a 99-year ground lease. The leasehold improvements, which are owned by the ground tenant, consist of a fully renovated, luxury hotel. The full-service hotel consists of 254,778 square feet of gross building area and a 14-story structure, which includes:

- 188 guest rooms and 313 garage parking spaces
- Three-meal restaurant
- Rooftop bar with outdoor event space
- Ballroom
- Convention space
- Meeting rooms
- Outdoor swimming pool and deck
- Fitness center
- On-site valet services

The hotel operator, which is an affiliate of the ground tenant, entered into a 25-year franchise agreement with Marriott International, Inc. (“Marriott”) to operate the newly renovated hotel under Marriott’s upper upscale Le Meridien brand. Le Meridien is a design-focused offering featuring a blend of mid-century European design coupled with a twist on local styles and tradition. The brand offers nearly 120 hotels and resorts in more than 35 countries and territories, from the Maldives to Monaco and from Santa Monica to Sichuan. Le Meridien participates in Marriott Bonvoy, the global travel program from Marriott.



LOCATION OVERVIEW



121
TEXAS

DFW AIRPORT
📍 24 MI. 🚗 25 MIN.

LE MERIDIAN

FORT WORTH CONVENTION CENTER

FORT WORTH INTERMODAL
TRANSPORTATION CENTER (ITC)

TEXAS A&M-FORT WORTH

INTERSTATE
30

COOK CHILDREN'S MEDICAL CENTER

287

INTERSTATE
35W

TEXAS CHRISTIAN UNIVERSITY (TCU)
📍 4 MI. 🚗 10 MIN.



LOCATION OVERVIEW

Fort Worth, which originated as a small frontier outpost, is now a growing metropolitan area of more than one million people. The city blends its cattle and oil heritage seamlessly with an expanding, diverse array of new businesses and industries.¹

Fort Worth has experienced some of the largest population growth in the country over the past several years. According to the U.S. Census, Fort Worth ranked second in the nation in population growth over the period 2020-2024 for the 50 largest MSAs.² In 2024 alone, nearly 23,442 net new residents relocated to Fort Worth, equivalent to more than 64 move-ins per day.³

Fort Worth serves as an employment base for many large corporations. Notably, American Airlines is headquartered in Fort Worth, with 35,000 jobs in the metro area.³ Additionally, Lockheed Martin, Boeing and BNSF Railway employ more than 10,000 workers in Fort Worth.^{4, 5}

The property is located centrally in downtown Fort Worth, Texas. The Fort Worth Convention Center is one block to the south of the property. The Convention Center is currently in phase one of a two-phase project to fully renovate the facility. The project is being phased so that the convention center can remain open during renovations, a decision that is specifically intended to lessen impact on the downtown hotel community. The full scope of the expansion and renovation is estimated to cost \$701 million.⁶

Texas A&M is making a significant investment in downtown Fort Worth as well with a new urban campus that will serve as the anchor for a planned technology and innovation district.⁷ The new campus, which is located less than a half mile from Le Meridien, is expected to completely transform a previously underutilized area of the downtown. Five new buildings are either planned or under construction for the campus, highlighted by the \$185 million Law and Education building, which is expected to open in Summer 2026.⁶ In total, the Texas A&M Board of Regents approved \$1.5 billion in total development for the Fort Worth Campus.⁸

Texas Christian University (TCU) is also a top private university located in Fort Worth. TCU reported a total enrollment of 12,398 for the 2024 academic year.⁹ The campus is located within a 10-minute drive of the property.

Sources: 1. [“About Fort Worth,”](#) City of Fort Worth, 2025 – Accessed August 2025. | 2. [“City and Town Population Totals: 2020-2024,”](#) U.S. Census Bureau, May 2025. | 3. Elizabeth Hastings, [“Workin’ 9 to 5: Major industries and employers in Panther City,”](#) FTW Today, March 18, 2025. | 4. Anthony Corbo, [“29 Top Companies in Fort Worth to Know Right Now,”](#) Built In – Accessed August 2025. | 5. Evan Hoopfer, [“A look at how Lockheed Martin added 3,000 employees in Fort Worth,”](#) Dallas Business Journal – Accessed August 2025. | 6. Bob Francis, [“Conventions continue as Fort Worth renovates, expands center,”](#) Fort Worth Report, November 6, 2024. | 7. Texas A&M Fort Worth, <https://fort-worth.tamus.edu> – Accessed August 2025. | 8. [“Texas A&M to Make Over \\$1 Billion Investment in Fort Worth,”](#) Downtown Fort Worth, Inc. – Accessed August 2025. | 9. [“Steady 2024 Enrollment at TCU Maintains High Retention Rate,”](#) Texas Christian University, September 11, 2024.

DISCLOSURES

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

- Past performance is not a guarantee of future results.
- The property is highly leveraged and will produce no distributions to purchasers before the disposition of the property.
- The property is 100% leased to a single tenant.
- Any default by the operator or the ground tenant will adversely affect the trust's operations.
- The improvements have been designed for use as a hotel, which could result in substantial re-leasing costs or a lower sale price.
- The trust may suffer adverse consequences due to financial difficulties, bankruptcy, or insolvency of the ground tenant, the operator or their affiliates.
- No assurance can be given that future cash flow will be sufficient to make the debt service payments on any borrowed funds and also cover capital expenditures or operating expenses.
- No assurance can be given that beneficial owners of interests will not lose their entire investment in the Trust.
- The interests are not freely transferable by the beneficial owners.
- There are various risks associated with owning, financing, operating and leasing an upscale hotel in Fort Worth, Texas.
- The interests do not represent a diversified investment.
- Beneficial owners must completely rely on the signatory trustee to collect the rent under the ground lease and the ground tenant and its affiliates to operate, manage, lease and maintain the Improvements.
- 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.
- Private placements are speculative and illiquid.

Securities offered through WealthForge Securities, LLC, the managing broker dealer for the CS1031 Zero Coupon DFW Hospitality, DST offering and member FINRA/ SIPC. Capital Square and WealthForge are not affiliated.

Note to prospective purchasers: None of the ground tenant, the operator, Marriott or any of their affiliates has reviewed, endorsed or ratified the memorandum or this offering or any disclosures or information regarding the operations of the property made by the trust or the sponsor in the memorandum or as part of this offering.

ABOUT CAPITAL SQUARE

Capital Square is a vertically integrated, national real estate firm specializing in tax-advantaged real estate investments, including Delaware statutory trusts, qualified opportunity zone funds and a real estate investment trust (REIT). The company is also an active developer and manager of housing communities. Capital Square's related entities provide 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.

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