



FOR IMMEDIATE RELEASE

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MedProperties, Capital Security Advisors form JV with DOC REIT to acquire Delaware property

MedProperties, Physicians Realty Trust and Capital Security Advisors all have an equity interest in the Class A, 140,205 square foot, multi-tenant Eden Hills Medical Center in Dover

DOVER, Del., and DALLAS, Jan. 8, 2020 –

[MedProperties Realty Advisors, LLC](#) announced that it has formed a joint venture (JV) with Capital Security Advisors and Physicians Realty Trust (NYSE: DOC) to acquire its first healthcare property in Delaware – the 140,205 square foot, multi-tenant Eden Hill Medical Center in Dover. The acquisition closed on October 31.

The Class A, three-story facility at 200 Banning St. is less than a mile from Bayhealth Kent General Hospital, part of the region's leading healthcare system. The medical office building (MOB) is 94 percent leased to a diverse roster of 23 tenants representing Dover's leading physician practices that include gynecology, urology, and cardiology, including some practices affiliated with Bayhealth. The MOB also includes a very successful, 24,000 square foot surgery center.

The seller of the property was Eden Hill Medical Center, LLC, which was formed by some of the physician group tenants that originally developed the building in 2008 as part of a 23-acre master planned site that is owned by an affiliated entity. To date, the only other facility developed on the site is a rehabilitation/skilled nursing facility.

Darryl Freling, Managing Principal of MedProperties Realty Advisors, a national healthcare real estate private equity firm headquartered in Dallas, says MedProperties executives are pleased with their first acquisition in Delaware, which now gives the firm investments in 24 states.

"We acquired the MOB on an off-market basis after being introduced to the investment opportunity by Dennis Irvin, the CEO of Capital Security Advisors who had a



The Class A, 140,205 square foot Eden Hill Medical Center is located on a 23-acre site in Dover, Del., that will provide future development opportunities.

Please click on the images to link to high-resolution versions.

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relationship with the seller. The MOB checked every box for us. The project is a Class A, institutional facility with a long, weighted average lease term from the area's leading practice groups as well as tenants affiliated with the area's leading hospital system, and has been over 90% leased since it was developed in 2008. The MOB includes a very successful surgery center, and Delaware is a CON state." says Mr. Freling.

Capital Security Advisors, a Boston-based investment management and advisory firm focused on infrastructure and real estate, brought the deal to MedProperties and holds an equity position in the JV.

"Capital Security Advisors had an agreement in principle with the seller to purchase the property, but we needed a partner with capital and healthcare real estate experience," explains Dennis Irvin, Principal of the firm. "We didn't know MedProperties, but they were recommended to us, so we introduced them to the project. We are now very pleased with our successful partnership with MedProperties as well as DOC REIT."

Mr. Freling noted that MedProperties is the majority owner and manager of the JV, and DOC committed to a 49 percent equity stake in the project.

"We invest better and grow through our relationships" says John Thomas, President and CEO of Physicians Realty Trust, a Milwaukee-based self-managed healthcare real estate investment trust that acquires, owns and manages healthcare properties. "Eden Hill Medical Center is an outstanding example of the future of healthcare delivery, with a healthcare ecosystem anchored by an ambulatory surgery center and opportunity for future growth. We appreciate the MedProperties team for inviting us to participate in the Eden Hill Investment."

"This transaction required months of legal work to revise and amend aspects of the original, 23-acre master plan" Mr. Freling continues. "We had to make a number of changes, including breaking out the MOB with a separate tax ID, and creating a REA that will govern all of the parcels within the master plan".

"We also negotiated rights of first refusal on the remaining, undeveloped parcels within the 23-acre property. We've been building close relationships with the landowner, tenants and other local healthcare providers, so we're excited to work with them on potential future development opportunities on the site."

Debt for the acquisition was provided by Capital One, with a participation by Siemens Financial Services.

About MedProperties Realty Advisors

MedProperties Realty Advisors LLC is a Dallas-based healthcare real estate private equity firm that invests on a direct and an indirect basis (through joint venture relationships) in the development of new, value-add, and stabilized healthcare real estate, including multitenant medical office buildings and single-tenant, specialty healthcare facilities throughout the U.S. MedProperties invests through its discretionary funds, and through stand-alone investment vehicles. MedProperties is dedicated solely to investments in healthcare real estate. For further information on MedProperties, please visit www.medpropertieslp.com.

About Capital Security Advisors

Capital Security Advisors is an investment management and advisory firm specializing in infrastructure and real estate that seeks to provide investors with attractive risk-adjusted returns in high-quality assets. Returns are generated through the management of the Infrastructure Opportunity Fund TM, a long-short hedge fund investing in debt and equity projects and enterprises, and through real estate investment services. Services include advisory, investment management and asset management with a focus on demographically driven, multifamily, healthcare, and office properties in the fastest-growing regions of the United States. For more information please visit capitalsecurityadvisors.com

About Physicians Realty Trust

Physicians Realty Trust (NYSE:DOC) is a self-managed healthcare real estate investment trust that acquires, owns and manages healthcare properties that are leased to physicians, hospitals and healthcare delivery systems and other healthcare providers. The management team includes healthcare professionals with more than 50 years of experience in healthcare executive management, policy, law, and finance, as well as experience with real estate acquisitions, development and property management. Through our healthcare specific knowledge, we earn the trust of physicians,

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hospitals, and other health care providers by helping them better serve their patients, partners and payers. In turn, our investments in these providers deliver reliable dividends and stock price appreciation for our investors. For additional information, please visit: www.docreit.com.

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