



Equus Acquires a 207,834 Sf Class A Office Building in Plano, Texas

Equus Capital Partners, Ltd. ("Equus"), one of the nation's leading private equity real estate fund managers, announced today that an affiliate completed the acquisition of a 207,834 square-foot Class A office building in Plano, Texas. The acquisition was made on behalf of Equus Investment Partnership XI, L.P. ("Fund XI"), a fully discretionary value-add equity fund managed by Equus, which opened for investment in July 2018. The property was 40% leased at the time of acquisition.

Jack Cres and Brad Enloe of Jones Lang LaSalle represented the seller in the transaction. Jason Piering of Jones Lang LaSalle assisted Equus in arranging financing for the acquisition.

The property benefits from its amenity rich location in a vibrant mixed-use park known as Legacy Town Center, providing tenants with a best-in-class live, work, play environment. The property is within walking distance from countless retail,

dining, and entertainment options at The Shops at Legacy and Legacy West. These two mixed use destinations consist of over 600,000 square-feet of experiential and service-oriented retail, over 3,000 apartment units, over six million square-feet of office, and five hotels. In addition, Stonebriar Mall and The Star at Frisco offer additional retail options approximately two miles to the north of the property in Frisco, TX.

The eight-story Class A office building is situated on a highly visible 4.64-acre site adjacent to the North Dallas Tollway and Tennyson Parkway. The building was built in 2006 and is LEED Gold certified. The 27,000 square-foot floor plates and central core allow for efficient single or multi-tenant layouts. The property also includes a four-story parking garage, which is easily accessed from the building by a covered walkway at the ground level, as well as surface parking for a combined parking ratio of 4.1 spaces per 1,000 square-feet. Equus will be initiating

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The Year Ahead



Daniel M. DiLella
President and CEO

2018 marked another strong year for Equus Capital Partners on several fronts. As the year ended, Equus Investment Partnership XI, L.P., the firm's 13th Value Add Closed End Fund, had closed on approximately 67% of its target raise. Five commercial investments have been made already in Fund XI, totaling \$89 million of committed equity in over 1.1 million SF. Markets include Denver, Dallas, Seattle and Philadelphia.

The \$361 million Equus Investment Partnership X, L.P. ("Equus Fund X") became fully invested early in 2018. Since its initial closing in Q3 2015, Equus Fund X has committed over \$345 million to 18 investments in the office, multi-family and industrial sectors. The geographic diversity is well balanced, and includes properties in Seattle, Santa Clara, Scottsdale, Atlanta, Charlotte, Nashville, Tampa, and Philadelphia. These markets continue to exhibit positive employment and population trends. Most of these assets are well into their repositioning phase and dispositions have commenced on those assets for which we have completed our

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A Year In Review



Arthur P. Pasquarella, COO

We are pleased to report that during 2018 our commercial asset management staff completed 254 leases totaling in excess of 2.9 million square-feet within our portfolio representing an aggregate

lease value in excess of \$270 million (with new leasing representing 48% of the total volume). We thank the many leasing agents from around the country who work closely with us in achieving this sizable activity.

Our capital markets department was very busy again during 2018 closing more than \$825 million in 19 new loan originations. We also sold 21 commercial investments during the year from our Fund and Development portfolios for a total consideration of more than \$1.2 billion. Our development teams were also particularly busy with the completion of a 252-unit apartment community known as Madison at Ellis Preserve (now 88% leased); 974,197 SF of industrial space in three buildings in Winchester, Virginia and Martinsburg, West Virginia which combined are already over 80% leased; and finishing the complete renovation and releasing of 457,000 SF of office space in Wyomissing, PA. We also started construction of a 182-unit transit-oriented apartment complex in Lansdale, PA and the construction of a speculative 1.1 million SF industrial building along the I-81 corridor in Shippensburg, PA. In April, we finished the construction of Equus' new 42,000 SF headquarters building at Ellis Preserve in Newtown Square, PA. If you have not yet done so, we hope you will soon visit us at our new location.

On behalf of our fund management business, we finished the acquisition phase early in 2018 of Equus Investment Partnership X, L.P. with the purchase of a 590,000 square-foot office portfolio totaling \$92 million. On behalf of our latest fund, Equus Investment Partnership XI, L.P. ("Fund XI"), we purchased five value-add properties (office, flex and industrial) in four metro areas across the country with purchase prices totaling more than \$230 million and have already made significant physical and leasing improvements therein. As we start 2019, we have an active pipeline of pending and potential acquisitions from across the country.

Best wishes for a Happy and Healthy New Year. ■

Equus Sells Raintree Corporate Center in Scottsdale, Arizona

In December, Equus completed the sale of Raintree Corporate Center a two-building institutional-quality office complex totaling 345,417 square-feet in Scottsdale, AZ for \$91,700,000. The property, 93% occupied at the time of sale, was originally acquired in 2015 on behalf of a joint venture managed by Equus.

Kevin Shannon, CJ Osbrink, Ken White, Brad Burton, and Paul Jones of NKF Capital Markets represented Equus in the transaction. Serving as counsel to Equus was the firm of Cozen O'Connor which was led by transactional attorneys Dan Hardwick and David Brodsky.

The buildings sold were 8800 and 8888 East Raintree Drive. The stable in-place cash flow, 6-year WALT, and credit tenancy along with mark-to-market prospects provided a unique opportunity for the buyer to acquire a stable asset with upside potential in the highly amenitized Scottsdale Airpark sub-market.

"At the time of our purchase in September 2015, Raintree Corporate Center was just 51% occupied," commented Rob Butchenhart, vice president of Equus' Los Angeles office, adding, "during our hold, we were able to complete 171,909 square-feet of new and expansion leases increasing occupancy to 93% at the time of sale. By maintaining a high-quality asset and implementing a responsive and

decisive leasing strategy, Equus was able to quickly improve the property's occupancy. Raintree Corporate Center continues to see significant tenant demand as an institutional quality asset located in one of the strongest and most desirable submarkets in Metropolitan Phoenix. Strong investor demand in high quality assets in Scottsdale, AZ combined with our desire to exit the investment due to the Fund's life cycle, played into our timing to sell." Rob Butchenhart who, along with Christopher Locatell, Senior Vice President and Director of Dispositions for Equus, and Samuel Schifman, Financial Analyst, oversaw the transaction for the firm.

Raintree Corporate Center is a Class-A office complex that was built in 2007 and 2008 and is situated on 11.6 acres. Raintree Corporate Center consists of two, three-story office buildings (8800 Building is 168,207 SF and 8888 Building is 175,958 SF) and enjoys an attractive parking ratio of 4.75 spaces per 1,000 SF in the adjoining six-level covered parking structure. The property is strategically located adjacent to Arizona State Route 101 (Loop 101). Within two miles of the property are over 50 restaurants and numerous retail amenities. The property is also located within a half mile of the Scottsdale Airport. ■



AmeriHealth Caritas Moving its Headquarters to Newtown Square

Equus Capital Partners, Ltd. (“Equus”), entered into a long-term lease agreement during the 4th quarter with AmeriHealth Caritas, the region’s largest Medicaid managed care organization. AmeriHealth intends to relocate its corporate headquarters to a new five-story, 378,000 square-foot build-to-suit office building within Equus’ Ellis Preserve, a 213-acre master planned mixed use community situated at the intersection Routes 3 and 252 in Newtown Square, PA, a western suburb of Philadelphia.

Equus broke ground in November and expects to deliver by October 1, 2020. The new building and its accompanying three-story parking garage will be situated near the West Chester Pike entrance across from SAP’s headquarters and will offer its occupants scenic views of the Charles Ellis Green, an open 13-acre space that is permanently preserved

for the enjoyment of the tenants at Ellis Preserve and its neighbors in the Newtown Square community. Ellis Preserve uniquely offers the area’s most complete array of amenities including dining, fitness, daycare, shopping, and onsite residences in a beautiful and timeless campus environment.

“This new headquarters building represents the next major milestone in the vision for Ellis Preserve that began 15 years ago at a time when the 210-acre campus was just 30 percent occupied and housed fewer than 150 employees,” said Steve Spaeder, senior vice president of Equus. “With this latest announcement, Ellis Preserve has become Delaware County’s center of economic growth and, along with its neighbor SAP, will be home to more than 50 businesses and 8,500 jobs. We are very excited that AmeriHealth Caritas has selected Ellis Preserve for its new

headquarters and we are thankful for their trust and commitment in allowing Equus to develop this great project.”

Equus, who moved its own Philadelphia-area executive offices to a new 42,000 square-foot headquarters building located within Ellis Preserve back in April, is pleased to welcome AmeriHealth Caritas to its “Campus of Corporate Headquarters”, which is also home to Trinity Healthcare, Sunoco, Alarm Capital Alliance, Mainline Health, Innocoll Pharmaceuticals, PetPlan, Graham Partners, CIS by DeLoitte, and Creative Benefits, Inc. ■

(Continued from page 1 | The Year Ahead)

value-add strategy.

Fund IX, which has essentially completed its repositioning plans continues its disposition program. All but a few remaining investments are either under agreement or in the market for sale. We expect dispositions to continue during 2019.

Equus has nearly completed its dispositions from its earlier Funds. In 2018, Funds V and Multi-Family were fully liquidated. Only 5 assets in total remain among Funds VI, VII, and VIII with each either under agreement or in the market for sale. Property sales from our funds during 2018 approximated \$1.1 billion which, together with cash flow from operations, resulted in our distributing approximately \$550 million to our investors during the year.

An exciting new initiative during 2018 was the establishment of separate accounts focused on both ground up development and existing assets with two new institutional partners, one domestic and one foreign. The combined gross asset value of the investments made thus far in these two new ventures exceeds \$600 million. We are excited about the confidence our new financial

partners have placed in us and we look forward to growing these relationships with new acquisition and development opportunities.

Equus continued and expanded its development activities with office buildings under development at Ellis Preserve in Newtown Square, PA and the Knitting Mills in Wyomissing PA; expanded its industrial development activity with buildings under construction along the I-81 corridor in Pennsylvania, West Virginia and Virginia; and an apartment community nearing completion of construction in Lansdale, PA.

In terms of market conditions, real estate fundamentals remain favorable. Job creation is strong having averaged approximately 200,000 jobs per month in 2018. Projected economic expansion of 2 to 3% bodes well for demand for commercial space while the resulting historically low unemployment bodes well for residential demand. Supply additions in our targeted markets remain at manageable levels resulting in positive absorption and rental rate growth.

Notwithstanding the positive, certain

risk factors exist. First, the continued political and more recent economic uncertainty, impacting the equity markets both in the U.S. and globally, will likely impact owner and investor decisions. Second, the potential for the Fed to continue raising short-term interest rates and the talk of an economic slowdown is becoming more real than speculative at this stage of the cycle. We are confident, however, that Equus' investment strategy is structured to mitigate these risks through its focus on investing with product and geographic diversification in select markets.

In April, we relocated to our new headquarters offices at Ellis Preserve, a premier mixed-use business campus in Newtown Square, PA, a suburb of Philadelphia. You are always welcome to stop by for a visit.

Overall, Equus, under its tenured leadership and utilizing its direct operator model, is well positioned to capitalize on activity in the investment markets and manage the many risks associated with real estate investing.

As always, thank you for your support and best wishes for a Happy and prosperous New Year. ■

(Continued from page 1 | Gateway at Legacy)

a multi-million-dollar repositioning program to modernize the asset to meet the demands of the current marketplace via an upgraded lobby, fitness center addition and multiple tenant lounges and collaboration areas that appeal to the dynamic workforce in North Dallas. The property will be rebranded as Gateway at Legacy.

"The Gateway at Legacy transaction provides the opportunity to acquire a best-in-class office asset located within the highly desirable Legacy Town Center. With a planned multi-million-dollar capital improvement program, including the addition of a modern amenity package, our goal is to reintroduce the property to the marketplace as a top-tier first class office building in terms of functionality and operational efficiency," commented Kyle Turner, Vice President – Director of Investments of Equus, who along with Scott Miller, Associate of Equus, oversaw the acquisition for the firm. ■

1201 Clopper Road, Gaithersburg, MD



Equus Completes over \$120 Million in Sales During the Quarter

During the third quarter, Equus Capital Partners, Ltd. ("Equus"), completed two (2) commercial property dispositions totaling \$120,950,000.

The properties sold included 1201

Clopper Road, a 143,585 square-foot R&D property located in Gaithersburg, MD and Raintree Corporate Center, a two-building institutional-quality office complex totaling 345,417 square-feet in Scottsdale, AZ. ■

Acquisitions

Highlands Campus Tech Centre,
Bothell, WA
Office | 201,766 SF

Gateway at Legacy,
Plano, TX
Office | 207,834 SF

Dispositions

1201 Clopper Road,
Washington, D.C.
Office | 143,585 SF

Raintree Corporate Center,
Scottsdale, AZ
Office | 345,194 SF

New Hires

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Claire Gallagher, *Paralegal*

Equus Capital Partners, Ltd.
Chicago, IL Office
Lauren Vasquez, *Office Manager*

Promotions

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Jessmarie Ramos, *Marketing and Investor Relations Associate*

Equus Capital Partners, Ltd.
Chicago, IL Office
Evan Danner, *Vice President*

Equus Capital Partners, Ltd.
Chicago, IL Office
Adam Seyfarth, *Associate*



Equus Acquires Highlands Campus Tech Centre in Bothell, Washington

In December, an affiliate of Equus completed the acquisition of Highlands Campus Tech Centre ("The Highlands"), a three-building, 201,766 square-foot office and flex complex in the Bothell submarket of Seattle, WA. The acquisition was made on behalf of Equus Investment Partnership XI, L.P. ("Fund XI"), a fully discretionary value-add equity fund managed by Equus, which opened for investment in July 2018.

Kevin Shannon, Nick Kucha, and Bill DeLacy of Newmark Knight Frank represented the seller in the transaction.

The Highlands was built in 1999-2000 and is situated on 13.9 acres. The Highlands Campus consists of one- two-story office building and two-two-story flex R&D buildings with a parking ratio of 3.5 spaces per 1,000 square-feet. Located within Canyon Park, the complex provides convenient access to I-405 and SR 527, two of the region's major transportation corridors. The Highlands Campus is also in close proximity to the Seattle Genetics Headquarters, the largest life sciences company in the State of Washington. With more than 30 life science companies, Bothell has gained a reputation as the hub of life science and biotechnology in the Seattle area. In addition, Eastside Seattle enjoys employment concentration among fast

growing industries such as software, aerospace, technology, and wireless communications. The strong tenant demand from these companies, paired with the limited availability of development sites, create a positive outlook for continued rental rate growth.

Although the property was 97% leased at the time of acquisition, occupancy was expected to drop to 70% in the near term due to pending lease expirations. "We are excited to add The Highlands Campus Tech Centre to our existing Eastside Seattle portfolio. Given the dearth of available space throughout the Eastside market, Bothell has seen a recent surge in demand supported by the technology, life-science, aerospace, and communications industries. The Highlands Campus Tech Centre represents an attractive investment opportunity for our firm in a growing sub-market within one of the most dynamic and highest occupied markets in the country," commented Robert Butchenhart, Vice President of Equus, who oversaw the acquisition for the firm. "We look forward to repositioning the assets through planned physical improvements and releasing the pending vacancy into an increasingly tight Eastside rental market," added Butchenhart. ■

Equus would like to thank the following brokers and their firms for helping us lease 677,928 SF in the 4th Quarter 2018:

▶ Avison Young (MN)	Robert Youngquist
▶ CB Richard Ellis Raleigh, LLC (NC)	L. Heath Chapman
▶ CBRE, Inc. (AZ)	Kevin Calihan, Bryan Taute and Bryce Terveen
▶ CBRE, Inc. (IL)	Pete Adamo and William Elwood
▶ CBRE, Inc. (IN)	Jon Owens
▶ CBRE, Inc. (TX)	Fletcher Cordell and Jackie Marshall
▶ Childress Klein Properties, Inc. (NC)	Henri Wornom Gresset
▶ Colliers International (CA)	Craig Fordyce
▶ Colliers International (IL)	Dave Florent and Francis Prock
▶ Colliers International (MN)	Mike Gelfman, Nat Karrick and Kevin O'Neill
▶ Colliers International (TX)	Chadd Bolding
▶ Cushman & Wakefield (AZ)	Jerry Noble
▶ Cushman & Wakefield (CA)	Roger Gage
▶ Cushman & Wakefield (IL)	Jordan Rovito
▶ Cushman & Wakefield (MD)	Rick Farren and Megan Williams
▶ Cushman & Wakefield (VA)	Todd Brinkman and Erin Cotter
▶ Eastern Commercial Corporation (NC)	Charles Alexander Barzola
▶ Gibbons White, Inc. (CO)	Angela Topel
▶ Hailey Realty Co. (GA)	Michael Beck
▶ Jackson & Cooksey, Inc. (TX)	Paula Osborn
▶ Joel & Granot (GA)	Ted Schwartz
▶ Jones Lang LaSalle (GA)	Bob Currie
▶ Jones Lang LaSalle (IL)	Mike Trumpy
▶ Jones Lang LaSalle (IN)	Adam Broderick, John Robinson, Graham Summers, Nick Svarczkopf, and Abby Zito
▶ Jones Lang LaSalle (MD)	Pete Briskman
▶ Jones Lang LaSalle (NC)	Matt Bowen, Barry Fabyan, Charley Leavitt, Alexandra Mann and Chris Schaaf
▶ Kidder Mathews (CA)	Gregg Domanico
▶ Kidder Mathews (WA)	Dan Harden and Joe Lynch
▶ Lee & Associates (AZ)	William Blake
▶ Lee & Associates (IN)	Stan Elser
▶ McBride Real Estate (DC)	Josh Cramer
▶ NAI Brannen Goddard (GA)	David Beak and Stephen Pond
▶ NAI Carolantic Realty (NC)	Edward B. Brown III and Norman H. Wyche III
▶ NAI Meridian (IN)	Andrew Follman
▶ NAN Properties (TX)	Claudia Fathivand
▶ Newmark Knight Frank (CO)	Megan Davis and David Hart
▶ Newmark Knight Frank (TX)	Greg Marconi
▶ Newmark Knight Frank (VA)	Junius Tillery
▶ Oxford Partners - Houston (TX)	John Zivley
▶ Palm Commercial Real Estate (MN)	Mike Palm
▶ Pickens-Ridnour (TX)	Brenda Ridnour
▶ RE Advisors, Inc. (TX)	Roy Elengical
▶ Savills Studley (NJ)	Harlan Hollander
▶ Scotland Wright & Associates (GA)	Michael Tucker
▶ Shepherd Group (IL)	Frank Sakelaris
▶ Stream Realty (GA)	Kevin Driver and Brian Howell
▶ Stream Realty (TX)	Matt Asvestas and Brad Fricks
▶ Tegra Group (MN)	Tom Hauschild
▶ The Sonenberg Company (GA)	David Sonenberg
▶ Transwestern (MN)	Mike Honsa, Will McDonald and Mike Salmen
▶ Transwestern (TX)	Doug Little, Louann Pereira and Matthew Seliger

Equus Capital Partners, Ltd.® is one of the nation's leading private equity real estate fund managers. Equus' diversified portfolio consists of office, multi-family, R&D, industrial, and retail properties located throughout the United States.

Philadelphia | Chicago | Washington, D.C. | Los Angeles | Raleigh | Atlanta

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