



Equus Recapitalizes \$1 Billion+ Industrial Portfolio

In early April, Equus Capital Partners, Ltd. ("Equus"), in partnership with Partners Group, a leading global private markets firm, on behalf of its clients, completed the sale and recapitalization of an approximately 8.6 million square-foot industrial portfolio for a consideration in excess of \$1 billion. The portfolio is located across five dynamic industrial markets in the Mid-Atlantic and Southeast regions, including Raleigh/Durham, Atlanta, Nashville, Norfolk, and Shenandoah Valley.

The portfolio was aggregated over the last few years in a programmatic joint venture targeting industrial assets ranging from core/core+ to development

on the risk return continuum. The new investment is bifurcated between two joint ventures with a large U.S. based insurance company. One joint venture holds assets with a long-term income focused return profile and the second includes assets suited to a shorter-term total return driven strategy.

"The industrial capital markets have been extremely receptive to stabilized industrial properties that are leased to credit worthy tenants in strategic and dynamic growth markets. The goal at the outset of the programmatic joint venture was to acquire and develop a portfolio of high-quality industrial assets. Our strategy emphasized flexibility and an entrepreneurial approach. We combined

durable in-place cash flow with the potential for return enhancement through identified development opportunities, which resulted in attractive returns," said Kyle Turner, Principal and Director of

(Continued on page 2 | Recap)

HIGHLIGHTS InSIDE:

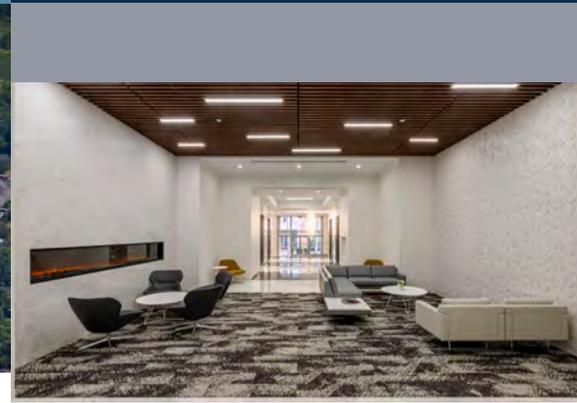
Renovations Update	2-3
Equus Breaks Ground on Spec Industrial Building in Gaston County, NC	4
Equus Sells Highlands Campus Tech Centre in Bothell, Washington for \$53.2 Million	5

Dispositions

Highlands Campus Tech Centre,
Bothell, WA
Office/Lab | 201,866 SF

1040 Corporate Drive,
Raleigh, NC
Office/Industrial | 48,300 SF

Mid-Atlantic / Southeast
Industrial Portfolio,
Hampton Roads/Norfolk, VA
Shenandoah Valley, VA
Raleigh-Durham, NC
Atlanta, GA
Nashville, TN
Industrial | 8.6 million SF



(Continued from page 1 | Recap)

Investments of Equus. “We will continue to source creative and complex real estate transactions on behalf of our investment partners and continue our expansion in the industrial sector up and down the risk curve.”

The 8.6 million square-foot portfolio, which was 98% occupied at the time of sale, included a total of 88 shallow-bay and bulk distribution properties. The shallow bay portion totaling 3.8 million square-feet is comprised of fifty-four buildings in six parks in Raleigh-Durham, NC and nineteen buildings in one self-contained industrial park in Atlanta, GA. The bulk portfolio contains fourteen buildings totaling 4.8 million square-feet, comprised of six buildings in Hampton Roads/Norfolk, VA, four buildings in Nashville, TN and four buildings along the I-81 Corridor of Shenandoah Valley, VA.

“This transaction illustrates the demand for larger portfolios with concentrated sub-portfolios which capture current strong market conditions allowing durable NOI growth and favorable CAGR. The portfolios’ makeup, robust operating fundamentals and long-term tenant appeal attracted significant interest from a multitude of equity sources. As a result, we were able to execute this successful initiative,” said Christopher Locatell, Principal and Director of Dispositions of Equus.

Equus will continue to develop, acquire, operate, aggregate, and dispose of high-quality industrial portfolios across its closed-end commingled Fund business, programmatic joint-venture partnerships, and development platform. Kyle Turner and Christopher Locatell, along with Timothy Feron, Vice President of Acquisitions, Laura Brestelli, Vice President and Director of Capital Markets, and Philip Vecchioli, Analyst, oversaw the transaction for the firm. The firm was advised by the Jones Lang LaSalle team led by Mike Joseph, Doug Bond and Dan Cashdan. ■

King Street Station III Alexandria, VA

During the quarter, Equus completed a \$1.5 million lobby renovation project. The renovations at Kings Street Station III (formerly 1725 Duke Street) involved the transformation of an outdated space into a new state of the art building lobby, lounge and conference facility. The new design includes new large format porcelain floor tiles, warm accent wood slat walls and new ceiling heights and colors to define spaces within the large open lobby space. The intimate center lounge area was designed for casual meeting space and includes an electric fireplace and decorative accent wall tiles with comfortable seating. The back lounge area includes an additional lounge seating area with twenty-foot ceilings centered around a specialty light fixture and additional wood slat walls. The conference facility includes dramatic twenty-foot ceilings with an upscale café area, including casual and high-top seating. Additionally, this space opens to an adjoining outside shopping and restaurant plaza.

The newly repositioned lobby and new conference center replaced the original lobby from when the 156,904 square-foot building was first constructed in 1989. The newly redesigned lobby brings a refreshed contemporary feel with modern finishes and provides functionality with seating areas for conversation or high-top tables to plug-in and work for hours if desired. The conference center and break-out space are also a welcome addition as many tenants are requiring conferencing as part of their space needs. Now that the renovations are complete, King Street Station III is once again regarded as the nicest second generation building in the Old Town Alexandria market. ■

New Hire

BPG Management Company, L.P.
Atlanta, GA Office
Barbara Rowe, *Property Assistant*

Renovations Update



Legacy Place East and West Plano, TX

During the quarter, Equus completed a \$1.8 million lobby renovation in both 5700 and 5800 Tennyson Drive, in Plano, TX. The Legacy Place East and West Towers were in need of a transformation to exceed the current market standards. Both lobbies were renovated to create a new image for the adjoining buildings, which total 299,898 square-feet. Eliminating the dated look of heavy stone in the lobbies, we incorporated light marble flooring, textured wood accent wall paneling, back-painted glass, along with modern light features, furniture, and art décor. The addition of the lounge areas, gaming, and a tenant boardroom in the east tower creates a social hub for tenant engagement, while the inclusion of a Grab 'n' Go provides onsite fresh food options for the tenants.

The desire for outdoor amenities drove the design for the new tenant lounge patio and shade structure and renovated central courtyard, which incorporates soft seating, communal tables and new landscaping.

The expanded fitness center offers new equipment and increased capacity, and a new onsite management office ensures excellent service for all tenants and office visitors. In addition to the cosmetic upgrades in both buildings, we are completing elevator modernizations and major upgrades to the existing HVAC systems.

We have recently completed four new speculative leasing suites at the property incorporating large amounts of outside light and the same light marble flooring and modern lighting used in the first floor lobby areas. One of the four speculative suites was leased prior to completion of construction and activity has been high on the others as well. ■



45 Liberty Boulevard Malvern, PA

During the quarter, Equus completed an approximately \$3 million renovation of 45 Liberty Boulevard in Malvern, PA.

Thomas E. Hall & Associates, Inc. was hired to re-imagine the interior finishes of the 137,000 square-foot building with both collaboration and social distancing in-mind for a post-COVID environment. The resulting lobby design is fresh and modern and includes complimentary finishes including large format floor tile, metal column wraps, natural wood accents, and a biophilic green wall constructed of preserved moss, which was imported from Germany. In addition, the restrooms were completely renovated with touchless fixtures, motion activated doors, tile backsplashes with individual mirrors and inset LED light bars, solid surface countertops and full height privacy partitions. Construction on the lobby and common area renovations and replacement of HVAC equipment commenced in July of 2020 and were completed in March of 2021 and transform the Class B+/A- building to Trophy status.

Equus also worked with township officials, engineers, and consultants to secure approvals for an expansion of the surface parking, allowing for an above market 5/1,000 square-foot parking ratio. Lastly, the entire roof is being replaced with completion expected during the second quarter of 2021. "The renovation at 45 Liberty is a prime example of how we remained focused during the pandemic lockdown on creating value for our investors and capitalized on a window of opportunity when the building was less occupied," remarked Keith Hontz, Vice President for the firm, who oversaw the renovation alongside Equus' development team. ■

(Continued on page 6 | Renovations)



Kings Street Station III



Legacy Place East and West



Legacy Place East and West



45 Liberty Boulevard



45 Liberty Boulevard



Equus Breaks Ground on Spec Industrial Building in Gaston County, North Carolina

During the quarter, Equus Capital Partners, Ltd. ("Equus"), broke ground on a 300,240 square-foot speculative warehouse logistics facility in Gaston County, North Carolina. The project, named Carolina 85 Logistics Center, is in Kings Mountain, along Interstate 85 in Gaston County, North Carolina, 30 miles west of Charlotte.

With approximately 50% of the U.S. population living within a one-day truck drive of Charlotte, industrial space in the market is very desirable to larger distributors. The expansion of the Norfolk Southern Intermodal Facility and the Charlotte Douglas International Airport has further improved the industrial market by providing access to key ports such as Savannah, Charleston and Jacksonville. Equus has observed that as a result, users who once may not have considered Charlotte in the past now do. Charlotte's rapidly growing population (third fastest growing major city in the country) of more than 2.6 million provides a considerable consumer base for industrial users focused on the "last mile" of the distribution chain.

"Charlotte has emerged as a primary distribution node along the I-85 corridor due to its population size, favorable

cost and availability of labor, and North Carolina's reputation as a state with a business-friendly climate," commented Joe Felici, Vice President of Equus. "This has resulted in increased demand for quality space within the Charlotte MSA. Carolina 85 Logistics Center, which fronts I-85, provides users the opportunity to lease a new, state-of-the-art 300,000 SF industrial facility that has access to two interchange locations on I-85, providing users direct access to other high growth MSAs. We believe that these factors will make Carolina 85 Logistics Center highly sought after."

Accessible from either Exit 8 or 10 of I-85 in North Carolina, the 300,240 square-foot Class A building will sit on a 23-acre site. The facility will be constructed of precast concrete panels and will possess the following specifications: 32' clear height, energy efficient LED interior lighting, 7" concrete floors, 50' x 50' column spacing and an ESFR sprinkler system. The warehouse logistics facility will be a 360' deep, single-side loaded building with a 185' deep truck court which will include 55 excess trailer parking drops away from the loading docks. The dimensions of the facility will be attractive for a single-

tenant user or multiple users.

"Based on the accessibility of this site relative to the Charlotte MSA, the overall tightness of the Charlotte market and Western Charlotte's lack of availabilities, we believe there is pent up demand for a highly functional 300,000 SF industrial building," added Felici. "Furthermore, with Carolina 85 Logistics Center being located right off of I-85, which acts as the logistics spine for the Southeastern Region, users will have direct access to many of the fastest growing regions in the entire U.S."

Equus has launched an aggressive marketing and leasing program and anticipates the building will be partially or fully leased before its scheduled delivery. Matt Treble, Fermin Montes de Oca & Patrick McGrath of Cushman and Wakefield's Charlotte office are spearheading the leasing efforts. The facility is currently available for pre-lease with an anticipated completion of December 2021.

Equus Development Company, L.P., Equus' development operating arm, will oversee development and construction. ■



Equus Sells Highlands Campus Tech Centre in Bothell, Washington for \$53.2 Million

In March, Equus Capital Partners, Ltd. (“Equus”), announced the sale of Highlands Campus Tech Centre, a three-building, 201,866 square-foot office and flex complex, located in the Bothell submarket of Seattle, WA, for \$53.2 million. The property was 95% occupied at the time of sale.

Kevin Shannon, Nick Kucha, Ken White, Rob Hannan, Michael Moll, James Childress, Jeffrey Hodson, Rachel Jones, and James Ikeguchi of Newmark Knight Frank represented Equus in the transaction.

The Highlands Campus Technology Centre, anchored by SeaGen (formerly Seattle Genetics), a global biotechnology company dedicated to revolutionizing cancer care, 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. Since its acquisition in 2018, Equus made improvements to the property’s parking lots, roofs, common areas and restrooms.

We are pleased to announce the sale of The Highlands Campus Tech

Center and our continued success in the Eastside Seattle market,” commented Robert Butchenhart, Vice President for Equus and Manager for Equus’ West Coast office in LA, who along with Christopher Locatell, Senior Vice President and Director of Dispositions, oversaw the transaction for the firm. “Our analytics identified the Eastside Seattle/Bothell market as a target investment location. Specifically, with SeaGen anchoring the submarket, together with their near-term lease expiration at the time of acquisition, we felt the opportunity to renew or relet the SeaGen space would provide us the appropriate risk adjusted return opportunity we are looking for in our Fund. The fact we renewed SeaGen for 10 years shortly after acquisition cemented our theory on the investment. Their growth and anticipated continued space requirements will position The Highlands to benefit and support a wide range of tenant space requirements. Since our acquisition in December 2018, we signed 128,126 square feet of new and renewal leases and increased the property’s NOI by 19% in just 27

months.”

Located within Canyon Park, the complex provides convenient access to I-405 and SR 527, two of the region’s major transportation corridors. Bothell has gained a reputation as the hub of life science and biotechnology in the Seattle area and The Highlands Campus is in close proximity to more than 30 life science companies.

The sale was made on behalf of Equus Investment Partnership XI, L.P. (“Fund XI”), a fully discretionary value-add equity fund managed by Equus. Over the past two years Equus has sold two Seattle area campuses consisting of seven buildings in Redmond and Bothell. “We would like to continue our presence in the Eastside Market,” added Mr. Butchenhart. ■

(Continued from page 3 | Renovations)



Legacy Place East and West



Legacy Place East and West



Kings Street Station III



45 Liberty Boulevard

Equus would like to thank the following brokers and their firms for helping us lease 776,051 SF in the 1st Quarter 2021:

▶ Avison Young (IL)	Fred Ishler and Paige Korte
▶ Avison Young (TN)	Sarah James
▶ CANVAS Real Estate Collective (IL)	Michael Wexler
▶ CB Richard Ellis Raleigh, LLC (NC)	Joshua Austin Nagy, Ege Patterson and Ann Stewart
▶ CBRE (TX)	Ward Eastman, Lauren Napper and Trey Smith
▶ CBRE (VA)	Henry Chapman and Tony Russo
▶ Colliers International (MN)	Mike Gelfman, Nate Karrick and Kevin O'Neill
▶ Commercial Associates, Inc. (NC)	William C. Womack
▶ Cushman & Wakefield (MN)	Brad Torell
▶ Cushman & Wakefield (CO)	Nate Bradley
▶ Cushman & Wakefield (DC)	Michael Katcher, Scott Killie and John Skolnik
▶ Cushman & Wakefield (TN)	John Ward
▶ Cushman & Wakefield (TX)	Brad Frank, Sarah Savage and Tom Sutherland
▶ Cushman & Wakefield (VA)	Paige Barger, Todd Brinkman and Tom Walsh
▶ Exp Realty, LLC (NC)	Jacqueline Ragland Lippard
▶ Jones Lang LaSalle (TX)	Christy Rhea
▶ Jones Lang LaSalle (VA)	Mike Blyumin and Bob Shue
▶ Lee & Associates Raleigh Durham, LLC (NC)	Brian T. Farmer
▶ Modus Real Estate (CO)	Eric Kessler and Matthew Meldrum
▶ NAI Carolantic Realty (NC)	Edward E. Brown, III
▶ Savills, Inc. (DC)	Tomi Beightol, Demetri Koutrouvelis and Nicole Miller
▶ William I. Judy (NC)	William I. Judy
▶ York Properties Inc of Raleigh (NC)	Brian E. Wallace

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

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

Acquisition Contacts

COMMERCIAL

East Coast / Texas

George Haines	215.575.2493
Daniel DiLella, Jr.	215.575.2352
Kyle Turner	215.575.2447
Joseph Felici	215.575.2313
Timothy Feron	215.575.2343

Midwest & Mountain States

Joseph Neverauskas	312.427.8740
Brant Glomb	312.673.3593
Adam Seyfarth	312.235.5993

West Coast

Joseph Neverauskas	312.427.8740
Robert Butchenhart	310.725.8432
Peter Russo	310.725.8435

MULTI-FAMILY – NATIONAL

Joseph Mullen	215.575.2429
Peter Naccarato	215.575.2305
Nicoletta DeSimone	610.355.3216
Andrew Peabody	610.355.3217

Disposition Contacts

COMMERCIAL

Christopher Locatell	215.575.2349
Mark Ledger	215.606.1828

MULTI-FAMILY

Peter Naccarato	215.575.2305
-----------------	--------------

Investor Relations

Joseph Nahas	215.575.2363
Scott Miller	610.355.3213

Capital Formation

Joseph Nahas	215.575.2363
Kyle Turner	215.575.2447

This document is for informational purposes only regarding our company and its properties and does not constitute an offer to sell or a solicitation of an offer to buy securities from the company. An offer to sell securities may only be made in accordance with the federal securities laws and applicable state securities law.

©2021 Equus Capital Partners, Ltd.