



Madison Gateway, St. Petersburg, FL

Equus Acquires 314-Unit Multi-Family Community in St. Petersburg, FL

In December 2017, affiliates of Equus Capital Partners, Ltd. ("Equus") acquired The Reserve at Gateway, a 314-unit garden-style multi-family community located in the desirable Gateway market in St. Petersburg, FL, for \$64,100,000. The property was 93% occupied at the time of closing. The acquisition was made on behalf of Equus Investment Partnership X, L.P. ("Fund X"), a \$361 million discretionary equity fund managed by Equus. Madison Apartment Group, L.P. ("Madison"), the multi-family operating arm of Equus, will manage the community.

The Reserve at Gateway is centrally located within the prestigious Carillion Office Park. At approximately 3 million square-feet of office space, this park is home to several corporate headquarters including Raymond James and Home Shopping Network as well as retail and hotel uses. In addition, the broader Gateway office market contains over 9 million square-feet of office space and 60,000 employees. The property is highly visible along I-275, less than one mile from both exits 30 and 31 of the

interstate, which provides direct access to the downtowns of Tampa and St. Petersburg as well as other destinations throughout the MSA.

The Reserve at Gateway has been renamed Madison Gateway. The garden-style community includes a mixture of recently renovated studios, one, two and three bedroom apartments. A particularly unique feature of the community is that approximately 27% of the units are townhome-style and 35% of the units feature attached garages with direct unit entry. Amenities include a community clubhouse, fitness center, business center, resident café, package concierge service, swimming pool, tennis courts, and a dog park. Over the coming months, Equus will invest \$2.4 million to improve the community including a comprehensive rebranding program, making improvements to the exteriors and further enhancing the apartment interiors.

"This transaction provided us with an opportunity to acquire a well located multifamily community in the dynamic Gateway market within St. Petersburg, FL, allowing us to further broaden our

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The Year Ahead



Daniel M. DiLella
President and CEO

At year-end 2017, the \$361 million Equus Investment Partnership X, L.P. ("Equus Fund X") is 84% committed. Since its initial closing in Q3 2015, Equus Fund X has committed over \$300 million to 18

investments in the office, multi-family and flex/R&D sectors. While more concentrated towards commercial over multi-family properties at this stage of the investment period, the geographic diversity is well balanced, encompassing the northeast, central, south, southwest and pacific regions of the U.S. With an active pipeline, we anticipate completing the Investment Period by the end of Q1 2018.

Fund IX, which continues its repositioning plans on a number of investments, has already sold nine of the Fund's 21 investments and continues to perform above expectations. Cumulative distributions have resulted in over 75% of the investors' capital being returned at this stage of the Fund. The remaining properties in the portfolio continue to experience solid rental rate growth and improving occupancies. We expect

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Central Florida portfolio,” commented Steve Pogarsky, vice president of Equus who oversaw the acquisition for the firm. “We are particularly pleased to have been a great solution for the seller who required a year-end closing. Our access to our completely discretionary fund equity combined with our local operating experience allowed us to close this transaction all cash just 31 days after we commenced our due diligence. We continue to seek opportunities to expand our national multifamily portfolio with strategically located assets in primary and secondary markets nationwide.” ■

Acquisitions

McDowell Mountain Business Park,
Scottsdale, AZ
Office | 255,573 SF

North Nashville Industrial Portfolio,
Portland, TN
Industrial | 1,332,420 SF

Madison Gateway, St. Petersburg, FL
Multi-Family | 314 Units

Dispositions

Madison Cypress Lakes, Memphis, TN
Multi-Family | 1,002 Units

Madison Willowyck, Lansdale, PA
Multi-Family | 308 Units

Bay West Commerce Park, Tampa, FL
Office | 196,431 SF

FCA Building, Winchester, VA
Industrial | 400,400 SF

Promotions

Equus Capital Partners, Ltd.

Philadelphia, PA Office
Peter Naccarato, *Acquisitions Manager*

New Hires

BPG Management Company, L.P.

Newtown Square, PA Office
Gloria Garcia, *Assistant Property Manager*

Madison Apartment Group, L.P.

Philadelphia, PA Office
Thomas Tarpey, *HR Generalist*



North Nashville Industrial Portfolio, Portland, TN

Equus Acquires 1,332,420 Square-Foot Industrial Portfolio in Nashville’s North Submarket

In November 2017, affiliates of Equus Capital Partners, Ltd. (“Equus”) acquired a four-building industrial portfolio totaling 1,332,420 square-feet located in Portland, TN. The acquisition was made on behalf of Equus Investment Partnership X, L.P. (“Fund X”), a \$361 million discretionary equity fund managed by Equus.

The portfolio is located within Nashville’s North Industrial submarket and is within close proximity to I-65, the main North-South thoroughfare in the greater Nashville and Middle Tennessee regions. At approximately 37 million square-feet of industrial space, Nashville’s North Industrial submarket’s tenancy includes names such as Caterpillar, General Electric, Macy’s, XPO Logistics, and Sun Products. The portfolio’s interstate access will improve with the completion of a new interchange between I-65 and State Route 109 later this year. The new interchange will bring direct interstate access within half a mile of the portfolio.

The portfolio is comprised of three Class A assets (1115 & 1125 Vaughn Drive, and 1042 Fred White Boulevard) built between 2002 and 2007, and one Class B asset (104 Challenger Drive) built

in 1996, but substantially modernized in 2007 with the addition of T-5 lighting and an ESFR sprinkler system. The Class A properties include modern specifications such as 32’ clear heights, ESFR sprinkler systems, ample loading, 125’ – 175’ truck courts and efficient column spacing. In addition, the two larger buildings include cross-dock configurations. The portfolio was approximately 90% leased at acquisition after execution of a 312,000 square-foot lease just prior to closing.

“The buildings were acquired at a basis below replacement cost and have been well maintained by institutional owners for the past decade,” commented Tim Feron, who along with Joe Felici and George Haines oversaw the acquisition for the firm. “Users continue to show a strong appetite for industrial space in the greater Nashville region and, with improving interstate access, these assets are positioned to capture that demand. We will continue to look for opportunities to expand our industrial presence in the greater Nashville market and throughout the southern region of the U.S.,” Feron continued. The transaction was sourced through Cushman & Wakefield’s local Nashville Industrial Team. ■

A Year In Review



Arthur P. Pasquarella, COO

We are pleased to report that during 2017 our commercial asset management staff completed 301 leases totaling in excess of 2.7 million square-feet within our portfolio representing

an aggregate lease value in excess of \$188.6 million (with new leasing representing 40% 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 2017 closing more than \$1.1 billion in loan transactions. We also sold 6 commercial properties during the year for a total consideration of more than \$185 million and 28 multi-family properties totaling 6,231 units for more than \$796 million. We completed the construction at Ellis Preserve in Newtown Square of a 138-room Hilton Garden Inn and two of the three buildings of a 252-unit apartment community known as Madison at Ellis Preserve.

On behalf of our \$361 million Equus Investment Partnership X, L.P. ("Fund X"), we purchased 11 value-add properties (office, flex, industrial and multi-family) in six metro areas with purchase prices totaling more than \$353 million, and have already made significant physical and leasing improvements therein. As we start 2018, we have an active pipeline of pending and potential acquisitions from across the country. Fund X is now 84% committed and we will soon be making acquisitions on behalf of Equus Investment Partnership, XI, L.P., which is expected to hold its initial closing during the first quarter of 2018.

Best wishes for a Happy and Healthy New Year. ■



Madison Lansdale Station

In October 2017, affiliates of Equus Capital Partners, Ltd. ("Equus"), acquired a 6.7 acre transit-oriented development site adjacent to SEPTA's Lansdale Train Station in Montgomery County, PA.

Equus immediately commenced construction of Madison Lansdale Station, which will include 181 luxury apartment units and approximately 15,500 square-feet of ground-level retail.

Sitework activities during the 4th quarter included grading, stormwater facility installation, and building pad preparation and installation. Footers and foundations were installed for the first of six buildings.

Designed by Philadelphia based Wulff Architects, the 181 residential units will be located throughout one five-story elevator served building and five three-story garden-style buildings. The community will offer 1 and 2 bedroom apartment homes across 14 distinct floorplans, as well as a full set of amenities including a fitness center, indoor and outdoor resident lounge areas, indoor dog wash, and a package delivery center. The contemporary unit finishes will include quartz countertops, stainless steel appliances, 9' ceiling heights and in-unit washers and dryers.

The first apartment units and retail spaces will be available for occupancy during the 4th quarter 2018 and future residents will be able to begin reserving units in the Spring of 2018. ■



Stonewall Industrial Park

During the 4th quarter of 2017, Equus Capital Partners, Ltd. ("Equus"), broke ground on phase III at Stonewall Industrial Park in Winchester, Virginia. The building will be a 287,000 square-foot class-A warehouse distribution facility with 32' clear height, an ESFR sprinkler system, concrete tilt-up wall panels, structural steel columns, joist and girders, EPDM roof with a 15-year manufacturer warranty, 7" concrete slab on grade, T5 lighting, a truck court with 37 available loading dock locations and 50 trailer parking spaces, and employee parking for 126 cars.

Sitework activities included grading, stormwater facility installation, and building pad preparation and installation. Footers and foundations were installed and concrete pours for the floor slabs are approximately 80% complete.

Stonewall III is conveniently located by Exit 317 of I-81 in Winchester, VA, home to many Mid-Atlantic distribution facilities for The Home Depot, Kraft, Rubbermaid, McKesson, Ford, Fiat Chrysler, and many others.

Ideally, the space will be leased to one or possibly two tenants. The lack of available large blocks of warehouse space along the I-81 Corridor positions Stonewall III to take advantage of the increased focus on re-tooling of supply chains for all types of consumer goods and the rapid expansion of E-Commerce fulfillment warehouses for many companies in the Fortune 500. ■

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dispositions to continue during 2018.

Equus has accelerated dispositions from its earlier Funds as capital markets favor well-located, well-leased investments. Total distributions during 2017 from all of our Funds totaled \$481 million. 2018 will continue to see sales from these Funds, as virtually all remaining investments in these Funds are either in the market or are being readied for market.

In terms of market conditions, pricing continues to be challenging, particularly in the multi-family sector, yet real estate fundamentals remain favorable. The economy continues to grow and appears to have accelerated; and supply additions are in check in our targeted markets. Employment levels are stable and likely reaching levels, which will contribute to inflationary pressure. These supply and demand characteristics bode well for continued absorption and rent growth. Given these dynamics, the prospects are favorable for Equus' continuing investment in value add real estate.

As we look ahead, a few risk factors stand out. First, the continued political and economic uncertainty, both US and global, will factor into owner and investor decisions. While historically real estate was essentially local, it is increasingly far more affected by regional events and because capital is global, national and international risks affect the behavior of investors. Second, the prospect for rising interest rates is more real than speculative at this stage of the cycle, but we believe that appropriately implemented and measured increases will help to maintain discipline in the investment markets.

In April, we will be relocating our offices to Ellis Preserve, a premier mixed-use business campus in Newtown Square, PA, a suburb of Philadelphia. We are excited about this move to our new headquarters building and welcome you 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. ■

Equus would like to thank the following brokers and their firms for helping us lease 1,125,403 SF in the 4th Quarter 2017:

▶ Avison Young North Carolina (NC)	Justin Booth
▶ CB Richard Ellis Raleigh, LLC (NC)	Benjamin B. Everett and Joshua Austin Nagy
▶ CBRE (AZ)	Bryan Taute
▶ CBRE (CA)	Ron Kilby
▶ CBRE (IL)	Pete Adamo and William Elwood
▶ CBRE (IN)	Nick Svarczkopf
▶ CBRE (WA)	Evan Steinruck
▶ Coldwell Banker Howard Perry and Walston (NC)	Richard Clemens
▶ Colliers International (CA)	Dion Campisi and Susan Gregory
▶ Colliers International (MN)	Mike Gelfman, Nate Karrick, and Kevin O'Neill
▶ Colliers International (NC)	Charles Lee Smith, III
▶ Colliers International (VA)	John Lesinski
▶ Cresa Phoenix (AZ)	Rod Beach and Jason Malcolm
▶ Cushman & Wakefield (FL)	Paula Buffa, Lauren Coup, Traci Jenks, Ryan Reynolds, and Tony Terrell
▶ Colliers International (MN)	Mike Gelfman, Nate Karrick & Kevin O'Neill
▶ Cushman & Wakefield (AZ)	Peter Menna
▶ Cushman & Wakefield (FL)	Todd Brandon, Paula Buffa, Lauren Coup, Traci Jenks & Tony Terrell
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▶ Cushman & Wakefield (TN)	John Ward
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▶ Edwards and Edwards RL EST, Inc. (NC)	John D. Abood
▶ Foundry (FL)	Brad Chrischilles
▶ Golden Realty & Management, LLC (NC)	Tuan Anh Nguyen
▶ Golub & Company, LLC (IL)	John Ferguson
▶ Jones Lang LaSalle (CA)	Conor Flannery

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McDowell Mountain Business Park, Scottsdale, AZ



Madison Willowyck, Lansdale, PA



FCA Building, Winchester, VA



Bay West Commerce Park, Tampa, FL

Equus Announces the Acquisition of a Premier Class-A Office Complex in Scottsdale, Arizona

In October 2017, affiliates of Equus Capital Partners, Ltd. ("Equus") and iStar Inc ("iStar"), announced today the formation of a joint venture to complete the \$53,150,000 acquisition of McDowell Mountain Business Park, a premier Class-A office complex comprised of two identical 3-story office buildings totaling 255,573± rentable square feet, located at 16425 and 16552 N. Pima Road, Scottsdale, Arizona.

McDowell Mountain Business Park was built in 2006 and 2007. The property was seventy four percent leased at acquisition to a diverse group of tenants. This upscale property is situated in a prime central location on the Loop 101 just north of Frank Lloyd Wright Boulevard, providing easy access, excellent visibility and exposure. In addition to its breathtaking mountain views, the amenity-rich office complex is just minutes from a variety of nearby resorts, hotels and golf courses. A wide range of restaurants and retail stores are nearby, and the buildings

are only 3 miles from the Scottsdale Municipal Airport.

This is the second joint venture for Equus and iStar in the Scottsdale market. An Equus/iStar venture owns Raintree Corporate Center, which is currently 95% leased, up from 51% at the time of acquisition in September 2015. Raintree Corporate Center is a mile south of McDowell Mountain Business Park. Affiliates of Equus serve as the managing general partner of each venture.

Equus' investment in the joint venture was made on behalf of Equus Investment Partnership X, L.P., a discretionary fund managed by Equus. Affiliates of Equus also own Scottsdale Gateway I, a 106,931 office building, and 92 Mountain View, a 116,200 square-foot office building, in the Scottsdale area. ■

Equus Completes over \$167.2 Million in Sales During the Quarter

During the fourth quarter, Equus Capital Partners, Ltd. ("Equus"), completed two commercial and two multi-family property dispositions totaling \$167,250,000.

The multi-family properties sold included Madison Cypress Lakes, a 1,002-unit apartment community located in Memphis, TN, and Madison Willowyck, a 308-unit apartment community located in suburban Philadelphia, PA

The commercial properties sold included Bay West Commerce Park, an eight-building garden-style office complex located in Tampa, FL, and a 400,400 square-foot build-to-suit facility for Fiat Chrysler America ("FCA"), which sits adjacent to Stonewall Industrial Park., located in Winchester, VA. ■

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Equus would like to thank the following brokers and their firms for helping us lease 1,125,403 SF in the 4th Quarter 2017:

▶ Jones Lang LaSalle (IL)	Kellen Monti and Kevin Rogers
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▶ Jones Lang LaSalle (MN)	Marc Nanne
▶ Jones Lang LaSalle (NC)	Barry Fabyan, Charley Leavitt, and William M. Sandridge
▶ Jones Lang LaSalle (TX)	Russell Hodges, Jessica Ochoa, and Samuel Slovacek
▶ Jones Lang LaSalle (VA)	Jim Clarke and Bob Martindale
▶ Kidder Mathews (WA)	Bob Conrad, Dan Harden, Joe Lynch, and Lindsey Todd
▶ KW Commercial (NC)	Brian Patrick Donnelly
▶ KW Commerical North Raleigh, LLC (NC)	Diego Gilberto Munoz
▶ Lee & Associates (TX)	Cooper Bagheri and Travis Taylor
▶ Marcus & Millichap (MN)	Claire Roberts
▶ NAI Brannen Goddard (GA)	David Beak and Stephen Pond
▶ NAI Partners (TX)	Jason Whittington
▶ Newmark Grubb Phoenix (FL)	Jeffrey Frandsen and Scott Henly
▶ Newmark Knight Frank Halakar (IN)	Jenna Barnett
▶ NKFS (PA)	Jim Dugan and Adam Shute
▶ PM Realty Group (TX)	Doug Demiano
▶ ProVenture (TN)	Mike Brandon
▶ Provista Tenant Advisors (TX)	Dan Egger
▶ Savills Studley (TX)	Jim Bell and Drew Morris
▶ Stream Realty (TX)	Ryan Bishop and Asvestas
▶ Swearingen Realty Group, LLC (TX)	Tom Brosseau
▶ Trademark Properties, Inc. (NC)	Kimberly Manning Mills
▶ Transwestern (MN)	Mike Honsa and Mike Salmen
▶ Transwestern (TX)	Doug Little, Louann Pereira, and Matthew Seliger
▶ West, Lane & Schlager (DC)	Ganon Rich

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, industrial, and retail properties located throughout the United States.

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