



Quadrant Willows, Building D, Redmond, WA



Quadrant Willows, Building B, Redmond, WA

Equus Adds Two Buildings to its Redmond, Washington Office Portfolio

In December 2016, affiliates of Equus Capital Partners, Ltd. ("Equus") acquired Quadrant Willows B and D, a 100% leased, two-building class-B office portfolio totaling 118,058 square-feet located in Redmond, Washington, a submarket of Seattle, for \$22,325,000. The acquisition was made on behalf of Equus Investment Partnership X, L.P. ("Fund X"), a discretionary fund managed by Equus.

The seller, Menlo Equities, was represented by Scott Davis, Tom Pehl, and Lou Senini of CBRE.

Quadrant Willows B and D were built in 1997 and 2001, respectively, and are situated on 7.2 acres. Each building is situated on its own individual parcel. Universal Avionics, a leading manufacturer of innovative avionics systems for business jets, turboprop aircraft, transport aircraft, helicopters, regional and commercial airliners used by corporate, military and airline operators, occupies the entirety of building B.

Strategically situated in the Redmond submarket of Eastside Seattle, Quadrant Willows is located along Willows Road, at

the west end of the Redmond Valley. The property provides convenient access to I-405 and SR 520, two of the region's major transportation corridors. Quadrant Willows' location is also in close proximity to the Microsoft World Headquarters and Nintendo USA Headquarters, which create a growing demand for quality nearby office space. In addition to employment concentrations in software, aerospace, technology, and wireless communications, Redmond, along with nearby Kirkland and Bellevue, serve as headquarters for the highest concentration of interactive gaming companies in the United States.

"We are excited to add Quadrant Willows B & D to our current holdings, Quadrant Willows C & E, which were acquired by Fund X in March 2016, and are located immediately adjacent to each other. With our plans for additional and significant upgrades, consistent through all four buildings, we believe we can offer high quality space solutions for a variety of tenants in the marketplace," commented Robert Butchenhart, Vice President of Equus, who oversaw the acquisition for the firm. ■

The Year Ahead



Daniel M. DiLella
President and CEO

Equus Capital Partners, Ltd. ("Equus") finished 2016 on a strong note with the final closing of its twelfth value added fund, Equus Investment Partnership X, L.P. ("Equus Fund X"). Equus Fund X exceeded its equity

commitment target by 20%, totaling \$361 million. In doing so, Equus retained many of its prior investors and greatly expanded its investor base with new LP's from the corporate, state and municipal pension sectors as well as Taft-Hartley plans.

Since its initial closing in Q3 2015, Equus Fund X has committed \$185 million to 11 investments in the office, multi-family and flex/R&D sectors. Combined with an additional three investments under agreement, as we enter 2017, the Fund will have committed approximately 60% of its capital. While more concentrated towards commercial over multi-family properties at this stage of the investment period, the geographic diversity is a well-balanced mix encompassing the northeast, central, south, southwest and pacific regions of the U.S. We believe that there continue to be excellent opportunities available for us to complete our Fund X investment strategy in 2017.

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Acquisitions

**Quadrant Willows Building B and D,
Redmond, WA**
Office | 118,059 SF

Dispositions

**Kansas City Apartment Portfolio,
Kansas City MSA**
Multi-Family | 483 Units

**Madison Aspen Woods,
Florissant, MO**
Multi-Family | 452 Units

**Minneapolis Multi-Family Portfolio,
Burnsville, MN**
Multi-Family | 588 Units

**200 Lawrence Drive,
West Chester, PA**
Industrial | 111,451 SF

**Scottsdale Financial Center,
Scottsdale, AZ**
Office | 104,717 SF

**Pecan Park,
Austin, TX**
Office | 136,444 SF

**Atlantic Storage,
Raleigh, NC**
Industrial | 147,793 SF

Promotions

Equus Capital Partners, Ltd.

Los Angeles, CA Office
Robert S. Butchenhart, *Vice President*



(Continued from page 1)

Fund IX, whose last investment was completed in September 2015, continues to perform above expectations. Eight of Fund IX's 30 properties have already been sold and cumulative distributions have resulted in over 57% 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. Most of the assets have completed or are nearing completion of their repositioning plans, and continue to generate excellent cash flow for the Fund. We expect dispositions to continue during 2017.

Equus continued dispositions from its earlier Funds as capital markets continued to seek well located, well leased investments. In 2016, Funds VI, VII and VIII executed sales with aggregate sale prices totaling \$368 million. Total distributions from these Funds to our investors totaled \$188 million. 2017 will continue to see sales from these Funds in accordance with the disposition plans.

As we enter 2017, we are exploring plans for future products, and will be closely monitoring capital markets on the fund raising, acquisitions, financing and disposition fronts. Expectations are high for the new administration's intentions to enact policies designed to grow the US economy. If successful, real estate investment is likely to be a beneficiary in terms of job growth and increased space demand. Despite the forecast for increased interest rates, we believe that appropriately implemented and measured increases will help to maintain discipline in the investment markets.

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

Development Update

Stonewall Industrial Park Now 100% leased

During the 4th quarter of 2016, Equus Capital Partners, Ltd. entered into an 80,192 square foot lease with Max Finkelstein, Inc. ("MFI") at Equus' Stonewall Industrial Park in Winchester, Virginia. MFI is a wholesale tire distributor, which has provided quality products at competitive prices to tire retailers, redistributors and commercial service dealers over its 96-year history. MFI will take occupancy in March 2017 and will share the building with Home Depot, which occupies the balance of the newly constructed 330,497 square foot distribution building.

"MFI is expanding its operations in the mid-Atlantic region and Equus is pleased to be a part of their progress and growth," noted Dan DiLella, Jr. Senior Vice President of Equus who oversaw the lease negotiations with MFI. "The MFI and Home Depot leases validated our decision to commence construction of the building in 2015 on a speculative basis. The high quality of the facility coupled with the excellent access that this location provides to mid-Atlantic population centers including Baltimore, MD and Washington, DC were key factors in the success of this development."

In November, the development of the 400,400 square-foot build-to-suit facility for Fiat Chrysler America ("FCA"), which is situated adjacent to Stonewall Industrial Park, was completed and FCA has since occupied the space. ■



Pecan Park, Austin, TX



Madison Aspen Woods, Florissant, MO



Madison Woodlands, Kansas City, MO



Madison Trailways, Burnsville, MN



Scottsdale Financial Center, Scottsdale, AZ

A Year In Review



Arthur P. Pasquarella, COO

We are pleased to report that during 2016 our commercial asset management staff completed 362 leases totaling in excess of four million square feet within our portfolio representing an aggregate lease value

in excess of \$426.7 million (with new leasing representing 55% 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 2016 closing more than \$900 million in transactions, including nine acquisition loans, two new construction loans, five refinances, and nine extensions and/or modifications of existing debt. We also sold 14 commercial properties during the year for a total consideration of more than \$393 million and 13 multi-family properties for more than \$487 million. We completed the development at Ellis Preserve in Newtown Square of a 109,093 square foot shopping center anchored by Whole Foods and achieved 100% leasing prior to completion of construction. Also at Ellis, we started construction of a 138 room Hilton Garden Inn and a 252 unit apartment community to be known as Madison at Ellis Preserve. We also completed the construction of a 430,000 square-foot industrial building 100% preleased to Fiat Chrysler in Winchester Virginia.

On behalf of our \$361 million Equus Investment Partnership X, L.P., we purchased 15 value-add properties (office, flex, and multi-family) in eight metro areas with purchase prices totaling more than \$478.8 million, and have already made significant physical and leasing improvements therein. As we start 2017 we have an active pipeline of pending and potential acquisitions from across the country.

Best wishes for a Happy and Healthy New Year. ■

Equus Completes over \$216 Million in Sales During the Quarter

During the fourth quarter, Equus Capital Partners, Ltd. ("Equus"), completed four commercial and six multi-family property dispositions totaling \$216,048,000.

The multi-family properties sold included Madison Aspen Woods, a 435-unit apartment community located in Florissant, MO, Madison Atrium and Madison Trailways, a 588-unit portfolio located in Burnsville, MN, and Kansas City Apartment Portfolio, a three-property, 483-unit portfolio located in Lenexa, KS and Kansas City, MO, respectively. These

transactions represented \$136 million of total sales.

The commercial properties sold included 200 Lawrence Drive, a 111,451 square-foot industrial facility located in West Chester, PA, Scottsdale Financial Center, a 107,000 square-foot class-A office building located in Scottsdale, AZ, Pecan Park, a 136,444 square-foot class-A office building located in Austin, TX, and Atlantic Storage, a 147,793 square-foot industrial facility located in Raleigh, NC. ■

Equus would like to thank the following brokers and their firms for helping us lease 1,305,970 SF in the 4th Quarter 2016:

▶ Aegis Property Group (PA)	Kim Harris and Jim Kinzig
▶ Atlantic Real Estate Group (PA)	Kenneth Bleznak
▶ Avison & Young (MN)	Chas Simcox
▶ Avison & Young (VA)	Mike Shuler
▶ Blackacre Advisors, LLC (IL)	Donald Wenig
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▶ Carolina MaxRealty, Inc. (NC)	Rafael Perez
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▶ Colliers International (NJ)	Kevin Coleman and Jim Scott
▶ Colliers International (VA)	John Lesinski
▶ Commercial Properties, Inc. (AZ)	Ron Schooler
▶ Covenant Commercial Realty, LLC (NC)	Colin Brown
▶ Craft Commercial Properties, LLC (NC)	Linda Craft
▶ Cresa (MN)	Ann Hansen
▶ Cresa Partners (IN)	Leslie Teskey Bonacker
▶ CSA Realty Group (TX)	Andrew Creixell
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▶ Cushman & Wakefield (GA)	Carla Williams
▶ Cushman & Wakefield (IN)	Mike Semler and Bennett Williams
▶ Cushman & Wakefield (MI)	Ed O'Neill
▶ Cushman & Wakefield (TX)	Brett Arabie and Mark Greiner
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▶ First Properties Corporation (NJ)	Daniel Popkin
▶ ICO Commercial (TX)	Tawnya Dornak
▶ Intero Real Estate Services (CA)	Karina Ridge
▶ John C Bills Real Estate (FL)	John C. Bills
▶ Jones Lang LaSalle (FL)	Caleb Lewis
▶ Jones Lang LaSalle (IL)	Steve Flachbart and Lyle Patterson
▶ Jones Lang LaSalle (IN)	John Robinson and Abby Zito
▶ Jones Lang LaSalle (MN)	Pete Kostroski
▶ Jones Lang LaSalle (NC)	Caitlyn Kinnaird
▶ Jones Lang LaSalle (TX)	Russell Hodges and Jessica Ochoa
▶ Jones Lang LaSalle (VA)	Steve Burman
▶ Kidder Mathews (WA)	Dan Harden and Joe Lynch
▶ NAI Brannen Goddard (GA)	David Beak, Wes Lancaster, and Stephen Pond
▶ NAI Carolantic Realty, Inc. (NC)	Daniel Herring and Aldene Creech Osborne
▶ NAI Merin Hunter Codman (FL)	Lesley Sheinberg and Jason Sundook
▶ NAI Mertz (NJ)	Scott Mertz
▶ NAI Partners (TX)	Jason Whittington
▶ Newmark Grubb Knight Frank (CA)	Ryan Harding
▶ Newmark Grubb Knight Frank (MA)	Dan Krysiak
▶ Parker Property (WA)	Katy Heller
▶ Phoenix Commercial Properties, Inc. (NC)	Teddy Hobbs and Michael Wilen
▶ Prime Realty (FL)	Chuck White
▶ SA Commercial (MD)	Allen Schwender
▶ Situs Properties (PA)	Ted Hozza
▶ SVN International Corp. (NC)	Andrew Simpson
▶ The Marquardt Group, Inc. (NC)	Dan Marquardt
▶ Transwestern (IL)	Jon Zeitler
▶ Transwestern (MN)	Mike Honsa and Mike Salmen
▶ Transwestern (TX)	Doug Little and Louann Pereira
▶ Trinity Partners, LLC (NC)	Mike Eberle
▶ Waldrop Properties, LLC (NC)	Michael Waldrop
▶ Weaver Realty (FL)	Chris Weaver

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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