



Meridian Corporate Plaza, Carmel, IN

Equus Acquires 329,546 SF Class A Office Complex in Carmel, IN

In December, an affiliate of Equus acquired Meridian Corporate Plaza (MCP), a three-building, 329,546-square foot Class A office park located in Carmel, a suburb of Indianapolis, Indiana from Inland American Real Estate Trust. The park was approximately 90 percent occupied at the time of closing.

The seller was represented by Jones Lang LaSalle (JLL) Managing Director James Postweiler while JLL Executive Vice President Keith Largay helped secure acquisition financing on behalf of Equus. JLL will also lease Meridian Corporate Plaza, with the team of Managing Director John Robinson and Senior Vice President Adam Broderick overseeing those efforts. Cassidy Turley will provide property management services on behalf of Equus.

"The transaction provided an opportunity to acquire a top-of-class office park in the affluent city of Carmel at a discount to replacement cost," commented Brant Glomb, vice president in Equus' Chicago Regional Office, who oversaw the transaction for the firm. "We plan to capitalize on Meridian Corporate Plaza's recent leasing momentum and success to increase occupancy above 90 percent. Additionally, we will add new and improved amenities such as an onsite management office, a new conference facility and a new fully-equipped fitness center which will all complement the

quality of the park."

Meridian Corporate Plaza is comprised of a three-building, 22-acre complex located within Indianapolis' premier suburban office submarket. The park possesses an ideal setting with its pristine grounds, mature trees and a large centrally located pond which includes a walking path and patio seating. Onsite amenities include a deli, conference center and locker rooms with shower facilities.

Meridian Corporate Plaza is ideally located at the corner of "Main and Main" in the heart of one of Indianapolis' strongest and fastest growing submarkets – North/Carmel. The property is positioned in the Meridian Corporate Corridor – just outside the Indianapolis city boundary – while maintaining an Indianapolis address. With its paramount location on Pennsylvania Parkway, Meridian Corporate Plaza offers excellent exposure along I-465, which runs east-west directly south of the property – providing clear visibility and signage for all three buildings to the highway. North Meridian Street, a major north-south arterial roadway, is located less than ½ mile to the west of Meridian Corporate Plaza's premier location in the region's most desired suburban office corridor, affording its tenants and visitors convenient drive-times from throughout northern Indianapolis. ■

The Year Ahead



Daniel M. Dilella
President and CEO

Equus Capital Partners, Ltd. (Equus) wrapped up 2013 with its final closing on Fund IX, its eleventh value add Fund. The Fund raised \$310 million, 24 percent more than its target of \$250 million, as institutional investors increased their allocations to alternatives and more specifically real estate throughout 2013.

In addition to a notable percentage of returning limited partners ("LP's"), we were pleased to add a number of new LP's and their consultants to Fund IX. In addition to expanding our presence within the Public Pension Fund and High New Worth/Family Office market, we were joined by a number of new Endowments and Foundations and welcomed for the first time a number of Taft-Hartley Plans. Our cadre of LP's now numbers in excess of 200 providing Equus' with excellent diversification across all major institutional investor segments.

To date, Fund IX has committed more than \$80 million of its equity to nine properties. Consistent with our product and geographic diversification goals, we have acquired office, multifamily and industrial product in the Eastern, Midwestern and Western markets of the US. As in the past, we focus on markets which exhibit

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Winchester 81 Logistics Center, Winchester, VA

Acquisitions

Meridian Corporate Plaza
Carmel, Indiana
Office | 329,546 SF

Dispositions

Madison Ridgelake
Nashville, Tennessee
Multifamily | 560 Units | \$47,000,000

The Winchester 81 Logistics Center
Winchester, VA
Distribution Center | 450,000 SF |
\$27,700,000

3801 and 3807 West Chester Pike
Ellis Preserve
Newtown Square, PA
Office and Research and Development
233,000 SF | \$23,500,000

Equus Sells Winchester 81 Logistics Center in Winchester, VA for \$27,700,000

In December, an affiliate of Cole Real Estate Investments acquired The Winchester 81 Logistics Center, a newly constructed 450,000 square foot distribution center located in Winchester, Virginia for \$27,700,000. At the time of the sale, the distribution center was 100 percent leased to McKesson Corporation (McKesson), a leading healthcare and information company.

"The caliber of the tenant and the current market conditions resulted in an extraordinary level of investor interest for this newly completed, expandable, state-of-the-art distribution center," commented Christopher J. Locatell, senior vice president at Equus who was responsible for overseeing the disposition.

The Seller was represented by Michael Hines and Brian Fiumara of CBRE's Philadelphia office.

The Winchester 81 Logistics Center was developed as a long-term build-to-suit lease transaction with McKesson. McKesson's Medical Surgical business unit is

housed in the facility and distributes medical and surgical supplies to physician offices, surgery centers, long-term facilities and home care businesses in New Jersey, eastern Pennsylvania, Delaware, the District of Columbia, Virginia, eastern West Virginia and North Carolina.

McKesson is currently ranked 14th on the Fortune 500 and is a healthcare service and technology information company dedicated to making the business of healthcare run better.

BPG Development Company, L.P., Equus' development operating arm, oversaw the development and construction of the center which was completed in September 2013. The tilt-up building is 100 percent air conditioned and includes a clear height of 32', 52 loading docks, two drive in doors, an ESFR sprinkler system and a host of other modern features. The building is also approved and designed for expansion to a total of 750,000 square feet. ■

Sunoco Acquires Two Buildings at Ellis Preserve in Newtown Square, Pennsylvania

In December 2013, Sunoco acquired two buildings, totaling 233,000 square feet in Ellis Preserve in Newtown Square, Pennsylvania for \$23,500,000. Sunoco will be relocating more than 300 of its senior management and marketing employees from other Philadelphia area locations as part of an office consolidation and restructuring. The buildings, 3801 and 3807 West Chester Pike, were previously occupied by LyondellBassell Industries who vacated the office and research facility in July 2013.

Ellis Preserve is Equus' 218 acre master planned mixed use campus which includes 1,000,000 square feet of existing office space. The campus is already home to more than 20 national and local companies including SAP America, Main Line Health and Catholic Health East.

"We were very excited to attract such a well-respected corporation like Sunoco to Ellis Preserve," commented Stephen M. Spaeder, senior vice president of Equus who oversaw the transaction for the firm. "We believe Sunoco's choice to relocate to the campus is a testament to the desirability of Ellis Preserve's location and corporate setting. We look forward to working closely with Sunoco

to fully redevelop the buildings and welcome their employees in 2015."

BPG Development Company, L.P. will be working with Sunoco on the redevelopment of 3801 and 3807 West Chester Pike. The redevelopment is expected to be completed in 2014 with an opening of the facilities for Sunoco in 2015.

3801 West Chester Pike is a two-story, 186,000 square foot office building that offers expansive floor plates for maximum efficiency and skylights throughout for extensive natural light. 3807 West Chester Pike is a two-story, 47,000 square foot office and amenity building that is situated adjacent to 3801 West Chester Pike.

Ellis Preserve is located near the intersection of Routes 252 and 3 in the heart of Newtown Square, Pennsylvania. Plans for future development are being finalized and include a fully integrated mixture of office, retail and residential uses. Currently, the campus includes a 375-seat dining facility, the Ellis Athletic Center, a full service fitness center with on-site personal training staff, aerobic programs, basketball court and daycare facilities, and a conference center with a 250 seat auditorium. ■

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strong economic diversity, employment and population growth as these are each drivers of demand for space in our investments. Utilizing our direct operator approach, we are well into the execution of our value add strategy for the investments made thus far. Whether re-leasing or repositioning an asset, our focus for this Fund has and continues to be cash flow. To date, the Fund's investments are generating in excess of the preference return, with total return to date being two-thirds from cash flow, and one-third from appreciation.

As of this writing, our pipeline of investments under letter of intent, agreement or in due diligence total approximately \$65 million in commitments which, if all close, would bring the Fund to a 50 percent commitment level during the first few months of 2014. By investing the remaining equity over the balance of 2014 and early 2015, our goal of investing in this economic cycle would be realized.

As the economy continues to see improvement, particularly in employment and business conditions which generate demand for space, we anticipate being able to realize solid rental rate growth. As we place our investments back on the market and as transaction volume and pricing conditions improve, we hope to achieve strong risk adjusted returns for our investors.

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

Fund IX Closes at \$310 Million

On December 13, 2013, BPG Investment Partnership IX, L.P. (Fund IX) closed with equity investments totaling \$310 million and will be targeting value-add office, multifamily, industrial and retail investments located in major metropolitan centers throughout the US.

"The response has been very positive, with investor commitments exceeding our \$250 million goal by 24 percent," said Joseph G. Nahas, Jr., senior vice president, institutional marketing and investor relations, of Equus.

Over the last 20 years, Equus has raised nearly \$3 billion of discretionary equity through the formation of ten co-mingled, closed end funds and one co-investment fund. Fund IX investors include pension funds, endowments, foundations, Taft-Hartley plans and high net worth individuals.

"Equus' investment strategy for Fund IX mirrors the successful approach we employed for our ten prior funds on a nimble, entrepreneurial scale that reflects the current real estate environment," said Daniel M. DiLella, president and chief executive officer of Equus. "We will continue to seek investments where we add value through our proven direct operating platform that has consistently delivered excellent returns for our investors."

Fund IX has already invested \$83 million across nine properties in a diverse portfolio that includes multifamily, office, lab and industrial properties located in the East, Midwest and Southwest regions of the United States. Since the time of acquisition, Equus has increased occupancy from 86 percent to 95 percent across the portfolio. The latest investment was the acquisition of Meridian Corporate Plaza (MCP), a three-building, 329,546-square foot Class A office park located in Carmel, a suburb of Indianapolis, Indiana. ■

New Hires

BPG Management Company, L.P.
Yardley, PA

Diane Mohan – AP/AR Specialist

Promotions

Laura Brestelli
Vice President, Capital Markets

Brian Dovalovsky
Vice President, Asset Management

Joe Nahas, Jr.
Senior Vice President, Institutional Marketing & Investor Relations

Equus would like to thank the following brokers and their firms for helping us lease 732,788 SF in the 4th Quarter 2013:

▶ Aegis Property Group (PA)	Kim Harris and Jim Kinzig
▶ Advocate Commercial Real Estate Advisors (IL)	Red Weller
▶ Avison Young (MD)	Bob Wrightson
▶ Avison Young (VA)	Peter Berk and Dave Millard
▶ Bernie Reeder Commercial Realty (NC)	Bernie J. Reeder
▶ Binswanger (PA)	Scott Gabrielsen
▶ Boyd & Associates Realty (NC)	William Boyd
▶ Bradford Allen Real Estate Services (IL)	Ben Azulay, Jeff Bernstein and Andrew DeMoss
▶ Carmen Commercial Real Estate Services (IN)	Chris Carmen
▶ Carolina MaxRealty (NC)	Rafael Andres Perez
▶ Cassidy Turley (AZ)	Peter Menna
▶ Cassidy Turley (IN)	Jon Owens
▶ Cassidy Turley (MD)	Todd Brinkman and Spencer Stouffer
▶ Cassidy Turley (MN)	Luke Allison, Mark Stevens and Molly Townsend
▶ CBIZ (IL)	Eric Galanti
▶ CBRE (MA)	Sam Crosson, Robert McGuire and Alison Powers
▶ CBRE (PA)	Mike Barker, Steve Cousart, Stephen Kriz and Paul Touhey
▶ CBRE Fameco (PA)	John Krause
▶ Colliers International (CA)	Diane Armstrong, Jim Beeger, Dion Campisi and Susan Gregory
▶ Colliers International (PA)	John Susanin
▶ CREST Commercial Real Estate Strategies (MN)	Wayne Teig
▶ Cushman & Wakefield (AZ)	Pat Devine, Greg Mayer and Jerry Noble
▶ Cushman & Wakefield (CA)	Doug Sugimoto
▶ Cushman & Wakefield (FL)	Mercedes Angell, Jeff Lanning and Andy May
▶ Cushman & Wakefield (MA)	Matt Adams and Rory Walsh
▶ Cushman & Wakefield/NorthMarq (MN)	Jason Butterfield and Gordie Hampson
▶ Dempsey Development (PA)	Jason Dempsey
▶ Gola Corporate Real Estate (PA)	Rod Neary
▶ ICON Commercial (GA)	David Payne
▶ Jones Lang LaSalle (IL)	Bill Rogers and Steve Stratton
▶ Jones Lang LaSalle (IN)	John Robinson, Graham Summers and Abby Cooper Zito
▶ Jones Lang LaSalle (MA)	Rob Mahoney
▶ Jones Lang LaSalle (MN)	Brian Ginkel, Tad Jellison, John Lorence, John Nigon, Chris Rohrer and Doug Shankman

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A Year In Review



Arthur P. Pasquarella, COO

The property and capital markets continued to improve during 2013 especially during the 4th quarter which was particularly strong. The multifamily sector continues to experience strong renter demand and high occupancies despite an increasing supply of new product in an increasing number of markets. Accelerated growth in employment is improving demand for office space as well as in the retail and industrial sectors. Availability of debt and equity capital continued to increase, leading to increased values and transaction volumes during the year.

We are pleased to report that during 2013 our commercial asset management staff completed 365 leases totaling in excess of three million square feet within our portfolio representing an aggregate lease value in excess of \$288 million with new leasing representing 58% of the total volume. This success is owed, in large part, to the close relationships we enjoy with many leasing agents around the country, the hard work of our staff, our ability to quickly reach a space decision with a tenant, to provide the requisite funds to complete the build out and promptly pay leasing brokers. Madison Apartment Group continues to achieve high occupancy rates averaging in excess of 95 percent within our 16,000 unit nationwide apartment portfolio.

Our capital markets department was very busy during the past year as well, closing more than \$577 million in financing for new acquisitions, refinancing and extensions. We also sold seven commercial properties during the year for a total consideration of more than \$157 million and three multifamily properties for more than \$117 million. We completed the development in Winchester, Virginia of a 450,000 square foot industrial building for McKesson Pharmaceuticals and of a 232 unit apartment community in suburban Philadelphia.

On behalf of BPG Investment Partnership IX, L.P. we acquired four value-add properties (office, flex and multi-family) in the Washington, D.C., Indianapolis and St. Louis metro areas with purchase prices totaling more than \$100 million, and have already made significant physical and leasing improvements therein. As we start 2014, we have an active pipeline of new acquisitions of multifamily, office and industrial properties in four additional metro areas throughout the country.

We look forward to completing the investment of our Fund IX capital in this improving economic and capital environment and building value one property at a time.

Best wishes for a Happy and Healthy New Year. ■

Madison Ridgelake, Nashville, TN



Madison Ridgelake in Nashville, Tennessee Sold for \$47,000,000

In October, Madison Ridgelake, a 560 unit apartment community, located in Nashville, Tennessee, was sold to Arenda Capital Management, LLC. for \$47,000,000. At the time of the sale, the community was 98 percent leased.

"Nashville's compelling market fundamentals and renter demographics combined with Madison Ridgelake's history of consistent rent growth resulted in an extraordinary level of investor interest for this well located community," commented Greg Curci, vice president at Equus who was responsible for overseeing the disposition.

Located in the desirable Bellevue submarket, the garden style community is located just ten miles southwest of downtown Nashville. It offers a mix of one and two bedroom apartments and townhomes. The community offers exceptional amenities including indoor and outdoor pools, a fitness center, two indoor racquetball courts, tennis courts, volleyball courts and a dog park.

The Seller was represented by David Gutting and Vincent Lefler of Jones Lang LaSalle.

An affiliate of Equus acquired Madison Ridgelake in 2004 on behalf of BPG Investment Partnership Fund VI, L.P., a \$384,000,000 private equity fund. ■

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Equus would like to thank the following brokers and their firms for helping us lease 732,788 SF in the 4th Quarter 2013:

▶ Jones Lang LaSalle (PA)	David Healy
▶ KLNb (VA)	Ryan Harding
▶ Leder Realty (NC)	Stuart Leder
▶ Lee Partners (MA)	Bruce Lee
▶ The Marquardt Group (NC)	Dan Marquardt
▶ McBride (VA)	Joshua Cramer
▶ Metro Commercial (NJ)	Michael Gorman
▶ Mohr Partners (MN)	Stu Ackman and Clint Baer
▶ NAI Brannen Goddard (GA)	David Beak and Stephen Pond
▶ NAI Carolantic Realty (NC)	Henry Stoneham
▶ NAI Geis Realty Group (PA)	Tom Hummel
▶ NAI Keystone (PA)	John Buccinno
▶ NAI Merin Hunter Codman (FL)	Lesley Sheinberg and Jason Sundook
▶ Newmark Grubb Knight and Frank (PA)	Les Haggett and Adam Shute
▶ Phoenix Commercial Properties (NC)	John Larocca
▶ RAS (PA)	David Orkin
▶ Re/Max (NC)	Joseph Wilson
▶ Studley (PA)	Greg Geber, Scott Merz and Greg Soffian
▶ Studley (VA)	Adam Brecher
▶ Stream Realty Partners (GA)	Matt DiLeo, Ben Hault, Nicolai Schwarzkopf and Wendy Tomich
▶ Thalhmer Raleigh, LLC (NC)	Morris C. Thomas, Jr.
▶ Trademark Properties, Inc. (NC)	Daniel Stuart McCloy
▶ Transwestern (MN)	Mike Salmen
▶ Travers Realty (MN)	Steve Eyler
▶ TRU Office Advisors (IL)	Ryan Foran and Dave Wilson
▶ Urban Space Real Estate (IN)	Darren Block
▶ Vista Realty Partners (PA)	Andrew Spillard
▶ The Walker Group (MD)	Jason Klein
▶ Weber Wood Medinger (PA)	Kevin Riley
▶ William Leonard & Company (GA)	Bill Leonard
▶ USI R.E. Brokerage Services (IL)	Emmett Purcell

Equus Capital Partners, Ltd. is one of the nation's leading private equity real estate fund managers. Equus' portfolio consists of over 24 million square feet of office, retail, student housing, and industrial properties and nearly 16,000 apartment units in more than 65 communities located throughout the United States.

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

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