

\$768 Million Committed Transactions in 2014

Firm Capital Corporation

2014 WAS A RECORD YEAR for Firm Capital as we completed **\$768 Million** in new mortgage financings. Our commitment to excellent client service allowed us to achieve these results. The following pages will offer insight into the various debt financings completed in this past year.

WE THANK OUR LOYAL CLIENT BASE for using our services in 2014 and look forward to strengthening our existing relationships and building new ones in 2015.

Sample Transactions

<p>Construction Loan \$50,000,000 First & Second Mortgages</p> <p>3-storey retail / office building comprising 324,069 sq. ft. GFA</p> <p>RICHMOND HILL, ON</p>	<p>Bridge Loan \$4,400,000 First Mortgage</p> <p>38,828 sq. ft. medical office building</p> <p>HAMILTON, ON</p>	<p>Land & Servicing Loan \$23,835,000 First Mortgage</p> <p>114 acre single family residential & multi-family development site</p> <p>SASKATOON, SK</p>	<p>Revolving Construction Loan \$10,000,000 First Mortgage</p> <p>Single family homes</p> <p>CALGARY, AB</p>	<p>Construction Loan \$3,315,000 First Mortgage</p> <p>3-storey, 18 unit condominium building</p> <p>OTTAWA, ON</p>
<p>Construction Loan \$12,500,000 First Mortgage</p> <p>72 unit low-rise residential rental project</p> <p>EDMONTON, AB</p>	<p>Infill Construction \$1,420,000 First Mortgage</p> <p>3,785 sq. ft. custom home</p> <p>OAKVILLE, ON</p>	<p>Construction Loan \$35,250,000 First Mortgage</p> <p>173 unit condominium building with net saleable floor area of 123,112 sq. ft.</p> <p>MARKHAM, ON</p>	<p>Land Loan \$7,000,000 First Mortgage</p> <p>11.34 acre multi-residential development</p> <p>CALGARY, AB</p>	<p>Infill Construction \$3,320,000 First Mortgage</p> <p>3 luxury townhouses</p> <p>TORONTO, ON</p>
<p>Construction Loan \$2,900,000 First Mortgage</p> <p>2 luxury single family homes comprising 4,124 sq. ft. each</p> <p>CALGARY, AB</p>	<p>Construction Loan \$8,470,000 Second Mortgage</p> <p>77 residential townhouse units</p> <p>RICHMOND HILL, ON</p>	<p>Construction Loan \$22,000,000 First Mortgage</p> <p>Conversion of 3 floors into 101 residential loft style condominium units</p> <p>MONTREAL, QC</p>	<p>Construction Loan \$800,000 Second Mortgage</p> <p>3,749 sq. ft. custom home</p> <p>OAKVILLE, ON</p>	<p>Construction Loan \$5,300,000 First Mortgage</p> <p>Conversion of commercial loft into five residential loft units</p> <p>TORONTO, ON</p>
<p>Land Loan \$2,700,000 First Mortgage</p> <p>1.45 acre development site zoned for townhouse units</p> <p>RICHMOND HILL, ON</p>	<p>Mezzanine Loan \$3,335,000 Second Mortgage</p> <p>Acquisition of 38 single family lots</p> <p>TORONTO, ON</p>	<p>Bridge Loan \$1,615,000 First Mortgage</p> <p>17,500 sq. ft. multi-tenant industrial building</p> <p>EDMONTON, AB</p>	<p>Land & Servicing Loan \$11,267,782 First Mortgage</p> <p>65 acre single family development site</p> <p>TOWN OF GEORGINA, ON</p>	<p>Inventory Loan \$1,000,000 First Mortgage</p> <p>2,712 sq. ft. single family home</p> <p>CALGARY, AB</p>
<p>Acquisition Loan \$14,000,000 First Mortgage</p> <p>16-storey, 229 room hotel conversion into a student residence</p> <p>OTTAWA, ON</p>	<p>Construction Loan \$1,200,000 Second Mortgage</p> <p>3,918 sq. ft. custom home</p> <p>CALGARY, AB</p>	<p>Land & Servicing Loan \$7,000,000 First Mortgage</p> <p>154.93 acres re-zoned for industrial users</p> <p>ALLISTON, ON</p>	<p>Inventory Loan \$1,075,000 First Mortgage</p> <p>3 single family homes</p> <p>OSHAWA, ON</p>	<p>Construction Loan \$25,000,000 First Mortgage</p> <p>12-storey residential condominium & commercial building</p> <p>HAMILTON, ON</p>

2014 Report to Clients

\$768 MILLION IN 2014 DEBT TRANSACTIONS RESULTING FROM BEING DEDICATED TO EXCELLENT CLIENT SERVICE & BUILDING ENTREPRENEURIAL SPIRIT

2014 REPORT TO CLIENT - Firm Capital Mortgage Lending Group:

2014 marked almost 27 years of building client relationships at Firm Capital Corporation. We are pleased to have built a business committed to real estate finance and capital providing solutions for a strong client base. We provide our clients with service excellence and in return we have established a loyal real estate clientele.

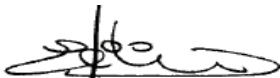
Thanks to having built this loyal client base, 2014, saw a record year, having completed \$768 million in new mortgage financings. Our focus continues to be building solid relationships across Canada with real estate owners, builders and developers. These relationships gave us the opportunity to invest and participate with fantastic borrower partners, as their capital provider. Since we are still in a period of economic directional uncertainty compounded by the recent change in oil prices, our objective has been to structure creative transactions that satisfy the clients' interests and at the same time focus on the preservation of capital. 2015 will continue to be a year that will see us become a problem solver for our clients' real estate capital needs. We are committed to growing with our clients and to providing an excellent level of service. Procrastination leads to failure. We are committed to serving our clients' needs expediently, efficiently and with integrity. We will strive to play a key role in seeing our clients succeed.

Mortgage Debt & Real Estate Capital Activities:

The enclosed Transaction Update represents a selection of debt financings that closed in 2014. We continue to specialize in providing financings focused on construction, short term bridge loans and specialized term debt. Our strength is our ability to act fast and provide an innovative approach to each transaction. We have the capital capacity to support our clients' needs in 2015. With respect to our strategic real estate capital partnership programs - Equity, Mezzanine and Direct Investments, we continue to pursue capital partnerships for acquisitions of investment properties and the formulation of development joint ventures, all with experienced developers and landlords. We pride ourselves on being a boutique mortgage bank focused on providing capital efficiently and innovatively, as demonstrated by the \$768 million in investments completed in 2014.

Yours truly,

FIRM CAPITAL CORPORATION
PER:



Eli Dadouch
President & CEO

Asset Management Activities & Capital Capacity:

In summary:

- In 2014, we saw our Toronto Stock Exchange listed entity Firm Capital Mortgage Investment Corporation provide a respectable return on equity resulting in stable dividends to our Shareholders. This entity has been public since 1999;
- Our private managed RSP Mortgage Fund, in operation since 1994, Firm Capital Mortgage Investors Corporation accomplished the same respectable returns on Shareholder Equity;
- In 2014 Firm Capital Property Trust completed multiple joint venture acquisitions, bringing our ownership interests to 52 properties, raised further equity, and increased distributions for its Unitholders.

We have tremendous capital capacity for investments. Our focus is not yield, rather security with strong sponsors. Mortgage debt and real estate equity under administration is over \$1.9 billion. These managed entities, along with our additional managed capital base, enables us to be financially positioned to react efficiently and quickly to investment opportunities. We thank our borrower partners for the relationships we have built, as the vast majority of our business is repeat business.

Outlook:

We have a clear message - **we are focused on being the leaders in providing debt and equity capital to the private and public real estate marketplace.**

As we say every year, "**Follow Your Passion**" - be it building homes, buying great properties or developing land - we want to be our clients' capital partner. Align yourself with a committed financial backer that will support you in difficult times and that will provide a high level of service and expertise. We are focused on finding niche lending opportunities where others don't understand the clients' needs. The Firm Capital team is very focused and committed, we are Open For Business. We will continue to strengthen our existing relationships and build new ones. When others are noncommittal, uncertain and concerned, our objective is to be contrarian and lead the way in providing clarity. On behalf of all my partners and associates at Firm Capital, I want to express our gratitude to those strong relationships we have formed. Once again, thank you and we look forward to servicing your requirements in 2015.

2014 Debt Transaction Highlights

CONSTRUCTION FINANCING

Mixed-Use Condominium Project
\$50,000,000

- Firm Capital funded a \$50,000,000 first mortgage facility to provide construction financing for a mixed-use building comprising 324,069 sq. ft. GFA.
- The project had strong pre-sales with purchaser deposits in the 20% to 25% range.

BRIDGE LOAN

Investment Property
\$4,400,000

- A first mortgage on 38,828 sq. ft. medical office building acquisition.
- Firm Capital provided \$4,400,000 in acquisition financing which equated to about a 67.5% loan to value.
- This transaction was funded under a very tight, 2 week timeline.
- Once the property is stabilized the borrower will refinance the property with an institutional lender.

MEZZANINE LOAN

Single Family Serviced Lots
\$3,335,000

- Firm Capital provided a \$3,335,000 second mortgage facility to facilitate the acquisition of 38 single family lots located in Toronto, ON.
- The Firm Capital facility was utilized to fund deposits due under the builder purchase and sale agreement.
- Loan to purchase price was 95% while loan to appraised value was equal to 82%.

LAND FINANCING

Multi-Family Development Site
\$7,000,000

- 11.34 acre multi-residential development site located in Calgary, Alberta.
- Site plan approval application process finalized.
- \$7,000,000 first mortgage facility to provide an equity take-out.

INFILL CONSTRUCTION LOAN

\$1,200,000

- A second mortgage construction loan on a 3,918 sq. ft. custom home located in Calgary, Alberta.
- Loan to value was less than 50%.

LAND & SERVICING LOAN

Single-Family & Multi-Residential
Development Site
\$23,835,000

- Land and servicing loan to facilitate the servicing of 88 single family lots and 9 multi-family sites in the first two phases of the project. The project is located in Saskatoon, SK.
- Firm Capital provided a \$23,835,000 first mortgage facility against pre-sales for the single family lots and multi-family sites in the first two phases of a five phase project.
- The loan is to be repaid through the sale of lots and blocks to builders.



Trust. Innovation. Relationships.

TRUST: Our partners, investors and clients receive from dealing with Firm Capital in knowing we will execute on our commitment.

INNOVATION: Firm Capital brings to structuring a transaction.

RELATIONSHIPS: Firm Capital builds over the long term with its partners, investors and clients.

IT TAKES EXPERIENCE TO ACHIEVE A GOAL. Firm Capital has provided real estate capital services for over 25 years in all aspects of the real estate private equity spectrum. As mortgage lenders, principle investors, capital partners, activist and innovative investors, property and asset managers, our ability to execute has been demonstrated by our past performance and our pride in our risk management abilities to protect and preserve capital, while acting as disciplined investors. In 2013 we proudly celebrated 25 years.

Firm Capital is a real estate private equity investment firm and alternative investment manager based in Toronto, Canada. Since 1988, Firm Capital has focused on deploying proprietary and managed capital opportunistically between debt and equity investments in the private and public real estate markets. The organization has established an exceptional track record of successfully lending, financing, owning, investing, joint venturing and managing real estate all across Canada. Firm Capital focuses on a simple culture and goal; to be a client driven organization with impeccable integrity focused on preservation of capital through disciplined tactical investing, at the same time as building long term relationships.

ABOUT FIRM CAPITAL: Firm Capital Corporation is the Mortgage Lending Group within the Firm Capital organization, a real estate merchant bank focused on conventional, tactical and distressed debt and equity investments in the private and public marketplace.

A Boutique Mortgage Bank Providing Real Estate Capital For:

- Bridge Financing
- Land & Construction Financing
- Landlords / Developers / Builders
- Investment Property Financing
- REITs / Capital Markets
- Mezzanine Financing
- Distressed Debt
- Special Situations
- Real Estate Private Equity / Equity Capital
- Private & Public Market Investments

Contact Information



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