



May 3, 2016

TSXV:DVO.U

## **Delavaco Residential Properties Corp. Reports Both TSXV and Senior Secured Note (“SSN”) Holder Approval Regarding Revised Repayment Plan and \$1.8 Million SSN Repayment**

All amounts in \$USD.

**Toronto, ON – May 3, 2016:** Delavaco Residential Properties Corp. (“**Delavaco**” or the “**Company**”) (TSXV: DVO.U) is pleased to report that it has received both TSX Venture Exchange (“**TSXV**”) and note holder approval to restructure the 7.5% Senior Secured Notes (“**SSN**”). Approximately 75% of SSN note holders have agreed to a revised repayment plan (the “**Revised Repayment Plan**”). The Revised Repayment Plan reduces the provision to make mandatory principal repayments of the SSN of no less than \$2.5 million to no less than \$100,000, as accumulated with repayments being made on the first of each month.

Currently, the Company has accumulated approximately \$1.8 million of cash in its escrow accounts as a result of home sales from its South Florida portfolio and is making a repayment effective May 4, 2016 to SSN holders. Post repayment, the SSN principal balance will stand at approximately \$13.2 million.

The ability of the Company to pay down debt as quickly as possible will strengthen the balance sheet and cash flow going forward. The Company made this request to SSN holders for a variety of reasons including the fact that warehousing large cash balances on the balance sheet are dilutive to earnings and cash flows as they earn no return to investors and requires interest payments to be made on a higher principal amount of SSN that does not properly reflect any accumulated escrowed cash balances. By undertaking the Revised Repayment Plan, the Company anticipates lowering overall interest payments over the long term which will in turn conserve cash flow.

*CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: Certain information in this news release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "intend" and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements regarding the arrangements described above with Firm Capital, including the property management arrangements, the Company's single family property disposition program and Debt Restructuring, which may not be completed within the estimated time frames specified above or at all. In the event that such steps are not completed to the satisfaction of Firm Capital, the rebranding, Board restructuring and new business focus described above will likely be subject to amendment or may not proceed, which could have a material adverse effect upon the Company. Failure to complete the steps described above or any delays in their implementation may have a material adverse affect upon the business of the Company and its market value. There is no assurance that the Company will be able to complete the disposition of the single property disposition portfolio at anticipated values or at all or that market conditions will support the debt and equity raises contemplated by the Company. Failure to achieve these objectives will have a material and adverse effect upon the ability of the Company to complete the announced terms of the Debt Restructuring. There is no assurance that the implementation of the steps described above, even if completed as described above, will increase the market value of the Company's securities, which is subject to numerous factors beyond the Company's control.*

*Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse factors affecting the U.S. real estate market generally or those specific markets in which the Company holds properties; volatility of real estate prices; inability to complete the Company's single family property disposition program or Debt Restructuring in a timely manner; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; the ability of Delavaco to implement its business strategies; competition; currency and interest rate fluctuations and other risks.*

*Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.*

*Certain financial information presented in this press release reflect certain non-International Financial Reporting Standards ("IFRS") financial measures, which include NOI, FFO and AFFO. These measures are commonly used by real estate investment companies as useful metrics for measuring performance, however, they do not have standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other real estate investment companies. Delavaco believes that FFO and AFFO are important measures of operating performance. The IFRS measurement most directly comparable to AFFO is net income. These terms are defined in Delavaco's Management Discussion and Analysis for the Quarter Ended September 30, 2015 filed on [www.sedar.com](http://www.sedar.com).*

*Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

Additional information about Delavaco Residential Properties Corp. is available at [www.delavacoproperties.com](http://www.delavacoproperties.com) or [www.sedar.com](http://www.sedar.com).

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