



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES SECOND QUARTER RESULTS

Toronto, Ontario, August 25, 2016. Firm Capital American Realty Partners Corp. (formerly Delavaco Residential Properties Corp.) (“the **“Company”**”), (TSXV : FCA.U) is pleased to report today its consolidated interim financial results for the three and six months ended June 30, 2016.

QUARTER END AND YEAR-TO-DATE HIGHLIGHTS

- For the quarter ended June 30, 2016, FFO was approximately a \$1.2 million loss or a 42% improvement over the \$2.1 million loss reported at June 30, 2015. AFFO was approximately a \$1.0 million loss or a 48% improvement over the \$2.0 million loss reported at June 30, 2015;
- FFO and AFFO per share for the quarter ended June 30, 2016 were both \$(0.02) per share, respectively, both a 47% and 53% improvement over the \$(0.04) per share reported as at June 31, 2015;
- As at June 30, 2016, the Company had two asset portfolios:
 - **Retained Investment Portfolio:** Consisting of 66 mini-multi units (of which 44 units are residential condominium units) located across three buildings in Florida and 311 multi-family apartment units located across three buildings in Florida (1 building) and Texas (two buildings) with a fair value of approximately \$42.6 million; and
 - **Single Family Disposition Portfolio:** Consisting of 565 single family homes located in Florida, Georgia and New Jersey with a fair value of approximately \$33.8 million;
- **Occupancy:** Occupancy for the retained investment portfolio was 96.8%, while the single family disposition portfolio had a 46.7% occupancy rate, as these properties are being sold;
- **Single Family Home Sales:** During the quarter, 57 single family home units were sold for an aggregate sale price of approximately \$2.8 million, bringing total sales since September 2014 to 226 single-family units for approximately \$14.7 million. Subsequent to the end of the quarter, the Company sold four single family home units in Florida for an aggregate sales price of approximately \$0.3 million and currently has 58 single family home units in Florida with conditional sales in place totaling approximately \$3.6 million;
- **\$3.2 Million in SSN Repayments:** During the quarter, the Company repaid \$2.7 million of the SSN from proceeds generated from home sales. Subsequent to the end of the quarter, the Company repaid an additional \$0.5 million of the SSN. As a

result, the SSN balance went from \$12.3 million at June 30, 2016 to approximately \$11.8 million or 47% of the original balance;

- **SSN Maturity Date Extension:** On July 4, 2016, the Company announced the completion of the SSN maturity date extension from June 30, 2016 to December 31, 2017;
- **New Senior Management Team and Board of Directors with Significant Ownership:** On July 20, 2016, the Company formally changed its senior management and board of directors. This core group of individuals are dedicated to seeing the Company being transformed. This group collectively directly or indirectly control or have discretion of approximately 30% of the issued and outstanding common shares of the Company and as such, are fully aligned with investors; and
- **Corporate Name and Ticker Symbol Change:** On August 2, 2016, the Company formally changed the corporate name and TSXV Ticker Symbol to 'Firm Capital American Realty Partners Corp.' and "FCA.U", respectively.

For the complete financial statements including Management's Discussion & Analysis, please visit www.sedar.com or the Company's website at www.firmcapital.com

ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

Firm Capital American Realty Partners Corp. focuses on capital partnership investing in U.S. income producing real estate & mortgage debt investments.

The Company is focused on the following investment platforms:

- **Income Producing Real Estate Investments:** Acquiring income producing U.S. real estate assets in major cities across the United States. Acquisitions are completed solely by the Company or in joint-venture partnership with local industry expert partners who retain property management; and
- **Mortgage Debt Investments:** Real estate debt and equity lending platform focused on major cities across the United States. Focused on providing all forms of bridge mortgage loans and joint venture capital.

Prior to commencing its business plan, the goal of the Company is to dispose of the "Single Family Disposition Portfolio".

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 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. 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. 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 the Company 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. The Company 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 The Company's Management Discussion and Analysis for the quarter ended June 30, 2016 filed on 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.

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