



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES POSITIVE CORPORATE UPDATE ON THE SALE OF SINGLE FAMILY HOMES, DEBT REPAYMENT AND THE INVESTMENT PORTFOLIO

All amounts are in US dollars unless otherwise stated

Toronto, Ontario, May 3, 2017. Firm Capital American Realty Partners Corp. (the “**Company**”), (TSXV : FCA.U) is pleased to announce the repayment of approximately \$6.5 million of the Senior Secured Notes (“**SSN**”) and New Jersey Secured Promissory First Mortgage Note (“**NJPN**”) and provide an update on expected debt repayments and single family home disposition activities.

\$6.5 MILLION IN DEBT REPAYMENTS REDUCE ORIGINAL BALANCES BY 84% AND GENERATES \$0.5 MILLION IN ANNUAL INTEREST EXPENSE SAVINGS

Since the beginning of 2017, through a combination of existing cash resources and single family home sales as outlined below, the Company has repaid \$5.3 million and \$0.7 million of the SSN and NJPN. In addition, the Company is planning to make an additional \$0.5 million SSN repayment this week, after which the Company will have repaid \$6.5 million of the SSN and NJPN since the beginning of 2017. As a result, the SSN and NJPN balances will stand at approximately \$2.3 million and \$2.1 million, respectively, or 16% of their original amounts. The repayments of the SSN and NJPN over this period will generate approximately \$0.5 million in annual interest expense savings for the Company.

\$4.7 MILLION IN SINGLE FAMILY HOME DISPOSITIONS

The Company is also pleased to report that since the beginning of 2017, it has closed sales on 72 single family properties comprised of 79 units for gross proceeds of approximately \$4.7 million (net proceeds of approximately \$4.1 million). The variance between gross proceeds and net proceeds is attributed to closing costs which include, but are not limited to, selling commissions, legal and title document closing costs.

\$4.1 MILLION IN CONDITIONAL SINGLE FAMILY HOME SALES EXPECTED TO FULLY REPAY SSN BALANCE DURING THE SECOND QUARTER OF 2017

Based on conditional single family sales as outlined below, the Company is expecting to generate significant net sales proceeds to fully repay the \$2.3 million SSN balance during the second quarter of 2017. Once repaid, the Company will commence repayment of the \$17.3 million convertible debentures from additional home sales not encumbered by either the NJPN or the \$4.0 million Atlanta first mortgage.

The Company has under contract for sale 43 single family properties comprised of 72 units for gross proceeds of approximately \$4.1 million. These home sales are anticipated to close during the second quarter of 2017 and the net proceeds generated

will be used for further repayments of the SSN, NJPN and eventually the convertible debentures as previously indicated.

SINGLE FAMILY HOME INVENTORY HELD FOR SALE UPDATE

Beyond the conditional home sales as outlined above, the Company currently has 16 single family homes available for sale in Florida, 16 properties comprised of 71 units available for sale in New Jersey and 72 single family homes available for sale in Atlanta. With the exception of a 120 single family home rental portfolio located in Atlanta subject to a \$4.0 million first mortgage, all of the remaining single family homes are currently listed for sale with various agents.

CURRENT INVESTMENT PORTFOLIO UPDATE

Beyond the single family home inventory as outlined above, the Company's investment portfolio consists of six wholly-owned multi-family investment properties located in Florida (four properties) and Texas (two properties) comprised of 377 units with an approximate 97% weighted average occupancy rate and two multi-family joint venture investments located in New York City and Maryland comprised of 242 units with a 92% weighted average occupancy rate.

As at December 31, 2016 and pro-forma for the Washington joint venture, as press released on April 3, 2017, the investment portfolio has an approximate \$51.8 million fair market value. With associated mortgages of approximately \$14.9 million, leverage is a conservative 28.7%:

Region	Units	Investment Properties	Less: Mortgages	Net Equity
<i>Multi-Family Investment Portfolio</i>				
Florida Multi-Family	153	\$ 21,625,081	\$ (7,900,000)	\$ 13,725,081
Texas Multi-Family	158	18,950,667	(6,982,867)	11,967,800
Florida Mini-Multi	66	4,095,969	-	4,095,969
Total / Weighted Avg.	377	\$ 44,671,717	\$(14,882,867)	\$ 29,788,850
<i>Joint Venture Investments</i>				
New York City	127	\$ 6,104,137	\$ -	\$ 6,104,137
Washington	115	1,012,500	-	1,012,500
Total / Weighted Avg.	242	\$ 7,116,637	\$ -	\$ 7,116,637
Overall Total	619	\$ 51,788,354	\$(14,882,867)	\$ 36,905,487

Leverage (Mortgages / Investment Properties) **28.7%**

(1) Includes equity investments in joint ventures which is net of the Company's share of associated mortgage debt

In addition, a portfolio of 120 single family homes are in Atlanta and are subject to a \$4 million first mortgage due July 1, 2019. This portfolio was part of our Atlanta single family home assets held for sale as reported on our December 31, 2016 MD&A, and represented approximately \$7 million of an approximate \$14 million reported IFRS valuation. The Company is actively leasing this portfolio with a view to disposing as one entire portfolio once fully stabilized due to the blanket first mortgage. A buyer of these 120 single family homes will have to assume the first mortgage as the Company wants

to avoid discharge penalties, failing which the first mortgage will be held until maturity. 87 of the homes in this portfolio are currently occupied representing a 72.5% occupancy rate, which is an improvement over the approximate 45% occupancy rate this portfolio had as at December 31, 2016.

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 and 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.

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 with respect to the Company's intention to complete the sale of its single-family homes and ultimate debt repayments, potential capital financing and growth opportunities, as well as the Company's intention to acquire income producing U.S. real estate assets and complete joint venture partnerships and mortgage debt and equity lending investments. 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, debt repayments 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, including those described in the Company's public disclosure documents on SEDAR at www.sedar.com.

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.

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 the Company is available at www.firmcapital.com or www.sedar.com.

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