

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES \$29.5 MILLION NEW YORK CITY ACQUISITION, PRIVATE PLACEMENT AND NEW INDEPENDENT DIRECTOR

All amounts are in US Dollars unless otherwise stated.

Toronto, Ontario, November 5, 2018. Firm Capital American Realty Partners Corp. (the “**Company**”), (TSXV: FCA.U), (TSXV: FCA) is pleased to announce a \$29.5 million New York City acquisition, non-brokered private placement and new independent director:

\$25.9 MILLION NEW YORK CITY ACQUISITION

The Company has entered into a joint venture with SBT Property to acquire the Tinton Portfolio, a 132 unit multi-family residential portfolio comprised of three buildings located in New York City (the “**Tinton Portfolio**”). The Tinton Portfolio is being acquired for approximately \$25.9 million (including transaction costs), representing a 5.8% going-in capitalization rate or \$223 per square foot.

The Tinton Portfolio will be financed, in part, by three new secured first mortgages at a 4.4% interest rate for approximately \$16.6 million. The terms of the financing include a two year interest-only period, 30 year amortization and a seven year term. The remaining capital requirement of approximately \$9.3 million will be funded through a combination of (i) \$5.6 million of preferred equity yielding 8.0% to be held by the Company and certain entities indirectly related to the Company; and (ii) \$3.7 million of common equity held 50% by the Company and certain entities indirectly related to the Company and 50% by SBT Property. The expected cash return on the Company’s investment in the preferred and common shares is expected to be approximately 8.6%.

SBT Property will also be responsible for property management of the Tinton Portfolio. Prior to founding SBT Property, the principals have many years of real estate acquisition and property management experience. The Tinton Portfolio is a transaction they specifically sourced.

The Tinton Portfolio transaction is expected to close on about November 8, 2018.

NON-BROKERED PRIVATE PLACEMENT

The Company has decided to proceed with a non-brokered private placement that will allow it to issue up to 850,000 Common Shares and Warrants of the Company (collectively “**Units**”) for total proceeds of approximately \$6.8 million. The Offering Price for the Units will be US\$8.10 per Unit or the Canadian equivalent at the time of closing. Each Warrant will entitle the holder to purchase one Common Share of the Company at any time commencing on the date of closing until the date that is two years from the date of issuance, at a price of US\$9.50 per Common Share. Participants in the private

placement include, but are not limited to members of the board of directors and senior management of the Company.

The net proceeds from the private placement will be used by the Company to fund prospective acquisitions of income producing multi-family residential properties in the United States primarily in joint venture partnerships, to fund prospective investments in mortgage debt on real estate properties in the United States, for the repayment of debt, for working capital and for general corporate purposes. The Private Placement is expected to close on or about November 8, 2018.

The Company expects that certain insiders of the Company will subscribe for Units pursuant to the Private Placement and as such, the Private Placement will constitute a “related party transaction” as this term is defined in Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions. Details of amounts subscribed for by related parties will be disclosed once finalized. The Company expects that the Private Placement will be exempt from the valuation requirement and the minority approval requirement as the fair market value of the consideration involved is not expected to exceed 25% of the Company’s market capitalization.

A material change report will be filed as soon as practicable following the issuance of this news release, which will be less than 21 days before the closing date of the Private Placement. The Company considers this reasonable in the circumstances due to the timing of when the terms of the Private Placement were finalized and the desire of the Company to complete the Private Placement as expeditiously as possible.

NEW INDEPENDENT DIRECTOR

The Company is also pleased to announce the appointment of Ojus Ajmera as an independent director of the Company. Ojus is the co-founder of FGF Brands (“**FGF**”). FGF is one of North America’s largest and fastest growing baking companies, focusing on providing baked goods to foodservice and retailers across North America. Ojus has deep experience in real estate as he has transacted in approximately \$500 million of real estate throughout North America. The appointment of Ojus is subject to TSXV approval.

ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

Firm Capital American Realty Partners Corp. is a U.S. focused real estate investment entity that pursues real estate and debt investments through the following platforms:

- **Income Producing Real Estate Investments:** Acquiring income producing 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 responsibilities; and
- **Mortgage Debt Investments:** Real estate debt and equity lending platform in 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 the ability to do so for consideration that accords with the estimated value of the portfolio, as set out above) and ultimate debt repayments, the use of proceeds from the new loan described above, the use of proceeds from (and timing of) the disposition of the Company's portfolio of single family homes located in Atlanta, 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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