

PRESS RELEASE



**FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.**

**FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES ATLANTA MORTGAGE REFINANCING AND PROVIDES POSITIVE UPDATE ON SINGLE FAMILY DISPOSITION PROGRAM**

*All amounts are in US dollars unless otherwise stated*

Toronto, Ontario, September 13, 2018. Firm Capital American Realty Partners Corp. (the “**Company**”), (TSXV: FCA.U), (TSXV: FCA) is pleased to announce the refinancing of its \$4.0 million first mortgage loan secured by 120 single family homes located in Atlanta, Georgia (the “**Atlanta Mortgage**”) and provide a positive update regarding the Atlanta Single Family Homes Disposition Program:

**ATLANTA MORTGAGE REFINANCING**

To assist in the orderly disposition of the remaining 120 single-family homes as outlined below, the Company has entered into a new first mortgage financing with the Firm Capital Corporation, a mortgage banker related to certain officers and directors of the Company. The new mortgage is a one-year, \$4.1 million first mortgage loan with a 6.5% annual interest rate, payable monthly and interest-only, that is fully secured by the 120 single-family homes. The proceeds received from this new loan will be used to repay the existing blanket \$4.0 million first mortgage loan secured by the 120 single-family homes, plus a pre-payment penalty of approximately \$0.1 million. The current Atlanta Mortgage does not permit partial discharges as house sales close, so the existing financing needs to be replaced with one that does. The new first mortgage allows for greater flexibility to discharge individual single family homes as they are sold.

The Company also agreed to guarantee the payment and performance of the new first mortgage. Since the lender is an affiliate of the Company, the provision of a guarantee by the Company in connection with the refinancing of the Atlanta Mortgage constitutes a “related party transaction” as defined in Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions (“**MI 61-101**”), but is exempt from the valuation requirement and the minority approval requirement pursuant to subsections 5.5(a) and 5.7(a) of MI 61-101, respectively, as the value of the guarantee does not represent more than 25% of the Company’s market capitalization, as determined in accordance with MI 61-101. The refinancing and the guarantee provided by the Company in connection therewith were approved by the directors of the Company who are independent in connection of such transactions.

**ATLANTA SINGLE FAMILY HOMES DISPOSITION PROGRAM**

As disclosed in the Q2/2018 results, the Company had previously entered into a conditional contract with an unrelated third party to dispose of its entire portfolio of 120 single family homes located in Atlanta for an anticipated gross value of approximately \$10.6 million. This conditional contract was ultimately terminated, as the buyer did not

waive conditions unless they received both a purchase price abatement and dropped out a larger number of homes. Management felt a price abatement and sale amendment was not warranted and the Company would benefit by having the single family homes sold individually.

The Company has since proceeded to dispose of the single family homes individually in an effort to maximize value. The Company has since then listed the homes for sale individually with multiple third-party brokers who had provided to the Company their opinions of value that approximated \$14.1 million (\$13.1 million net of estimated closing costs), or a 33% increase over the previously entered into conditional contract.

To date, the Company has sold firm 63 of the homes, or approximately 53% of the total portfolio, for gross proceeds of approximately \$6.0 million (\$5.6 million net of estimated closing costs). The gross proceeds are consistent with the opinions of value received from the brokers. These sales are expected to close during Q3/2018 and the net proceeds will be used to first repay the new mortgage financing as outlined above and then further repay the 7.0% Convertible Unsecured Debenture (the "**Debenture**") which has a principal balance of \$6.8 million. The remaining 57 single family homes, which have a current list price of approximately \$8.1 million (\$7.5 million net of estimated closing costs) are anticipated to generate on closing, assuming that the current list price is achieved, net proceeds sufficient to fully repay the existing Debenture and provide the Company with additional working capital.

#### **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](http://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](http://www.firmcapital.com) or [www.sedar.com](http://www.sedar.com).

For further information, please contact:

Kursat Kacira  
President & Chief Executive Officer  
(416) 635-0221

Sandy Poklar  
Chief Financial Officer  
(416) 635-0221