

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP.

FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES \$12.2 MILLION CONNECTICUT ACQUISITION AND \$1.6 MILLION DEBT FINANCING

All amounts are in US Dollars unless otherwise stated.

Toronto, Ontario, April 4, 2019. Firm Capital American Realty Partners Corp. (the “Company”), (TSXV: FCA.U), (TSXV: FCA) is pleased to announce that it has entered into a joint venture with CS Acquisition Group (“CS”) to acquire the West Hartford Portfolio, a 109 unit multi-family residential portfolio comprised of two buildings located in West Hartford, Connecticut for approximately \$12.2 million (excluding transaction costs), representing a 6.3% going-in capitalization rate or \$143 per square foot. In addition, the Company has committed to funding approximately \$1.2 million over the next three years towards the execution of a value-add program that includes in-suite upgrades and enhancements to the common areas.

The West Hartford Portfolio was financed, in part, by two new secured first mortgages at a 4.8% weighted average interest rate for approximately \$10.0 million. The terms of the financing include a two-year interest-only period, 30 year amortization and a twenty year term. The remaining capital requirement of approximately \$4.3 million will be funded through a combination of (i) \$1.9 million of preferred equity yielding 8.0% to be held by the Company, of which \$0.7 million was advanced on closing with the remaining \$1.2 million to be advanced as the value-add program is completed; and (ii) \$2.4 million of common equity held 50% by the Company and 50% by CS. Established in 2004, CS is a real estate acquisition and management company that has approximately \$100 million of real estate AUM. CS is solely focused on the Connecticut market and as such, will property manage the West Hartford Portfolio.

In addition to cash on hand, to close the acquisition of the West Hartford Portfolio, the Company has entered into a promissory note with certain members of senior management and the board of directors of the Company as participants (with an affiliate related to certain officers and directors of the Company acting as loan facilitator and servicer). The \$1.6 million promissory note has an 8.5% annual interest rate, payable monthly and interest-only due December 1, 2019. As a condition, the Company has agreed to repay the promissory note from first proceeds to be received from remaining unsold single family homes located in Atlanta, Georgia. Currently, the Company has 13 unsold single family homes with a total combined list price of approximately \$1.7 million with another four homes expected to generate \$0.3 million of gross proceeds once they close during the second quarter of 2019.

The Company has also agreed to guarantee the payment and performance of the new promissory note. Since the lender is an affiliate of the Company, the provision of a guarantee by the Company in connection with the promissory note 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 promissory note financing 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.

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.

For further information, please contact:

Eli Dadouch
Vice Chairman, President &
Chief Executive Officer
(416) 635-0221

Sandy Poklar
Chief Financial Officer
(416) 635-0221