Form 51-102F3
Material Change Report

Item 1 **Name and Address of Company**

Firm Capital American Realty Partners Corp. (the "**Corporation**")
163 Cartwright Avenue
Toronto, ON
M6A 1V5

Item 2 **Date of Material Change**

December 18, 2017.

Item 3 **News Release**

News releases in respect of an overnight marketed equity offering were issued by the Corporation on December 18, 2017 and December 19, 2017 through the facilities of Canada News Wire and were subsequently filed on SEDAR.

Item 4 **Summary of Material Change**

On December 18, 2017, the Corporation commenced an overnight marketed public offering (the "**Offering**") of common shares of the Corporation (the "**Offered Shares**"). In connection with the Offering, the Corporation filed a preliminary prospectus supplement dated December 18, 2017 (the "**Preliminary Supplement**") and will be filing a (final) prospectus supplement (the "**Final Supplement**"), to the Corporation's short form base shelf prospectus dated September 15, 2017, with the securities regulatory authorities in each of the provinces of Canada, other than Quebec.

An aggregate of 467,000 Offered Shares are being issued at a price of US$7.50 per Offered Share or CDN$9.64. The total size of the Offering was determined in the context of the market prior to the filing of the Final Supplement.

Item 5.1 **Full Description of Material Change**

On December 18, 2017, the Corporation commenced the Offering of the Offered Shares. In connection with the Offering, the Corporation filed a Preliminary Supplement and will be filing the Final Supplement, to the Corporation's short form base shelf prospectus dated September 15, 2017, with the securities regulatory authorities in each of the provinces of Canada, other than Quebec.

An aggregate of 467,000 Offered Shares are being issued at a price of US$7.50 per Offered Share or CDN$9.64. Investors will have the option of subscribing for the Offered Shares in U.S. dollars or Canadian dollars. The total size of the Offering was determined in the context of the market prior to the filing of the Final Supplement.

Canaccord Genuity Corp., is acting as the lead underwriter in connection with the Offering, on behalf of a syndicate of underwriters including Echelon Wealth Partners Inc., GMP Securities L.P., Industrial Alliance Securities Inc.

and TD Securities Inc. (the "**Underwriters**"). The Corporation has granted the Underwriters an over-allotment option to purchase up to that number of Offered Shares representing 15% of the size of the Offering, on the same terms and conditions, exercisable at any time, and from time to time, in whole or in part, up to 30 days after the closing of the Offering.

The Offering is scheduled to close on or about December 28, 2017, subject to satisfaction of customary closing conditions, including the receipt of all necessary regulatory and stock exchange approvals.

The Corporation intends to use the net proceeds of the Offering: (i) to fund prospective acquisitions of income producing multi-family residential properties in the United States primarily in joint venture partnerships; (ii) to fund prospective investments in mortgage debt on real estate properties in the United States; (iii) for the repayment of debt; and (iv) for working capital and general corporate purposes.

Item 5.2 **Disclosure for Restructuring Transactions**

Not applicable.

Item 6 **Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

Item 7 **Omitted Information**

Not applicable.

Item 8 **Executive Officer**

Sandy Poklar
Chief Financial Officer
Tel: (416) 635-0221

Item 9 **Date of Report**

December 19, 2017.

Cautionary Note Regarding Forward Looking Information

Certain information in this material change report constitutes forward-looking statements under applicable securities law. Any statements that are contained in this material change report 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, and include statements relating to the filing of the Final Supplement and the timing thereof, the potential issuance of securities of the Corporation, the use of proceeds of the Offering and the timing of the closing of the Offering. Forward-looking statements necessarily involve known and unknown risks, including those described in the Corporation's most recent Annual Information Form and the Preliminary Supplement under "*Risk Factors*" (copies of which can be obtained at www.sedar.com). Such risks include, 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 Corporation holds properties; volatility of real estate prices; 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 Corporation 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. All forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Except as required by applicable law, the Corporation undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.