

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. ANNOUNCES MAILING AND FILING OF MEETING MATERIALS FOR SPECIAL MEETING OF SHAREHOLDERS FOR APPROVAL OF CONVERSION

(All amounts are in US Dollars unless otherwise stated.)

Toronto, Ontario, November 21, 2019. Firm Capital American Realty Partners Corp. (the "**Company**"), (TSXV: FCA.U), (TSXV: FCA) today announced that it has mailed and filed under the Company's profile on www.sedar.com, the meeting materials for the Company's special meeting of shareholders to be held on December 12, 2019 (the "Special Meeting") at which shareholders will be asked to approve a special resolution authorizing the Company to complete the conversion of the Company from a corporation into an investment trust (the "**Trust**") by way of a statutory plan of arrangement ("**Conversion**").

As previously disclosed (see press release dated November 4, 2019), the Company believes a conversion to an investment trust would enhance long-term shareholder value by: (i) expanding the Company's investor base and investment profile with both retail and institutional investors as an investment trust structure represents the preferred Canadian structure to own income producing real estate; (ii) enhancing comparability with the Company's peers; (iii) providing a more efficient vehicle to deliver the benefits of real estate debt and equity investing from the Company's business to investors; and (iv) enhancing shareholder value by maximizing cash distributions to investors in a more tax efficient way. An investment trust structure would not result in a change in the Company's current strategy, portfolio or operations.

If the Conversion is completed, the Trust's annual distribution is expected to remain consistent with the Company's current dividend policy.

Terms of the Arrangement

The proposed Conversion, if completed, will be effected pursuant to a statutory plan of arrangement under the *Business Corporations Act* (Ontario) (the "**Arrangement**") and will be subject to, among other approvals, receipt of the approval of 66 2/3% of the votes cast by holders of the Company's common shares at the Special Meeting.

Pursuant to the Arrangement, shareholders of the Company will receive either (i) one unit of the Trust ("**Trust Unit**") or, if an eligible shareholder so elects, (ii) one exchangeable limited partnership unit (an "**Exchangeable Unit**") in a limited partnership controlled by the Trust, for each common share held.

The Exchangeable Units will be designed to be economically equivalent to, and exchangeable for, Trust Units on a one-for-one basis and will be accompanied by special voting units of the Trust that provide their holders with equivalent voting rights to holders of Trust Units. A

maximum of 20% of the Company's issued and outstanding common shares may be exchanged for Exchangeable Units. The shareholders of the Company would continue to own, through their Trust Units and/or Exchangeable Units, the same *pro rata* economic interest in the Company's business. Details of the Exchangeable Units and those shareholders entitled to elect to receive them will be set forth in the information circular to be sent to shareholders in connection with the Special Meeting.

In connection with the Arrangement, the Trust will be assuming all of the covenants and obligations of the Company in respect of the Company's outstanding convertible debentures, common share purchase warrants, options and deferred share units. Furthermore, the Trust intends to adopt a distribution reinvestment plan and unit purchase plan that will have the same terms as the Company's current dividend reinvestment plan and share purchase plan.

In addition to the requirement for shareholder and court approvals, the completion of the Arrangement and exchange of common shares for either Trust Units or Exchangeable Units will be contingent on receipt of all necessary third party and regulatory approvals and receipt of approval from the TSX Venture Exchange to the listing of the Trust Units, the Company's 6.25% convertible unsecured subordinated debentures and the Company's common share purchase warrants expiring on May 29, 2020, on the Exchange.

If all approvals are obtained and conditions satisfied, the Company anticipates that the Arrangement will be completed on or about January 1, 2020.

Tax Consequences for Shareholders

Generally, the completion of the Arrangement will result in a disposition of common shares of the Company for Canadian tax purposes, and the immediate acquisition of Trust Units at a value equal to the fair value, on the date of the transaction. If a shareholder holds common shares outside of a tax-sheltered vehicle (such as an RRSP, RRIF, RDSP, RESP or TFSA) this will result in a deemed dividend being received to the extent the fair market value of the Trust Units received exceeds the paid-up capital of the common shares. An eligible shareholder who elects to exchange their common shares for Exchangeable Units may be able to defer the potential tax cost associated with the Arrangement. Exchangeable Units may allow for certain tax efficiencies; however, they will be subject to certain restrictions and limitations and will not be listed on the TSX Venture Exchange or any other exchange. A more detailed discussion of the tax and other considerations of the Arrangement will be set forth in the information circular to be sent to shareholders in connection with the Special Meeting.

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.

FORWARD LOOKING INFORMATION

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 press release include statements relating to the Arrangement and its terms. Since the completion of the Arrangement remains subject to a number of approvals, there is no guarantee that the Arrangement will be completed on the terms set forth in this press release or at all. 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 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 TSX Venture 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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