

**Form 51-102F3
Material Change Report**

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

January 2, 2020.

Item 3 News Release

A news release was issued by the Company on January 2, 2020 through the facilities of CNW Group and was subsequently filed on the System for Electronic Document Analysis and Retrieval (www.sedar.com).

Item 4 Summary of Material Change

The Company (TSXV: FCA.U), (TSXV: FCA) has announced that it has completed its previously announced statutory plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Ontario) pursuant to which the Company converted from a corporation into an investment trust named **Firm Capital American Realty Partners Trust** (the "Trust"). Details regarding the Arrangement are set forth in the Company's press releases dated November 4, 2019 and November 21, 2019 as well as the management information circular prepared in connection with the shareholders meeting held on December 12, 2019 which circular is available under the Trust's profile on www.sedar.com.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See Schedule A attached.

5.2 Disclosure for Restructuring Transactions

Pursuant to the terms of the Arrangement, each outstanding common share of the Company was exchanged for one unit of the Trust (each, a "Trust Unit"). Qualifying shareholders of the Company were offered the option to elect to receive exchangeable Class B limited partnership units ("Exchangeable LP Units") in a partnership controlled by the Trust in exchange for their common shares however no elections for Exchangeable LP Units were received by the Company.

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**

This report is dated this 2nd day of January, 2020.

SCHEDULE A

PRESS RELEASE



FIRM CAPITAL AMERICAN REALTY PARTNERS CORP. COMPLETES CONVERSION TO AN INVESTMENT TRUST PURSUANT TO A PLAN OF ARRANGEMENT

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

Toronto, Ontario, January 2, 2020. Firm Capital American Realty Partners Corp. (the "**Company**"), (TSXV: FCA.U), (TSXV: FCA) today announced that it has completed its previously announced statutory plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Ontario) pursuant to which the Company converted from a corporation into an investment trust named Firm Capital American Realty Partners Trust (the "Trust"). Details regarding the Arrangement are set forth in the Company's press releases dated November 4, 2019 and November 21, 2019 as well as the management information circular prepared in connection with the shareholders meeting held on December 12, 2019 which circular is available under the Trust's profile on www.sedar.com.

Under the terms of the Arrangement, each outstanding common share of the Company was exchanged for one unit of the Trust (each, a "Trust Unit"). Qualifying shareholders of the Company were offered the option to elect to receive exchangeable Class B limited partnership units ("Exchangeable LP Units") in a partnership controlled by the Trust in exchange for their common shares however no elections for Exchangeable LP Units were received by the Company.

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 US\$6.51 (Cdn\$8.46) per Trust Unit, the closing price of the common shares of the Company under the trading symbol FCA.U on the TSX Venture Exchange on December 31, 2019, the last trading day immediately preceding the completion of the Arrangement. If a shareholder holds common shares outside of a tax-sheltered vehicle (such as an RRSP, RRIF, RDSP, RESP or TFSA) this may result in a taxable capital gain or loss to report for 2020. This summary is of a general nature only and is not intended to be, nor should it be construed to be legal or tax advice to any particular shareholder. Shareholders are advised to consult their own tax advisors with respect to the tax consequences to them of the Trust conversion, having regard to their particular circumstances.

It is anticipated that the common shares, debentures and warrants of the Company will cease trading on the TSX Venture Exchange at the end of trading on January 6, 2020 and the Trust Units, debentures and warrants of the Trust will commence trading in substitution therefore at the opening on January 7, 2020 under the symbols FCA.UN (FCA.U for U.S. dollars), FCA.DB and FCA.WT.U, respectively.

ABOUT FIRM CAPITAL AMERICAN REALTY PARTNERS TRUST

Firm Capital American Realty Partners Trust 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 Trust 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 timing of trading of the Trust's securities. 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 Trust 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 Trust to implement its business strategies; competition; currency and interest rate fluctuations and other risks, including those described in the Company's (the predecessor issuer to the Trust) 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 Trust is available at www.firmcapital.com or www.sedar.com.

For further information, please contact:

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President & Chief Executive Officer
(416) 635-0221

Sandy Poklar
Chief Financial Officer
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