

# TITANSTAR™

## TitanStar Properties Inc. enters Purchase Agreement for Martin Downs Town Center

**July 15, 2015.** TitanStar Properties Inc. (TSX Venture: TSP) ("TitanStar" or the "Company") announces that, further to its news release dated May 11, 2015, it has entered into a formal purchase agreement (the "**Agreement**") with respect to the "Martin Downs Town Center," a real estate asset located in Palm City, Florida.

Martin Downs Town Center is a 36,252 square foot neighbourhood retail shopping center, and is currently 89.4% occupied, with two new tenants recently entering into lease agreements, bringing the property to an effective 93% occupancy. The shopping center has a variety of retail clients, including Panera Bread, Sun Trust Bank, Edward Jones, Dunkin' Donuts, Vine and Barley, among others. The property was recently independently appraised at a value of US \$12.5 million as at May 29, 2015.

Pursuant to the Agreement, the Company, through its wholly-owned US subsidiary, will acquire up to a 90% membership interest in the single purpose entity which holds registered title to Martin Downs Town Center. The acquisition will be completed in two stages. The Company will initially acquire a 49% interest (the "Initial Transaction"), with an option to acquire the remaining 41% interest within three years. The purchase price payable at each closing will be based on the asset value of the property, valued at US \$11.5 million, less the then outstanding mortgage indebtedness, currently approximately US \$6.9 million, plus a reimbursement of closing costs up to a maximum of US \$165,000. The purchase price will be payable by the Company in common shares, to a maximum of 89,252,997 shares, with any remainder or adjustment amount to be paid in cash. For the Initial Transaction, the Company anticipates that it will issue 43,733,968 common shares.

The vendor of Martin Downs Town Center is an affiliate of Inovalis S.A. ("Inovalis"), a non-arm's length party to the Company by virtue of holding more than 10% of the Company's issued and outstanding common shares. Additionally, Stephane Amine, a director of the Company, and Eric Fazilleau, the Company's COO, are executives of Inovalis. Half of the common shares issuable to the vendor under the acquisition will instead be issued to Hoche Partners International ("Hoche"), a non-arm's length party to the Company by virtue of holding more than 10% of the Company's issued and outstanding common shares. Inovalis and Hoche are at arm's length to each other.

As part of the acquisition, Inovalis and Hoche will each enter into a voting trust agreement with the Company, pursuant to which the common shares held by them will be voted as directed by the Company, and the Company will agree not to proceed with specified material changes without the prior consent of Inovalis and Hoche, subject to applicable laws and TSXV policies. The Company will also agree to fix its board of directors at five members, and will allow each of Inovalis and Hoche to nominate one person for election to the board of directors. Inovalis and Hoche also will continue to support the company's growth objectives going forward.

The acquisition of Martin Downs Town Center is subject to satisfaction of closing conditions, including the Company's receipt of all necessary prior approvals from its shareholders and the TSXV. In addition, approval must be obtained from the existing mortgage lender prior to the Company completing the acquisition of the remaining 41% interest. There can be no guarantee or assurance that any closing conditions will be satisfied or waived, that it will be approved by

the existing mortgage lender, that it will receive all necessary prior approvals of its shareholders or the TSXV, nor that the acquisition will be completed at all.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About TitanStar

TitanStar is a real estate issuer whose investment strategy focuses on building a portfolio of well-positioned, undervalued or underperforming stabilized assets, focusing on geographic areas. TitanStar currently holds the following assets:

- a 50% limited partnership interest in the Deer Springs Crossing Limited Partnership, a Nevada limited partnership which owns the Deer Springs Crossing Shopping Center, a 22.8 acre retail development project also located in Las Vegas;
- a 50% limited partnership interest in TSP LP I, L.P., a Nevada limited partnership which owns the Swanway Plaza, a 55,790 square foot retail shopping centre in Tucson, Arizona;
- a 50% limited partnership interest in TSP LP II, L.P., a Nevada limited partnership which owns the Kohl's San Tan Plaza, a 29,945 square foot retail shopping centre in Chandler, Arizona;
- a 38.4% beneficial interest in Adam's Dairy Landing, a 254,036 square foot retail shopping centre, located in Blue Springs, Missouri.

*Forward-looking statements:*

*Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the identification, analysis and potential acquisition of future real estate assets. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including factors beyond the Company's control. These forward-looking statements are made as of the date of this news release.*

*Neither 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.*