

# TITANSTAR™

## TitanStar Properties Inc. Announces Strategic Alliance, Private Placement & Debt Settlement

**May 28, 2014.** TitanStar Properties Inc. (TSX Venture: TSP-V) ("**TitanStar**" or the "**Company**") is pleased to announce that it has agreed to form a strategic alliance with Hoche Partners International ("**Hoche Partners**") and Inovalis S.A. (France) ("**Inovalis S.A.**") with respect to TitanStar's ongoing identification and, if considered desirable, acquisition of commercial retail properties in select markets in the United States.

Together, the three parties will focus on geographic regions in the United States which exhibit strong market and industry fundamentals and where the three parties can leverage their respective management infrastructure, experience base and existing relationships. The parties plan to cooperate towards a common goal of acquiring institutional quality retail properties, principally leased to strong regional, national and credit tenants.

Hoche Partners is a "merchant bank" focused on structured financing and real estate investment. Headquartered in Luxembourg, it has offices in Paris, New York, Hong Kong and Tokyo. Hoche Partners also manages closed end investment vehicles with consolidated investments in Europe and the Americas over \$1 billion.

Inovalis S.A. was formed in 1998 and is one of Western Europe's leading privately owned real estate investment management companies, with extensive experience in sourcing and managing real estate investment opportunities in France, Germany and Spain. It is highly experienced in the redevelopment and repositioning of existing properties. Inovalis S.A. has a team of 231 professionals and assets under management totaling \$5.0 billion. Besides its co-investment activity (\$2.3 billion of assets under management), Inovalis S.A. also has third-party property and facility services activity (over 1,000 assets under management totaling \$2.7 billion).

Each of the Company, Hoche Partners and Inovalis S.A. are at arm's length to each other.

"We believe that this new strategic alliance will enable TitanStar to create meaningful value that will benefit our shareholders as we move forward," stated Richard Turner, CEO of TitanStar.

Concurrently, the Company will offer each of Hoche Partners and Inovalis S.A. 8,615,385 common shares (for an aggregate total of 17,230,769 common shares) in a non-brokered private placement offering, at a price of \$0.08125 per share for aggregate proceeds of \$1.4 million. Completion of the non-brokered private placement will be subject to, among other things, the Company obtaining all necessary approvals, including the approval of the TSX Venture Exchange.

Desjardins Capital Markets ("**Desjardins**") acted as exclusive financial advisor to the Company with respect to the non-brokered private placement, and has agreed to pay Desjardins a fee of 6.0% in connection with the completion of the private placement, in accordance with TSXV policies.

In addition to the above, the Company has decided not to further pursue the previously announced public offering of subscription receipts, and has withdrawn its amended and

restated preliminary prospectus dated March 4, 2014, in order to re-focus its efforts to identify and acquire new assets within the new strategic alliance, and to re-position the Company over the next 12 to 18 months. As such, the Company has decided to postpone its previously announced plans to re-organize its corporate structure into a REIT structure.

The Company also announces that it has entered into debt settlement agreements, pursuant to which it will issue an aggregate total of 9,846,152 common shares to T. Richard Turner (President, CEO and a director of the Company), to a company in which Mr. Turner is a principal, and to a company in which Greg Yuel (a director of the Company) is a principal, in lieu of cash for the repayment of a total of \$800,000 owing by the Company to them. The shares will be issued at a price of \$0.08125 per share, and will be subject to a four month hold resale restriction. The debt settlements are subject to the Company receiving all necessary prior approvals from the TSX Venture Exchange.

FOR FURTHER INFORMATION PLEASE CONTACT:

T. Richard Turner  
President, CEO and Director  
TitanStar Properties Inc.  
Telephone: (604) 408-3808  
Facsimile: (604) 408-3801  
email: rick@titanstar.ca

#### 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 a 50% limited partnership interest in the Sahara Crossing, LP, a Nevada limited partnership which owns an approximately 61,125 square foot retail building located just east of Decatur Boulevard on Sahara Avenue in Las Vegas, as well as 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. In December 2012, the Company acquired 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 (see the Company's news release of January 2, 2013). In January 2013, the Company acquired 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 (see the Company's news release of January 28, 2013). In September 2013, the Company acquired a 38.4% beneficial interest in Adam's Dairy Landing, a 254,036 square foot retail shopping centre, located in Blue Springs, Missouri (see the Company's news release of September 30, 2013). These latter investments reflect TitanStar's revised investment strategy, announced on September 28, 2012, which added the following objectives:

- begin to build, with or without a partner acceptable to management, a portfolio of stabilized assets that produce a reasonably reliable cash flow that would be available for distribution to shareholders when a distribution policy is determined by the Board of Directors;
- engage local companies to manage such properties; and

- finance the purchase of such assets using conservative financing assumptions, determined by management from time to time.

*Forward-looking statements:*

*Certain statements in this release are forward-looking statements, including with respect to the proposed strategic alliance, the identification and potential acquisition of new assets, the private placement offering of common shares, and the settlement of debt. 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, as well as other 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.*