

**For Immediate Release**

**REGENCY AFFILIATES, INC. COMPLETES \$35 MILLION  
SELF-STORAGE FACILITY ACQUISITION**

**Private Offering of Common Stock Remains Open**

**NEW YORK, April 20, 2016 -- Regency Affiliates, Inc.** (OTC Pink: RAFI) ("Regency" or the "Company") today announced that it has completed the acquisition of a portfolio of five stand-alone self-storage facilities in the Harrisburg, Pennsylvania vicinity, for a total purchase price of \$35,000,000. The facilities together comprise approximately 330,000 square feet of net rentable space consisting of in excess of 2,500 climate and non-climate controlled storage units. The website of the facilities is <https://www.storage depotpa.com/>. The facilities will be managed on a day-to-day basis by a newly-engaged third party property management company which also holds a minority joint-venture investment in the facilities.

Revenues from the facilities are derived primarily from monthly rentals by individuals and additional revenues are earned from rentals to businesses, parking rentals, truck rentals, billboards and other administrative fees. Combined 2015 revenues for the facilities were in excess of \$3,000,000. The projected first year cash return to Regency will be accretive to the Company's cash flow per common share and the cash flow from this investment is expected to largely be sheltered from income taxation.

The purchase price and the related transaction expenses were financed in part with the proceeds of a \$25,250,000 non-recourse debt financing with a ten year term, 4.95% fixed interest rate and 30 year amortization commencing after a four year interest only period. The balance of the purchase price, the transaction expenses, and initial working capital, were financed by an approximate \$11,231,000 capital contribution from Regency to the joint-venture purchaser.

Laurence S. Levy, Regency's Chairman and Chief Executive Officer stated, "We are excited about Regency's entry into the self-storage sector and we believe that the Harrisburg facilities will prove to be valuable initial assets. Self-storage as an asset class fits squarely within our investment objectives of investing in assets that generate attractive, predictable and sustainable returns on capital. The business requires low operational intensity and has modest capital expenditure requirements while offering high margins and strong potential for revenue growth through both rate increases and increased utilization. Moreover, the facilities have long useful lives and have proved to be recession resistant."

Mr. Levy continued, "The Harrisburg facilities will be managed by SSCP Property Management LLC, the principals of which have proven experience in managing self-storage facilities for profitability and growth, and through our joint venture structure, SSCP will participate in the growth at Harrisburg. We are excited to have established a working relationship with SSCP and look forward to the possibility of investing with them in additional self-storage facilities."

## **Information Pertaining to Regency's Pending Offering of Common Stock**

As previously announced, Regency is offering up to 1,212,121 shares of its common stock at a purchase price of \$8.25 per share, with maximum gross proceeds of approximately \$10,000,000 if the offer is fully subscribed. The shares available in the offering may be purchased only by stockholders of record as of January 22, 2016 who are accredited investors as defined in Rule 501 of Regulation D under the Securities Act of 1933. The expiration date for the offering is May 12, 2016 subject to extension at the sole discretion of the Company.

As of April 18, the Company had received valid subscriptions for 1,101,235 shares, or approximately \$9,085,188, including subscriptions for 616,124 shares, or \$5,083,023 from our majority stockholder group, Royalty Holdings LLC and its affiliates. The subscriptions of Royalty Holdings and its affiliates have been accepted, and the Company used the \$5,083,023 of subscription proceeds from such investors to fund a portion of the capital contribution for the Harrisburg self-storage facility investment described above. The balance of the subscriptions received by the Company will not be accepted until the closing of the offering on May 12, 2016 (unless extended by the Company). Pending expiration of the offering, stockholders who have already submitted subscription materials may withdraw their subscription, leave their subscriptions unchanged or increase the amount of their subscription by submitting a supplemental subscription agreement and payment.

A Supplement to the Confidential Private Placement Memorandum for the offering containing additional information pertaining to the Company's investment in the Harrisburg self-storage facilities will be mailed to stockholders of record for the offering. The Supplement may also be obtained by submitting a request for same to [jfitzsimons@brownrudnick.com](mailto:jfitzsimons@brownrudnick.com) or reviewing it on the Company's website. Stockholders are encouraged to carefully review the Confidential Private Placement Memorandum and Supplement prior to making any investment decision with respect to the offering.

Other than as described above, there has not been any change to the terms of the offering, and Regency continues to intend to use any additional net proceeds of the offering to fund one or more future investment opportunities that may become available to the Company from time to time. Unless and until used in connection with one or more new investment opportunities, any additional net proceeds of the offering will be available to the Company for general corporate purposes, including working capital, maintenance of current investments, exploration of additional investments and to fund Company expenses.

### **About Regency**

Regency invests in assets that generate attractive, predictable and sustainable returns on capital. We currently own three assets:

- an indirect 50% interest in the 717,000 square foot facility Security West complex located on 34.3 acres in Woodlawn, Maryland. The facility is occupied under a lease expiring in 2018 by the United States Social Security Administration.

- an indirect 50% interest in Mobile Energy which owns and operates an energy facility located on approximately 11 acres of land in Mobile, Alabama. The facility supplies up to 61 megawatts of co-generated steam and electricity for use in the Kimberly-Clark's mill's operations under a 15 year agreement signed in 2004.
- a majority joint-venture interest in a portfolio of five stand-alone self-storage facilities in the Harrisburg, Pennsylvania vicinity comprising approximately 330,000 square feet of net rentable space consisting of in excess of 2,500 climate and non-climate controlled storage units.

### **Forward-Looking Statements**

This press release contains forward-looking statements. Forward-looking statements are statements that are predictive in nature or depend on or refer to future events and can be identified by the words "may," "might," "will," "should," "anticipate," "believe," "expect," "intend," "estimate," "hope," or similar expressions. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy or are otherwise beyond our control and some of which might not even be anticipated. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Future events and actual results affecting our strategic plan as well as our financial position, results of operations and cash flows, could differ materially from those described in or contemplated by the forward-looking statements. Important factors that contribute to such risks include, but are not limited to, a default or catastrophe involving the properties in which we invest, the extent to which we are able to raise additional capital, and competition for additional investment opportunities. We undertake no obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise. For a more detailed description of these uncertainties and other factors, please see our website at [www.regencyaffiliates.com](http://www.regencyaffiliates.com).

### **Contact**

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