

STARLIGHT U.S. MULTI-FAMILY (NO. 1) CORE PLUS FUND TO ACQUIRE CLASS “A” MULTI-FAMILY COMPLEX IN HIGH-GROWTH CHARLOTTE, NORTH CAROLINA MARKET AND COMPLETE FULL DEPLOYMENT OF INITIAL PUBLIC OFFERING PROCEEDS



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Toronto – **December 9, 2020** – Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX.V: SCPO.UN) (the “Fund”) announced today that it has entered into an agreement to acquire LaVie Southpark (“LaVie”), a 321-suite Class “A” mid-rise multi-family property completed in 2015 and located in Charlotte, North Carolina (the “Acquisition”).

Pursuant to a purchase and sale agreement (the “Agreement”) dated December 8, 2020, LaVie Acquisition LLC, a wholly owned indirect subsidiary of the Fund, has agreed to purchase LaVie unencumbered for approximately US\$77.25 million. The Agreement contains customary representations and warranties for a transaction of this nature and, subject to the satisfaction or waiver of conditions precedent, is scheduled to close on or about December 15, 2020. In connection with the Acquisition, the Fund is expected to expand the committed availability on its existing credit facility which matures November 1, 2024 by approximately US\$50.0 million to approximately US\$300.0 million, of which the Fund has drawn US\$127.65 million to date (the “Credit Facility”). The Fund expects to draw approximately: (i) an additional US\$49.0 million from the Credit Facility for the acquisition of LaVie; (ii) US\$74.6 million for the previously disclosed acquisition of Bluffs at Highlands Ranch; and (iii) US\$36.3 million relating to the refinancing of the Fund’s Autumn Vista property. The Credit Facility carries interest only payments until maturity at the U.S. 30-day Secured Overnight Financing Rate (“SOFR”) + 2.35% for the initial US\$250.0 million tranche of the Credit Facility and SOFR + 2.45% on the expansion amount of US\$50.0 million. While the Fund intends to purchase LaVie using only cash on hand and third-party debt proceeds from the Credit Facility, if there is a shortfall, the Fund may enter into a one-year, open, unsecured loan on market terms for a loan of this nature of approximately US\$6.4 million (the “Loan”) from Daniel Drimmer, a unitholder of the Fund as well as the Chief Executive Officer and a Director of the general partner of the Fund. Assuming the full amount of the Loan is drawn, the weighted average interest rate for the financing of the acquisition of LaVie would be approximately 3.61%.

“The purchase of LaVie further diversifies the Fund’s portfolio with the apartment community presenting a strong opportunity for growth as it is well located in the highly sought-after Southpark submarket of Charlotte.” commented Evan Kirsh, the Fund’s President. “We are also pleased that with the acquisitions of LaVie and, the Bluffs at Highlands Ranch, the Fund will have completed the deployment of its initial public offering proceeds having assembled a geographically diversified portfolio of 2,219 apartment suites which the Fund will continue to diligently asset manage to maximize returns for our unitholders.”

LaVie Southpark

LaVie consists of one, mid-rise five storey building on a 7.3-acre site comprised of studio, one-bedroom and two-bedroom suites. Currently, suites feature full size washers and dryers, fully wired fiber high speed internet, granite countertops, stainless steel appliances, undermount sink with gooseneck faucet, tile backsplash, high ceilings, walk-in closets, wood-style plank flooring, and kitchen islands in select suites. Indoor amenities include a clubroom, chef-quality demonstration kitchen, two-storey fitness centre with yoga studio, pet spa, coffee bar, secured access buildings and parking deck. Outdoor amenities include wooded dog park, nearby walking trails, saltwater swimming pool, spacious courtyard, outdoor kitchen, fireplace and elegant landscaping. As part of the Fund’s business plan, LaVie will be further repositioned with additional upgrades to suite finishes, common areas and amenity spaces.

Upon completion of the acquisition, the Fund is planning to retain RKW Residential (“RKW”) to property manage LaVie. RKW is a boutique property management company with over 20,000 suites under management, including the Fund’s Southpoint Crossing Apartments property located in Raleigh, North Carolina.

The Fund Portfolio

Following the Acquisition and the previously announced acquisition of The Bluffs at Highlands Ranch scheduled to close on or about December 15, 2020, the Fund expects to have interests in and operate a portfolio comprising 2,219 multi-family suites in seven class "A" core-plus, income producing multi-family communities located in Tampa, Florida; Atlanta, Georgia; Nashville, Tennessee, Charlotte and Raleigh, North Carolina; Austin, Texas; and Denver, Colorado.

About Starlight U.S. Multi-Family (No. 1) Core Plus Fund

The Fund is a limited partnership formed under the *Limited Partnerships Act* (Ontario) for the primary purpose of indirectly acquiring, owning and operating a portfolio of income producing rental properties in the United States multi-family real estate market.

Securities Law

The Loan, if made by Daniel Drimmer to the Fund, constitutes a "related party transaction" under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Fund relied on the exemptions from the formal valuation and minority approval requirements set out in subsection 5.5(b) and paragraph 5.7(1)(f) of MI 61-101, respectively. The Loan was approved by the Fund's Board of Directors (other than Daniel Drimmer, who declared his interest in the Loan and was recused from voting) in accordance with the Fund's second amended and restated limited partnership agreement dated as of February 6, 2020.

Forward-looking Statements

This news release contains statements that may constitute forward-looking statements within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including the financial performance of the Fund and its properties, including the impact of COVID-19 on the business and operations of the Fund, LaVie and Bluffs at Highlands Ranch. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for Fund or the real estate industry are forward-looking statements. In some cases, forward-looking statements can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

The forward-looking statements in this news release involve risks and uncertainties, including those set forth in the Fund's materials filed with the Canadian securities regulatory authorities from time to time at www.sedar.com. Actual results could differ materially from those projected herein. Those risks and uncertainties include, among other things, risks related to: the acquisition and financing of LaVie and Bluffs at Highlands Ranch; the impact of COVID-19 on the Fund's portfolio, including LaVie and Bluffs at Highlands Ranch, as well as the impact of COVID-19 on the markets in which the Fund operates and the trading price of the Fund's listed units; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19; reliance on the Fund's manager; the expected benefits of the ownership of LaVie and Bluffs at Highlands Ranch; the property management of LaVie; the experience of the Fund's Officers and Directors; substitutes for residential real estate rental suites; reliance on property management; competition for real property investments and tenants; and U.S. market factors.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in developing such forward-looking statements including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the overall financial performance of the Fund's portfolio including as a result of the acquisition and financing of LaVie and Bluffs at Highlands Ranch; the impact of COVID-19 on the Fund's portfolio, including LaVie and Bluffs at Highlands Ranch, as well as the impact of COVID-19 on the markets in which the Fund operates and the trading price of the Fund's listed units; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19; the ability of the manager of the Fund to manage and operate the Fund's properties; the ability of the property managers selected to manage the Fund's properties; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws. Readers are cautioned against placing undue reliance on forward-looking statements. Except as required by applicable Canadian securities laws, none of the Fund or its manager undertake any obligation to update or revise publicly

any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

To learn more about the Fund, visit www.starlightus.com or contact:

Evan Kirsh

President

Starlight U.S. Multi-Family (No. 1) Core Plus Fund

+1-647-725-0417

ekirsh@starlightus.com

Martin Liddell

Chief Financial Officer

Starlight U.S. Multi-Family (No. 1) Core Plus Fund

+1-647-729-2588

mliddell@starlightinvest.com