

Starlight U.S. Residential Fund to Acquire Class “A” Institutional Quality Property in Phoenix, Arizona Comprising 272 Multi-Family Residential Suites



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Toronto – **April 18, 2022** – Starlight U.S. Residential Fund (TSXV: SURF.A) (TSXV: SURF.U) (the “**Fund**”) announced today that it has entered into an agreement to acquire a 90% interest in The Ventura, a 272-suite Class “A” institutional quality multi-family property completed in 1995 and located in the Chandler submarket of Phoenix, Arizona (the “**Acquisition**”).

The remaining 10% interest in the property will be indirectly acquired by Daniel Drimmer, a Director and the Chief Executive Officer of Starlight U.S. Residential Fund GP, Inc., the Fund’s general partner, and the principal of the Fund’s manager, Starlight Investments US AM Group LP. All decision making in respect of The Ventura, including day-to-day and material decisions, will be proportionately made by Mr. Drimmer and the Fund through established governance practices.

Pursuant to a purchase and sale agreement (the “**Agreement**”) dated March 18, 2022, the Fund indirectly expects to jointly purchase The Ventura unencumbered for approximately US\$130.7 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 May 11, 2022. The Fund has waived its due diligence conditions from the Agreement.

In connection with the acquisition of The Ventura, new financing in the amount of approximately US\$94.5 million has been secured for an initial term of two years subject to two one-year extension options, comprised of approximately US\$91.5 million of initial funding and US\$3.0 million available for future capital expenditures. Subject to certain conditions, the financing will be interest only and payable at an annual interest rate of one-month SOFR + 3.15%, subject to an all-in interest rate floor of 3.45%. Also, in connection with the acquisition of The Ventura, the Fund intends to refinance Bainbridge Sunlake, the proceeds of which together with cash on hand will be utilized to complete the Acquisition.

The Ventura

The Ventura consists of 22 garden-style buildings on a 32-acre site comprised of one, two and three-bedroom suites. Currently, suites feature nine-foot ceilings and walk-in closets. Upgraded suites include wood vinyl plank flooring, updated cabinets, quartz countertops, stainless steel appliances, undermount sinks, kitchen backsplash, smart thermostats, full-size washers and dryers, and upgraded nickel hardware, plumbing and lighting fixtures.

Amenities include a clubhouse with billiards table and fitness centre. Additional amenities include two resort-style pools with gas grill barbecue areas, a dog-park, and electric vehicle charging stations.

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 acquisition and financing of The Ventura, the refinancing of Bainbridge Sunlake and the financial performance of the Fund and its properties, including the impact of COVID-19 on the business and operations of the Fund and The Ventura. 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 The Ventura and the refinancing of Bainbridge Sunlake; the impact of COVID-19 on the Fund's portfolio, including The Ventura, 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 The Ventura; the property management of The Ventura; 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 United States 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 The Ventura; the refinancing of Bainbridge Sunlake; the impact of COVID-19 on the Fund's portfolio, including The Ventura, 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.

About Starlight U.S. Residential Fund

The Fund is a trust formed under the laws of Ontario for the primary purpose of indirectly acquiring, owning, and operating a portfolio of income producing multi-family and single family residential rental properties in the U.S. residential real estate market located primarily in Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah, and Washington. Following the Acquisition, the Fund will have interests in and operate a portfolio comprising 1,974, Class “A” stabilized, income producing multi-family residential suites located in Phoenix, Arizona, Tampa, Florida, Las Vegas, Nevada, Raleigh, North Carolina, and Austin, Texas, and 93 single-family residential rental homes in Atlanta, Georgia.

For more information, please contact:



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