

Starlight U.S. Residential Fund to Acquire Class “A” Institutional Quality Property in Orlando, Florida Comprising 264 Multi-Family Residential Suites



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Toronto – **March 28, 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 Eight at East (“**Eight**”), a 264-suite Class “A” institutional quality multi-family property completed in 2017 and located in the East Orange County submarket of Orlando, Florida (the “**Acquisition**”).

Pursuant to a purchase and sale agreement (the “**Agreement**”) dated March 10, 2022, Eight at East Acquisition LLC, a wholly owned subsidiary of the Fund, has agreed to purchase Eight unencumbered for approximately US\$91.75 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 April 22, 2022. The Fund has waived its due diligence conditions from the Agreement.

In connection with the acquisition of Eight, new financing in the amount of approximately US\$64.2 million has been secured for an initial term of three years subject to two one-year extension options. Subject to certain conditions, the financing will be interest only and payable at an annual interest rate of one month SOFR + 2.60%, subject to an all-in interest rate floor of 2.70%. The Fund continues to evaluate acquisition opportunities and proceeds from this financing will provide liquidity to acquire additional multi-family or single-family properties.

Eight at East

Eight consists of 22 garden-style buildings on a 32-acre site comprised of one, two and three-bedroom suites. Currently, suites feature 9’ - 12’ ceilings, wood vinyl plank flooring, custom cabinets, quartz countertops, stainless steel appliances, USB ports, walk-in shower, garden tub, full-size washer and dryer, and upgraded nickel hardware, plumbing and lighting fixtures.

Amenities include a clubhouse with coffee bar, conference room, a billiards and game room and a 24-hour fitness center. Additional amenities include an extensive veranda area overlooking a resort-style pool with cabanas, outdoor fireplace and fire pit, gas grill barbecue areas, dog-park, conservation boardwalk, as well as controlled access entry gates.

Upon completion of the acquisition, the Fund is planning to retain The Bainbridge Companies (“**Bainbridge**”) to property manage Eight. Bainbridge is a fully integrated

owner, developer and manager of luxury multi-family communities in the Eastern U.S. Bainbridge currently manages almost 3,000 units for Starlight in Atlanta, Austin, Tampa and Orlando, including the Fund's Bainbridge Sunlake Apartments in Tampa, FL.

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 ability to deploy the remaining proceeds from the initial public offering 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 Eight. 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 Eight; the ability to deploy the remaining proceeds from the initial public offering and any refinancing; the impact of COVID-19 on the Fund's portfolio, including Eight, 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 Eight; the property management of Eight; 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 Eight; the ability to deploy the remaining proceeds from the initial public offering and any refinancing; the impact of COVID-19 on the Fund's portfolio, including Eight, 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. The Fund now has interests in and operates a portfolio comprising interests in 1,437, Class “A” stabilized, income producing multi-family residential suites located in Tampa, Florida, Las Vegas, Nevada, Austin, Texas and Raleigh, North Carolina, and 81 single-family residential rental homes in Atlanta, Georgia.

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