

Starlight U.S. Multi-Family (No. 2) Core Plus Fund to Refinance Existing Property and Acquire Class “A” Institutional Quality Property in Raleigh, North Carolina Comprising 320 Multi-Family Suites



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Toronto – **March 31, 2022** – Starlight U.S. Multi-Family (No. 2) Core Plus Fund (TSX.V: SCPT.A and SCPT.U) (the “**Fund**”) announced today that it has entered into separate agreements to refinance Hudson at East (“**Hudson**”) and to acquire a 320-suite Class “A” institutional quality multi-family property completed in 2002 and located in Raleigh, North Carolina (the “**Property**”).

In connection with the refinancing of Hudson, the Fund, through its wholly-owned subsidiary, Hudson at East Acquisition LLC, has agreed to refinance Hudson. New financing in the amount of US\$67.0 million has been secured for an initial term of three years, with two one-year extension options. The financing will be interest only and payable at an annual interest rate of one-month Secured Overnight Financing Rate (“**SOFR**”) + 2.70%, subject to an all-in interest rate floor of 2.80%. Existing financing of US\$39.1 million is expected to be repaid on completion.

Pursuant to a purchase and sale agreement (the “**Agreement**”) dated March 18, 2022, a wholly owned subsidiary of the Fund, has agreed to purchase the Property unencumbered for approximately US\$106.0 million. The Agreement contains customary representations and warranties for a transaction of this nature and, subject to the satisfaction or waiver of conditions, is scheduled to close on or about April 27, 2022. The Fund has waived its due diligence conditions set out in the Agreement.

In connection with the acquisition of the Property, new financing in the amount of approximately US\$82.9 million, including US\$76.5 million of initial funding and US\$6.4 million of future funding for capital expenditures, has been secured for an initial term of three years, with two one-year extension options. The financing will be interest only and payable at an annual interest rate of the one-month SOFR + 2.95%, subject to an all-in interest rate floor of 3.05%.

The Property

The Property consists of 11 garden-style buildings on a 16-acre site comprised of one, two and three-bedroom suites. Currently, suites feature 9’ ceilings, large floor plans, granite countertops, and stainless steel appliances.

Amenities include a resident clubhouse, business centre, movie theatre room, package room and a 24-hour fitness centre. Additional amenities include resort-style pool, large summer seating areas with barbeques, a playground and a dog park.

Upon completion of the acquisition, the Fund intends to retain High 5 Residential (“**High 5**”) to property manage the Property. High 5 currently manages approximately 2,100 units for Starlight U.S. Residential in Raleigh, North Carolina and Nashville, Tennessee.

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 refinancing of Hudson, the acquisition of the Property and its financing, 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 Property. 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 refinancing of Hudson, the acquisition and financing of the Property; the ability to deploy any refinancing; the impact of COVID-19 on the Fund’s portfolio, including the Property, 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 Property; the property management of the Property; 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 Property; the ability to deploy any refinancing; the impact of COVID-19 on the Fund’s portfolio, including the Property, 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. Multi-Family (No. 2) 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 multifamily real estate market.

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