



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 5) CORE FUND COMPLETES SALE OF APARTMENT COMPLEX IN HOUSTON, TEXAS CONSTRUCTED IN 2008 AND AGREES TO STRATEGIC RECYCLING OF CAPITAL THROUGH ACQUISITION OF APARTMENT COMPLEX IN DENVER, COLORADO CONSTRUCTED IN 2014

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TORONTO, June 27, 2017 – Starlight U.S. Multi-Family (No. 5) Core Fund (TSX.V: STUS.A, STUS.U) (the “Fund”) announced today that it has sold the Villages at Towne Lake (“**Towne Lake**”), a 126 unit, 55+ age restricted community constructed in 2008 and located in Houston, Texas, and that it intends to redeploy the proceeds, together with the proceeds from the recently announced disposition of Belle Haven Apartments (“**Belle Haven**”) to an arm’s length third party, on a “tax-deferred” basis through a 1031 exchange, to acquire Carrick Bend (“**Carrick Bend**”), a 228 unit, Class “A”, garden-style apartment community constructed in 2014 and located in Denver, Colorado at 11525 Community Center Drive. The Fund expects that the acquisition will be completed on an accelerated basis in order to ensure the Fund’s capital remains fully deployed for the benefit of unitholders and will immediately enhance the geographical diversification of the Fund’s portfolio and create the opportunity for operating economies of scale and net operating income (“**NOI**”) growth while lowering the average vintage age of its apartment communities. The current average age of the Fund’s properties is 2011.

Pursuant to a purchase and sale agreement, Towne Lake Acquisition LLC, an indirectly wholly owned subsidiary of the Fund, sold Towne Lake, to an arm’s length third party, unencumbered for the purchase price of approximately US\$18.6 million. The proceeds from the sale were partially used to repay the outstanding mortgage balance of approximately US\$8.6 million. Pursuant to a purchase and sale agreement made and entered into on June 9, 2017, as amended from time to time, Carrick Bend Acquisition LLC and Carrick Bend 3 Acquisition LLC, indirect wholly owned subsidiaries of the Fund, have agreed to purchase Carrick Bend unencumbered for the purchase price of approximately US\$54.5 million. In connection with the acquisition of Carrick Bend, new financing in the amount of approximately US\$34.0 million is expected to be secured for a four year and four month term with a one year extension available. Subject to certain conditions, financing is expected to be interest only and payable at an annual rate of LIBOR +2.15%.

“The sale of Towne Lake highlights the Fund’s execution of its business plan to reduce its exposure in any one market,” commented Evan Kirsh, the Fund’s President. “By selling Towne Lake and Belle Haven, two of the Fund’s smallest assets, and entering into an agreement to redeploy the proceeds into Carrick Bend, the Fund is positioning itself to capitalize on enhanced economies of scale while improving its geographical diversity and the average vintage of the Fund’s portfolio.”

Carrick Bend

Carrick Bend is located approximately 15 miles north of downtown Denver and consists of nine, three-storey walk up buildings on a nine acre site comprised of one, two, and three bedroom units. Each apartment unit at Carrick Bend contains modern interior finishes including gourmet kitchens with European cabinetry and quartz countertops, stainless steel under mount sinks, USB ports, full-size washers and dryers, and private decks or patios with additional storage. Indoor amenities include a state-of-the-art fitness centre, a clubhouse with an entertainment



kitchen, televisions and Wi-Fi. Exterior features include a resort-style swimming pool and spa, a fire pit and a courtyard with barbecue grills as well as 78 detached parking garages. As of June 22, 2017, Carrick Bend's occupancy was 96.1%.

Following completion of the acquisition, the Fund expects to retain Greystar Real Estate Partners ("**Greystar**"), the largest third-party multi-residential property management company in the United States, to property manage Carrick Bend. Greystar currently manages ten communities for Starlight U.S. Multi-Family in Atlanta, Georgia, Denver, Colorado, Houston, Texas, and Nashville, Tennessee.

The Fund Portfolio

Following the sale of Towne Lake and acquisition of Carrick Bend, the Fund will have interests in and operate a portfolio comprising 6,692 apartment units in 22 recently constructed, Class "A" stabilized, income producing apartment communities located in Arizona, Colorado, Florida, Georgia, Nevada, North Carolina, and Texas.

NON-IFRS Measures

Certain terms used in this news release, including NOI, do not have a standardized definition prescribed by International Financial Reporting Standards ("**IFRS**") and are, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. The Fund uses these measures to better assess the Fund's underlying performance and financial position and provides these additional measures so that investors may do the same. Details on non-IFRS measures are set out in the Fund's management's discussion and analysis for the period ended March 31, 2017 which is available on the Fund's profile on SEDAR at www.sedar.com.

Forward-Looking Information and Securities Law

The acquisition of the Carrick Bend constitutes a "related party transaction" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Fund is relying on the exemptions from the formal valuation and minority approval requirements set out in subsection 5.5(a) and paragraph 5.7(1)(a) of MI 61-101. Carrick Bend's acquisition was approved by the Fund's Board of Directors (other than Daniel Drimmer, who declared his interest in the acquisition of Carrick Bend and was recused from voting) in accordance of the Fund's amended and restated limited partnership agreement dated as of October 12, 2016.


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 statements concerning the acquisition of Carrick Bend, the financing of Carrick Bend and the overall improvement of the financial performance of the Fund resulting from the acquisition of Carrick Bend. 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.




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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: reliance on the Fund's manager; the acquisition, financing and expected benefits of the ownership of Carrick Bend; the property management of Carrick Bend; 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 acquisition of Carrick Bend; the financing of Carrick Bend; the overall improvement of the financial performance of the Fund's portfolio resulting from the acquisition of Carrick Bend; 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. 5) Core 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 diversified income producing rental properties in the U.S. multi-family real estate market.

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