



Starlight Investments and KingSett Capital to Acquire Northview Apartment REIT in a Transaction Valued at Approximately \$4.8 Billion or \$36.25 per Trust Unit

Northview Board Unanimously Recommends Unitholders Vote IN FAVOUR of Transaction

Toronto, ON, February 20, 2020 -- Starlight Investments (together with its affiliates, "Starlight") and KingSett Capital on behalf of KingSett Real Estate Growth LP No 7, KingSett Canadian Real Estate Income Fund LP ("KSCREIF") and other investors (together with its affiliates, "KingSett", and together with Starlight, the "Purchasers"), announced today that they have entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which unitholders of the Northview Apartment Real Estate Investment Trust (TSX: NVU.UN) ("Northview" or the "REIT") will receive cash consideration of \$36.25 per trust unit of the REIT (each, a "Unit"), subject to the option for Northview unitholders ("Unitholders") to continue participating in a publicly listed, closed-end fund as further described below. The transaction is valued at approximately \$4.8 billion, including net debt (the "Transaction").

Transaction Highlights

- Unitholders will be entitled to receive all-cash consideration of \$36.25 per Unit (the "Consideration"), representing a 12% premium above Northview's near all-time high closing price on the Toronto Stock Exchange (the "TSX") of \$32.50 per Unit on February 19, 2020; a 17% premium to the 30-day volume weighted average closing Unit price as at February 19, 2020, and a 25% premium to Northview's consensus analyst net asset value per Unit.
- Unitholders will have the option of investing alongside Starlight and KingSett by electing to receive partial consideration on a tax-free rollover basis in units of the Canadian High Yield Multi-Residential Fund (the "High Yield Fund"), a newly formed closed-end fund to be publicly listed on closing.
- The High Yield Fund is expected to have a distribution yield in excess of 10% and will hold a geographically diversified portfolio of more than 10,900 of Northview's multi-residential suites, more than 340 of Northview's current executives, and more than 1.1 million square feet of Northview's current commercial portfolio.
- Northview will continue to pay a monthly distribution of \$0.1358 per Unit until closing of the Transaction, which is expected to occur in Q3 2020.
- A special committee of the board of trustees of the REIT (the "Board") comprised of independent trustees (the "Special Committee") unanimously recommended that the Board approve the Transaction. The Board has unanimously recommended that Unitholders vote **IN FAVOUR** of the Transaction.
- The Board has obtained a fairness opinion from Scotiabank and the Special Committee has obtained an independent fairness opinion and formal valuation from National Bank Financial Inc. ("NBF").
- KingSett has selected certain core properties, comprising approximately 17% of the Northview portfolio, that will be acquired by a joint venture between KSCREIF and Starlight. The balance (excluding the assets that will comprise the High Yield Fund) will be acquired in a joint venture between KingSett Real Estate Growth LP No. 7 and Starlight. Each joint venture intends to retain Starlight to act as asset manager for its respective portfolios.

Speaking on behalf of the Purchasers, Starlight's President and Chief Executive Officer, Daniel Drimmer, commented, "This transaction provides Northview unitholders with a premium above Northview's all-time high Unit closing price, with the option of continuing to invest alongside Starlight and KingSett in what we believe will be an attractive, publicly-listed, newly formed, high yield, multi-residential fund. We look forward to building on Northview's tenant focus by maintaining high-quality, well-operated and sustainable buildings. Starlight, which will operate the Northview properties, has high regard for Northview's management and intends to retain substantially all of Northview's site level employees and operational staff, as well as its offices in Calgary and Toronto."

Details Regarding the Canadian High Yield Multi-Residential Fund

The High Yield Fund is expected to have a distribution yield in excess of 10% and will hold a geographically diversified portfolio of more than 10,900 of Northview's multi-residential suites, more than 340 of Northview's current executives, and more than 1.1 million square feet of Northview's current commercial portfolio. Unitholders will have the opportunity to elect to receive High Yield Fund units ("High Yield Units") on a tax-deferred basis and to be invested alongside Starlight and KingSett. Further details with respect to the High Yield Fund will be provided in the management information circular (the "Circular") to be mailed to Unitholders in connection with the meeting to be held to approve the Transaction.

Details of the Transaction

Unitholders will be entitled to receive 100% of the Consideration in the form of cash (the "All-Cash Consideration"). Alternatively, Unitholders may elect to receive all or a portion of the Consideration in High Yield Units. The High Yield Fund will apply to list the High Yield Units on a Canadian securities exchange (the "Exchange") concurrently with the close of the Transaction. The listing will be subject to the High Yield Fund fulfilling all of the initial listing requirements and conditions of the Exchange. Elections to receive units of the High Yield Fund will be subject to proration. Unitholders not specifying an election will be deemed to have elected to receive the All-Cash Consideration.

The Transaction is structured as a statutory plan of arrangement under the *Alberta Business Corporations Act*. Completion of the Transaction requires approval of at least 66 2/3% of the votes cast by Unitholders and holders of special voting units, as well as the approval of a simple majority of votes cast by disinterested Unitholders and holders of special voting units, excluding Starlight and any other Unitholders required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Transaction is also subject to approval of the Alberta Court of Queen's Bench, regulatory approvals, consents and approvals from Canada Mortgage and Housing Corporation and certain of Northview's lenders, as well as the satisfaction of other customary closing conditions. The Transaction is not subject to a financing condition.

Each of the trustees and officers of Northview have entered into a voting and support agreement (the "Support Agreements") with the Purchasers to support the Transaction. Mr. Daniel Drimmer, President and Chief Executive Officer of Starlight and a trustee, beneficially owns or controls approximately 9 million Units, or approximately 13% of the Units (on a non-diluted basis, but including the issued and outstanding Class B limited partnership units of subsidiary limited partnerships of the REIT).

The Transaction is expected to close during the third quarter of 2020. The Arrangement Agreement includes an initial 30-day go-shop period that will extend from February 19, 2020 to March 20, 2020 (the "Go-Shop Period"), which permits Northview, with the assistance of its financial advisor, to solicit, evaluate and enter into negotiations with third parties that express an interest in acquiring Northview. Northview may extend the Go-Shop Period for: (i) an initial 15-day period if a prospective purchaser has executed an acceptable confidentiality agreement and the Board has determined there is a reasonable prospect of an acquisition proposal being made, and (ii) a further one-time 15-day period if a *bona fide* acquisition proposal has been made by a prospective purchaser and Northview is engaged in good faith negotiations. Mr. Drimmer has committed to vote the Units he beneficially owns, controls or directs in favour of, or tender his Units into, any all-cash superior proposal completed during the Go-Shop Period, subject to certain terms, and conditions and limitations, pursuant to his Support Agreement.

In the event that the Transaction is not completed in certain circumstances, Northview will pay to the Purchasers a termination fee in the amount of \$88 million. If Northview is successful in completing a superior proposal during the Go-Shop Period, subject to the Purchasers' right to match, there will be a break fee payable to the Purchasers of \$37.7 million.

Details of the Transaction as well as the rationale for the Board's support of the Transaction will be set out in the Circular that Northview will mail to its Unitholders as promptly as reasonably practical following receipt of the interim order, which shall be obtained after the expiry of the Go-Shop Period.

The foregoing summary is qualified in its entirety by the provisions of the Arrangement Agreement, a copy of which will be filed under Northview's profile on SEDAR at www.sedar.com.

Special Committee and Board of Trustees Recommendation

Starlight and KingSett delivered an initial, unsolicited proposal to Northview on October 2, 2019 that, following extensive negotiations and careful consideration by the Special Committee, resulted in the Transaction. As Mr. Drimmer, through Starlight, is Northview's largest unitholder, and Mr. Drimmer serves as a trustee of Northview, the Transaction, if

consummated, will constitute a “business combination” for purposes of MI 61-101. Consistent with its fiduciary duties, Northview’s Board formed the Special Committee to, among other things, review and evaluate the terms of the initial and subsequent proposals received from the Purchasers, make recommendations to the Board in respect of such proposals, negotiate the terms of any transaction, and supervise the preparation of a formal valuation of the fair market value of the Units in accordance with MI 61-101 (the “**Formal Valuation**”).

The Board, based on the unanimous recommendation of the Special Committee, determined that the Transaction is fair to Unitholders who make, or are deemed to have accepted, the All-Cash Consideration (other than the Purchasers and their affiliates) and that the Transaction is in the best interests of Northview. The Board has also recommended that Unitholders vote **IN FAVOUR** of the Transaction. The Board has obtained an opinion from Scotiabank, financial advisor to Northview, and the Special Committee has obtained an opinion from NBF, financial advisor and independent valuator to the Special Committee, that, as at February 19, 2020, subject to the assumptions and limitations described therein, the cash consideration to be received by Unitholders who accept the All-Cash Consideration is fair, from a financial point of view, to such Unitholders, other than the Purchasers and their affiliates. In addition, under the supervision of the Special Committee, NBF has prepared an independent valuation in accordance with MI 61-101 and has rendered its opinion that, subject to the assumptions and limitations described therein, as at February 19, 2020, the fair market value of Northview’s Units is in the range of \$33.25 to \$36.75 per Unit.

Copies of the fairness opinions of Scotiabank and NBF and a copy of the Formal Valuation prepared by NBF, and other relevant background information, will be included in the Circular to be prepared in connection with a meeting of Unitholders to consider and vote on the Transaction. Northview will send the Circular and certain related documents to Unitholders and copies will be filed under Northview’s profile on SEDAR at www.sedar.com. Until the Circular is sent, Unitholders are not required to take any action in respect of the Transaction.

Advisors

The Purchasers’ sole financial advisor is CIBC World Markets Inc. and its legal advisors are Blake, Cassels & Graydon LLP, Osler, Hoskin & Harcourt LLP, Bloom Lanys Professional Corporation and Stikeman Elliott LLP. Canadian Imperial Bank of Commerce is acting as sole underwriter on the credit facilities in support of the acquisition. RBC Capital Markets and TD Securities Inc. are acting as advisors to KingSett.

About Starlight Investments

Starlight Investments is a privately held Toronto-based, full service, multi-family and commercial real estate investment and asset management company driven by an experienced team of over 200 professionals. The company currently manages over \$14.0 billion of direct real estate as well as real estate investment securities. Investment vehicles include institutional joint ventures, True North Commercial REIT, Starlight U.S. Multi-Family Funds and Starlight Capital Funds. Starlight Investment’s portfolio consists of approximately 43,000 multi-residential units across Canada and the U.S. and over 7.0 million square feet of commercial properties. Please visit us at www.starlightinvest.com and connect with us on LinkedIn at www.linkedin.com/company/starlight-investments-ltd

Starlight Group Property Holdings Inc.’s address is 3280 Bloor Street West, Suite 1400, Centre Tower, Toronto, ON M8X 2X3. Northview’s head office is located at 200, 6131-6th Street SE, Calgary, AB T2H 1L9.

About KingSett Capital

KingSett Capital is Canada’s leading private equity real estate investment firm. Since 2002, KingSett has raised over \$11 billion of equity and completed \$40 billion of investment transactions on behalf of its Growth, Income, Urban and Mortgage funds. Currently, KingSett’s various funds have ownership interests in a \$15 billion portfolio of assets across Canada.

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To obtain a copy of the early warning report to be filed by Starlight under applicable Canadian securities laws in connection with this announcement, please see Northview’s profile on SEDAR at www.sedar.com or contact Longview Communications at the contact information above.