

FOR IMMEDIATE RELEASE

**PURE MULTI-FAMILY TO BE ACQUIRED BY CORTLAND FOR US\$7.61 IN CASH PER UNIT IN A US\$1.2 BILLION TRANSACTION WITH A 25 DAY “GO SHOP” PERIOD**

**Vancouver, BC – July 18, 2019:** Pure Multi-Family REIT LP (“Pure Multi-Family”) (TSX: RUF.U, RUF.UN, RUF.DB.U; OTCQX: PMULF) announced today that it has entered into an arrangement agreement (the “Arrangement Agreement”) with an affiliate of Cortland Partners, LLC (“Cortland”), pursuant to which Cortland will acquire all of the outstanding Class A units of Pure Multi-Family (each, a “Unit”) for US\$7.61 per Unit<sup>1</sup> in an all-cash transaction valued at US\$1.2 billion including net debt (the “Transaction”).

**Transaction Highlights**

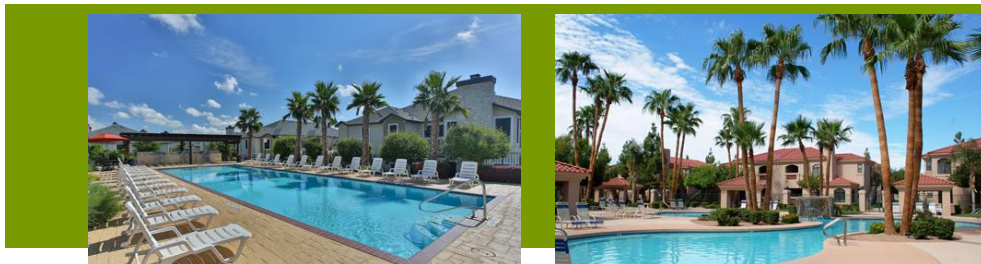
- Unitholders to receive US\$7.61 per Unit in cash, representing a premium of 15% to the closing price per Unit on the TSX on June 26, 2019, the last trading day prior to the public announcement of an unsolicited conditional proposal and a premium of 15% to the 20 day volume-weighted average price per Unit on the TSX for the period ending June 26, 2019<sup>2</sup>;
- The Transaction reflects an attractive value for Pure Multi-Family’s apartment portfolio and a premium of 12% to Pure Multi-Family’s IFRS book value per Unit (US\$6.79<sup>3</sup>) and a premium of 5% to the current research consensus net asset value per Unit (US\$7.24) estimate;
- The Transaction is fully financed, not subject to due diligence, and backstopped by Cortland with a US\$50 million reverse termination fee;
- The Transaction is the culmination of a comprehensive strategic review that commenced in April 2018 and continued over the past 15 months with Scotiabank having contacted approximately 90 potential strategic and financial purchasers;
- “Go shop” period of 25 calendar days to proactively solicit potentially higher bids with minimal friction costs, modest termination fee of US\$9.5 million (1.5% of equity value; US\$0.11 per Unit) until August 20, 2019 and increasing to US\$22.5 million (3.5% of equity value; US\$0.27 per Unit) thereafter;
- The Board of Directors of Pure Multi-Family, excluding the Chief Executive Officer, are recommending that unitholders vote in favour of the Transaction; and
- Pure Multi-Family’s senior officers and directors, including the Chief Executive Officer, will enter into voting and support agreements in favour of the Transaction.

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1. 200,000 Class B units outstanding of Pure Multi-Family may be re-designated into 2,665,835 Units.

2. Pure Multi-Family’s closing price per Unit of US\$6.63 on the TSX on June 26, 2019 is based upon US\$ to C\$ exchange rate of US\$1.00 to C\$1.31 and 20 day volume weighted average price per Unit of US\$6.65 is based upon an average US\$ to C\$ exchange rate over the period of US\$1.00 to C\$1.33.

3. Fully diluted for Pure Multi-Family’s outstanding convertible unsecured subordinated debentures.



Robert King, Chairman of Pure Multi-Family’s Board of Directors (the “Board of Directors”) and Chairman of the special committee of independent directors (the “Special Committee”) said, “Since our initial public offering in July 2012, Pure Multi-Family has generated a total unaffected return in excess of 176%, approximately 16% on a compounded annual basis. We have accomplished significant growth over the past seven years, having built an institutional quality multi-family apartment portfolio in highly desirable markets in the US Sunbelt. We believe that Cortland’s all-cash Transaction provides certainty from a well-respected organization, and represents significant value for our unitholders with the flexibility to explore other potential superior proposals. ”

Stephen Evans, Pure Multi-Family’s founder and CEO commented, “Today’s announcement can be attributed to Pure Multi-Family’s high-quality portfolio of multi-family properties located in the most dynamic economies of the US Sunbelt, our recently internalized state of the art property management platform, and the high quality of our team who have repeatedly demonstrated tremendous commitment, passion and integrity. Under Pure Multi-Family’s management, the income and value of the investment properties have grown significantly. Pure Multi-Family delivered the second best total unitholder returns in the Canadian REIT sector since our initial public offering in July 2012, using Canadian dollar returns. Pure Multi-Family ranked twelfth in the Canadian REIT sector, during that same period, using US dollar returns. Today’s transaction delivers certain value to unitholders at a premium to Pure Multi-Family’s recent trading range.”

Steven DeFrancis, Chief Executive Officer of Cortland remarked, “After participating in last year’s sale process, we continued to closely monitor Pure Multi-Family’s performance and updated our underwriting regularly. We believe the terms put forward in the Transaction are highly attractive to Pure Multi-Family’s unitholders. We are thrilled to add Pure Multi-Family’s high-quality communities to the Cortland family and further expand our platform in markets that we know very well.”

### **Transaction Details**

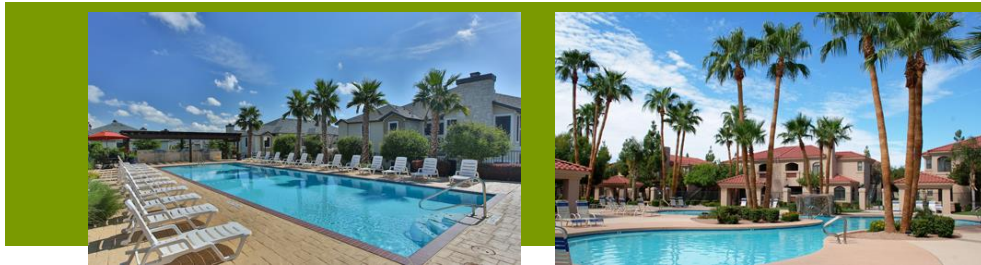
The Transaction will involve Cortland acquiring all of the Units for US\$7.61 per Unit and, upon the expected re-designation, of all 200,000 Class B units outstanding of Pure Multi-Family into 2,665,835 Units.

The Transaction is structured as a statutory plan of arrangement under the British Columbia *Business Corporations Act*. Completion of the Transaction is subject to customary conditions, including approval by unitholders at a special meeting, court approval and regulatory approvals.

Pure Multi-Family will continue to pay its normal monthly distributions in the ordinary course, consistent with past practice through closing of the Transaction.

The Arrangement Agreement provides a “go shop” provision with a two-tier termination fee structure that allows the Board of Directors to actively solicit a superior proposal before August 12, 2019, subject to a customary “right to match” in favour of Cortland and payment of: (i) a US\$9.5 million termination fee to Cortland if such superior proposal is accepted by the earlier of August 20, 2019 and the date that is one day after the end of Cortland’s matching period; and (ii) payment of a US\$22.5 million termination fee to Cortland if such superior proposal is accepted thereafter.

The Transaction is expected to close by Q4 2019.



It is a term of the plan of arrangement that all of the outstanding convertible unsecured subordinated debentures will be transferred for consideration of \$1,346.90 plus accrued and unpaid interest for each \$1,000 principal amount, unless the court requires a vote of the debentureholders in which case the debentures will be redeemed prior to the closing of the plan of arrangement.

The foregoing summary is qualified in its entirety by the provisions of the Arrangement Agreement, a copy of which will be filed on SEDAR at [www.sedar.com](http://www.sedar.com). Pure Multi-Family will mail a management information circular and certain related documents to unitholders in connection with the meeting to consider and vote on the Transaction, copies of which will also be filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Pure Multi-Family Board of Directors Recommendation and Fairness Opinions**

The Board of Directors, after receiving the unanimous recommendation of the Special Committee and in consultation with its financial and legal advisors, has determined that the Transaction is in the best interests of Pure Multi-Family and fair to unitholders and is recommending that unitholders vote in favour of the Transaction.

Scotiabank and Fort Capital Partners have provided fairness opinions to the Special Committee and Board of Directors that based upon and subject to the assumptions and limitations described in their respective opinions, the consideration to be received by holders of Units pursuant to the Transaction is fair, from a financial point of view, to such holders and the holders of the outstanding convertible unsecured subordinated debentures.

### **Advisors**

Scotiabank is acting as exclusive financial advisor to Pure Multi-Family. Farris LLP is acting as legal counsel to the Special Committee and Koffman Kalef LLP to the Board of Directors. Fort Capital Partners has provided the Special Committee and the Board of Directors with a fairness opinion in respect of the Transaction.

Lazard is acting as sole financial advisor to Cortland. King & Spalding LLP is acting as US legal counsel to Cortland, and McCarthy Tétrault LLP is acting as Canadian legal counsel to Cortland.

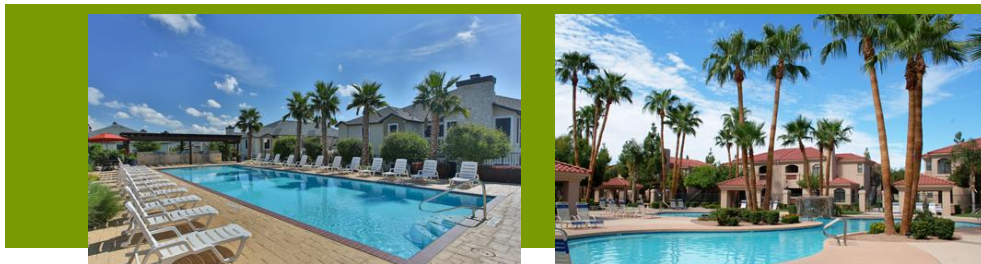
### **About Pure Multi-Family REIT LP**

Pure Multi-Family is a Canadian based, publically traded vehicle which offers investors exposure to attractive, institutional quality US multi-family real estate assets. Pure Multi-Family owns and operates 22 multi-family apartment communities consisting of 7,085 apartment units in Texas and Arizona, two of the US Sunbelt's leading economies.

Additional information about Pure Multi-Family is available at [www.puremultifamily.com](http://www.puremultifamily.com) and [www.sedar.com](http://www.sedar.com).

### **About Cortland Partners, LLC**

Cortland is a product-to-people, multi-family real estate investment, development, and management company headquartered in Atlanta. Cortland in-sources most of its multi-family development, design,



construction, renovation, management, and ownership functions with the goal of providing its residents excellent, hospitality-driven living experiences. Cortland is invested in, directly or indirectly, and manages more than 155 apartment communities with over 50,000 homes in the US with regional offices in Charlotte, Dallas, Denver, Houston, and Orlando. Internationally, Cortland maintains a global materials sourcing office in Shanghai and a development platform in the UK. Cortland is a National Multifamily Housing Council (NMHC) Top 50 Owner and Manager and is ranked 6th among Atlanta’s “Top Workplaces” in the large employer category (2019).

For more information, please visit [www.cortland.com](http://www.cortland.com).

### **Forward-Looking Information**

Certain statements in this news release may constitute “forward-looking information” within the meaning of applicable securities laws (also known as forward-looking statements). Forward-looking information involves known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information. Forward-looking information generally can be identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “feel”, “intend”, “may”, “plan”, “predict”, “project”, “subject to”, “will”, “would”, and similar terms and phrases, including references to assumptions. Some of the specific forward-looking statements in this news release include, but are not limited to, statements with respect to: the Transaction and the terms thereof; the expected date of completion of the Transaction; the re-designation of the Class B units; the anticipated benefits to unitholders and the payment of monthly distributions prior to closing. There can be no assurance that the proposed Transaction will be completed or that it will be completed on the terms and conditions contemplated in this news release. The proposed Transaction could be modified or terminated in accordance with its terms.

Forward-looking information is based on a number of key expectations and assumptions made by Pure Multi-Family including, without limitation: the Transaction will be completed on the terms currently contemplated; the Transaction will be completed in accordance with the timing currently expected; all conditions to the completion to the Transaction will be satisfied or waived and the Arrangement Agreement will not be terminated prior to the completion of the Transaction; and assumptions and expectations related to premiums to the trading price of Units and returns to unitholders. Although the forward-looking information contained in this news release is based on what Pure Multi-Family’s management believes to be reasonable assumptions, Pure Multi-Family cannot assure investors that actual results will be consistent with such information.

Forward-looking information is provided for the purpose of presenting information about management’s current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information involves significant risks and uncertainties and should not be read as guarantees of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking information. Those risks and uncertainties include, among other things: the Transaction may not be completed on the terms, or in accordance with the timing, currently contemplated, or at all; Pure Multi-Family has incurred expenses in connection with the Transaction and will be required to pay for those expenses regardless of whether or



not the Transaction is completed; and Pure Multi-Family and Cortland may not be successful in satisfying the conditions to the Transaction. Additional information about risks and uncertainties related to Pure Multi-Family is contained in Pure Multi-Family's Annual Information Form for the year ended December 31, 2018 and in Pure Multi-Family's Management's Discussion and Analysis dated May 13, 2019, both of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

The forward-looking information contained herein represents Pure Multi-Family's expectations as of the date of this news release, and is subject to change after this date. Pure Multi-Family assumes no obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

**For more information, please contact:**

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