
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 14, 2017

Sterling Real Estate Trust

dba Sterling Multifamily Trust
(Exact name of registrant as specified in its charter)

North Dakota (State or other Jurisdiction of Incorporation)	000-54295 (Commission File Number)	90-0115411 (IRS Employer Identification No.)
1711 Gold Drive S., Suite 100 Fargo, North Dakota (Address of Principal Executive Offices)		58103 (Zip Code)

Registrant's telephone number, including area code: **(701) 353-2720**

(Former name or former address if changed since last
report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR § 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR § 240.12b-2).
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 1 – Registrants’ Business and Operations

Item 7.01 Regulation FD Disclosure

Share and Unit Price Increase

The Board of Trustees approved an increase in the common share price from \$16.50 per share to \$18.50 per share effective January 1, 2018.

The Board of Trustees, acting as general partner of Sterling Properties, LLLP, also approved an increase in the limited liability limited partnership unit price from \$16.50 per unit to \$18.50 per unit effective January 1, 2018.

In determining the fair value of the shares and limited partnership units, the Board relied upon their experience with, and knowledge about, the Trust’s real estate portfolio and debt obligations. The Board typically determines the share price on an annual basis. The trustees determine the price in their discretion and use data points to guide their determination which is typically based on a consensus of opinion. In addition, the Board considers how the price chosen will affect existing share and unit values, redemption prices, dividend coverage ratios, yield percentages, dividend reinvestment factors, and future UPREIT transactions, among other considerations and information.

Determination of price is a matter within the Board’s sole discretion. The Trust does not determine price based on any rote formula or specific factors. At this time, no shares are held in street name accounts and the Trust is not subject to FINRA’s specific pricing requirements set out in Rule 2340 or otherwise. Thus, the Trust does not employ any specific valuation methodology or formula. Rather, the Board looks to available data and information, which is often adjusted and weighted to comport more closely with the assets held by the Trust at the time of valuation. The principal valuation methodology utilized is the NAV calculation method. The information made available to the Board is assembled by the Trust’s Advisor.

As with any valuation methodology, the methodologies utilized by the Board in reaching an estimate of the value of the shares and limited partnership units are based upon a number of estimates, assumptions, judgments or opinions that may, or may not, prove to be correct. The use of different estimates, assumptions, judgments, or opinions would likely have resulted in significantly different estimates of the value of the shares and limited partnership units. In addition, the Board’s estimate of share and limited partnership unit value is not based on the book values of our real estate, as determined by GAAP, as our book value for most real estate is based on the amortized cost of the property, subject to certain adjustments.

Furthermore, in reaching an estimate of the value of the shares and limited partnership units, the Board did not include a liquidity discount in order to reflect the fact that the shares and limited partnership units are not currently traded on a national securities exchange; a discount for debt that may include a prepayment obligation or a provision precluding assumption of the debt by a third party; or the costs that are likely to be incurred in connection with an appropriate exit strategy, whether that strategy might be a listing of the limited partnership units or common shares on a national securities exchange or a merger or sale of our portfolio.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

Exhibit No.	Title
99.1	<u>Amended and Restated Share Repurchase Plan</u>
99.2	<u>Amended and Restated Unit Repurchase Plan</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Sterling Real Estate Trust

Date: December 19, 2017

By: /s/ Ryan M. Downs
Name: Ryan M. Downs
Title: President

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Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1

STERLING | MULTIFAMILY TRUST

AMENDED AND RESTATED SHARE REDEMPTION PLAN

STERLING MULTIFAMILY TRUST

AMENDED AND RESTATED SHARE REDEMPTION PLAN

The Board of Trustees (the “Board”) of Sterling Multifamily Trust, a North Dakota real estate investment trust (the “Trust”), has adopted a share redemption plan (the “Redemption Plan”) by which shares of the Trust’s common stock, par value \$0.01 per share (“Shares”), may be redeemed by the Trust from shareholders subject to certain conditions and limitations. The purpose of this Redemption Plan is to provide limited interim liquidity for shareholders (under the conditions and limitations set forth below) until a liquidity event occurs. No shareholder is required to participate in the Redemption Plan.

1. Redemption of Shares. The Trust may, at its sole discretion, acting for the Trust, or as General Partner of the Limited Partnership, may redeem up to an aggregate of \$30,000,000 of Shares and/or Units presented to the Trust or Limited Partnership for cash to the extent it has sufficient proceeds to do so and subject to the conditions and limitations set forth herein. Any and all Shares redeemed by the Trust shall be canceled, and will have the status of authorized but unissued Shares. Shares acquired by the Trust through the Redemption Plan will not be reissued unless they are first registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and other appropriate state securities laws or otherwise issued pursuant to exemptions from applicable registration requirements of such laws.

2. Redemption Price. The Trust will redeem its Shares at \$17.50 per share.

3. Funding and Operation of Redemption Plan. The Trust may make purchases under the Redemption Plan quarterly, at its sole discretion, on a pro rata basis.

4. Shareholder Requirements. Any shareholder may request a redemption with respect to all or a designated portion of their Shares, subject to the following conditions and limitations:

a. Holding Period. Only Shares that have been held by the presenting shareholder for at least one (1) year are eligible for redemption by the Trust. However, the Trust will waive the holding period for Shares (1) purchased with reinvested dividend; (2) redeemed in connection with a stockholder’s death; or (3) for Shares held in a 401(k) account. Appropriate legal documentation will be required for redemption requests upon death of a stockholder.

b. No Encumbrances. All Shares presented for repurchase must be owned by the shareholder(s) making the presentment, or the party presenting the Shares must be authorized to do so by the owner(s) of the Shares. Such Shares must be fully transferable and not subject to any liens or other encumbrances.

c. Share Redemption Form. The presentment of Shares must be accompanied by a completed Share Redemption Request form, a copy of which is attached hereto as *Exhibit “A.”* All Share certificates must be properly endorsed.

d. Deadline for Presentment. All Shares presented and all completed Share Redemption Request forms must be received by the Trust or any redemption agent on or before the last day of the second month of each calendar quarter in order to have such Shares eligible for redemption for that quarter.

e. Redemption Request Withdrawal. A shareholder may withdraw his or her repurchase request upon written notice to the Trust at any time prior to the date of repurchase.

f. Ineffective Withdrawal. In the event the Trust receives a written notice of withdrawal from a shareholder after the Trust has repurchased all or a portion of such shareholder’s Shares, the notice of withdrawal shall be ineffective with respect to the Shares already repurchased, but shall be effective with respect to any of such shareholder’s Shares that have not been repurchased. The Trust shall provide any such shareholder with prompt written notice of the ineffectiveness or partial ineffectiveness of such shareholder’s written notice of withdrawal.

Adopted by the Board of Trustees
December 14, 2017

g. Repurchase Agent. The Trust may utilize a registered broker dealer in connection with the repurchases under this Redemption Plan.

h. Termination, Amendment or Suspension of Plan. The Redemption Plan will terminate and the Trust will not accept Shares for repurchase in the event the Shares are listed on any national securities exchange, the subject of bona fide quotes on any inter-dealer quotation system or electronic communications network or are the subject of bona fide quotes in the pink sheets. Additionally, the Board, in its sole discretion, may terminate, amend or suspend the Redemption Plan if it determines to do so is in the best interest of the Trust. A determination by the Board to terminate, amend or suspend the Redemption Plan will require the affirmative vote of a majority of the Trustees, including a majority of the independent Trustees. If the Trust terminates amends or suspends the Redemption Plan, the Trust will provide shareholders with thirty (30) days advance written notice and the Trust will disclose the changes in the appropriate current or periodic report filed with the Securities and Exchange Commission.

5. Miscellaneous.

a. Advisor Ineligible. The Advisor to the Trust, Sterling Management, LLC, shall not be permitted to participate in the Redemption Plan.

b. Liability. Neither the Trust nor any repurchase agent shall have any liability to any shareholder for the value of the shareholder's Shares, the redemption price of the shareholder's Shares, or for any damages resulting from the shareholder's presentation of his or her Shares, the redemption of the Shares under this Redemption Plan or from the Trust's determination not to redeem Shares under the Redemption Plan, except as a result from the Trust's or the redemption agent's gross negligence, recklessness or violation of applicable law; provided, however, that nothing contained herein shall constitute a waiver or limitation of any rights or claims a shareholder may have under federal or state securities laws.

c. Taxes. Shareholders shall have complete responsibility for payment of all taxes, assessments, and other applicable obligations resulting from the Trust's redemption of Shares.

Adopted by the Board of Trustees
December 14, 2017

EXHIBIT "A"
SHARE REDEMPTION REQUEST

Adopted by the Board of Trustees
December 14, 2017

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Section 3: EX-99.2 (EX-99.2)

Exhibit 99.2

STERLING | MULTIFAMILY PROPERTIES, LLLP

AMENDED AND RESTATED UNIT REDEMPTION PLAN

STERLING PROPERTIES, LLLP

**AMENDED AND RESTATED
UNIT REDEMPTION PLAN**

The Board of Trustees (the "Board") of Sterling Real Estate Trust, a North Dakota real estate investment trust (the "Trust"), as General Partner of Sterling Properties, LLLP, a North Dakota Limited Liability Limited Partnership (the "Limited Partnership"), has adopted a unit redemption plan (the "Redemption Plan") by which units of the Limited Partnership, par value \$0.01 per unit ("Units"), may be redeemed by the Limited Partnership from unitholders subject to certain conditions and limitations. The purpose of this Redemption Plan is to provide limited interim liquidity for unitholders (under the conditions and limitations set forth below) until a liquidity event occurs. No unitholder is required to participate in the Redemption Plan.

- 1. Redemption of Units.** The Trust may, at its sole discretion, acting for itself, or as General Partner of the Limited Partnership, may redeem up to an aggregate of \$30,000,000 of Shares and/or Units presented to the Trust or Limited Partnership for cash to the extent it has sufficient proceeds to do so and subject to the conditions and limitations set forth herein. Any and all Units redeemed by the Limited Partnership shall be canceled, and will have the status of authorized but unissued Units. Units acquired by the Limited Partnership through the Redemption Plan will not be reissued unless they are first registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and other appropriate state securities laws or otherwise issued pursuant to exemptions from applicable registration requirements of such laws.
- 2. Redemption Price.** The Limited Partnership will redeem its Units at \$17.50 per unit.
- 3. Funding and Operation of Redemption Plan.** The Limited Partnership may make purchases under the Redemption Plan quarterly, at its sole discretion, on a pro rata basis.
- 4. Unitholder Requirements.** Any unitholder may request a redemption with respect to all or a designated portion of their Units, subject to the following conditions and limitations:

 - a. Holding Period.** Only Units that have been held by the presenting unitholder for at least one (1) year are eligible for redemption by the Limited Partnership. However, the Limited Partnership will waive the holding period for Units to be redeemed in connection with a unitholder's death. Appropriate legal documentation will be required for redemption requests upon death of a unitholder. Further, the Limited Partnership will waive the holding period for Units held in a 401(k) account.
 - b. No Encumbrances.** All Units presented for redemption must be owned by the unitholder(s) making the presentment, or the party presenting the Units must be authorized to do so by the owner(s) of the Units. Such Units must be fully transferable and not subject to any liens or other encumbrances.
 - c. Unit Redemption Form.** The presentment of Units must be accompanied by a completed Unit Redemption Request form, a copy of which is attached hereto as *Exhibit "A."* All Unit certificates must be properly endorsed.
 - d. Deadline for Presentment.** All Units presented and all completed Unit Redemption Request forms must be received by the Limited Partnership or any redemption agent on or before the last day of the second month of each calendar quarter in order to have such Units eligible for redemption for that quarter.
 - e. Redemption Request Withdrawal.** A unitholder may withdraw his or her redemption request upon written notice to the Limited Partnership at any time prior to the date of redemption.
 - f. Ineffective Withdrawal.** In the event the Limited Partnership receives a written notice of withdrawal from a unitholder after the Limited Partnership has redeemed all or a portion of such unitholder's Units, the notice of withdrawal shall be ineffective with respect to the Units already redeemed, but shall be effective with respect to any of such unitholder's Units that have not been redeemed. The Limited Partnership shall provide any such

Adopted by the Board of Trustees
December 14, 2017

unitholder with prompt written notice of the ineffectiveness or partial ineffectiveness of such unitholder's written notice of withdrawal.

g. Redemption Agent. The Limited Partnership may utilize a registered broker dealer in connection with the redemptions under this Redemption Plan.

h. Termination, Amendment or Suspension of Plan. The Redemption Plan will terminate and the Limited Partnership will not accept Units for redemption in the event the Units are listed on any national securities exchange, the subject of bona fide quotes on any inter-dealer quotation system or electronic communications network or are the subject of bona fide quotes in the pink sheets. Additionally, the Board, in its sole discretion, may terminate, amend or suspend the Redemption Plan if it determines to do so is in the best interest of the Limited Partnership. A determination by the Board to terminate, amend or suspend the Redemption Plan will require the affirmative vote of a majority of the Trustees, including a majority of the independent Trustees. If the Trustees terminate amend or suspend the Redemption Plan, the Limited Partnership will provide unitholders with thirty (30) days advance written notice and the Limited Partnership will, to the extent applicable, disclose the changes in the appropriate current or periodic report filed with the Securities and Exchange Commission.

5. Miscellaneous.

a. Advisor Ineligible. The Advisor to Sterling Real Estate Trust, Sterling Management, LLC, shall not be permitted to participate in the Redemption Plan.

b. Liability. The Trust, acting as itself or as General Partner of the Limited Partnership, and any redemption agent shall not have any liability to any unitholder for the value of the unitholder's Units, the redemption price of the unitholder's Units, or for any damages resulting from the unitholder's presentation of his or her Units, the redemption of the Units under this Redemption Plan or from the Trust's determination not to redeem Units under the Redemption Plan, except as a result from the Trust's or the redemption agent's gross negligence, recklessness or violation of applicable law; provided, however, that nothing contained herein shall constitute a waiver or limitation of any rights or claims a unitholder may have under federal or state securities laws.

c. Taxes. Unitholders shall have complete responsibility for payment of all taxes, assessments, and other applicable obligations resulting from the Limited Partnership's redemption of Units.

Adopted by the Board of Trustees
December 14, 2017

EXHIBIT "A"

UNIT REDEMPTION REQUEST

Adopted by the Board of Trustees
December 14, 2017

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