



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 3) CORE FUND TO ACQUIRE APARTMENT COMPLEX IN RAPIDLY GROWING HOUSTON, TEXAS SUBMARKET AND ACHIEVE FULL DEPLOYMENT OF INITIAL PUBLIC OFFERING PROCEEDS

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TORONTO, October 28, 2014 – Starlight U.S. Multi-Family (No. 3) Core Fund (TSX.V: SUS.A, SUS.U) (the “**Fund**”) announced today that it has entered into an agreement to acquire The Reserve at Jones Road, a 114 unit, garden style, Class “A”, apartment complex, completed in 2013 and located in a rapidly growing area in northwest Houston, Texas at 11925 Jones Road.

The Reserve at Jones Road consists of four, three storey walk-up buildings on a 4.22 acre site comprised of one and two bedroom units. Each of The Reserve at Jones Road’s units contain modern features including granite countertops in the kitchen and bathroom, custom wood cabinets, nine foot ceilings, island-style kitchens, over-sized combination tub/showers, upgraded lighting and laminate flooring in select units. All units also include a private patio or balcony area with an exterior storage room. As of October 27, 2014, The Reserve at Jones Road’s occupancy was 94.7%.

Amenities at The Reserve at Jones Road include a central clubhouse with a 24-hour fitness centre and an executive business centre. Outdoor amenities also include a salt water lagoon pool, cabana with gas grill, picnic area and dog park. The property has Wi-Fi high speed internet access in all common areas.

Following completion of the acquisition, the Fund expects to retain Greystar Real Estate Partners (“**Greystar**”), the largest third party, multi-family property manager in the United States, as the property manager at The Reserve at Jones Road. Greystar is currently managing The Falls at Copper Lake for Starlight U.S. Multi-Family Core Fund (“**Fund No. 1**”) which is located four miles south of The Reserve at Jones Road, and also manages The Villages at Sunset Ridge, The Falls at Eagle Creek, and Yorktown Crossing, each located in Houston, for the Fund, Fund No. 1 and Starlight Multi-Family (No. 2) Core Fund.

Pursuant to a purchase and sale agreement effective September 15, 2014, Jones Road Acquisition LLC, an indirect wholly owned subsidiary of the Fund, has agreed to purchase The Reserve at Jones Road unencumbered for the purchase price of approximately US\$13.14 million. The purchase agreement contains customary representations and warranties for a transaction of this nature. Subject to the satisfaction or waiver of conditions precedent, the purchase of The Reserve at Jones Road is scheduled to close on or about November 11, 2014.

A first mortgage loan in respect of the purchase of The Reserve at Jones Road in the amount of approximately US\$9.2 million has been secured for a three year term with two one year extensions available. The loan will be interest only for the initial term and will be payable at an annual rate of LIBOR + 2.00%.

Following completion of the acquisition of The Reserve at Jones Road, the Fund expects have interests in and operate a portfolio comprising 1,317 recently constructed, Class “A” stabilized, income producing multi-family real estate units located in Austin and Houston, Texas.

About Starlight U.S. Multi-Family (No. 3) 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.

Forward-Looking Information

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 The Reserve at Jones Road, the financing of The Reserve at Jones Road and the property management of The Reserve at Jones Road. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the 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: reliance on the Fund’s manager; the ability to complete the acquisition of The Reserve at Jones Road; the terms and availability of financing for The Reserve at Jones Road; the expected benefits of the ownership of The Reserve at Jones Road; the experience of the Fund’s officers and directors; substitutes for residential real estate rental units; 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 ability of the Fund to complete the acquisition of The Reserve at Jones Road and secure acceptable financing; 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, neither the Fund nor its manager undertakes 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.

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