



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 3) CORE FUND TO ACQUIRE APARTMENT COMPLEX IN RAPIDLY GROWING HOUSTON, TEXAS SUBMARKET

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TORONTO, August 13, 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 Yorktown Crossing, a 312 unit, garden style, Class “A”, apartment complex, completed in 2010 and located in a rapidly growing area northwest of Houston, Texas at 15903 Yorktown Crossing Parkway.

Yorktown Crossing

Yorktown Crossing consists of 13, three storey walk-up buildings on a 12.18 acre site comprised of one and two bedroom units. Each of Yorktown Crossing’s units contain modern features including ceramic tile entry-ways, laminate wood flooring on ground floor units, crown-molding, black appliance packages, brushed nickel fixtures, full size washer and dryer sets and upgraded track and pendant lighting. As of August 4, 2014, Yorktown Crossing’s occupancy was 96.8%.

Amenities at Yorktown Crossing include a central clubhouse with a 24-hour fitness centre, a media room with large screen TV and an executive business centre. Outdoor amenities include a resort style pool, fireplace, barbeque grilling area and putting green. The property has Wi-Fi high speed internet access in all common areas.

Following completion of the acquisition, the Fund expects property management of Yorktown Crossing to remain with Greystar Real Estate Partners (“**Greystar**”), the largest third party, multi-family property manager in the United States. Greystar is currently managing The Falls at Copper Lake for Starlight U.S. Multi-Family Core Fund (“**Fund No. 1**”) which is located five miles north of Yorktown Crossing, and also manages The Villages at Sunset Ridge and The Falls at Eagle Creek, 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 entered into as of August 5, 2014, Yorktown Acquisition LLC, an indirect wholly owned subsidiary of the Fund, has agreed to purchase Yorktown Crossing unencumbered for the purchase price of approximately US\$35.2 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 Yorktown Crossing is scheduled to close on or about August 28, 2014. The purchase agreement is a material contract of the Fund.

A first mortgage loan in respect of the purchase of Yorktown Crossing in the amount of approximately US\$24.0 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 the initial term, the first mortgage loan will amortize on a 30 year schedule.

The Fund Portfolio

Following completion of the acquisition of Yorktown Crossing, the Fund expects have interests in and operate a portfolio comprising 1,203 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 Yorktown Crossing and the financing of Yorktown Crossing. 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 Yorktown Crossing; the terms and availability of financing for Yorktown Crossing; the expected benefits of the ownership of Yorktown Crossing; 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 Yorktown Crossing and secure acceptable financing; the ability of the manager of the Fund to manage and operate the Fund's properties; the inventory of multi-family real estate 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.

For further information:

Evan Kirsh
President, Starlight U.S. Multi-Family (No. 3) Core Fund
647-725-0417
ekirsh@starlightus.com

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