



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 3) CORE FUND COMPLETES ACQUISITION OF INITIAL PROPERTIES

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TORONTO, July 10, 2014 – Starlight U.S. Multi-Family (No. 3) Core Fund (the “**Fund**”) (TSXV: SUS.A, SUS.U) announced today that it has successfully completed the acquisition of interests in a portfolio of three properties located in Houston and Austin, Texas (the “**Initial Portfolio**”) comprising 891 multi-family residential units for an aggregate purchase price of approximately US\$90.55 million, which was satisfied by way of approximately US\$21.75 million in cash from the proceeds of the Fund’s recent initial public offering, US\$23.90 million in cash from a new mortgage financing and the assumption of mortgages in the principal amount of approximately US\$44.90 million. In connection with acquisition of the Initial Portfolio, the Fund deployed half of the gross proceeds from its initial public offering.

The Fund indirectly acquired a 100% interest in The Allure, a property located northwest of downtown Austin, Texas at 701 North Vista Ridge Blvd. In connection with the acquisition, the Fund assumed existing financing on the property in the amount of US\$36.50 million (as of July 9, 2014) maturing in July 2017, with two, one-year extension options at an interest rate of 3.51% and subsequently repaid approximately US\$3 million. The property is comprised of 334 units in 22 three-story apartment buildings and townhouses on a 19.97 acre site ranging in size from one bedroom to three bedrooms and includes a central clubhouse that contains a number of modern amenities, including a lounge with flat screen televisions, a gaming area with pool table, a cyber café, a large high-end kitchen for hosting parties, a fully equipped conference room, a fitness centre (including a full complement of weight-training equipment and cardio machines), a fenced-in dog park, a secluded library, a patio overlooking the pool and featuring an outdoor fireplace, and a resort-class, dual-level pool including an upper deck infinity pool with outdoor fireplace and barbeque/kitchen area, as well as a lower deck pool featuring an in-pool tanning shelf and a striking water feature. The apartment units have efficient layouts and contain modern features including light-cheery or honey pine style flooring, sleek master baths and nine-foot ceilings. The property will be managed by Alliance Residential Company, the tenth largest third-party, multi-family property manager in the United States.

The Fund also indirectly acquired a 100% interest in the Residences at Cinco Ranch, a property located west of downtown Houston at 20900 FM Road 1093 in Richmond, Texas. The Fund has secured a first mortgage loan on the property in the amount of US\$23.9 million for a three-year term with two, one-year extension options at an interest rate of LIBOR + 2.00% per annum. The property is comprised of 300 apartment units in 13 three-story and one two-story garden-style buildings on an 18.6 acre site, ranging in size from one bedroom to three bedrooms. Property amenities include a large central clubhouse, a 24-hour athletic club, remote controlled limited entry access to the property, a business and conference centre, a coffee bar, a large resort-style pool with a cabana, poolside Wi-Fi and signature landscaping around the pool area, an outdoor picnic area with a barbeque, and a dog park. Apartment units feature nine-foot ceilings with sleek interior features that include crown molding and ceiling fans. Gourmet kitchens are equipped with a breakfast bar, maple cabinetry and granite countertops. The property will be managed by Alliance Residential Company, the tenth largest third-party, multi-family property manager in the United States.

In addition, the Fund indirectly acquired a 50% interest in the Villages at Sunset Ridge, a property located northeast of downtown Houston at 14807 Woodland Hills Drive in Humble, Texas. In connection with the acquisition, the Fund assumed its proportionate share of the existing first mortgage loan on the property in the amount of US\$8.4 million (as of May 20, 2014) maturing in May 2017 with two, one-year extension options at an interest rate of LIBOR + 2.00% per annum. The property is comprised of 257 apartment suites in nine three-story garden-style apartment buildings on an 11.45 acre site, ranging in size from one bedroom to three bedrooms. Property amenities include a central lounge for all tenants, a fitness centre, a business centre, and gated access to the property. Apartment units feature a balcony, hardwood floors, high speed internet, wood kitchen cabinetry, and black on black appliances. The property will be managed by Greystar Real Estate Partners, the largest third-party, multi-family property manager in the United States.

The Fund has provided notice to the TSX Venture Exchange of the completion of its acquisition of the Initial Portfolio and expects its Class A Units and Class U Units to commence trading on or about July 11, 2014.

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 United States multi-family real estate market.

This press release contains statements that may constitute forward-looking information within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including the commencement of trading of securities of the Fund on the TSX Venture Exchange. The forward-looking statements involve risks and uncertainties including those set forth in the Fund's final prospectus dated June 27, 2014, including under the section "Risk Factors", a copy of which can be obtained at www.sedar.com. Actual results could differ materially from those projected herein. Material factors and assumptions were used by management of the Fund to develop the forward-looking information. Investors are cautioned against placing undue reliance on forward-looking statements. Except as required by applicable Canadian securities laws, the Fund undertakes no 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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