



FOR IMMEDIATE RELEASE

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

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TORONTO, August 17, 2015 – Starlight U.S. Multi-Family (No. 1) Core Fund (TSX.V: UMF.A, UMF.U) (“**Fund No. 1**”) and Starlight U.S. Multi-Family (No. 3) Core Fund (TSX.V: SUS.A, SUS.U) (“**Fund No. 3**”) announced today that they have entered into an agreement to acquire Sorelle, a 401 unit, mid-rise, Class “A”, apartment complex, completed in 2009 and located in a rapidly growing area in north Atlanta, Georgia at 2399 Parkland Drive.

In connection with the acquisition of Sorelle, Fund No. 1 has agreed to acquire an indirect 35% interest and Fund No. 3 has agreed to acquire an indirect 65% interest. All decision making in respect of Sorelle, including day-to-day and material decisions, will be jointly made by Fund No. 1 and the Fund No. 3 through established governance practices.

Pursuant to a purchase and sale agreement effective August 13, 2015, as amended from time to time, Sorelle Acquisition LLC, an indirect wholly owned subsidiary of Fund No. 1 and Fund No. 3, has agreed to purchase Sorelle unencumbered for the purchase price of approximately US\$65.5 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 Sorelle is scheduled to close on or about September 9, 2015.

In connection with the acquisition of Sorelle, new financing in the amount of approximately US\$55.9 million has been secured for a three year term with two one year extensions available. Subject to certain conditions, financing will be interest only and will be payable at a blended rate of approximately 3.59%. Fund No. 1 and Fund No. 3 have each assumed responsibility for the liabilities of Sorelle on a pro-rata ownership basis.

Sorelle

Sorelle consists of a four to five-storey mid-rise building on a 5.09 acre site comprised of studio, one bedroom and two bedroom units. Renovated apartment units at Sorelle contain modern interior finishes including black appliances, granite countertops, under mount sinks, new carpet and faux hardwood flooring, upgraded lighting, brushed nickel hardware, private patios or balconies and full-size washers and dryers. Amenities at Sorelle include a state-of-the-art fitness facility, an internet café and billiards table, and a business centre. Exterior features include a gated, six-level parking

garage with direct floor access, a saltwater swimming pool and sundeck, a social courtyard with a fire pit, and an on-site dog park. As of August 7, 2015, Sorelle's occupancy was 96.0%.

Fund No. 1 and Fund No. 3 Portfolio

Following completion of the acquisition of Sorelle, Fund No. 1 expects to have interests in and operate a portfolio comprising 2,581 recently constructed, Class "A" stabilized, income producing multi-family real estate units located in Dallas and Houston, Texas, Charlotte, North Carolina, and Atlanta, Georgia.

Following completion of the acquisition of Sorelle, Fund No. 3 expects to have interests in and operate a portfolio comprising 1,894 recently constructed, Class "A" stabilized, income producing multi-family real estate units located in Austin and Houston, Texas, Charlotte, North Carolina, and Atlanta, Georgia.

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

Fund No. 1 and Fund No. 3 are each limited partnerships 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 Fund No. 1 and Fund No. 3's current expectations regarding future events, including statements concerning the acquisition of Sorelle and the financing of Sorelle. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for Fund No. 1, Fund No. 3 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 No. 1 and Fund No. 3'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 Fund No. 1 and Fund No. 3's manager; the ability to complete the acquisition of Sorelle; the terms and availability of financing for Sorelle; the expected benefits of the ownership of Sorelle; the experience of Fund No. 1 and Fund No. 3'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 Fund No. 1 and Fund No. 3 to complete the acquisition of Sorelle and secure acceptable financing; the ability of the manager of Fund No. 1 and Fund No. 3 to manage and operate Fund No. 1 and Fund No. 3's properties; the ability of the property manager selected to manage Fund No. 1 and Fund No. 3's properties; the population of multi-family real estate market participants; assumptions about the markets in which Fund No. 1 and Fund No. 3 operate; 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, none of Fund No. 1, Fund No. 3 or their manager undertake 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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