



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 CHARLOTTE, NORTH CAROLINA SUBMARKET

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TORONTO, January 29, 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 Belle Haven Apartments, a certified LEED-Silver, 176 unit, garden style, Class “A”, apartment complex, completed in 2014 and located in a rapidly growing area in northeast Charlotte, North Carolina at 9005 Post Canyon Lane. LEED-Silver certifies that the property is environmentally efficient and provides its residents with the benefit of reduced energy and water costs as well as a lower carbon and pollution footprint.

In connection with the acquisition of Belle Haven Apartments, Fund No. 1 has agreed to acquire an indirect 66^{2/3}% interest and Fund No. 3 has agreed to acquire an indirect 33^{1/3}% interest. All decision making in respect of Belle Haven Apartments, 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 January 16, 2015 as amended from time to time, Belle Haven Acquisition LLC, an indirect wholly owned subsidiary of Fund No. 1 and Fund No. 3, has agreed to purchase Belle Haven Apartments unencumbered for the purchase price of approximately US\$26.4 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 Belle Haven Apartments is scheduled to close on or about February 17, 2015.

In connection with the acquisition of Belle Haven Apartments, new financing in the amount of approximately US\$22.9 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 3.68%. Fund No. 1 and Fund No. 3 have each assumed responsibility for the liabilities of Belle Haven Apartments on a pro-rata ownership basis.

Belle Haven Apartments

Belle Haven Apartments consists of seven, three storey walk-up buildings on a 12.89 acre site comprised of one, two and three bedroom units. Each apartment unit at Belle Haven Apartments contains modern features including energy star stainless steel appliances, designer dark espresso kitchen cabinetry, granite countertops, upgraded track lighting and private patios or balconies. Amenities at Belle Haven Apartments include a central clubhouse containing a state-of-the-art fitness centre with yoga studio, a sports and entertainment lounge, a games room and a business centre. Exterior features include a swimming pool with water trellis, barbeque grills, a dog park with a pet washing station and a car care centre. As of January 12, 2015, Belle Haven Apartments' occupancy was 94.3%.

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 Belle Haven Apartments. Greystar is currently managing five communities for Fund No. 1 and Fund No. 3.

Fund No. 1 and Fund No. 3 Portfolio

Following completion of the acquisition of Belle Haven Apartments, Fund No. 1 expects to have interests in and operate a portfolio comprising 2,180 recently constructed, Class “A” stabilized, income producing multi-family real estate units located in Dallas and Houston, Texas and Charlotte, North Carolina.

Following completion of the acquisition of Belle Haven Apartments, Fund No. 3 expects to have interests in and operate a portfolio comprising 1,493 recently constructed, Class “A” stabilized, income producing multi-family real estate units located in Dallas, Austin and Houston, Texas and Charlotte, North Carolina.

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 Belle Haven Apartments, the financing of Belle Haven Apartments and the property management of Belle Haven Apartments. 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 Belle Haven Apartments; the terms and availability of financing for Belle Haven Apartments; the expected benefits of the ownership of Belle Haven Apartments; 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 Belle Haven Apartments 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 managers 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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