



SUNSTONE
REALTY ADVISORS

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IN THE UNITED STATES*

**SUNSTONE OPPORTUNITY (NO. 2) REALTY TRUST ANNOUNCES ITS
FINAL SPECIAL DISTRIBUTION TO UNITHOLDERS**

Vancouver, BC - May 29, 2015: Sunstone Opportunity (No. 2) Realty Trust (“Sunstone US#2”) is pleased to announce a special and final distribution resulting from the sale of its last remaining property, Azure Creek at Tatum Ranch Apartments in Phoenix, Arizona. Azure Creek, originally acquired in December 2010 for US\$17,500,000 was sold in January 2015 for \$23,250,000.

As a result of the disposition, and following the completion of post-closing audits at the property, the Trust paid a special final distribution in the gross amount of US\$9,862,865.00 (US\$397.70 per unit) to unitholders of record as of May 25, 2015 with a payable date of May 27, 2015.

The Trust expects to provide notice of its intention to terminate and dissolve to The Canadian Depository for Securities Limited (“CDS”) in due course and expects to complete the dissolution at the end of 2015. The notice shall, among other things, further specify the termination date and the location at which CDS is to surrender the certificate representing the units for cancellation.

Steve Evans, Founder and CFO commented, “Since its initial public offering, Sunstone US#2 has distributed a gross total of US\$21,444.12 for every US\$12,500 invested. Our investment thesis was to take advantage of an abundance of revenue-producing property supply in the USA due to distressed selling of real estate assets, resulting primarily from the US sub-prime mortgage crisis. It is gratifying to have executed our game plan and delivered very profitable results and we are pleased to be distributing the proceeds from our final asset sale.”

Special Distribution

As a result of the dispositions, Sunstone issued a special distribution totalling a gross amount of US\$397.70 per US\$1,250.00 unit or US\$3,976.96 per initial US\$12,500.00 invested (10 units) on May 27th, 2015 to unitholders of record on May 25th, 2015. Until such time that CDS surrenders the certificate, the Sunstone US#2 units should be valued at \$0.00.

From a U.S. tax perspective, the distribution may be described as a return of capital and a capital gains dividend, less U.S. withholding tax at 35% of the capital gains dividend. Management’s best estimate of the allocation between return of capital and Foreign Investment in Real Property Tax Act (“FIRPTA”) gains, after consultation with tax advisors, is a return of capital of US\$205.74 per unit and a capital gains dividend of US\$191.95, less withholding taxes of US\$67.18, resulting in a net cash distribution of US\$330.51 per unit to unitholders. The FIRPTA gains are subject to an automatic 35% withholding tax, however, management estimates that the final withholding tax will be less than the 35% rate. A unitholder’s final withholding tax liability will be dependent on each unitholder’s personal tax situation.

Investors should consult their own professional advisors to obtain advice on the tax consequences that apply to them in their specific circumstances.

U.S. Tax Slips and U.S Tax Returns

Unitholders have the opportunity to claim part of the FIRPTA withholdings back from the IRS by submitting a U.S. tax return to the IRS. Sunstone will provide an online process for unitholders to complete their U.S. tax slips to be able to complete their U.S. tax returns for submission by January 31, 2016.

The U.S. tax slips and the U.S. tax return will be the only form of documentation available to detail each unitholder's FIRTPA taxes paid to the IRS. As information is specific to each unitholder, U.S. tax slips and U.S. tax returns will only be issued to those who participate in the online process and Sunstone will provide U.S. tax slips (Schedule K1 and Form 8805) and U.S. tax returns to investors directly (if chosen and eligible). **If unitholders choose not to participate, no U.S. tax slips and no U.S. tax returns will be issued. This will be the only opportunity to receive U.S. tax slips and U.S. tax returns for the 2015 tax year for the Sunstone US#2 investment. Each investor's individual final tax liability will only be available on the U.S. tax return.**

This news release is intended for distribution in Canada only and is not intended for distribution to United States newswire services or dissemination in the United States. The securities referred to herein have not, nor will they be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, United States persons absent United States registration or an applicable exemption from the United States registration requirements. This release does not constitute an offer for sale of securities in the United States.

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "expect", "may", "will", "intend", "should" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward looking statements in this news release include the following: (i) the Trust's expectation to provide notice of its intention to terminate and dissolve; (ii) the final termination and dissolution date; and (iii) the contents of the notice of the Trust's intention to terminate.

The forward-looking statements contained in this news release are based on certain key expectations and assumptions made by the Trust. Although the Trust believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on

the forward-looking statements because the Trust can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

The forward-looking statements contained in this news release represent the Trust's expectations as of the date hereof, and are subject to change after such date. The Trust disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable laws.