

FOR IMMEDIATE RELEASE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER UNITED STATES WIRE SERVICES

Sunstone Opportunity Fund (2005) Limited Partnership

SRAI Capital Corp.

910 – 925 West Georgia Street

Vancouver, BC V6C 3L2

Announcement of Eighth Acquisition

Vancouver, BC – August 16, 2006: Sunstone Opportunity Fund (2005) Limited Partnership (“Sunstone (2005) LP”) and SRAI Capital Corp., a subsidiary of Knightswood Financial Corp., (“SRAI”, and collectively with Sunstone (2005) LP, the “Issuers”) today announce that on July 31, 2006, they completed the acquisition of a fifty percent joint venture interest in Northumberland Mall for a purchase price of \$19,075,000 plus standard closing costs and adjustments. Sunstone (2005) LP funded the acquisition with cash and a new first mortgage on the property in favour of Merrill Lynch Capital Canada Inc in the amount of \$28,875,000. The mortgage matures in 2007 and is a variable rate mortgage.

Northumberland Mall is a 349,287 square foot community shopping centre, situated on 31.15 acres and is anchored by Zellers, Sears and A&P’s Save-A-Centre. The remainder of the centre is comprised of national, regional and local tenants including Mark’s Work Warehouse, Bootlegger, Boston Pizza and Scotia Bank. The centre is shadow anchored by Wal-Mart, Canadian Tire and Staples Business Depot.

The Mall is located at 1035-1045 and 1111 Elgin Street West, Cobourg, Ontario, in a strong retail district and benefits from convenient access to Highway 401.

For additional information, please contact Darren Latoski at (604)-681-5959.

SUNSTONE OPPORTUNITY FUND (2005)

SRAI CAPITAL CORP.

LIMITED PARTNERSHIP

by its General Partner, Sunstone Realty Advisors (2005) Inc.

“Darren Latoski”

Director

“Steve Evans”

Director