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**SUNSTONE U.S. OPPORTUNITY (NO. 3) REALTY TRUST ANNOUNCES ITS
FINAL SPECIAL DISTRIBUTION TO UNITHOLDERS**

Vancouver, BC – August 29, 2017: Sunstone U.S. Opportunity (No. 3) Realty Trust (“**Sunstone US#3**”) is pleased to announce a special and final distribution.

Following the completion of post-closing audits at the property, the Trust paid a special final distribution in the gross amount of US\$1,114,455.44 (US\$30.68 per unit) to unitholders of record as of August 15, 2017 with a payable date of August 18, 2017.

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 2017. 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#3 has distributed a gross total of US\$15,362.70 for every US\$12,500 invested. On a total return basis, the Fund performed well delivering a 22.9% return on equity (USD). We are pleased to have distributed the proceeds from our final asset sale and thank investors for their participation in the fund.”

Final Special Distribution

As a result of the post-closing adjustments including but not limited to a reduction on estimated remaining costs for the fund, and the sale of remaining HOT.UN units, Sunstone issued a final special distribution totalling a gross amount of US\$1,114,455.44 (US\$30.68 per unit) to unitholders of record as of August 15, 2017 with a payable date of August 18, 2017. The regular earnings and profits of the distribution are subject to an automatic 30% US withholding tax. Please note that the withholding amount will be submitted by Sunstone to the IRS. Please note that U.S. withholding amounts are based on Sunstone’s best estimates at the time of distribution, and may be amended to reflect the year-end final allocation. Tax records will be generated to reflect the appropriate U.S. withholding.

Until such time that CDS surrenders the certificate, the Sunstone US#3 units should be valued at \$NIL.

CDS will issue a bulletin to advise participants of any adjustments to the tax records to reflect year-end rebalancing between actual US tax liability and US withholding taxes paid to the IRS.

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.

For more information please contact:

Andrew Greig, Director of Business Development

Sunstone U.S. Opportunity (No. 3) Realty Trust

Suite 910, 925 West Georgia Street

Vancouver, BC V6C 3L2

Phone: (604) 681-5959 or (888) 681-5959

E-mail: andrew@sunstoneadvisors.com

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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.