



## RE: REIT VALUE ANNOUNCEMENT – JANUARY 12, 2007

Esteemed League Member-Partners,

I am pleased to introduce League's new IGW REIT investment program, as well as the increased values of units in the MPCP and IGW1 asset pools.

As you know, in establishing this private Real Estate Investment Trust, the assets of two of our Limited Partnership pools — MPCP and IGW1 — were combined. Prior to the conversion, we consulted with the tax professionals at our accounting firm to confirm that our formula for calculating the new equity was appropriate, that it followed Canadian GAAP (Generally Accepted Accounting Principles), and would not result in a tax liability for our member-partners.

### The new values for the Limited Partnerships are as follows:

- MPCP is now valued at \$1.1959 per unit.

The MPCP was formed on September 1<sup>st</sup> 2005. Between that date and December 31<sup>st</sup> 2006 — 16 months — 7,074,000 units were subscribed at \$1.00 each. According to the recent appraisals, the net asset value for the MPCP increased by \$1,385,796. As a result, each unit is now valued at \$1.1959. If you are subscribed to the MPCP pool — depending on the date of your subscription — your annualized rate of return is between 24% and 36% if left to compound annually.

- IGW1 is now valued at \$1.0236 per unit.

The IGW1 was formed on May 1<sup>st</sup> 2006. Between that date and December 31<sup>st</sup> 2006 — eight months — 18,944,400 units were subscribed at \$1.00 each. The increase in net asset value amounted to \$448,087. As a result, each unit is now valued at \$1.0236. If you are subscribed to the IGW1 pool — depending on the date of your subscription — your annualized rate of return is between 14% and 28% if left to compound annually.

The disparity in the returns of the two pools is due to the differences in their origination dates, the number of units outstanding, the time of the various acquisitions, and progress on their respective upgradings. All in all, we are very happy with the results.

### New Distribution Rate

Beginning immediately the new distribution rate is 10.05%. As explained in my previous letter, we are confident that this rate can not only be maintained but increase when circumstances permit.

*Example: If you already own, say 10,000 units at \$1 each, and the recent re-appraisal now values them at \$1.1959 (as is the case with the MPCP above), you will receive in the mail a certificate for 1959 more units, so that you will now own a total of 19,590 units, each valued at \$1.00. So, to calculate the amount of your new monthly distribution in dollars, you would multiply the 19,590 units you own by the new 10.05% distribution rate and divide the total by 12.*

### Regular Re-Valuations

From now on, new appraisal values will be announced semi-annually May 1<sup>st</sup> and September 1<sup>st</sup>. This means you can expect to see regular increases in value more often from now on. Prior to the April re-evaluation we will give advance notice so that plans can be made for RRSP investments.

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### **New Subscriptions and DRIP program**

At this time, we are awaiting new subscription forms. The new form will allow for both RRSP and non-RRSP subscriptions as well as a method of opting for the Direct Re-Investment Program (DRIP).

Once these forms are available, we will once again accept new subscriptions. If you are planning to subscribe, please send us a Notice of Interest. You can obtain a form by calling 1-877-772-8836 or downloading one from: <http://www.league.ca/NOI.pdf>

### **New Blue Books**

I owe a debt of gratitude to one of our members, Ross W. Smith, for his help in editing the new REIT edition of The Blue Book of Real Estate Syndication. I think you'll agree it is now easier to read and understand. Thanks Ross.

If you'd like copies of the new Blue Book, please e-mail our newest office assistant, Maria Timms at [maria@league.ca](mailto:maria@league.ca) or phone 1-877-772-8836.

### **New Properties Coming...**

Keep an eye on your inbox and mailbox. We have several projects getting ready this month for acquisition.

With best wishes and warm regards,

Emanuel F. Arruda  
Chairman & COO  
League Assets Corp.