

March 25, 2011

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**COMPARISON OF CANADIAN
EXEMPT MARKET
SECURITIES
COST STRUCTURES**

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March 24, 2011

Adam Gant
Founding Partner
League Group of Companies
200-710 Redbrick Street
Victoria BC V8T 5J3

Dear Adam,

We are pleased to inform you both that League's IGW REIT ranked number one among real estate investment products in a recent study comparing the structural costs of 20 real-estate based exempt market securities. In addition, League's IGW REIT ranked second among 32 exempt market securities in real estate and other industries including energy and venture capital.

In the ExemptAnalyst report release March 25, 2011 *Cost Structure Comparison of Exempt Market Offerings*—compares and ranks the costs structures of 20 real estate private equity and 32 private equity offerings currently raising capital for real estate investments in Canada's exempt market.

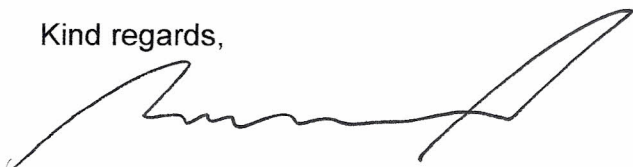
According to the report, League's IGW REIT ranked first, having the lowest fees out of the 20 real estate companies included in the analysis, and beating the average by nearly 7% maximizing the amount of investor's capital that is invested, as compared to fees earned by management.

Analyzing the net proceeds from an individual investor perspective, the report compares the fixed costs (legal fees, marketing, administrative fees, and accounting fees) and variable fees (selling commissions and management fees), to determine the net proceeds compared to the fees for an investment of one hundred thousand dollars. The final report will be submitted for publish in the Financial Analyst Journal.

This is the first report in a planned research series by ExemptAnalyst regarding alternative investments and the exempt market industry. I have attached the report and encourage you to share it with your supporters.

We wish you continued success.

Kind regards,



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Fees Affect Investment Performance

Sales commissions and advisory fees aren't the only sources of investment dilution. Front-end and back-end loads, transaction costs, management expenses and fees, and operating expenses must also be taken into account. It is important that investors are aware of how these costs can affect investment choices.

The following report compares the fees for twenty Canadian real estate-based exempt market securities. This will help investors become aware of some of the costs related to investing. This report highlights the importance of investors considering all fees listed in offering documents instead of simply trusting oral representations.

Foregone Earnings and "Performance Drag"

Forgone earnings result when some of the investment capital is spent on fees, rather than on the investment itself. These extra earnings would have been realized in the absence of specific expenses or lost time. The assumption is that if the investor had paid lower fees from the start, he or she would have generated a better return.

Foregone earnings can be a big drag on the long-term growth of assets. For example, the effects of compounding a 3% front-end load as a management fee can amount to thousands of dollars lost over the time period.

Performance drag is most commonly attributed to brokerage commissions, but there are other factors such as transaction costs, management fees, and operating expenses that can cause the return of an investment to lag behind the return that would otherwise have been achieved.



Transaction Costs

A transaction cost is what a broker or bank makes for being the middleman in a transaction. Such costs include commissions, loads, fees, and spreads (the difference between the price the dealer paid for a security and the price at which he sells it).

Front-End, Back-End, and Deferred Loads

A “load” is a sales charge or commission charged to an investor when buying or redeeming shares in a mutual fund. The fee may be a one-time charge at the time the investor buys into the fund (front-end load), when he redeems the fund shares (back-end or deferred load), or an annual fee.

Front-end loads are deducted from the investment amount, which reduces the investment. Back-end loads amount to a percentage of the value of the share being sold. The fee percentage is highest in the first year and decreases yearly until the specified holding period ends, at which time it drops to zero. Deferred loads are sales charges or fees that are assessed when an investor sells certain classes of fund shares before a specified date. Deferred loads usually run on a flat or sliding scale for one to seven years after purchase, with the load-fee eventually dropping off to zero. Deferred loads are most often assessed as a percentage of assets.

Redemption or Exit Fees

Also referred to as an “exit fee,” “back-end load,” or “contingent deferred sales charge,” these are stiff penalties used to discourage short-term, in-and-out trading. Generally, the fees are charged as a penalty to an investor for withdrawing money prior to a previously stipulated date. They are almost always expressed and charged as a percentage of assets rather than a flat fee.

Management Fee

The management fee is the cost of having your assets professionally managed. The fee pays other people to select the securities your money (along with that of the other investors in the fund) is invested in.



Our Analysis Methodology

Cost Structure per \$100,000 Investment

Offering memorandums provide a macro perspective of the amount of capital needed in a maximum and minimum subscription. This perspective makes fund comparisons, from the perspective of the investor, challenging at best. The EA Analyst team has conducted two studies. The first study included exempt market securities offered by Canadian companies specializing in residential real estate, commercial real estate, foreign resort development, and land development. The second study includes exempt market securities in real estate and other industries.

To level the playing field, this report analyzes the net proceeds from the prospective of an individual investor, rather than that of the fund. To standardize our comparison, the EA analyst team simplified the cost structure of each of the 32 OMs analyzed, and compiled an analysis of net proceeds based on an investment of \$100,000.

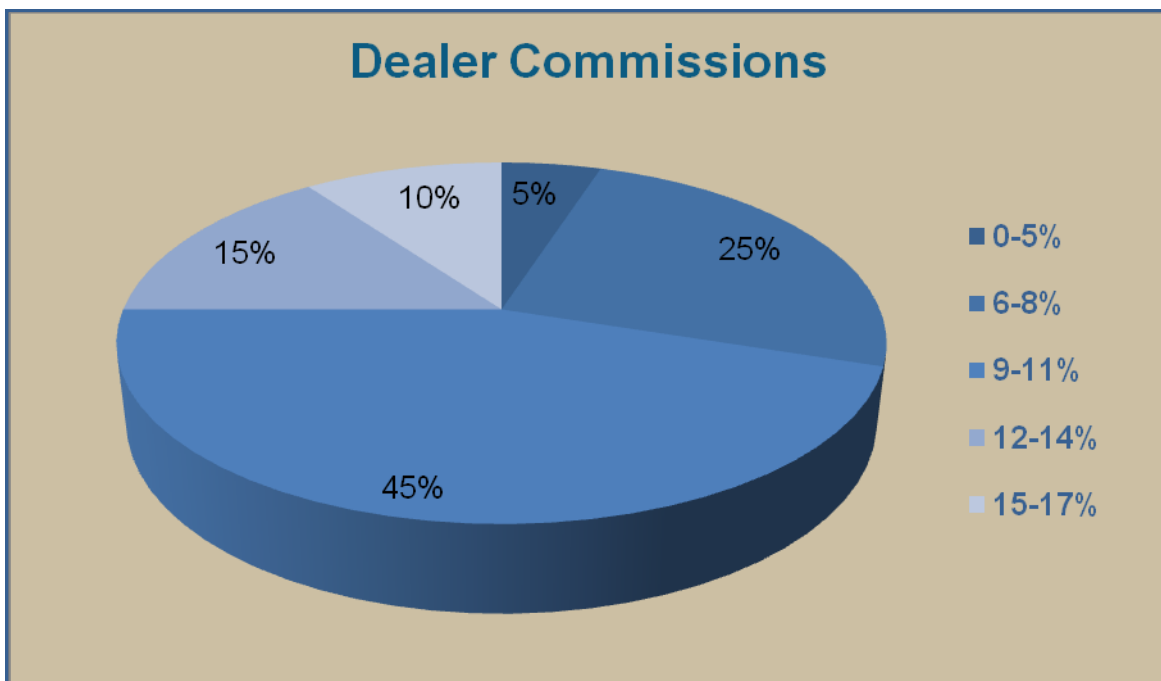
Variable fees associated with offerings are usually various items that make up offering costs, as well as selling commissions and management fees. (See chart on page 5 and 6.) Of the offering memorandums with management fees, the average management fee paid out was roughly 4.63%.

Fixed costs that are associated with investor capital are usually made up of legal fees, marketing, administrative fees, and accounting fees. (See chart on page 7 and 8.)



Study #1 – Dealer Commissions of Real Estate Focused Exempt Securities Offerings

Dealer Commissions vary from 0% - 17.5% in the offering memorandums that have been analyzed. The average commission paid out was 9.9%, with nearly half of commissions paid to dealers falling in the 9% - 11% range.





Study #2 – Dealer Commissions Exempt Securities Offerings

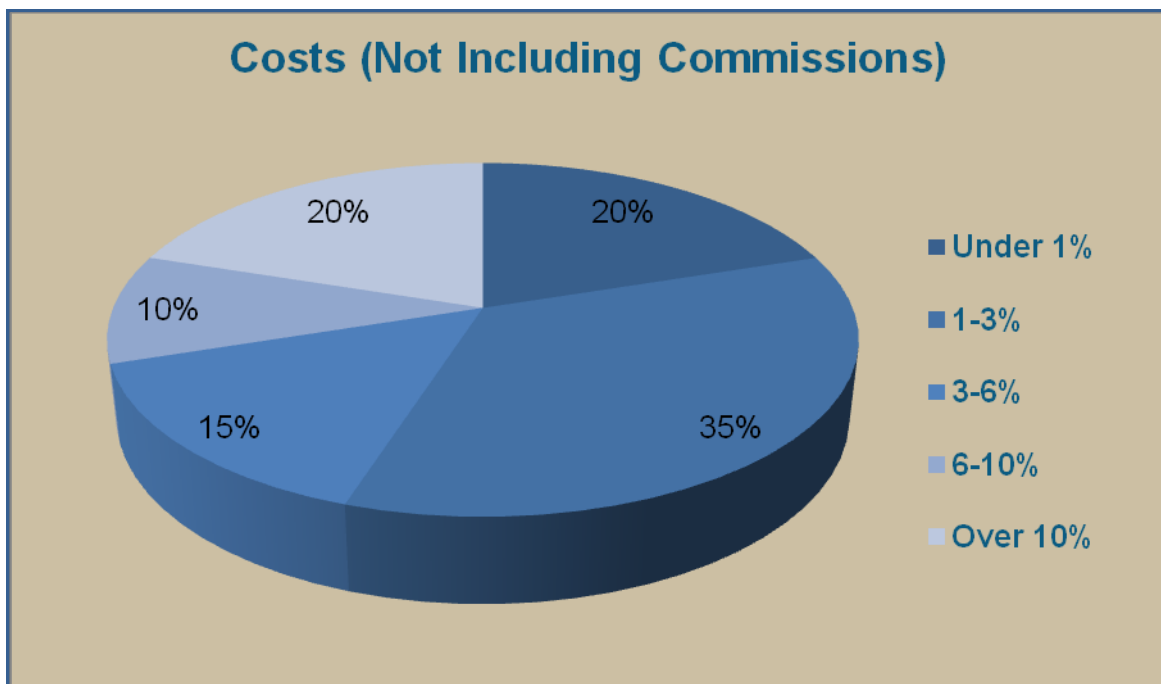
Dealer Commissions vary from 3% - 17.5% in the offering memorandums that have been analyzed. The average commission paid out was 10%, with nearly half of commissions paid to dealers falling in the 9% - 11% range.





Study #1 – The Cost of Real Estate Focused Exempt Securities Offerings

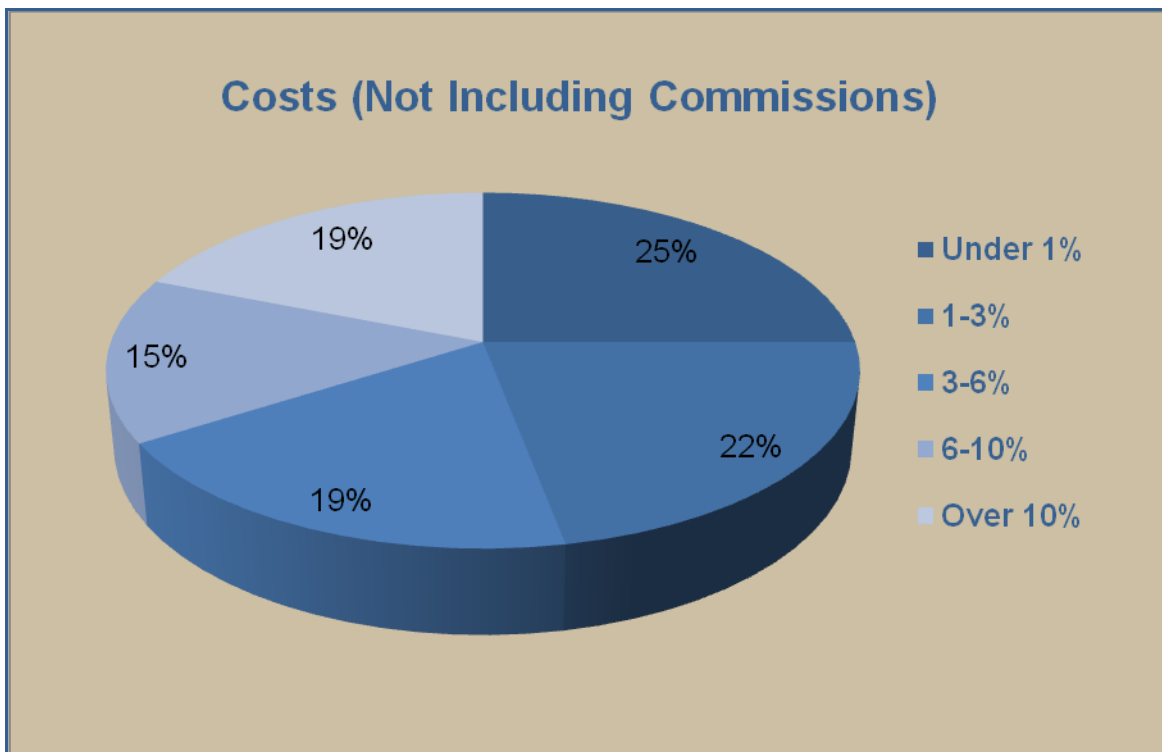
When looking at the costs it is interesting to note that the majority of offerings have costs less than 3% when analyzing investments at a per \$100,000 basis. The highest cost base not including dealer commission was 23.55% of the underlying investment.





Study #2 – The Cost of Exempt Securities Offerings

When looking at the costs it is interesting to note that the majority of offerings have costs less than 1% when analyzing investments at a per \$100,000 basis. The highest cost base not including dealer commission was 23.55% of the underlying investment.





Study # 1 - Below is a ranking of cost structures per \$100,000 in order of net proceeds margin of 20 Real Estate Focused Exempt Securities.

Rank	Investment	Selling Commissions	Costs	Net Proceeds Margin
1	100%	0%	8%	92%
2	100%	8%	0.33%	91.67%
3	100%	8%	1.2%	90.8%
4	100%	10%	0.3%	89.7%
5	100%	10%	0.5%	89.5%
6	100%	9%	1.55%	89.45%
7	100%	10%	0.63%	89.37%
8	100%	10%	1.11%	88.89%
9	100%	10%	1.54%	88.46%
10	100%	7%	5.57%	87.43%
11	100%	12%	1%	87%
12	100%	13.25%	1.19%	85.56%
13	100%	14%	1%	85%
14	100%	10%	5.48%	84.52%
15	100%	7%	9.18%	83.82%
16	100%	9.5%	8.04%	82.46%
17	100%	7%	12.5%	80.5%
18	100%	17.5%	4%	78.5%
19	100%	15.75%	10.72%	73.53%
20	100%	10%	23.55%	66.45%



Study # 1 - Below is a ranking of cost structures per \$100,000 in order of net proceeds margin of 32 Exempt Securities.

Rank	Initial Investment	Selling Commissions	Costs	Net Proceeds Margin
1	100%	7.00%	0.50%	92.50%
2	100%	0.00%	8.00%	92.00%
3	100%	8.00%	0.33%	91.67%
4	100%	4.00%	5.00%	91.00%
5	100%	8.00%	1.20%	90.80%
6	100%	3.00%	6.48%	90.52%
7	100%	10.00%	0.00%	90.00%
8	100%	5.00%	5.00%	90.00%
9	100%	10.00%	0.30%	89.70%
10	100%	10.00%	0.33%	89.67%
11	100%	10.00%	0.50%	89.50%
12	100%	9.00%	1.55%	89.45%
13	100%	10.00%	0.63%	89.37%
14	100%	10.00%	1.11%	88.89%
15	100%	10.00%	1.54%	88.44%
16	100%	7.00%	5.57%	87.43%
17	100%	12.00%	1.00%	87.00%
18	100%	13.25%	1.19%	85.56%
19	100%	10.00%	4.67%	85.33%
20	100%	15.00%	0.00%	85.00%
21	100%	14.00%	1.00%	85.00%
22	100%	5.00%	10.06%	84.94%
23	100%	10.00%	5.48%	84.52%
24	100%	7.00%	9.18%	83.82%
25	100%	9.50%	8.04%	82.46%
26	100%	10.00%	9.00%	81.00%
27	100%	7.00%	12.50%	80.50%
28	100%	10.00%	10.00%	80.00%
29	100%	17.50%	4.00%	78.50%
30	100%	15.75%	10.72%	73.53%
31	100%	15.05%	12.60%	72.35%
32	100%	10.00%	23.55%	66.45%



Offering Memorandums Analyzed:

- AZCAN RPG Corp.
- Bedford Biofuels Tana Delta Phase 1 Investment
- Calgary Podium Participation Corporation
- Canada BOAI Holdings Limited Partnership
- Canadian Tarpaulin Income Trust
- CBI Chestermere Lands Development Corporation
- Valley of the Sun Corporation
- Clavet Property Finance Ltd.
- Foundation Group Capital Trust
- Ground Floor China Opportunity Limited Partnership
- Howard Land Groups Comox Bay Resort
- IGW REIT
- Intreo Enrichment Fund
- InvestPlus Opportunity Fund Limited Partnership IV
- Jaymor American Opportunity I Registered Capital Ltd.
- Katana Oil & Gas Fund Limited Partnership & Capital Trust
- MRL Capital Trust
- OmniArch Fixed Income Bonds
- Omnilake Bonds
- PetraCapita Income Trust
- Placencia Capital Trust I
- PRISM Place Development Ltd.
- Quadrex DA Limited Partnership
- Radium Mountain SR Finance Ltd.
- Rogers Oil & Gas Inc Bonds
- StageVenture Limited Partnership
- Standard Resources Fund
- Syntaris Power Flow-Through Limited Partnership
- Terra Flow-Through Limited Partnership
- Walton DC Region Land Limited Partnership 1
- Wave Capital Fund
- Wealth Force Le Paradis Canada Inc.
- WFR Finance Inc. Bonds