

C.A. Bancorp Inc. to Sell its Units of Partners REIT to IGW REIT Limited Partnership, an affiliate of League Assets Corp. and Affiliate of League to Become New Manager of Partners

TORONTO, ONTARIO(June 2, 2010) - Partners Real Estate Investment Trust (“Partners”) (TSX-V: CRH.UN) has been advised by C.A. Bancorp Inc. (“CAB”) that CAB has entered into an agreement with IGW Public Limited Partnership (“IGW Public LP”), an affiliate of League Assets Corp. (“League”) whereby IGW Public LP has agreed to purchase the 6,047,095 units of Partners held by CAB (the “CAB Units”), representing approximately 33% of all of the issued and outstanding units of Partners.

Under the terms of the agreement, CAB will sell the CAB Units to IGW Public LP for a price equal to \$1.45 per unit. The sale is being made in reliance on the private agreement take-over bid exemption available under securities legislation.

Conditional upon the purchase and sale of the CAB Units, the management agreement dated March 27, 2007 between Partners and C.A. Realty Management Inc. (a wholly owned subsidiary of CAB) (“CARM”) will be terminated and Partners will enter into a management agreement with LAPP Global Asset Management Corp. (“LAPP”), a subsidiary of IGW Public LP. The terms of the management agreement with LAPP will be on substantially similar terms to the existing management agreement with CARM. CAB has agreed to provide certain transitional services to League and Partners until August 31, 2010. Partners will continue to benefit from the services of its Chief Executive Officer and Chief Financial Officer during this transition period as they have entered into consulting agreements with LAPP. At closing the two trustees of Partners appointed by CARM, John Driscoll and Richard Zarzeczny, will be replaced with two nominees of LAPP.

The transaction (including the execution and delivery of a new management agreement between Partners and LAPP) is expected to close on or about June 3, 2010, and is subject to the completion, execution and delivery of definitive agreements and regulatory approval.

In addition, Partners announces that it plans to file a preliminary prospectus with Canadian securities regulators to offer units to its unit holders by way of a \$10,000,000 rights offering that will be priced at the time of filing of the prospectus but is expected to be between \$1.35 per unit and \$1.40 per unit. IGW Public LP has agreed to exercise all rights granted to it under the rights offering (representing about 33% of the rights) and to purchase all units not exercised by other unit holders in the rights offering at the exercise price provided that the maximum number of

units so purchased by IGW Public LP, when combined with units held by them at such time, does not exceed 50% of the outstanding units of Partners (the “standby commitment”). The trustees of Partners have reserved the option of not proceeding with the rights offering if the exercise price would, for regulatory reasons, have to be below \$1.35 per unit in order to permit IGW Public LP to take up units under the standby commitment. In such event, the rights offering will be replaced with a private placement to IGW Public LP at a price of \$1.40 per unit and Partners will sell to IGW Public LP that number of units equal to approximately 25% of the market capitalization of Partners. The rights offering and any alternative private placement is subject to regulatory approval and Partners plans to release more details about this offering at the time it files the preliminary prospectus, expected in the next two weeks.

About League Assets Corp.

League Assets Corp., a privately held corporation, manages the IGW Real Estate Investment Trust (the “IGW REIT”), one of North America’s fastest growing private Real Estate Investment Trusts, comprising a portfolio of Canadian commercial and residential properties with combined assets approaching \$300 million.

The IGW REIT exists to find, acquire, improve, and manage profitable real estate properties across the country, and to offer shared ownership in these assets to other like-minded investors - referred to by League as its Member-Partners. Combined with its other investment pools, League is currently managing and developing assets with approximate build-out values totalling \$2 billion.

About Partners REIT

Partners Real Estate Investment Trust is an open-end real estate investment trust established under the laws of the Province of Ontario. Partners REIT is focused on acquiring and managing a portfolio of retail and mixed-use retail community and neighbourhood centres, generally in the mid-market deal size range of \$10 to \$40 million, from both primary and secondary markets throughout Canada. Partners REIT currently owns 10 retail properties located in Ontario and Quebec.

More information

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Certain statements included in this press release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect," "intend," "will" and similar expressions to the extent they relate to Partners REIT. The forward-looking statements

are not historical facts but reflect Partners REIT's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the ability of Partners REIT to pay the distribution on the date specified. Although Partners REIT believes that the assumptions inherent in the forward- looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein.

The rights offering is subject to regulatory approval, including the approval of the TSX Venture Exchange.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the units to be offered under the rights offering, nor shall there be any sale of the rights in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

The TSX Venture Exchange has neither approved nor disapproved the contents of this press release.

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