

Partners Realty Holdings Ltd. (TSX-V: CRH) announces proposed conversion to REIT and formalization of management arrangements

TORONTO: Partners Realty Holdings Ltd. (the “Company”) is pleased to announce that its Board of Directors has approved, in concept, the conversion of the Company to a real estate investment trust and the formalization of its management arrangements with C.A. Realty Management Inc.

THE CONVERSION: The Company intends to present a conversion transaction to its shareholders for approval at a special meeting scheduled to be held on May 3, 2007, in Toronto. Management believes that the resulting trust structure will:

- enhance shareholder value;
- create a favourable platform for growth and development of the business of the Company; and
- provide a vehicle to deliver a tax-efficient cash flow from the business of the Company to its shareholders

Any conversion transaction will be subject to approvals by the Company’s securityholders, the TSX Venture Exchange and the Board of Directors of the Company.

MANAGEMENT ARRANGEMENTS: The Company also announces that it has formalized the management arrangements with C.A. Realty Management Inc. (the “Manager”), a subsidiary of C.A. Bancorp Inc. Such arrangements were previously described in the Company’s amended and restated filing statement dated February 7, 2007. Pursuant to an agreement executed on March 27, 2007 (the “Management Agreement”), the Manager will provide the Company with strategic, advisory, asset management and administrative services in exchange for an annual management fee equal to 0.30% of the “adjusted book value” of the Company’s assets, paid quarterly in arrears, and an acquisition fee equal to 0.50% of the “property cost” of each property acquired by the Company.

The initial term of the Management Agreement is five-years. Upon expiry of the initial term, the Management Agreement will renew automatically for successive three-year terms. The Management Agreement provides each party with termination rights, the exercise of which may, in certain situations, require the Company to pay a termination fee equal to three times the annual management fee paid in respect of the last full calendar year prior to the date of termination.

The management services will initially be provided by John F. Driscoll, Ari Silverberg, Floriana Cipollone, Kevin Cohen and Ryan Caughey. The Manager has agreed to pay all expenses of the employees providing services under the Management Agreement and the Manager's overhead incurred in connection with the performance of its duties under the Management Agreement, excluding any expenses related to securities compensation options granted by the Company.

Partners Realty Holdings Inc.: Partners Realty Holdings Ltd. is focused on acquiring a portfolio of retail and mixed-use retail real estate comprised of stable cash flow and value-add properties from both primary and secondary markets throughout Canada, with the principal goal of generating a reliable and growing yield for its investors. The Company owns four commercial real estate properties located in Ontario and Quebec.

More information: Ari Silverberg, President and Chief Operating Officer or Floriana Cipollone, Chief Financial Officer Telephone: (416) 364-5705 Facsimile: (416) 861-8166.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

This press release contains forward-looking statements with respect to the conversion of the Company into a real estate investment trust, the Management Agreement and matters concerning the business, operations, strategy, and financial performance of the Company. These statements generally can be identified by use of forward-looking word such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The completion of the conversion, and the future business, operations and performance of the Company discussed herein could differ materially from those expressed or implied by such statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transaction contemplated herein is completed. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Important factors that could cause actual results to differ material from expectations include, among other things, general economic and market factors, local real estate conditions, including the development of properties in close proximity to the Company's properties, competition, changes in government regulation, dependence on tenants, financial conditions, interest rates, the availability of equity and debt financing, environmental and tax-related matters, reliance on the Manager, potential conflicts of interest and reliance on key personnel. The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements except as required by law.

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