

TALL TIMBERS 2013 Annual General Meeting

The England Group is a real estate investment company specializing in multi-family residential complexes in Canada and the United States

Property Performance

Tall Timbers

Original Syndication Price: US\$9,373,580

Estimated Current Value: US\$12,400,000

Return on Original Investment

As at January 1, 2013 the average unit holder in *Tall Timbers Project Limited Partnership* has received cash distributions, refinancing distributions and tax savings equal to 170.2% of the initial cash amount invested.

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Performance Results Average Unit (CDN\$)

Original Equity Investment	\$24,389
Proceeds From 1998/2005/2012 Refinancing	25,984
Cash Flow to Date	8,820
Tax Savings – Note 1	6,708

Total Received By Investors\$41,513

% of Original Capital Returned: 170.2%



Property Performance

Residual Equity Analysis

We are often asked by investors what the remaining equity in their investment is worth.

Assuming the property was disposed of on January 1, 2013, the average partnership unit in *Tall Timbers Project Limited Partnership* would have a Residual Equity of \$7,251. This amount represents the estimated proceeds that an investor in the 43.7% tax bracket would receive after paying all applicable taxes.

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Residual Equity Analysis as at January 1, 2013 Average Unit Estimate (CAD\$)

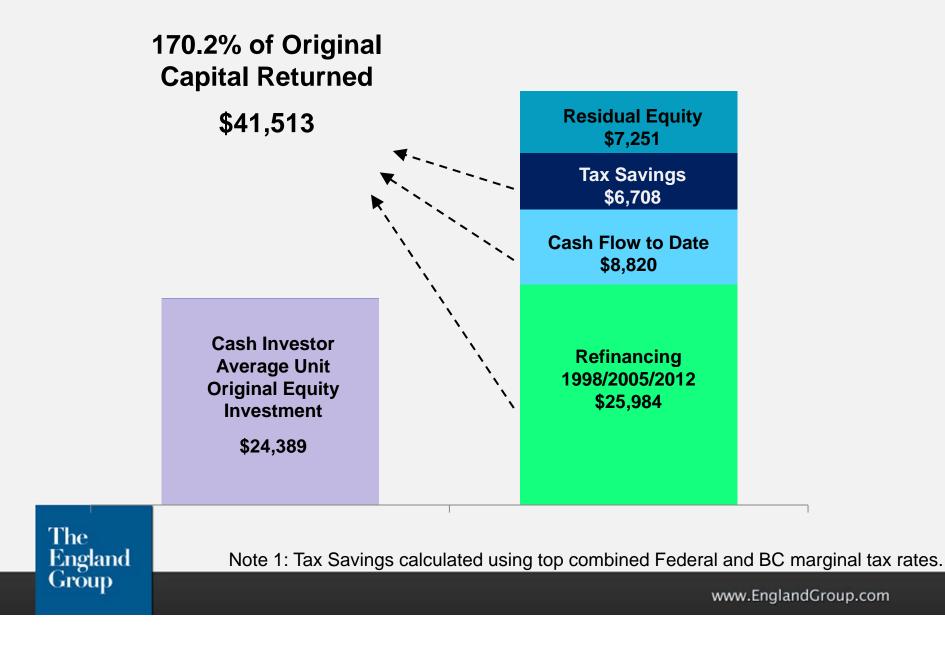
Net After-tax Proceeds	\$7,251
Taxes (Payable) or credit (1)	2,339
Cash Distribution Upon Sale	4,912

The England Group Note: Exchange rate of 0.9966 as at January 1, 2013

(1) Canadian taxes calculated at top marginal tax rates assuming Limited Partner is a BC resident and able to make full use of foreign tax credits created on disposition.

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Average Unit (CDN\$)



Property Performance

Internal Rate of Return (IRR)

Tall Timbers is generating an after-tax Internal Rate of Return of 13.2%. The IRR represents the after-tax annual yield of the investment if the project was disposed of on January 1, 2013. The calculation uses the initial investment, the series of year-to-year after-tax cash flows, and the after-tax proceeds from the sale of the property to establish a return on investment. Taxes are calculated at 43.7%, using the top combined marginal tax rates.

Tall Timbers is generating a grossed-up Internal Rate of Return of 23.4%. This represents the annual return an investor in the 43.7% tax bracket would have had to earn from an interest-bearing security, before taxes, in order to match the performance of this investment.

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