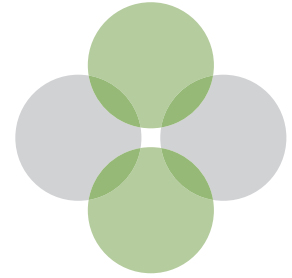




The President's Report YEAR IN REVIEW

By: Michael S. Basofin, President



Cloverleaf's strong performance in 2006 has continued through the first quarter of 2007. The last several months have been exciting:

- We sold our final asset in The Cloverleaf Fund I, LLC. Our "Fund I" subscribers received a **100% return of capital** plus a **12% annualized preferred return** in addition to modest profits. Our annualized internal rate of return was approximately 11%.
- We have contracted to sell the last asset in The Cloverleaf Fund II, LLC. The "Fund II" subscribers have already received a **100% return of capital** plus a **12% annualized preferred return** and significant profits. Assuming the sale
- of the last asset proceeds as projected, we anticipate an annualized internal rate of return of 18 - 20%.
- In January 2007, we sold our first asset in The Cloverleaf Fund III, LLC portfolio, a 124,000 square foot shopping center in Menomonee Falls (suburban Milwaukee), Wisconsin that we purchased in June, 2004. Our "Fund III" investors, who contributed \$100,000 **per unit** to acquire this property in 2004, received **\$180,000 per unit** (in addition to previously received cash flow from net rental revenues) upon sale. This bodes very well for the overall performance of "Fund III."

Introducing The Cloverleaf Fund IV, LLC

In January 2007, we commenced formation of The Cloverleaf Fund IV, LLC. We are pleased to report that we are fully funded and stopped taking new subscriptions at **\$30,000,000**. Our first acquisition was a small downtown Chicago office building with ground floor retail located at 174 North Michigan Avenue, diagonally across the street from Millennium Park, one of Chicago's newest and most popular tourist attractions.

You might ask why Cloverleaf formed "Fund IV" now, when properties continue to sell at record-breaking price levels, when historically, Cloverleaf has always acquired fewer properties than many of our competitors. First, we believe that there are always opportunities for buyers who are not deterred from management-intensive, value-added situations. Second, Cloverleaf's ability to purchase assets with modest debt (or no debt at all), along with our creativity, professional resources and attention to detail, enables us to create value. Third, I simply do not believe that this "seller's market" will continue indefinitely. I do not accept the

proposition that there will be sustained demand for real estate with unprecedented amounts of capital at today's capitalization rates. The trend is already slowly changing.

The following are some interesting statistics about "Fund IV":

- The owners of Cloverleaf and their employees and family members purchased **\$6,412,500** or approximately **21%** of "Fund IV".
- New-to-Cloverleaf investors contributed **\$9,566,700** or approximately **32%** to "Fund IV".
- Approximately **44%** of "Fund IV" subscribers have invested in Cloverleaf entities at least six times in the past.

We appreciate our employees, our Advisory Group, our professional colleagues and, of course, our investors. Let us benefit from your comments, ideas and questions. Please do not hesitate to contact us. We look forward to continued success together.

NORTHERN EXPOSURE

By: Thomas M. Bretz,
Executive Vice President

Over the past few years Cloverleaf has taken a more aggressive approach to investing in Wisconsin. In that time, we have purchased Plaza Falls (a 127,000 square foot shopping center in Menomonee Falls), Evergreen Place (a 64 unit condominium complex in Delavan), Highland Plaza (a 95,000 square foot shopping center in Milwaukee), and are currently in negotiations to purchase an industrial building in suburban Milwaukee. Although Cloverleaf has always invested on and off in Milwaukee, we have recently made more of an effort to penetrate this market.

Six years ago I had a conversation with a Milwaukee broker about the then-current market conditions. He remarked that there were all sorts of deals available, but that Wisconsinites often didn't see the value in the dirt right underneath their feet. Last year I was having a conversation with the same Milwaukee broker and we both noted how many out-of-towners (i.e. Chicago based investors) were now buying up properties around the city. He once again remarked that the local investors just don't see what outsiders see.

While I agreed with this general sentiment, I think there is more to the picture. Part of the reason Wisconsinites are less bullish about Milwaukee opportunities than out-of-towners is that they know their market growth tends to be more flat than the coastal cities and Chicago. They are unlikely to see the larger rent increases that flow from job growth or companies relocating to Milwaukee than say, Chicago. Because of that more flat growth curve, there tends to be less optimism among the locals. Some of this apathy leads to opportunities,

however, for those who understand that there are other ways to add value.

What does that mean for Cloverleaf? There are opportunities in the flat curve if one knows where to look and how to structure the deals. The key, as always, is to buy right. Additionally, Cloverleaf's low leverage philosophy is perfect for the Milwaukee market. Most of the value-added upside in Wisconsin real estate does not come from serious NOI growth, but rather from adaptive reuse, rebranding, the widening of the exit strategy and other less obvious strategies.

One key difference between Milwaukee and Chicago is that for every buyer in Milwaukee for a given property there are probably ten buyers in Chicago. Although the Chicago money has now discovered Milwaukee, there is still a big difference in exit opportunities between cities. Again, the key is to buy right and have a structure in place which allows you to wait until the buyers are in the market.

Plaza Falls, a property in suburban Milwaukee and bought by Cloverleaf for its Fund III, LLC is a perfect example. This property, which we purchased for \$100,000 **per investor unit**, was sold 31 months later for \$180,000 **per investor unit**. In addition, our investors received cash distributions from net revenues. The occupancy of the Center didn't change dramatically, but we stabilized the anchor and then brought a stabilized asset to the broader market. Value was created, but not in the traditional manner.

Overall, there are great opportunities in Wisconsin if you know where to look.

THE FACE OF CLOVERLEAF

By: Cindy Freese,
Vice President of Operations

Customer Service, for many businesses, seems to be a lost art and of little importance. Not so with Cloverleaf - we know its importance. Consistent personalized customer service builds a foundation of predictability and trust in relationships with our tenants. These relationships can influence a tenant's decision to stay which means less tenant turnover (and associated costs). This furthers our objectives of property stabilization while creating value.

An example of this is in Fund II's Arlington Business Center; a three building office complex. During the first few years of our ownership, we sold two of the three buildings and we considered our alternatives for the third building. The remaining building had a 15,000 square foot vacancy and the 20,000 square foot balance of the building was leased to one tenant

whose lease was expiring. The tenant had retained a leasing broker to help it negotiate a renewal in what was definitely a "tenant's market". Further, the tenant wanted to downsize its 20,000 square feet to about 12,000 square feet. If we lost the tenant, we would have a vacant building. Ultimately, we were able to renew the lease because we were able to sit down with our tenant and meet their needs. Previously, we had successfully managed a remodeling of their unit. The tenant had confidence that we could demise the space (providing them with the square footage they needed) with little disruption to its day-to-day operations. They knew exactly with whom they were dealing and were comfortable with the predictability of performance based on previous experience.

Though this transaction benefited all concerned, even if

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continued

it hadn't worked out, we would have attempted to maintain a relationship with this tenant as we do with almost all our tenants even if they exit our property. Our tenants continually evolve; "small" tenants grow, larger tenants grow or downsize. This transaction is also an

example of the evolution of a program we refer to as the "Face of Cloverleaf" where we endeavor to remain in a position to be able to do business with our tenants at another point in time by pursuing new leases at multiple locations, sale/leasebacks, and other opportunities.

2007 OUTLOOK FOR THE U.S. ECONOMY

**By: Tom Schwartz,
President, First Midwest Bank**

After starting the year on a positive note, financial markets have begun to show an uneasiness and lack of conviction about market and economic trends. The recent worldwide equity market slide combined with numerous newspaper articles on the meltdown within the sub-prime mortgage market is the driving force of the recent financial market uneasiness.

This lack of conviction about market and economic trends is showing up in the latest economic forecasts. While some economists believe the Chairman Ben Bernanke and the Federal Reserve Bank will ultimately ease monetary policy by lowering the overnight Fed Funds rate at least a few times later this year, there are a like number of economists believing that the Fed will remain on hold through the year. There are even a small number of economists championing a Federal Reserve interest rate hike due to the risk of rising inflation driven from stronger labor markets and falling productivity.

Overall, even though rumors of recession and impending financial disasters in the housing markets will keep financial markets on edge during the first half of this year, the consensus view of U.S. economists, like the view of the Bernanke and the Federal Reserve Bank, is that U.S. economic growth will strengthen slightly later this year from its current soft patch to an annual growth pace of around 2.5% to 2.7%. These economists believe that the continued strength in employment and real wages even in the face of a major housing and auto slump will keep the U.S. economic expansion in place, albeit at a much slower pace than the growth rate seen a year ago.

Furthermore, with central bank monetary policies in the U.S. and around the world not overly tight compared with the restrictive financial conditions that often have preceded past recessions, combined with still massive world-wide excess liquidity driven mainly from China, India, the oil-exporting nations, and corporate balance sheets, the danger of a generalized credit crunch is small, at least for now. Even given the huge economic drag from the housing and auto sectors, as long as credit is flowing, jobs and incomes are rising, and profits are growing, most economists believe it is much too early to start to talk of a recession.

As for selected components of the U.S. economy:

Housing/Consumer Spending:

Although there seem to be some tentative signs of stabilization in the overall housing market as new and existing single-family home sales combined appear to have bottomed out in the last few months, and home-builder sentiment and mortgage applications seem to be on a slight upswing, the housing downturn is not over and will continue to act as a drag on consumption and overall growth. Weakness in the sub-prime market mortgage market remains a real concern for the economy especially if there is a contagion into the broader credit markets that will negatively effect consumer confidence and spending. However as long as employment remains strong, many economists feel neither housing nor consumption should spiral to the downside.

Corporate Investment:

Most economists expect that even though capital spending will grow just modestly in the coming months, conditions for a major retrenchment are not in place. Because businesses have not been overly aggressive in expanding their operations in recent years and corporate balance sheets remain extremely healthy, there is little need for them to cut back dramatically even if wages continue to strengthen, or commodity costs (namely fuel) continue to firm.

Manufacturing:

Following weak readings in January, it appears that business conditions relative to manufacturing firmed slightly in February. (The ISM manufacturing index jumped to 52.3 in February from 49.3 in January. A figure above 50 reflects a growing manufacturing base). But although manufacturing strengthened slightly in February, this sector of the economy remains extremely weak. Driven mainly from slowdowns in housing and housing related industries as well as auto and auto related industries, overall industrial production, manufactured output, capacity utilization, manufacturing hours worked, durable goods orders, and non-defense capital goods orders all showed declines thus far this year.

One bright spot however is that the weaker U.S. dollar over the last year or so against most major currencies, combined with good overseas economic growth has benefited U.S. exporters. Over the last year export growth has outpaced import growth – exports rose at 10.7%, while imports increased by 2.7%.

Featured Property:

HIGHLAND PLAZA (8600 Brown Deer, LLC)

**Milwaukee, Wisconsin
Asset of The Cloverleaf Fund III, LLC**

Highland Plaza is a 95,143 square foot retail strip center located on Brown Deer Road on the north side of Milwaukee. This property offers us a strong redevelopment opportunity.

When Highland Plaza was purchased it was approximately 50% vacant with several leases nearing expiration. We were able to successfully extend three of the four expirations and are currently working on the fourth lease.



We have spent the good part of several months improving the physical appearance of the building: repairing the parking lot, a new roof, and a façade upgrade. We hope and expect the changes to improve leasing activity in 2007.

The Cloverleaf Fund II, LLC

Remaining Asset:

- **1810 LLC**
1810 Delany (Delany Square) is a 27,377 square foot multi-tenant, mixed-use retail service center. Located just minutes off Route 41 on Delany Road, Delany Square is ideal for small retail or professional service tenants. This property is under contract to sell and is expected to close by June 1, 2007.

The Cloverleaf Fund III, LLC

Properties Include:

- **Eastwood Center, LLC**
Eastwood Center is a 65,547 square foot, multi-tenant shopping center in northwest suburban Woodstock. Tenant mix at this center includes Aldi, Office Depot, The Secretary of State facility and others. Cloverleaf added Aldi and Office Depot as tenants.
- **Delavan Pointe, LLC**
Delavan Pointe is an 8 building, 64-unit residential apartment complex converted to condominiums located two miles southeast of downtown Delavan.

- **Essub, LLC**
Essub is a 38,956 square foot, industrial/flex building in northwest suburban Bensenville. The property is located at 621 Busse Highway, near the intersection of Irving Park Road and Busse Highway.

- **8600 Brown Deer, LLC**
Highland Plaza is a 95,143 square foot retail strip center located on Brown Deer Road on the north side of Milwaukee. This property offers us a strong redevelopment opportunity. We are pleased to report that immediately after purchase several of the long time tenants renewed their leases.

The Cloverleaf Fund IV, LLC

First Asset:

- **Michigan Avenue 174, LLC**
A four story mixed-use building totaling approximately 29,000 square feet located diagonally across the street from Millennium Park in downtown Chicago. It is currently 100% occupied by five national or regional tenants ranging in size from 240 to 17,398 square feet.

YEAR 2006 PROPERTY PERFORMANCE

ENTITY	RESULTS TO DATE
<p>The Cloverleaf Fund II, LLC 1810 LLC</p>	<ul style="list-style-type: none"> • 100% of Invested Capital Returned • 100% of Invested Capital plus Preferred Return Returned
<p>The Cloverleaf Fund III, LLC Eastwood Center LLC Delavan Pointe LLC Essub, LLC 8600 Brown Deer, LLC</p>	<ul style="list-style-type: none"> • 66.93% of Invested Capital Returned • 55.85% of Invested Capital plus Preferred Return Returned
<p>The Cloverleaf Fund IV, LLC Michigan Avenue 174, LLC</p>	<ul style="list-style-type: none"> • 1% of Invested Capital Returned • 1% of Invested Capital plus Preferred Return Returned

Not included in The Funds:

- **666 Dundee Road, LLC:**
A dual-tenant office building consisting of 5,295 square feet. This building serves as the corporate office for The Cloverleaf Group.

Current Land Deals Include:

- **Northwest Corner Limited Partnership**
(land parcel in Long Grove, Illinois).

Sales Include:

The Cloverleaf Fund I, LLC

- **Matt Square, LLC:**
A vacant retail building, formerly occupied by Builder's Square, consisting of approximately 90,000 square feet, located in Matteson (Cook County), Illinois.

The Cloverleaf Fund II, LLC

- **Arlington Business Center, LLC**
A three building office complex consisting of 127,425 square feet located in Arlington Heights (Cook County) Illinois.

The Cloverleaf Fund III, LLC

- **Plaza Falls, LLC:**
A three building retail and commercial property consisting of 124,042 square feet, located in Menomonee Falls (Waukesha County), Wisconsin.

Four Corners Limited Partnership

(land parcel in Wauconda, Illinois).

THE CLOVERLEAF STAFF

Michael S. Basofin

President

msb@cleafgroup.com

A practicing attorney until 1982 when he founded The Cloverleaf Group, Michael Basofin brings his broad experience in the areas of real estate law, general corporate law, and business litigation to his role at Cloverleaf. He graduated from the Miami University in Ohio in 1967 and Loyola University School of Law in 1970. He has been the President of The Cloverleaf Group companies since 1982.

Thomas M. Bretz

Executive Vice President

tmb@cleafgroup.com

Tom Bretz joined The Cloverleaf Group in 2004. He has over nine years of experience in real estate acquisitions, development and leasing. He is a graduate of Marquette University and the University of Wisconsin at Madison, where he received both a law degree and a Masters of Science in Real Estate and Urban Economics.

Cindy M. Freese

Vice President of Operations

cmf@cleafgroup.com

Cindy Freese has been with The Cloverleaf Group since 1988. She directs leasing and property management activities, maintains relations with the tenants, and supervises all construction and space improvements. She holds a real estate broker's license in the State of Illinois.

Mort Rischall

Controller

mbr@cleafgroup.com

Mort Rischall joined The Cloverleaf Group in 2005. He is a Certified Public Accountant and has over twenty years experience as a controller in various industries. Mort also brings several years of real estate accounting experience to his role at Cloverleaf. Mort holds a bachelor of science in accounting from the University of Minnesota.

Rebecca L. Lewis

Property/Leasing Manager

rll@cleafgroup.com

Rebecca Lewis joined The Cloverleaf Group in 2005, and serves as the company's property and leasing manager. She has five years of commercial and industrial management and leasing experience. Rebecca is a graduate of the University of Wisconsin at Madison and holds a real estate license.

Liz Vanden Heuvel

Manager of Administrative Services

lav@cleafgroup.com

Liz Vanden Heuvel joined The Cloverleaf Group in 2006 and is responsible for the daily administrative function of the office. Liz is a certified Paralegal and has a B.S. in Business from N.I.U. and has over 25 years of experience in the legal and real estate fields.

Joy Parker

Administrative Assistant

office@cleafgroup.com

Joy Parker joined The Cloverleaf Group in 2006 and is responsible for various administrative and secretarial functions. Joy balances the staff at The Cloverleaf Group with her organizational and office skill set.

CLOVERLEAF'S ADVISORY COMMITTEE:

Michael S. Basofin

President

The Cloverleaf Group, Inc.

Thomas M. Bretz

Executive Vice President
The Cloverleaf Group, Inc.

Donald R. DeGross

Investor and Financial
Consultant

Walter G. Freedman

Senior Advisor of
LaSalle Capital Group,
Investor and Consultant

Lawrence A. Gray, Esq.

Managing Partner,
Lord, Bissell & Brook

Frank Mariani

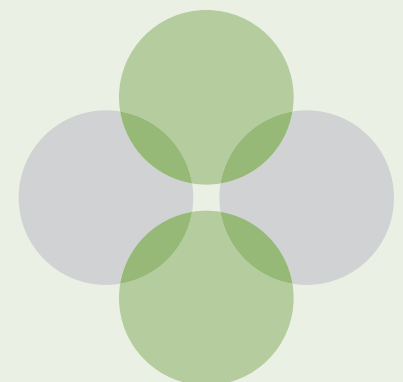
Owner
Mariani Landscape

Bryant H. Prentice

Chairman
Bryant & Stratton Career Colleges

Elliott Robinson,

Principal
Robinson Financial Group, Inc.



QUOTES FROM INVESTORS IN FUND IV

- “ I have been investing with Cloverleaf for over ten years. They have always provided me with easy to understand information on my investment. They have also produced a more than satisfactory return. I jumped at the chance to invest in Fund IV. ”
- “ I invested in Cloverleaf Fund IV because I was afraid not to. I have invested in most of Cloverleaf's offerings for the last 20 years and in every Cloverleaf Fund to date. ”
- “ As an investor, shareholder, vendor and friend I can sum it up very simply. The Cloverleaf Group should be used in the dictionary when describing what the word Integrity stands for! ”
- “ Record of achievement. I invested in Cloverleaf I, II, and III, and other Cloverleaf transactions. I have profited in each -- some more than others. In most situations, the investments have exceeded or met expectations and predictions. Where they have not, the reason was a risk I understood going into the investment. In total, I am pleased with the investment opportunities made available and the results achieved with Cloverleaf. ”
- “ Wall-Street returns with personal touches from people I trust. ”
- “ Honesty coupled with the hunt for creating quality real estate investments. ”
- “ Everyone can make money when times are good. We've been investing with The Cloverleaf Group long enough to know that when the inevitable market turn comes, they'll be well-positioned. And when that happens, because they provide true 'value-added', we have every confidence that they will be able to take advantage of opportunities that others won't. ”
- “ No one takes more care of my investment as if it was their own like Cloverleaf management and staff! ”
- “ It's always an easy decision to invest with Cloverleaf, because you know they're going to do it right. They treat their investors' money with the same care and attention they give to their own savings. ”
- “ Mike and Tom made me feel immediately confident in Cloverleaf and the Fund due to their track record, their personal financial and professional commitment as well as through their communication letters and materials. This is my first time investing but I already feel as if I made a solid investment choice for my future. ”
- “ If I go back over all my investments - none can achieve the leverage and consistent returns that real estate can. I can only own so many houses and this provides an opening into the commercial side. It's a great way to spread the risk over a few properties rather than take the time to research one property that I could own. I also don't have to manage it!!! ”

THE CLOVERLEAF GROUP, INC.

666 Dundee Road, Suite 901
Northbrook, IL 60062
(847) 272-3300
www.cleafgroup.com

CORPORATE MISSION STATEMENT

Maximize annual cash returns for investors while enhancing value creation for investment entities by acquiring, managing, and selling real estate.

Communicate and promote our results through frequent, standardized, and straight-forward reporting.

Reinforce investor confidence via continued investment by Cloverleaf and affiliates in all of its entities.

Achieve mutuality through a positive, secure, work environment resulting in the highest levels of commitment, skill, and effectiveness.

Maintain and Strengthen our reputation for integrity and professionalism.

Realize a reasonable return for Cloverleaf (by implementation of the above) enabling the owners and employees to prosper.

