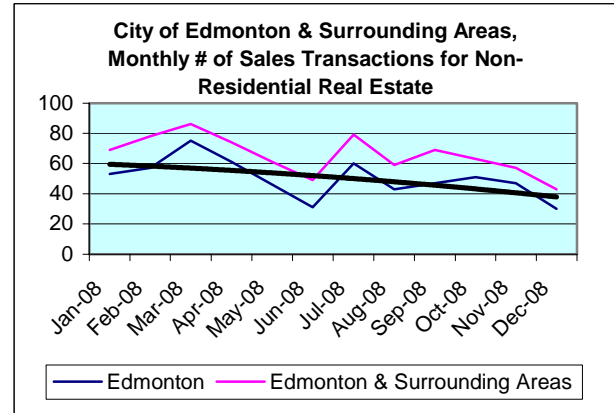
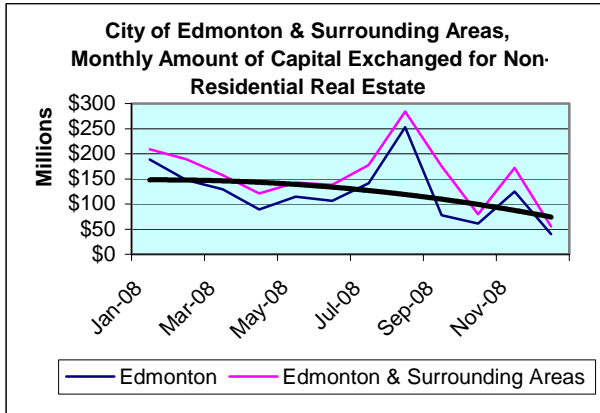




BOURGOIS & COMPANY LTD.
REAL ESTATE
CONSULTANTS & APPRAISERS

2008 Capital Region Market Overview



Prominent Sales Transactions			
<i>Property Description</i>	<i>Value</i>	<i>Date</i>	<i>\$/Sq.Ft.</i>
Dell Centre (South Common, Office)	\$42,000,000.00	July 2008	\$319.41 (Building)
Il Portico (Future Development Land)	\$5,700,000.00	Nov 2008	\$253.33 (Land)
Rohit Business Centre (Office)	\$14,750,000.00	Nov 2008	\$241.10 (Building)
Petroleum Plaza (Highrise Office)	\$130,000,000.00	Aug 2008	\$412.61 (Building)

Statistical Averages				
	<i># of Transactions/Month</i>		<i>Total Capital Exchanged/Month</i>	
	2008	2007	2008	2007
Edmonton	50	94	\$122,834,921.38	\$312,070,861.62
Surrounding Areas	15.5	16	\$35,615,304.70	\$37,162,972.35
Edmonton & Surrounding Areas	66	110	\$158,450,226.08	\$349,233,833.96

Year in Review

The Capital Region, in 2008, has seen a drop in both real estate transactions volumes and total capital exchanged, signifying the end of the real estate boom. These changing market conditions have resulted in lower asking prices, and are guiding the rate of return on real estate investments higher. The benefits of this slowdown may not be immediately apparent, but they are present. 2008 saw a rise in the availability of a wider selection of properties, and a longer negotiation time, allowing for greater levels of due diligence and market research.

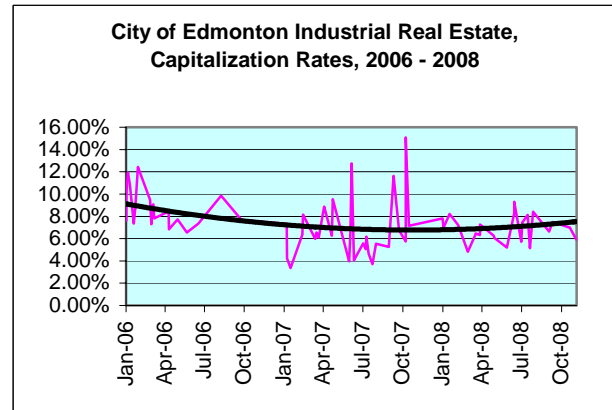
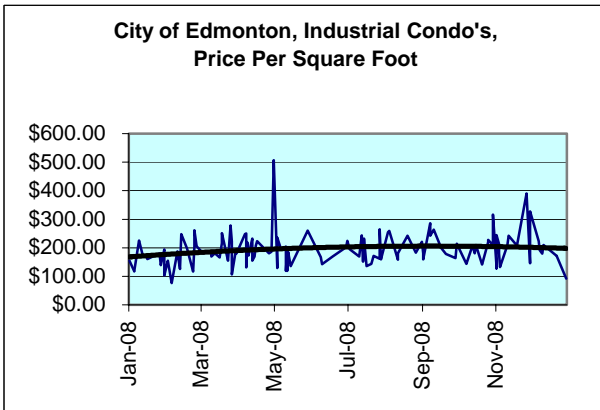
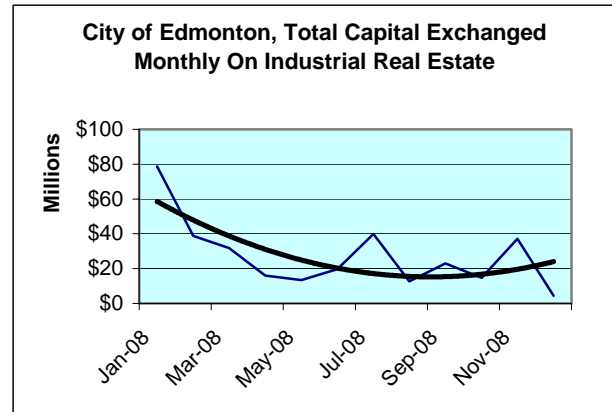
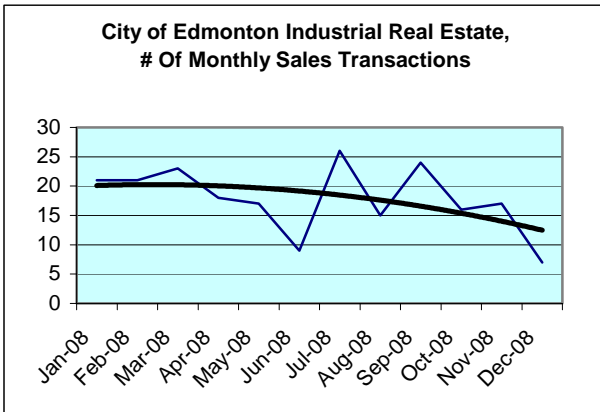
At present, current economic indicators have not yet shown signs indicating the length, to which current market conditions will endure. This uncertainty will provide benefits for some and losses for others. Whether you are looking for the most recent market information, consultation and guidance, or a certified property appraisal; the most accurate and timely market information, combined with a 30-year reputation for excellence will ensure peace of mind.

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This document has been prepared by Mark Poechman (markp@bourgeois.ab.ca) and Simon Chin (simonc@bourgeois.ab.ca) of Bourgeois & Company for information purposes only. All information has been formatted to exclude non-arms length transactions, was obtained from sources deemed to be reliable and is believed to be true. Bourgeois & Company makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested parties should undertake their own inquiries as to the accuracy of the information.

Industrial Market Activity

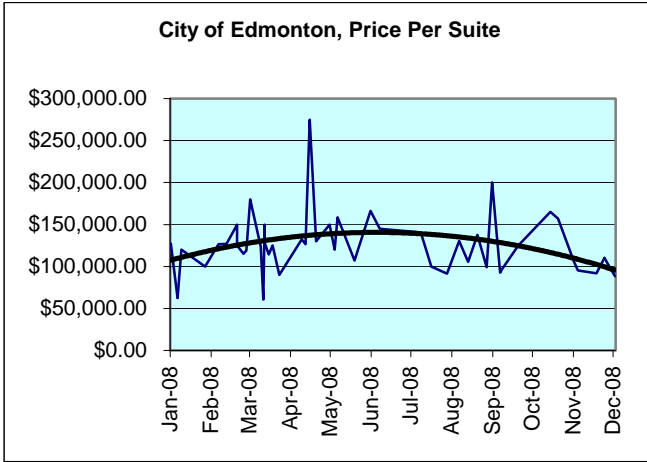
	Average Price/Sq.ft.		
	<i>Edmonton N. W.</i>	<i>Edmonton S. W.</i>	<i>Nisku/Leduc</i>
Under 10,000sq.ft.	\$182.67	\$228.66	\$173.34
10,000-30,000sq.ft.	\$121.97	\$138.63	\$166.62
30,000sq.ft. +	\$111.08	\$130.58	\$145.31
Condo's <5,000sq.ft.	\$184.01	\$208.12	\$164.14



Capitalization rates have risen slightly throughout the City of Edmonton since mid 2007, as inventory levels rose, lease rates moved higher and prices leveled off. Vacancy rates are expected to rise in 2009 while new inventory levels coming to the market will slow. This will restrain rising lease rates and stabilize capitalization rates.

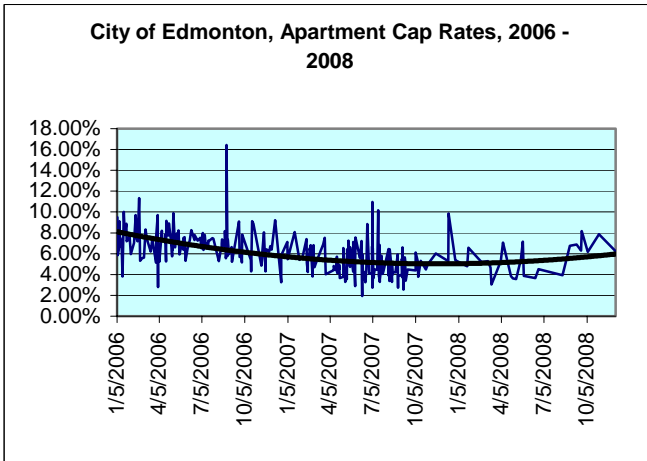
As the oil and gas industry cools off, demand for new construction in the short-term will decline. Long-term trends are expected to remain at low levels of market volatility.

Apartment Market Activity

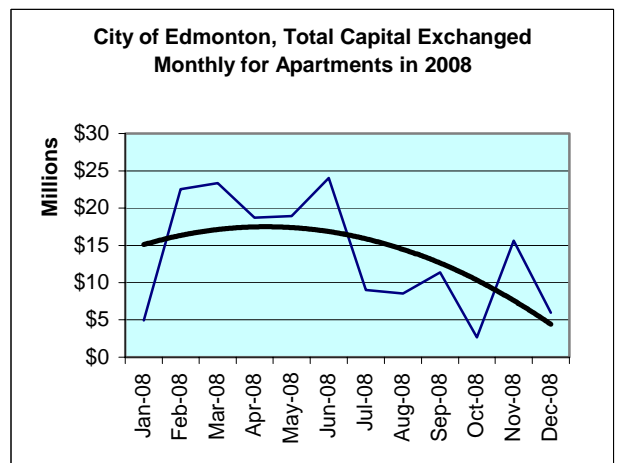


A reduction in the feasibility of condominium conversion projects has returned apartment sales to investor's who are focused on investment cash flows. Economic uncertainty is raising vacancy rates and moderating rental rates.

Current market conditions have increased the level of risk that apartment investors are forced to take on which has raised the required capitalization rate for apartment investments. This change in return expectations has driven the price per suite to levels between \$88,000 and \$130,000 a door.



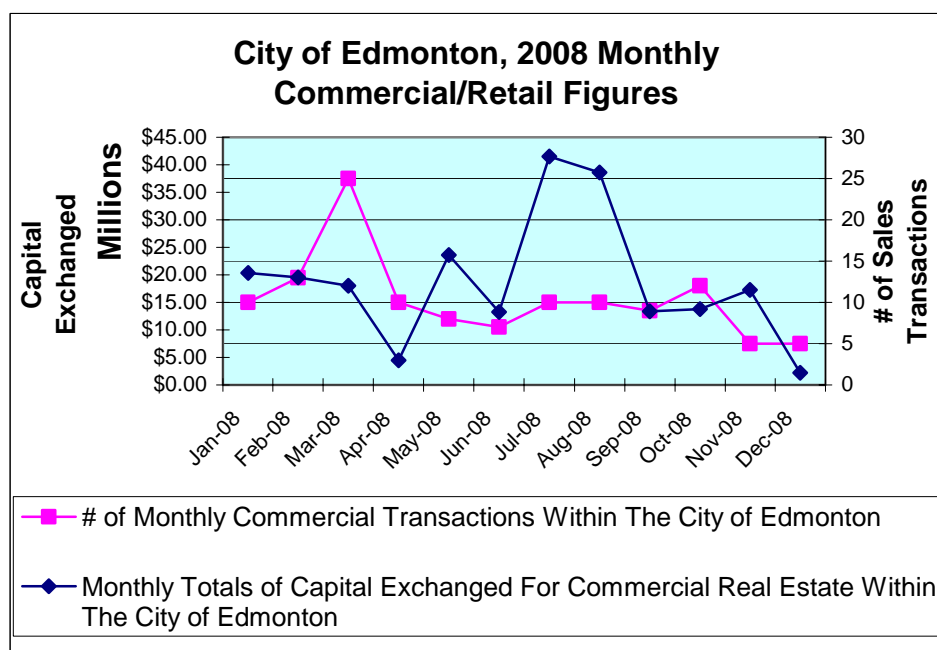
Future rising vacancy rates and the resulting lower rental rates will push unit prices lower. However, a lack of alternative investment options will make Vendors reluctant to sell. This has the potential to result in "Fire Sales" making up a larger proponent of the total market activity.



*11025 – 124 Street, Purchased by the City of Edmonton for \$3,900,000 or \$100,000/Suite

Commercial/Retail Market Activity

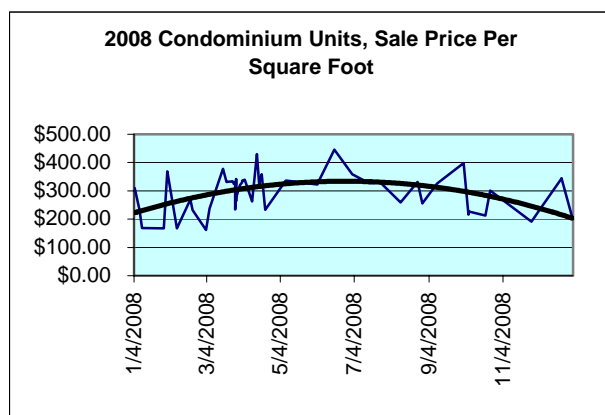
2008 Average Selling Price/Sq.Ft.	
Single-Tenant Less Than 6,000sq.ft.	\$205.28
Single Tenant Greater Than 6,000sq.ft.	\$177.88
Multi-tenant Greater Than 10,000sq.ft.	\$218.86
Restaurant Space	\$202.77
Commercial Condominiums	\$293.81



In the fourth quarter of 2008, commercial/retail property sales were down significantly from the previous, less volatile levels maintained throughout the majority of 2008. We expect this trend to continue for the foreseeable future.

The dynamic of the commercial/retail property market within the city of Edmonton in recent years has been higher concentrations of multi-tenant and condominium space, with limited new development of single tenant space. As the Purchasers of large multi-tenant space merge, consolidate and buy each other out, fewer and fewer market participants will be present in the future. This will potentially result in low levels of larger, multi-tenant sales activity in the

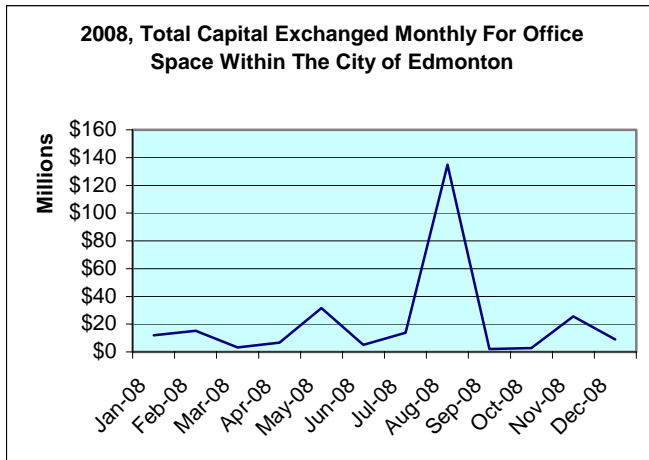
future, in addition to all market participants being bound to fluctuations in the same business cycle.



Condominiums

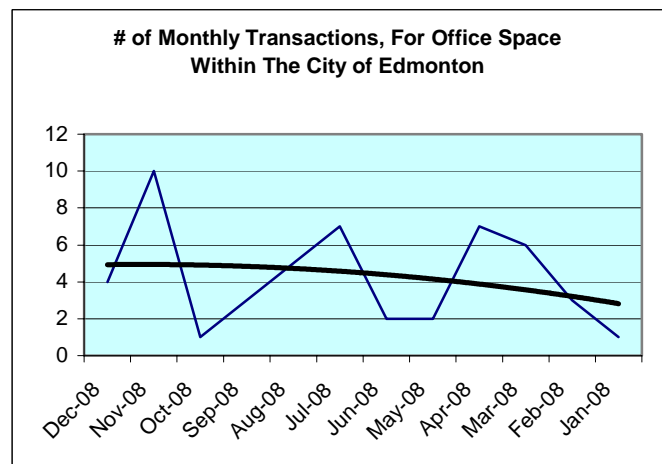
The commercial condominium market has seen a reduction in sales prices per square foot over the second half of 2008. With new inventory being offered to the market, and demand for this space withdrawing, asking prices will have to be lowered in order to attract Purchasers back into the market.

Office Market Activity



Office activity within the City of Edmonton has remained at low levels consistently over the course of 2008, remaining consistent with 2007 levels. 1 significant high-rise tower sale (Petroleum Plaza) was present in 2008. We expect these consistent low transaction levels to remain constant for the foreseeable future.

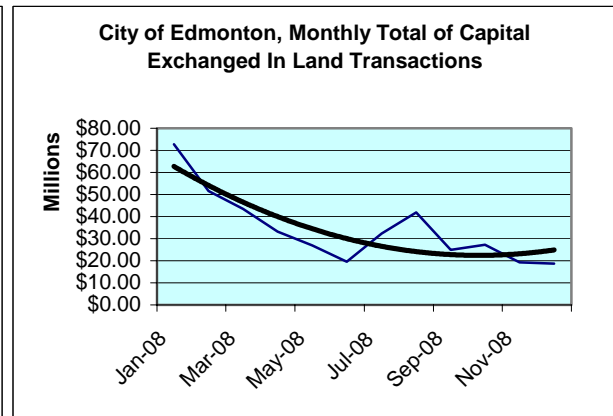
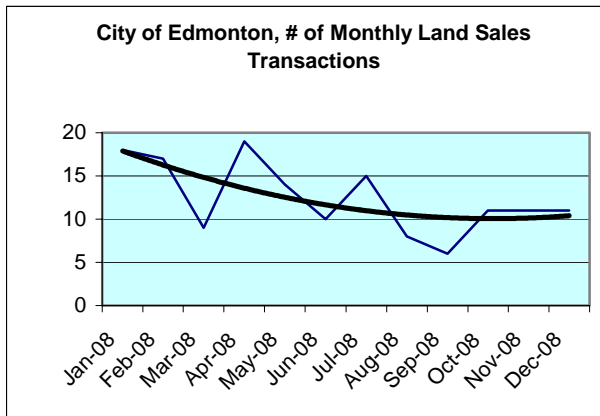
Spike in August activity is due to the sale of Petroleum Plaza for \$130,000,000.00.



Reported Edmonton Office Space Vacancy Rates			
	<i>Downtown</i>	<i>Suburban</i>	<i>Greater Edmonton</i>
Avison Young	5.6%	8.1%	6.5%
CBRE	5.5%	4.3%	5.5%
Colliers International	4.48%	3.35%	4.10%
Cushman & Wakefield	3.1%	7.4%	4.5%

Land

2008, City of Edmonton, Average Selling Price		
<i>Zoning</i>	<i>Price/Sq.Ft.</i>	<i>Price/Acre</i>
Agricultural		
Less Than 10 Acres	\$9.20	\$400,906
10 – 80 Acres	\$3.19	\$139,168
80+ Acres	\$0.76	\$33,274
Commercial		
Less Than 1 Acres	\$53.90	\$2,347,919.43
1+ Acres	\$15.64	\$681,257
Industrial		
Less Than 5 Acres	\$15.59	\$678,944
5 – 10 Acres	\$12.96	\$564,696
10 – 45 Acres	\$10.61	\$462,163
Multi/Single Family Residential Development		
Less Than 1 Acre	\$51.64	\$2,249,396.65
1 - 7 Acres	\$17.85	\$777,354



Speculative land sales in Edmonton are decreasing as economic conditions worsen. Companies and developers looking for future project sites are still purchasing land, and prices are slowly moderating as Vendors and Purchasers each adjust to new market conditions and expectations of future growth.