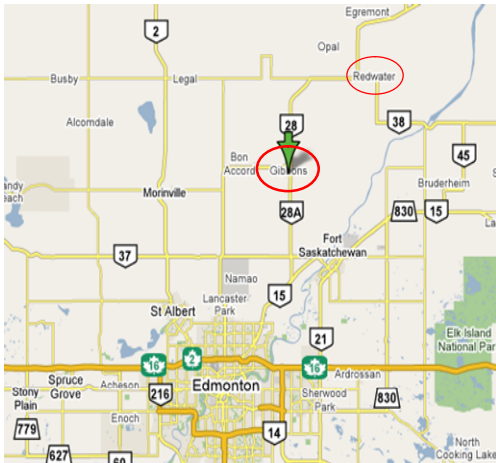


# Gibbons Main Street Residential & Retail Condos

## Project Information

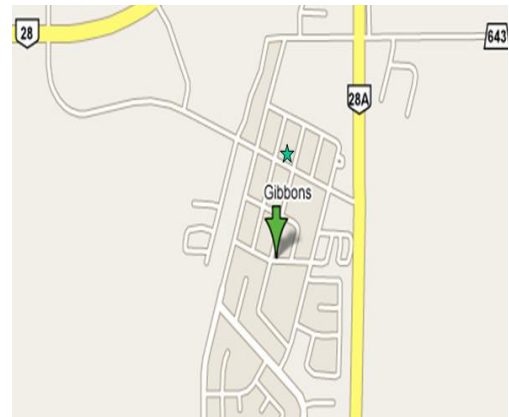
Jubinville and Russell Ventures is proud to present you with the opportunity to invest in the upcoming Gibbons 'Main Street' condo/retail project. Gibbons is located 15 minutes North of Edmonton and is situated on the banks of the Sturgeon River. The town currently has a population of 2600 residents however Landrex and other developers have purchased land surrounding the town in anticipation of significant growth due to the town's proximity to the bitumen upgraders and due to the ever increasing cost of housing in Edmonton.



This project, consisting of 40 residential condominium homes and 13,000 sq ft of retail space is anticipated to commence in fall of 2008 with a projected completion date in the spring of 2010. To be constructed in the shape of an L, this three story building will have over 200 feet of main street retail exposure on the first floor. The upper two

floors will be accessed by elevator or stairway with the 40 residential condominium homes having 925 - 1269 sq ft of living space. The suites will consist of a minimum of one bedroom, a den, a spacious kitchen, and a spacious sized living room.

This project will be constructed on a one acre parcel of land situated on Main Street (50 Street) in Gibbons Alberta. This location is very convenient for the condominium owners as it will provide residents walking access to numerous businesses, services, and river valley trails. The front of the building will face south and is located directly in front of the Town of Gibbons Municipal building. The land is currently zoned for a project of this type, a satisfactory environmental and geotech report has been received, and the town has confirmed that the utilities infrastructure can accommodate a building of this size. On June 13, 2007 initial drawings were presented to the town council requesting a variance on their retail parking bylaws. This variance was accepted and the project was approved in principle. On September 17, 2007 our architectural plans were completed and our Development Permit was approved by the Town of Gibbons that same week.



# Gibbons Main Street Residential & Retail Condos

## Project Development

In order to ensure the quality, timeliness, and cost efficiency of this project, we have contracted the services of Willow Spring Construction to develop this project on our behalf. Willow Spring Construction is a well respected commercial construction company that has proven itself as an effective and efficient company in the current construction climate (see their website [www.wspring.com](http://www.wspring.com)). The principal owner of Willow Spring (Rick Holyk) has set aside resources to commence this project upon receipt of the plans and confirmation of financing.

## Project Financing

In order to acquire project financing, we have met with Alberta Treasury Branch and have been advised that they are willing to finance this project once thirty five percent of the total project cost is acquired, and once 14 residential condominium homes are presold. This requirement relates to the acquirement of \$3 million in investment capital. The remaining sixty five percent of financing will be acquired through a conventional bank loan.

As of September 10<sup>th</sup>, 2008 J&R Ventures has 10 confirmed residential condominium home sales (see attached site plan) and has acquired 65% of the cash equity requirement.

## Market Research and Analysis

### Market size and trends

The Alberta market has been an interesting and turbulent landscape over the past year. In 2007, the local housing market experienced exceptional gains resulting in large masses of people invested in real estate with the hopes of achieving a very high return on their investment. Late in the year, the Alberta Government announced that they would be restructuring the oil royalty scheme; and at the same time, the United States housing market went into crisis. Both of these events had a significant effect on our local housing market. The royalty review caused panic in the oil industry resulting in a slowdown of people migrating into Alberta. The US housing crisis caused some trepidation in our housing market as people waited to see what impact it would have on Canada. Both of these events resulted in an oversaturation of housing product in the Edmonton market.

In contrast to the Edmonton market, the Gibbons Housing market did not experience the same unrealistic growth due to a shortage of developed land. As a result, the housing market in Gibbons is not oversaturated. At present there are no new condominiums available in Gibbons, and there is no other land developed that would sustain a project of this type. This allows us to be market leaders within a community that is in dire need of multi dwelling accommodation.

### Customers

According to the 2005 Edmonton Municipal census, the city of Edmonton had a population of 712,391 people. When this population is broken down, it is discovered that the largest population group is in the 20-24 age group (9.5%) followed by the 25-29 age group (8.7%). Both groups together represented 129,789 people, or 18.2% of the entire Edmonton population.

## Gibbons Main Street Residential & Retail Condos

Over the past several years numerous books and articles have emerged calling the 20-29 year old age group the “generation of entitlement”. A simple search on the Internet returns hundreds of articles and web pages dedicated to this subject. The basic premise of this description is that this generation is not willing to wait for future success; they want it today. This demographic description suggests that this age group may be looking to live in a new home with comforts similar to the homes of the older generations. As noted in the housing market research, due to the price, owning a single-family dwelling may not be a first home option for this generation. This suggests they may be interested in owning a new residence with the same amenities at a more affordable price. Condo residences fit this description.

### **Marketing Plan**

#### Overall marketing strategy

The overall marketing strategy is to create interest in the condo homes prior to, and as they are being constructed. The next step will be to place large signs on the lot promoting the sales of the homes, with additional signage near our secondary markets; the military base and Fort Saskatchewan. We will also use standard media vehicles such as newspapers, new homes buyer guide, the military paper, and possibly a direct mail campaign focused on the human resource departments of the oil companies building the upgraders five minutes from Gibbons. An additional marketing strategy will be to joint venture with the Town of Gibbons to help attract home owners into the heart of Gibbons as well as attract professionals with the new retail space that we will be adding to the main street.

#### Target Market

##### *Condominiums*

Several different markets are being targeted for these well appointed spacious condominiums. Gibbons is located within 15 minutes of Edmonton, Fort Saskatchewan, Sherwood Park, and Namao. It is also located within 5 minutes of the proposed bitumen upgraders, and is located on hwy 28 and hwy 28A that connects Edmonton to Fort McMurray. Based on this location, our primary target market is the workers required to construct the upgraders located only minutes away. Our secondary markets include the retiring population near Gibbons, military workers from the nearby base, and refinery workers from the nearby Fort Saskatchewan plants.

##### *Retail Space*

At present Gibbons has no additional retail space available for new and existing businesses. Based on this fact, we will be marketing towards professional businesses such as dentists, pharmacies, banks, lawyers etc. These types of businesses will not interfere with the quiet enjoyment of the residential homes located above.

#### Pricing

The pricing of the condo homes is a difficult task as the current construction market is very unpredictable. In order to immunize ourselves from increasing costs, we have contracted a very reputable commercial builder (Willow Spring Construction) to tender this project with firm quotes being required by each subcontractor. In order to further protect our investors, we will be pre-selling condo homes as the project progresses.

## Gibbons Main Street Residential & Retail Condos

At this point, the projected condo price will be in the range of \$220 to \$300 thousand based on the current and anticipated market prices 18 months from now. The final price of the homes will be determined through market research on pricing and availability in our primary and secondary markets.

### **Jubinville & Russell Ventures Ltd.**

#### Key management personnel

The two principle owners have diverse experience in the business and construction fields. Each member brings complimentary skills to the company thereby ensuring effective management and performance.

Principal partner #1: Denis Jubinville

#### *Qualifications:*

- Has a degree in Criminal Justice with a minor in business administration, and holds a Masters degree in Business Administration (MBA) from the University of Alberta.
- Owns a successful residential construction company. Has experience in project management and is capable of performing most trade functions.
- Is the chair of a pension board responsible for the investment and management of 1.4 billion dollars in assets.

Principle partner #2: Peter Russell

#### *Qualifications:*

- Holds an Architectural technology diploma from NAIT.
- Has owned and operated a residential construction company for over 5 years.
- Has worked in the marketing, sales, and project marketing departments of major construction companies for over 20 years.
- Prior to undertaking this project, was managing \$80 million in multi-dwelling projects for a major construction company in Edmonton as a project/construction manager.