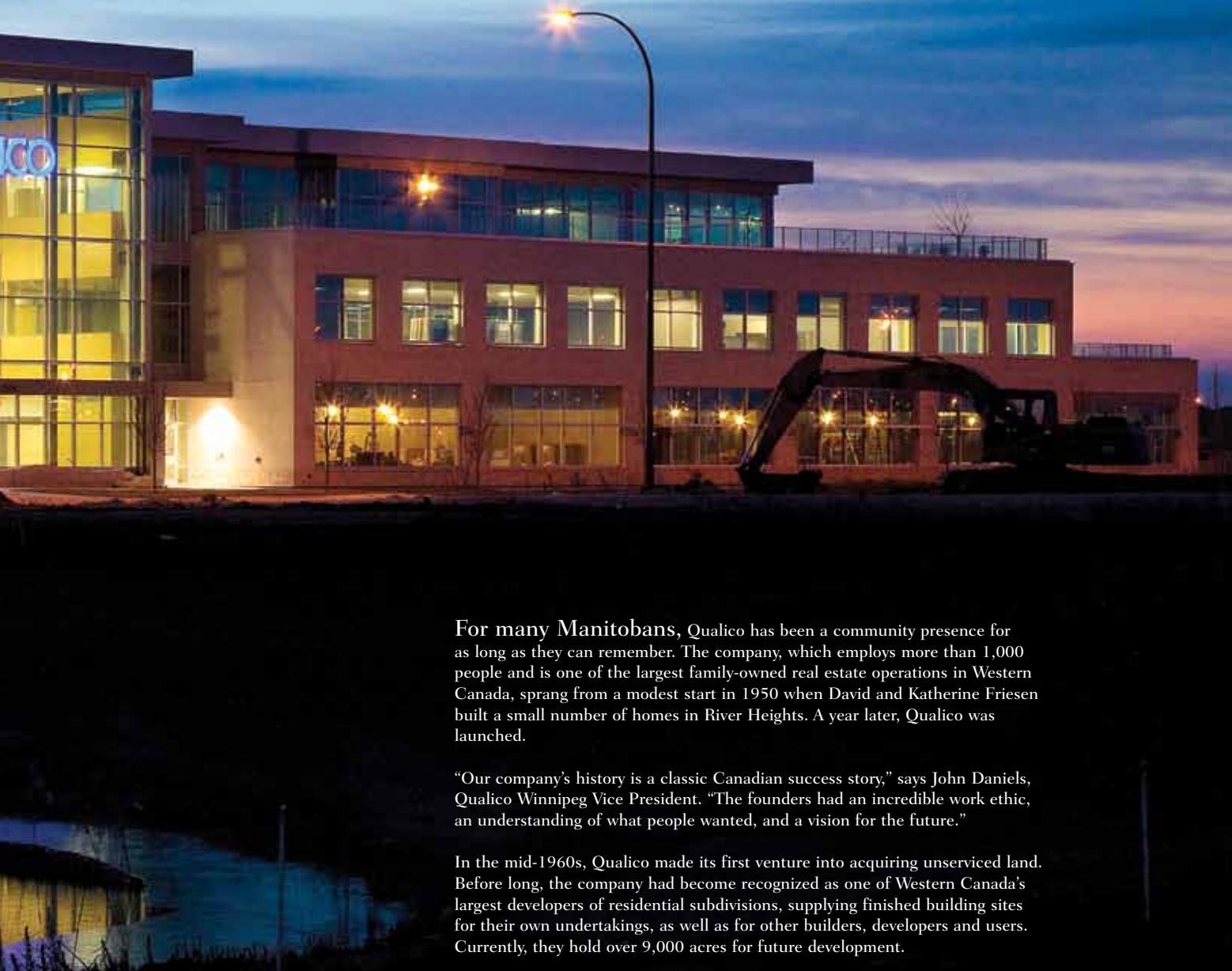




Staying connected to its communities is the heart of Qualico's mission



For many Manitobans, Qualico has been a community presence for as long as they can remember. The company, which employs more than 1,000 people and is one of the largest family-owned real estate operations in Western Canada, sprang from a modest start in 1950 when David and Katherine Friesen built a small number of homes in River Heights. A year later, Qualico was launched.

"Our company's history is a classic Canadian success story," says John Daniels, Qualico Winnipeg Vice President. "The founders had an incredible work ethic, an understanding of what people wanted, and a vision for the future."

In the mid-1960s, Qualico made its first venture into acquiring unserviced land. Before long, the company had become recognized as one of Western Canada's largest developers of residential subdivisions, supplying finished building sites for their own undertakings, as well as for other builders, developers and users. Currently, they hold over 9,000 acres for future development.

Over time, Qualico's activities have expanded to encompass the entire real estate spectrum. Single-family construction remains a key component of their business and they are now the largest homebuilder in Western Canada. To date, the company has built over 55,000 homes.



Taking care of the world's most important member. You.

**1575 Lagimodiere Blvd
Winnipeg, MB R3W 0B9
661.1575**

**2100 McGillivray Blvd
Winnipeg, MB R3Y 1X2
222.2100**

**305 Main Street
Steinbach, MB R5G 1B1
326.3495**

**scu.mb.ca
1 800 728.6440**





Qualico founders, David & Katherine Friesen



Kevin Van, Vice President, Qualico Canada

Qualico in the '50s



"Manitobans might be surprised to learn that just 25 percent of our single-family homes have been built in the province," Daniels explains. "The balance are in Calgary, Edmonton, Vancouver, and most recently, Austin, Texas."

The company has considerable expertise in multi-family homes as well, having completed more than 15,000 condominium and rental units. Their Streetside Development Corporation division has helped to energize Winnipeg's downtown core with a unique mixed-use condominium development on trendy Waterfront Drive. Six historic warehouse buildings in the east Exchange District,

the heart of the city's cultural life, are slated for conversion into lofts. Across the river, Place Joseph Royal is a successful St. Boniface condominium project. Numerous projects have been completed and are pending in Winnipeg's suburbs, and Qualico is also very active in the Alberta and British Columbia multi-family home markets.

Qualico's portfolio currently includes some 2 million square feet of commercial projects, the majority of them located in Alberta. These range from highrise downtown office towers to community and neighbourhood shopping centres. The latest and largest of its commercial

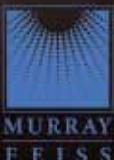


John Daniels, Vice President of Qualico Winnipeg in front of new corporate office building.



plug
into the
SOURCE
for all your lighting needs

MANITOBA'S LARGEST LIGHTING STORE



visit our web site www.superlite.com

Visit our state of the art show room
in our new address

1040 Waverley Street at Seel Avenue.

ventures is the 9-acre mixed-use StationLands development in downtown Edmonton, where the 28-storey, 625,000 square foot Epcor Tower is currently under construction.

The company is in the lumber and truss-manufacturing business in several markets with their Star Building Materials division, supplying quality products and services to its own operations, as well as to other contractors, homebuilders and the general public. They are also in the plumbing and heating business in a number of markets and operate a concrete company in Winnipeg. Their Rancho Group, originally created to market Qualico's single-family homes, has grown to become one of the largest property management companies in Western Canada.

"In every aspect of our business, we strive to deliver a quality product while paying attention to our carbon footprint," says Daniels. "We are building new homes that consume half the energy of homes from years past." He adds that Qualico was a leader in adopting rigorous Power Smart standards for cold climate building technology, employing new insulation products, high performance window glazing, and energy-saving ventilation and heating systems.

The company has also conducted demonstration projects with geo-thermal heat pumps, which are among the most energy-efficient and environmentally friendly heating and cooling systems available. GrandStone, an ultra-high energy efficient multi-family project in River Park South, received the first Power Smart Gold rating for a multi-family project in Manitoba. In Okotoks, near Calgary, Qualico has built 52 homes that are heated solely by warm water. The water heating is powered by a district solar system. When not needed for space heating, the warmed water is distributed to an underground thermal storage system where it is held until required.

Daniels also notes that Qualico has implemented an environmental stewardship program, which reflects "good corporate citizenship, good business and good sense." One aspect of the program is Qualico's goal to achieve a 75 percent reduction of all building product waste.



Qualico's Design Centre conveniently features displays with all the materials that go into finishing a new home.



Qualico's headquarters in Sage Creek incorporates the latest eco-friendly technology.

"Even with the best practices, some building material waste is generated," he explains. "Our recycling initiative will divert close to 1,100 tons of wood waste and other construction debris from municipal landfills every year."

In addition, the company recently launched a new program called Planting for the Future, which will see them fund the planting of approximately 100,000 coniferous seedlings by the Manitoba Forestry Association. New plantings are already "on the grow" in the RM of Piney, RM of Springfield and in Winnipeg's Fort Whyte Centre.

In Sage Creek, Qualico's new 700-acre development in southeast Winnipeg, the company is installing natural wetlands to manage storm water run-off and to enhance water quality in adjacent streams and waterways. As well, native grasses will be planted in greenbelts throughout the property to improve sustainability and provide wildlife habitat. A trail system will follow the greenbelts and link all parts of the community, promoting both recreation and active transportation.

A zone of 70 acres in Sage Creek has been set aside for the Village Centre, a commercial and mixed-use development. It is here that Qualico has built its new LEED standard energy-efficient corporate headquarters. The three-storey 65,000 square foot structure features geothermal heating and incorporates many environmentally-friendly building products.

The company views the promotion of a safe workplace as a crucial responsibility, which is why Qualico works to meet or exceed COR certification standards. The Certificate of Recognition (COR) Program is a national occupational health and safety certification program for construction industry employers aimed at reducing the human and financial costs associated with workplace accidents and injuries. The COR Certification, which verifies a fully implemented and effective safety

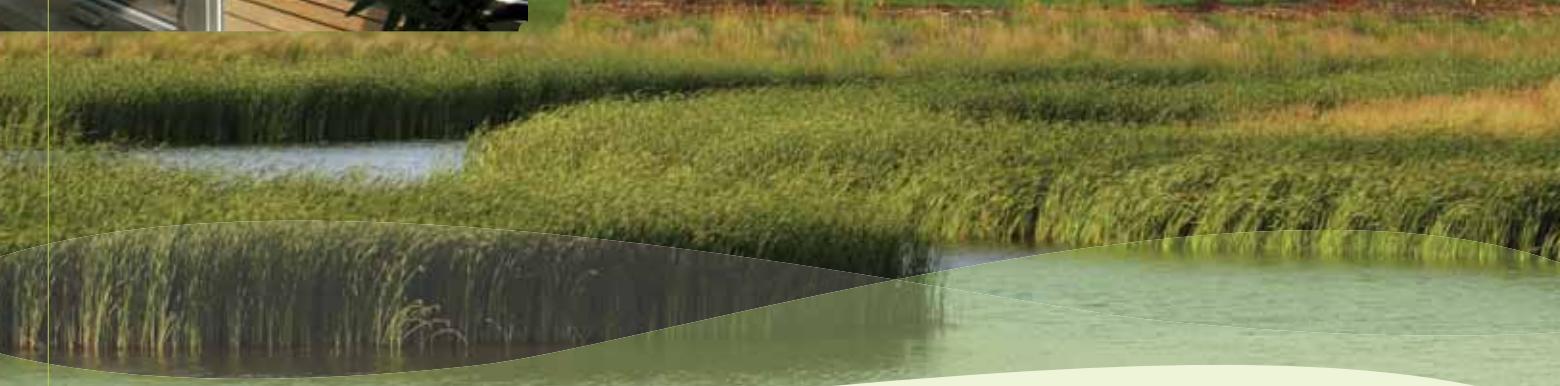
program, is nationally recognized as the ultimate distinction for construction companies. Qualico believes that working in a community comes with the responsibility to contribute to that community. "Our commitment to community involvement is as important as our commitment to the quality of our developments," says Daniels. "We're proud that our employees also believe in giving something back to their communities and we encourage their efforts."

The company's giving spirit goes back to its inception. Through David and Katherine Friesen's leadership and generosity, many associations and organizations were founded and supported, including numerous educational institutions. Qualico is a long-time supporter of Habitat for Humanity and has assisted in the program's homebuilding efforts in several communities. It is also a major contributor to the Canadian Museum for Human Rights.

One wonders if David and Katherine Friesen could have imagined what their modest little house-building company would become. Today, the torch has been passed to their daughter, Ruth Hastings, and her husband, Brian. The company remains a strong and vibrant entity that honours its traditional values while celebrating innovation.



Team Qualico rides for Habitat for Humanity.



Leading-edge Living

Sage Creek offers the possibility of a more holistic lifestyle, in a pedestrian-friendly place where nature is part of the plan. Set amidst a serene landscape of wetlands and parks, with trails throughout, a home here is a welcoming retreat. Choose from a diversity of homes designed to suit a variety of lifestyles, tastes and budgets.



All trails will converge on a future Village Centre with the warm, friendly feeling of a small town. This will be the social centre of the community, where neighbours gather and shopkeepers know their 'regulars'.



Naturally Appealing

CALL 204 255-9771 OR VISIT WWW.SAGECREEK.CA

**SAGE
CREEK**



Eric Vogan, Land Development Manager, on site at Sage Creek, one of Qualico's latest housing developments.

Here Comes the Neighbourhood

By Lynne Mustard

Your neighbourhood is an extension of your home and can have a profound impact on your life. The people at Qualico Communities get that. They create neighbourhoods for a living and know their communities will serve many generations. Therefore, they strive to ensure that every Qualico neighbourhood is a good one.

"We attract such good, talented people to the company and everybody has a strong sense of pride in being involved," states Eric Vogan, Land Development Manager for Qualico Communities. "A neighbourhood is an organic, living thing and you don't really know how it's

going to turn out. There's great satisfaction in being involved in communities that flourish."

Over its long history, Qualico Communities can take credit for many thriving Winnipeg neighbourhoods. The company made its move into land development in the 1970s, beginning with All Seasons Estates in East Kildonan, Forrest Park in Charleswood, Waverley Heights in south Winnipeg, and River Park South in St. Vital.

With the latest phase in River Park South currently wrapping up, (The Trails of River Park South), this neighbourhood is now Winnipeg's

largest, developer-originated community, comprised of over 7,500 homes, plus retail, schools and other amenities. Even so, Vogan emphasizes that it's the people that are most important.

"We recognize that residents are the community and if we help them in their endeavours, we all do better," he explains. That's why Qualico Communities teamed up with the builders to provide regular capital contributions to the Dakota Community Centre in River Park South, totalling almost one-quarter of a million dollars to date.

That kind of enthusiastic cooperation is characteristic of Qualico Communities and indicative of its belief that the development of a community should, at some point, become a democratic process. Vogan cites their work with school boards, parent associations, and residents' groups to help secure the services, facilities and amenities people desire in their communities.

Another innovation introduced in Qualico Communities in the 1980s was the extensive trail system through the parks of River Park South, in addition to the support the company gave to organized sports, playing fields, and the Dakota Community Centre.

Architectural Guidelines Key

Qualico Communities undertook its first significant exercise in working with builders and architectural controls in the upscale neighbourhood of River Pointe in St. Vital.



A street scene in Phase I of Sage Creek.



Introducing One Of North America's
Most Exciting New Flooring Showrooms.

1042 Waverley Street At Seel

956-9720

www.thefloorshow.com

THE FLOOR SHOW
CARPET • VINYL • HARDWOOD • CERAMIC TILE • LAMINATES
Your Floorcovering Gallery



The latest in homebuilding innovation and ecology at Sage Creek.

"With River Pointe, we established good relationships with Winnipeg's custom and luxury builders that we still enjoy to this day. And we demonstrated that our commitment to and administration of architectural controls will result in enduring quality and highly sought-after neighbourhoods," notes Vogan.

He adds that architectural controls give comfort to homeowners, who can rest assured that neighbours will be expected to build to a consistent standard. They became the norm in the 1980s for all Qualico communities, including Harbourview South and Eaglemere, both located in northeast Winnipeg, and in Whyte Ridge, where Qualico assumed control from Cairns in 1997.

A Focus on Sustainability

The new millennium saw another norm evolve in Qualico Communities. "We're mandated to explore the latest ideas and any valid new concepts. One result of that is our strong focus on more sustainable forms of development," says Vogan. Thus, lower maintenance parklands reduce carbon footprints, the wetlands method of storm water management beautifies while reviving ecosystems, and improved designs strive to offer more complete communities.

In Assiniboine Landing, Headingley, it meant Qualico Communities became involved in creating an ecologically sensitive development,



with architectural controls designed to help preserve and restore the natural prairie ecosystem.

In other areas it meant embracing diversity within the context of neighbourhood, so that communities would no longer be as architecturally homogeneous. "We are now creating complete communities that offer all manner of diversity, yet still deliver the most important feature of architectural controls, which is that your housing investment is protected by the assured quality of adjacent development," Vogan explains.

Sage Creek is a vibrant example of this diversity. Here, Qualico Communities is offering a variety of housing choices, from eye-catching single-family homes to condominiums and apartments, along with the facets necessary so that residents can age comfortably in place and grace. Several of Winnipeg's best builders are involved.

The diversity will extend to the mix of businesses and services that will inhabit the Sage Creek Village Centre, where Qualico has already completed its new 68,000 square foot Head Office.

Opportunities Abound

"Winnipeg is in a very, very interesting time in its life. The prospects for growth are quite exciting," Vogan declares, adding that some of the growth is occurring just outside of the city's boundary.



PROFESSIONALLY
MAINTAINED

CUSTOM
DESIGNED

SUPERB RURAL
SETTING

Custom design Care-free living



Conveniently located off Henderson Highway in East St. Paul, the community of **Pritchard Farm Southlands Village** provides an enclave of luxury homes with carefree living.

Experience the beauty of this rural setting within a well established community where friendliness and respect for peaceful solitude are as natural as sunshine.

The distinctive landscaped architecture of the naturalized creek system allows for a number of lower level walk out gardens and striking views overlooking the sculpted creek bed.

Imagine the convenience of condo living in a home custom built by some of Winnipeg's most prestigious builders with professionally maintained yards landscaped to fit your lifestyle.

The mature development of River Park South.



"Working in the Winnipeg region now requires that we examine the development opportunities created by the quality of some of the villages adjacent to Winnipeg, such as Headingley and Bird's Hill," notes Vogan.

Qualico Communities also developed Glengarry West and Pritchard Farm Southlands in East St. Paul. The freehold lots in Southlands are sold out and Qualico Communities is now selling lots for custom homes on bare land condominium title. This means you own your house, which could be built by a custom builder such as Arlt, Irwin or Maric, yet the neighbourhood land is owned by your condominium corporation. The benefit is that all landscaping, yard maintenance, and snow removal from driveways is your condominium corporation's responsibility.

"This is the first time in the Winnipeg area that such a variety of choice is available on condominium lots," Vogan observes. To him, being first-to-market with something of strong appeal to homeowners is just part of Qualico Communities' *raison d'être*, part of the job of creating and rejuvenating neighbourhoods.

Over its many years, Qualico Communities has played a significant role in the City's growth. The quality of its contribution reflects the quality of the people involved, and the pride they take in their work.

A family enjoys a picnic while overlooking the creek in Pritchard Farm.

