



August 13, 2007

Dear Fellow Unitholders:

It has been an eventful six months here at Whiterock. On July 18, 2007 we completed our strategic review process, and reached the firm conclusion that continuing to operate and grow the platform as we have in the past will deliver the highest value to Unitholders. While the outcome of the strategic review process did not produce the premium price to Unitholders we were expecting, the process did validate that our net asset value is in excess of our market price, it confirmed the high quality of our real estate and tenants, and has demonstrated the strength of the portfolio's cash flow.

We are pleased to report our second quarter results enclosed in this package. We have also produced a supplemental package similar to ones that you have seen in the past, which is available on our website. During our review process, we were limited in the extent of communications we were able to deliver to our Unitholders. With the process now behind us, we are excited to provide details on the performance of the portfolio, and to resume our more frequent updates to Unitholders.

Operationally, we have focused on our internal performance and have already renewed 83% of our leases expiring in 2007, with an average rate increase of over 9%, with some Saskatchewan industrial leases attaining 50% increases. Our 90% renewal rate, often without any tenant inducements, demonstrates the high physical quality and strong leasing conditions in our markets. We have completed two significant new government leases at our Toronto office property that come online in November of this year. With this already completed leasing, along with contractual rate increases and G&A savings, we anticipate producing a run rate AFFO of \$1.00 per Unit within the next 120 days. We anticipate this will climb to \$1.14, exceeding our current distribution of \$1.12, as we reinvest the cash on our balance sheet, complete new leasing in Quebec City, and begin to property manage our Ontario assets. We can complete this clear path and strategy by continuing to create value internally, and we can complete this task without the need for external capital.

As managers and significant Unitholders of the REIT, I along with our management team remain committed to the platform. We appreciate the support and votes of confidence we have received from many of our largest investors. We are looking forward to successfully completing our near term internal tasks, and once again growing the REIT on a long-term basis.

Sincerely,

Jason Underwood