MATERIAL CHANGE REPORT

1. **Reporting Issuer:**

   Urbco Inc.
   110, 6131 - 6th Street SE
   Calgary, Alberta
   T2H 1L9

2. **Date of Material Change:**

   May 30, 2002

3. **Press Release:**

   A press release was released in Calgary on May 30, 2002 and disseminated through the facilities of CCN Matthews.

4. **Summary of Material Change:**

   On May 30, 2002, Urbco Inc. ("Urbco") completed its Plan of Arrangement (the "Arrangement"), which was approved by shareholders at a May 13, 2002 shareholders meeting. The effect of the Arrangement was to reorganize Urbco by: (i) converting Urbco's real estate rental business into an open-ended real estate investment trust called Northern Property Real Estate Investment Trust ("NPR"); and (ii) transferring its land development and construction business to a newly incorporated entity, NewNorth Projects Ltd. ("NewNorth").

5. **Full Description of Material Change:**

   On May 30, 2002, Urbco completed its Arrangement, which was approved by shareholders at a May 13, 2002 shareholders meeting. Under the Arrangement: (1) Urbco transferred its land development and construction business to NewNorth; (2) Urbco's real estate rental business was converted into an open-end real estate investment trust, NPR, which will make monthly cash distributions to its unitholders equal to approximately 90% of NPR's available cash in each year; and (3) shareholders exchanged their Urbco common shares ("Urbco Common Shares") for a combination of cash, debentures issued by NewNorth ("NewNorth Debentures"), common shares of NewNorth ("NewNorth Common Shares") and either trust units ("Units") of NPR or, if the shareholder was a resident of Canada and met certain requirements, units ("Class B LP Units") of Northern Property Limited Partnership (the "Partnership"). Under the Arrangement, shareholders of Urbco have indirectly exchanged each of their existing Urbco Common Shares for $1.29 in cash, 0.2781 Units of NPR or Class B LP Units in the Partnership, one NewNorth Common Share and $0.57 principal amount of unsecured, subordinated NewNorth Debentures.

   In conjunction with the Arrangement, NPR also announced that it closed its $66,000,000 initial public offering of 6,600,000 Units at a price of $10.00 per Unit on May 30, 2002. The IPO was underwritten by a syndicate led by BMO Nesbitt Burns Inc. and including CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and National Bank Financial Inc.

The net proceeds of the offering were used by NPR to pay the cash portion of the purchase price for certain properties it acquired from Urbco in connection with the Arrangement and for certain additional properties from third parties, to pay the cash portion of the consideration for Urbco's shares under the Arrangement, to make loans to Urbco (which has become a subsidiary of NPR following the closing of the Arrangement) and for working capital.

NewNorth will continue the development and construction businesses previously carried on by Urbco and pursue new and additional development and construction opportunities with the focus on the Northwest Territories, Nunavut, Alberta and Greenland.

6. **Reliance on other Sections:**

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Senior Officers:**

For further information contact:

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T2H 1L9

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9. **Statement of Senior Officer:**

The foregoing accurately discloses the material change referred to in this report.

DATED at Calgary, Alberta this 5th day of June, 2002.

URBCO INC.

By: *"Deb Boyle"*____________________
DEB BOYLE
Chief Financial Officer