Action No. 0901-11048

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENTS ACT*, R.S.C. 1985, c. C-36, SECTION 13(2) OF THE *JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED AND SECTION 99(a) OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9, AS AMENDED

AND IN THE MATTER OF CONCRETE EQUITIES INC., WEALTHCRETE INVESTMENT CORPORATION, CONCRETE ASSOCIATES INVESTMENT CORPORATION, CONCRETE ASSOCIATES II INVESTMENT CORPORATION, CONCRETE ASSOCIATES III INVESTMENT CORPORATION, CONCRETE ASSOCIATES IV INVESTMENT CORPORATION, CONCRETE ASSOCIATES V INVESTMENT CORPORATION, EL GOLFO INVESTMENT CORPORATION, COSTA KORAAL INVESTMENT CORPORATION, LUNA MORADA INVESTMENT CORPORATION, CONCRETE ASSOCIATES VIII CORP., CONCRETE EQUITIES EXECUTIVE CLUB INC., 1456775 ALBERTA LTD. AND CONCRETE PLACE PROPERTIES LTD.

(COLLECTIVELY THE "APPLICANTS" OR "CONCRETE")

SECOND REPORT OF THE MONITOR

ERNST & YOUNG INC.

October 26, 2009

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INTRODUCTION

1. On May 26, 2009, Safeguard Real Estate Investment Fund Limited Partnership ("Safeguard LP"), Safeguard Real Estate Investment II Fund Limited Partnership ("Safeguard II LP"), Safeguard Real Estate Investment Fund III Limited Partnership ("Safeguard III LP"), Safeguard Real Estate Investment Fund IV Limited Partnership ("Safeguard IV LP") and Safeguard Real Estate Investment Fund V Limited Partnership ("Safeguard V LP") (collectively the "Safeguard LP's") sought and obtained protection from their creditors through the filing of a Notice of Intention to Make a Proposal under Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3, as amended (the "NOI's"). Ernst & Young Inc. ("EYI") was named as Trustee under the NOI's.

2. On June 9, 2009, EYI was appointed as Interim Receiver (the "Receiver") by an order of this Court (the "Interim Receivership Order") pursuant to s. 47.1 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA") and s.13(2) of the Judicature Act, R.S.A. 2000, c.J-2, as amended (the "JA").

3. On July 29, 2009 the Applicants[1] sought and obtained protection from their respective creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court (the "Initial Order"). Certain relief provided for in the Initial Order extends to the Safeguard LP's and several additional limited partnerships (collectively the "Limited Partnerships") as noted at paragraph 14(b) of the Initial Order.

4. On July 29, 2009 by an order of this Court the Interim Receivership Orders were amended, restated and consolidated into a Receivership Order (the "Receivership Order") and the NOI proceedings were terminated. The Receivership Order includes the Applicants and the Limited Partnerships.

[1] Concrete Place Properties Ltd. is not an Applicant of the CCAA proceedings. Concrete Place Properties Ltd. is in Receivership.

5. The Receivership Order provides the Receiver with powers to review and investigate the financial affairs of the Applicants and the Limited Partnerships to determine if there has been any misconduct or financial mismanagement (the "Investigation"). This Investigation extends to additional entities related to the Concrete Equities family of companies (the "Related Entities"). Schedule "A" to the Receivership Order includes the list of Related Entities.

6. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of the Applicants and the Limited Partnerships (the "Monitor"). As a result, Ernst & Young Inc. has two roles, Monitor under these CCAA Proceedings and Receiver under the BIA and JA.

7. The purpose of this second report (the "Second Report") of the Monitor is to provide this Honourable Court with:

   (a) an update as to the Applicants' restructuring efforts;

   (b) the Applicants budget to actual variance analysis of its cash flows for the period from July 29, 2009 to October 16, 2009 (the "Reporting Period");

   (c) the cash flow projections for the period from October 17, 2009 to December 18, 2009 (the "Forecast Period");

   (d) the Applicants request for an extension to the stay of proceedings; and

   (e) the Monitor's recommendations.

8. Capitalized terms not defined in this Second Report are as defined in the Initial Order. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

9. In preparing this Second Report, the Monitor has relied upon unaudited financial information, the Applicants records and discussions with management of the Applicants. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Report. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants ("CICA") Handbook has not been performed. Future orientated financial information relied upon in this report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND

10. A detailed background with respect to the Applicants is outlined in the affidavits of Vincenzo De Palma dated May 26, 2009 and July 28, 2009 with respect to these proceedings (the "De Palma Affidavit").

11. Attached as Appendix A is an organization chart prepared by management which includes all of the known entities in the Concrete corporate family and certain entities owned by directors or former directors of Concrete.

12. In accordance with the Receivership Order a management committee was formed (the "Management Committee"). The purpose of the Management Committee is to oversee certain aspects of the management of the Applicants and the Limited Partnerships.

13. The Management Committee has convened either in person or via conference call on seven occasions. The responsibilities of the Management Committee are set-out in the Management Committee Charter (Schedule "B" to the Receivership Order), the responsibilities include approving material contracts and approving

budgets and business plans. The minutes from the Management Committee meetings are posted on the Receiver's web-site: www.ey.com/ca/concrete (the "Web-Site"), once they have been approved by the Management Committee.

14. Effectively, the Applicants are being managed by the Receiver and the Management Committee in these CCAA Proceedings.

RESTRUCTURING EFFORTS

General

15. The Receiver has been focused on completing its Investigation which will greatly assist in understanding the stakeholders involved in each Applicant entity and the restructuring options available to those entities (the "Restructuring Options").

16. The Receiver in conjunction with the Management Committee sent out a notice to the investors in the Concrete entities advising them of a town hall meeting scheduled for November 10, 2009. A copy of the notice of meeting is attached as Appendix B.

17. The purpose of the town hall meeting is to provide the investors with an update on the following

a) Background to the proceedings;

b) Investigation completed to date

(a) Statement of Receipts and Disbursements;

(b) Inter-company advances;

(c) Payments to officers;

(d) Known creditors; and

(e) Distributions to investors.

c) Restructuring Options available for the Applicants; and

d) Receiver's and Management Committee's recommendations as to which restructuring option(s) to pursue.

18. The Receiver expects to file its Report on the Investigation including the preferred restructuring options (as indicated by the investors, Receiver and Management Committee) shortly after the November 10, 2009 town hall meeting.

19. Since the First Report, the following steps have been taken by the Receiver and the Management Committee:

a) Discussions with property managers and former management of the general partners on a regular basis;

b) Dealing with various operational issues related to the Concrete properties;

c) Management committee meetings;

d) Provided various updates to the Management Committee and consulted with the Management Committee on various matters;

e) Posted various documents to the Receiver's web-site including consolidating the web-site to include the NOI, Receivership and CCAA proceedings;

f) Responded to messages left on the Receiver's hotline (403-206-5241) from creditors and investors;

g) Various discussions with all of the mortgage holders of the Safeguard LP's to provide updates on the proceedings;

h) Reviewed and acted upon various lease renewals and leasing opportunities for the Concrete properties with the consent of the Management Committee;

i) Preparation for and presenting at the town hall meeting for the investors in the El Golfo project held on September 15, 2009 (as described below); and

j) Meetings with various individuals who were involved with Concrete including Mr. Humenuik, Mr. Jones, Mr. Aurora and Mr. De Palma, to assist the Receiver with the Investigation.

SNC Lavalin Building (LP II)

20. As described in the First Report, the Receiver has had discussions with Standard Life regarding their willingness to allow Safeguard II LP the additional time to restructure as their mortgage term expired prior to the commencement of these proceedings and Standard Life had formally appointed a receiver of Rents and Profits. The Receiver requested that Standard Life consider a short-term extension of the mortgage (one-year) to allow the Receiver sufficient time to re-finance the building or failing a re-financing to provide the Receiver with time to market the property.

21. On September 2, 2009 the Receiver and Standard Life executed an extension agreement for a term of 18 months. The extension agreement is conditional on Standard Life assigning the lease to a third party. To date Standard Life has not been successful in assigning the lease to a third party and therefore the mortgage term has not been extended.

22. The Receiver has been in discussions with Standard Life with respect to its concerns with the property, in particular the lease of the main tenant expiring in 2012 and the two floors that remain vacant. Unfortunately the leasing agent has not made significant progress with respect to leasing the vacant space or negotiating an extension of the term for the main tenant beyond 2012.

23. The Receiver has advised Standard Life that it will be holding a town hall meeting for the investors on November 10, 2009 (described below) and at that meeting the Receiver in conjunction with the Management Committee will be describing the

options available to the investors in SNC Lavalin project. The Receiver requested that Standard Life consider, whether it would accept a partial pay-down (and what amount it would require) of its mortgage from the investors to allow them to continue with the current financing in place. The Receiver also requested that Standard Life wait until after the town hall meeting to determine if it will apply to Court to lift the stay and proceed with a foreclosure action on the SNC Lavalin building.

24. As at the time of preparation of this report, Standard Life has not yet responded to the Receiver's requests.

CE Place

25. As noted above the Receiver has been in discussions with the mortgage holders on the properties including Citizens Bank first mortgage on CE Place.

26. In recent discussions with Citizens Bank the Receiver has discussed funds that were held back by Citizens Bank from the mortgage advance to Concrete Equities that are reserved for tenant inducements.

27. Citizens Bank advised the Receiver that $200,000 was held back from the mortgage proceeds and Citizens Bank is prepared to advance these funds to the Receiver to assist with finding a tenant for the vacant space on the 2nd floor of CE Place.

28. These funds would not be considered a new advance and are already incorporated into the monthly mortgage payments. The Receiver has advised the leasing agent – Avison Young that these funds are available to assist with finding a new tenant for the 2nd floor.

29. The Receiver is of the view that these funds would greatly assist the leasing agent in securing a new tenant for CE Place.

El Golfo Project

30. As described in the First Report and the Receiver's Second Report dated July 29, 2009 (the "Second Report"), extension fees of US$649,000 were due on August 15, 2009 to extend the time to close the purchase of certain lots of undeveloped land in Sonora, Mexico (the "El Golfo Lands") relating to the El Golfo project.

31. The Management Committee determined that it would be appropriate for the Receiver to send out a letter to the investors in the El Golfo project advising of the extension fees, the commission fees and the appraisal costs (collectively the "Pre-Closing Costs") and the deadline to fund same and offering the investors an opportunity to fund these costs. The Receiver noted in its August 7, 2009 letter that it would be performing due diligence on the underlying contracts and agreements relating to the El Golfo project.

32. A second letter was sent on August 17, 2009 advising that the deadline to fund the extension fees was further extended to September 30, 2009.

33. From August 7, 2009 to September 15, 2009 the Receiver and its counsel performed due diligence on the underlying contracts and agreements. The Receiver was provided with copies of various documents to support the transactions, including purchase and sale agreements, title insurance deeds, corporate structure documents, etc. As part of the Receiver's due diligence the Receiver engaged:

    a) Gonzalez Calvillo S.C. counsel in Mexico to assist with reviewing certain documents; and

    b) Jorge I. Angulo, P.E. to provide an appraisal of the El Golfo Lands, the preliminary estimate of value was provided on September 11, 2009.

34. The Receiver in consultation with the Management Committee determined that it would be appropriate to organize a town hall meeting of the investors in the El Golfo project to provide them with a summary of its due diligence and to provide

the investors with the Management Committee's recommendation with respect to the options available to the investors in the El Golfo project.

35. On September 15, 2009 the Receiver and the Management Committee held a town hall meeting for the investors in the El Golfo project. There are approximately 1,300 investors in the El Golfo project and approximately 400 investors attended this meeting. A copy of the presentation to investors is attached as Appendix C to this report.

36. Based on the current fair market value of the El Golfo lands (US$2.50/sq ft) as described in the preliminary appraisal report provided by Mr. Angulo on September 11, 2009 the Management Committee recommended that the investors "do nothing" and not proceed to fund the extension fees and commission fees for the El Golfo Lands.

37. The investors who attended the meeting informally voted and overwhelmingly agreed with the Management Committee's recommendation.

38. As at September 15, 2009 the Receiver was in receipt of approximately $422,000 from 247 investors in the El Golfo project. At the town hall meeting the Receiver indicated that it would provide investors who chose to participate in funding the Pre-Closing Costs with two options:

   I. Elect to have their funds retained by the Receiver to pay for expenses incurred with respect to the project, including the appraisal fees, Mexican counsel fees, town hall meeting fees and other due diligence fees (the "Estimated Costs"); or

   II. Elect to have their funds returned.

39. The Receiver provided a deadline of September 24, 2009 to respond to the Receiver's election request; parties that did not respond by that date were defaulted to option 2. The Receiver sent out the refund cheques to the investors who chose option 2 or defaulted to option 2 on or around September 30, 2009.

40. Certain investors who originally elected option 1 have subsequently requested that the Receiver return their funds. The Receiver has refunded amounts to these investors as well.

41. The Receiver was not able to refund $1,500 as one individual or corporation sent the Receiver a bank draft with no supporting documents and therefore the Receiver cannot determine who these funds belong to. These funds remain in the Receiver's trust account.

42. The balance of the funds $27,750 has been retained by the Receiver and is being used to fund the Estimated Costs. The Receiver will refund to those investors any portion of the funds on hand that are not required to fund the Estimated Costs.

43. The Receiver indicated to the investors that it would apply to the Court and request that the Court grant an Order:

   a) Authorizing a priority charge against the assets of El Golfo, Santa Clara LP and Santa Clara Registered Corp. to the investors who participated in funding the Estimated Costs;

   b) Ranking this priority charge as the sixth charge against the El Golfo Santa Clara LP and the Santa Clara Registered Corp. assets; and

   c) Authorizing the Receiver to accrue interest on these funds at a rate of 8%.

Collectively, these features are referred to as the 'El Golfo Priority Charge'.

44. The Receiver is of the view that the El Golfo Priority Charge is required to provide sufficient security to the investors and the interest rate is commensurate with the risk being assumed.

Mexican Condominium

45. Mr. Humenuik was petitioned into bankruptcy and on September 15, 2009 a Bankruptcy Order was granted.

46. On September 22, 2009 the Receiver met with counsel for the petitioning creditor and Marc Kelly of Hardy & Kelly, trustee of the estate of Mr. Humenuik to discuss various matters including the Mareva injuction order and the best approach to pursuing the Mexican Condominium to maximize recoveries and minimize costs to the estate and the receivership.

47. The Receiver in conjunction with the trustee determined that the trustee's powers under the *Bankruptcy and Insolvency Act* gave it greater flexibility and therefore the trustee is pursuing recovery of this asset for the benefit of the Humenuik estate. The Receiver, in its capacity as Receiver of El Golfo Investment Corporation, will be filing a claim in the Humenuik bankruptcy proceeding asserting a trust claim over the Mexican Condominium and any proceeds that may be derived there from.

Concrete Place Properties Ltd.

48. As described in the First Report, Trumpet Capital Corporation ("Trumpet") commenced an action against CPP Ltd. and on August 5, 2009 the Court of Queen's Bench of Alberta Judicial Centre of Calgary granted an Order Nisi/Order for Sale in favour of Trumpet.

49. The Receiver's counsel has been in discussions with counsel for Trumpet and the Receiver agreed to allow Trumpet to proceed with its action. The Receiver and Trumpet reached an agreement, such terms are outlined in the letter attached as Appendix D to this report under which the Receiver consented to Trumpet continuing with its action.

50. On September 28, 2009 the Court granted an Order for the sale of a portion of the condominium units that comprise the property held by CPP Ltd. A copy of the order is attached as Appendix E to this report.

Alberta Environment

51. As described in the First Report the Applicants relying on Paragraph 16 in the Initial Order (the "Chiller Provision"), were entitled to continue operation of the chiller unit at the SNC Lavalin building beyond July 31, 2009.

52. As further described in the First Report the Receiver based on a discussion with the property manager on August 26, 2009, was advised that the chiller unit at the SNC Lavalin Building was not operational and had been shut-down since prior to April 2009.

53. Attached as Appendix F to this report is a copy of a letter from the property manager to the Receiver dated September 4, 2009 confirming that the chiller unit has not been operational since October 2008.

54. On September 17, 2009 Alberta Environment sent a notice of investigation to a director of Ernst & Young Inc. and to the directors of Concrete Associates Investment Corporation. A copy of the notice of investigation is attached as Appendix G. The notice indicated that Alberta Environment is conducting an investigation into the charging of the chiller unit and the operation of the unit since July 2008.

55. The Receiver's counsel sent a response to the notice of investigation, a copy of the response is attached as Appendix H.

Information Requests

56. Many parties have requested information from the Receiver relating to the Investigation including:

    a) Various investors requesting that the Receiver confirm that their funds were received by Concrete;

    b) Various parties requesting confirmation that their investment funds were used to purchase the properties in a particular project;

    c) Confirmation of the creditors noted in the notice and statements of the Receiver filed pursuant to section 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;

    d) Documents with respect to the caveats filed by Strategic Financial Corp. ("Strategic");

    e) Confirmation that the Receiver was reviewing certain transactions including the transfer of the properties formerly owned by Concrete Associates V Investment Corporation ("Concrete 5") and Concrete Associates VI Investment Corporation ("Concrete 6"); and

    f) Various other specific requests for information.

57. The Receiver has generally responded to these queries by advising individuals to attend the town hall meeting or if they are unable to attend the meeting to review the Receiver's report to be filed shortly after the meeting. The majority of the queries outlined above will be addressed in the Receiver's presentation and report.

58. Where the information request has been more specific in nature and/or where the request is for specific documents, the Receiver has endeavoured to locate those documents and provide them to the party who has requested same. The Receiver has requested that counsel for Strategic provide the documents supporting the caveats filed by Strategic and the Receiver's counsel has received certain of the

documentation and is advised that the balance of the documentation will be provided in the immediate near future.

59. The Receiver is in the process of retaining McPherson Leslie Tyerman LLP to review the transactions noted above, including the enforceability of the Memorandum of Agreement between Concrete 5 and Concrete 6, Mr. Aurora, Mr. De Palma and Strategic Financial Corp.

FINANCIAL PERFORMANCE DURING THE REPORTING PERIOD

Budget to Actual Variance

60. A variance analysis of the Applicants actual receipts and disbursements for the Reporting Period as against the cash flow projections which were annexed to the First Report (the "First Report Forecast") is set out in the table below. A breakdown of this analysis by entity is attached as Appendix I.

	Forecast	Actual	Variance
Net Cash Receipts	**$ 1,300,226**	**$ 1,997,807**	**$ 697,580**
Mortgage Payments	1,068,807	1,090,306	(21,499)
Capital and Leasing Expenses	25,000	15,822	9,178
Repair and Maintenance Expenses	187,167	-	187,167
Restructuring Expenses	754,505	692,707	61,798
Other Opertinag Expenses	177,897	139,091	38,807
Contingency	90,000	-	90,000
	2,303,376	1,937,926	365,450
Draw on Retainer	100,000	100,000	-
Inter-entity Lending	-	-	-
Change in Cash	**(903,150)**	**159,881**	**1,063,031**
Opening Cash	1,038,634	1,038,634	-
Closing Cash	**$ 135,484**	**$ 1,198,515**	**$ 1,063,031**
Restricted Funds	(150,000)	(239,734)	(89,734)
Net Closing Cash	**$ (14,516)**	**$ 958,781**	**$ 973,297**

61. The Applicants' net cash receipts (operating income net of operating expenses) during the Reporting Period totaled approximately $1,998,000 as compared to $1,300,000 as set out in the First Report Forecast. Expenses totaled approximately $1,938,000 as compared to $2,303,376 as set out in the First Report Forecast. The significant variances are discussed below:

a) A positive variance of approximately $698,000 in net cash receipts is due to the following:

- The timing of certain operating disbursements resulting in a temporary positive variance of approximately $307,000;
- The collection of surplus funds from tenants (restricted cash) of approximately $240,000. This is the difference between the cash collected from tenants for their forecasted share of operating expenses and their estimated actual operating expenses; and
- The remaining positive variance of approximately $151,000 is primarily as a result of unanticipated collections and lower than anticipated operating costs attributable to the vacancies in the SNC Lavalin Building.

b) A positive variance of $365,000 in non-recoverable expense is mainly due to the following:

- Repair and maintenance expenditures during the Reporting Period are reflected in net cash receipts and repair and maintenance expenditures were lower than forecast as the majority of anticipated expenditures were not required during the Reporting Period. This results in a positive variance of approximately $187,000.
- Restructuring expenses were lower than forecast due to the timing of payments. The result is a positive variance of approximately $62,000.

- There were no unanticipated expenses and therefore the contingency of $90,000 was not required. The result is a positive variance of $90,000.

62. While inter-entity lending was required during the Reporting Period, all of the amounts were repaid; therefore there were no inter-entity loans outstanding as of October 16, 2009.

CASH FLOW PROJECTIONS TO DECEMBER 18, 2009

63. Attached as Appendix J is a copy of the cash flow projections for the Forecast Period, as prepared by Ernst & Young Inc. in its capacity as Receiver of the Applicants with the assistance of the Property Managers and Concrete management (the "Second Report Forecast"). The Second Report Forecast was prepared based on the most current information available, taking into consideration operating budget information provided by the Property Managers and discussions with management. The Second Report Forecast incorporates actual figures for the period July 29, 2009 to October 16, 2009.

64. The table below summarizes the consolidated Second Report Forecast over the Forecast Period; Appendix J includes a breakdown of the Second Report Forecast by Applicant (excluding Applicants that are non-operating).

	Balance of October	November	December	Total
Net Cash Receipts	**$ (208,500)**	**$ 446,057**	**$ 325,447**	**$ 563,004**
Mortgage Payments	-	356,269	356,269	712,538
Capital and Leasing Costs	-	30,000	55,800	85,800
Repair and Maintenance Expenses	-	-	-	-
Restructuring Expenses	390,000	300,000	250,000	940,000
Other Operating Expenses	5,000	-	-	5,000
Contingency	20,000	40,000	30,000	90,000
	415,000	726,269	692,069	1,833,338
Change in Cash	**(623,500)**	**(280,212)**	**(366,622)**	**(1,270,334)**
Opening Cash	1,198,512	575,012	294,801	1,198,512
Inter-entity Lending	-	-	-	-
Closing Cash	**$ 575,012**	**$ 294,801**	**$ (71,821)**	**$ (71,821)**
Restricted Funds	(239,734)	(195,984)	(127,484)	(127,484)
Net Closing Cash	**335,278**	**98,817**	**(199,305)**	**(199,305)**

65. During the Forecast Period the net cash receipts are anticipated to be approximately $563,000 and the non-recoverable expenses are anticipated to be approximately $1,830,000, after drawing down the cash on hand there is an estimated cash deficiency of approximately $199,000 at the end of the Forecast Period.

66. The main reason for the significant non-recoverable expenses during the Forecast Period is due to the timing of payments relating to restructuring expenses. Capital and leasing costs are also expected to increase as a result of leasing commissions and required renovation costs with respect to the property in Safeguard III LP.

67. During the Forecast Period inter-entity loans from Safeguard LP and Safeguard V LP will be required to fund cash shortfalls in Safeguard II LP , Safeguard III LP and Safeguard IV LP (each of these properties have vacancies which is negatively impacting the cash flow). The inter-entity loans are detailed in Appendix J.

68. A summary of the inter-company loans is provided below:

	October	**November**	**December**	**Total**
Loan from Safeguard V LP	$61,794	$97,716	$32,427	$191,937
Loan to Safeguard I LP	-	-	-	-
Loan to Safeguard II LP	(61,794)	(38,755)	-	(100,549)
Loan to Safeguard III LP	-	-	(32,427)	(32,427)
Loan to Safeguard IV LP	-	(58,961)	-	(58,961)
Loan from Safeguard I LP	18,208	214,117	-	232,326
Loan to Safeguard II LP	-	(64,125)	-	(64,125)
Loan to Safeguard III LP	-	(147,993)	-	(147,993)
Loan to Safeguard IV LP	(18,208)	(2,000)	-	(20,208)
Loan to Safeguard V LP	-	-	-	-

69. Receiver's Borrowings are required to fund cash shortfalls during the Forecast Period. As noted in the First Report the Receiver has not been successful in securing financing to date, as the Receiver's Borrowing Charge does not rank in priority to the first mortgage holders. The Receiver will be discussing the cash

requirements for each project at the town hall meeting on November 10, 2009 with the individual limited partners ("ILPs").

70. In the event that the ILPs are not prepared to fund the cash shortfalls, the Receiver will defer payment of its professional fees during the Forecast Period and rely on the Receiver's Charge.

APPLICANTS'S REQUEST FOR AN EXTENSION TO THE STAY PERIOD

71. The Applicants' Stay Period continues until and including October 30, 2009. Concrete is seeking an extension of the Stay Period until, and including, December 18, 2009.

72. An extension to the Stay Period is necessary to allow the Receiver additional time to complete the Investigation, hold the town hall meeting and allow for a the pursuit of a Restructuring Option(s).

RECOMMENDATIONS

73. This Honourable Court approve the El Golfo Priority Charge.

74. In the Monitor's view, the Applicants are acting in good faith and with due diligence. The Monitor is of the view that the extension of the Stay Period is appropriate in the circumstances and therefore recommends that the Applicant's request for an extension of the Stay Period be granted to, and including, December 18, 2009.

All of which is respectfully submitted this 26th day of October, 2009

ERNST & YOUNG INC.
in its capacity as Court Appointed Monitor
of Concrete Equities Inc. et. al

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

Michelle Grant, CIRP
Vice-President

Action No. 0901-11048

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