.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")

EIGHTH REPORT OF THE MONITOR

ERNST & YOUNG INC.

May 31, 2010

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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. On December 14, 2009, the Receivership Order was amended and restated to, among other things, change the composition of and duties of the Management Committee (defined below).

6. 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.

7. 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.

8. The purpose of this eighth report (the "Eighth Report") of the Monitor is to provide this Honourable Court with:

   a) an update with respect to the Applicant's restructuring efforts;

   b) the results of the investigation into the transactions with the Strategic Group (as defined in the Receiver's third report dated December 2, 2009);

   c) an update on the claims process (the "Claims Process");

   d) the results of the meetings of the Safeguard LP's held on May 28, 2010 (the "Special LP Meetings");

   e) the results of the creditor meetings held on May 28, 2010 (the "Creditor Meetings");

   f) the Applicants and Related Entities books and records in the possession of the Receiver;

g) the settlement of the Safeguard LP's pre-filing inter-entity debt;

h) the proposed allocation of professional fees;

i) the Receiver and its counsels fees and disbursements;

j) the Applicants request for an extension to the stay of proceedings;

k) the Receiver's and Monitor's discharge; and

l) the Monitor's recommendations.

9. Capitalized terms not defined in this Eighth Report are as defined in the Initial Order, the Claims Process Order or the Plans. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

10. In preparing this Eighth Report, the Monitor has relied upon unaudited financial information, the Applicants records and discussions with the Management Committee 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

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

12. In accordance with the Receivership Order a management committee was formed (the "Management Committee") and has convened either in person or via conference call on several occasions. The responsibilities of the Management Committee are set-out in the Management Committee Charter ("MCC") (Schedule "B" to the Receivership Order) as amended and restated, the responsibilities include providing advisory advice in respect of material contracts and budgets, and business plans. The minutes from the Management Committee meetings one through nine are posted on the Receiver's web-site: www.ey.com/ca/concrete (the "Web-Site"). The Receiver has not posted the minutes from Management Committee meetings since November 2009 as the minutes from meetings 10 and 11 have not been approved by the Management Committee and the meetings since December 2009 have generally dealt with settlement of claims and other matters of a confidential nature.

RESTRUCTURING EFFORTS

General

13. The Monitor and the Management Committee have continued to resolve the material claims filed against the Safeguard LP's which have allowed them to develop Plans. A more detailed update on the claims process is discussed below.

14. Since the seventh report of the Monitor dated May 3, 2010 (the "Seventh Report"), the following steps have been taken by the Receiver and the Management Committee;

    a) Continued Re-financing efforts with respect to the Standard Life Mortgage on the SNC Lavalin building as described below;

    b) Continued negotiation of the disputed claims as received in the Claims Process;

    c) Discussions with the property managers on a regular basis;

    d) Dealing with various operational issues related to the Concrete projects;

    e) Various meetings and consultations with the Management Committee and *ad hoc* steering committee (the "Steering Committee");

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

    g) Various discussions with all the mortgage holders of the Safeguard LP's, described in detail below.

SNC Lavalin Building (LP II)

Installation of the chiller air conditioning system

15. The Receiver was advised by Avenue Commercial that the installation of the new chiller unit was completed on May 25, 2010. The new chiller is operational. The Receiver was further advised by Avenue Commercial that the new ventilation system will be operational by June 5, 2010.

Re-financing of the Standard Life Mortgage (the "SL Mortgage")

16. As described in Seventh Report, the SNC Lavalin Building has been listed for sale pursuant to the Sale Order granted by this Honourable Court at $17 million with Cushman Wakefield LePage acting as the listing agent.

17. On May 13 2010 the Receiver executed a commitment letter with CareVest Capital Inc. ("CareVest"). The main terms of the CareVest commitment letter (the "CareVest Commitment Letter") are as follows:

    a) Loan in the amount of $9.4 million;

    b) Proceeds to be used to repay the existing SL mortgage, repay the Chiller DIP facility, pay outstanding fees and disbursements relating to the Receivership and pay the fees and costs associated with the loan;

    c) Interest rate of 9% per annum;

    d) Term of 12 months, to be repaid no later than June 30, 2011;

    e) Total Commitment fee of $200,000, $25,000 was payable upon execution of the commitment letter and in the event the commitment letter cannot proceed the remaining $175,000 will not be payable,

    f) Monthly payments of $70,500;

    g) Security for the loan includes among other things a:

i. First mortgage over the SNC Lavalin Building;

ii. Third mortgage charge against the properties owned by the remaining Safeguard LP's to a maximum of $5 million per property; and

iii. General security agreements from each Safeguard LP.

18. The Receiver notes that a term of the Carevest Commitment Letter is a cross default and cross collateralization agreement with the other Safeguard LP's which was prohibited by the existing Limited Partnership Agreements. However, as noted further in this report, the individual limited partners ("ILP's") have voted in favour of amending the Limited Partnership Agreements to allow for the cross default and cross collateralization.

19. The Receiver further notes that the mortgagees holding prior charges on the properties held by the other Safeguard LP's all have the benefit of a negative covenant from the applicable mortgagor to not create subsequent charges. The Receiver has been in discussions with these mortgage holders with respect to their position regarding the potential collateral mortgage as required under the terms of the Carevest Commitment Letter. The results of these discussions are described more fully below.

Safeguard LP's other than Safeguard II LP

20. The Receiver continues to have discussions with the property managers and leasing agents, as applicable, with respect to leasing opportunities in the various properties as described more fully in previous reports filed by the Monitor.

INVESTIGATION INTO TRANSACTIONS WITH THE STRATEGIC GROUP

21. As noted at paragraph 457 in the third report of the Receiver dated December 2, 2009 (the "Investigation Report"), the Receiver retained MacPherson, Leslie & Tyerman LLP ("MLT") to review the following:

    a) Memorandum of Agreement dated February 11, 2009 with respect to Safeguard Real Estate Investment Fund VI Limited Partnership ("Safeguard VI LP") by its general partner Concrete Associates V Investment Corporation ("Concrete V"), Safeguard Real Estate Investment Fund VII Limited Partnership ("Safeguard VII LP") by its general partner Concrete Associates VI Investment Corporation ("Concrete VI"), Varun Aurora, Vincenzo De Palma, and Strategic Financial Corp. on behalf of limited partnerships to be formed (collectively, the "Strategic Group"); and

    b) The transactions involving the transfer of title of properties known as Glenmore Commerce Court and Airways Business Plaza from Concrete V and Concrete VI to Concrete Foundation Fund Limited Partnership ("CFFLP") and from CFFLP to 1445122 Alberta Ltd. and Symcor Otis Capital Corp.

22. MLT has provided the Receiver with a report detailing its review of certain transactions related to the above, including:

    a) The Initial acquisition of Glenmore Commerce Court from Artis Glenmore Court Ltd.;

    b) The Initial acquisition of Airways Business Plaza from Westfield Airways Ltd.;

    c) The Loan to 1456775 Alberta Ltd. ("145 Alberta Ltd.") by Symcor-Otis Capital Corp., Glenmore Commerce Capital Corp. and Airways

Business Plaza Capital Corp. and subsequent issuance of 1,632 units of Safeguard VI LP in the name of 145 Alberta Ltd.;

d) The sale by Safeguard VI LP of both Glenmore Commerce Court and Airways Business Plaza to CFFLP;

e) The sale by CFFLP of Glenmore Commerce Court to Glenmore Commerce Capital Corp.; and

f) The sale by CFFLP of Airways Business Plaza to Airways Business Plaza Capital Corp.

23. Although MLT's review did note certain deficiencies in the documentation received, MLT's advice to the Receiver is that it would be unlikely that a court would be willing to unwind or rescind the transactions described above in the absence of fraud, misrepresentation or unconscionable conduct.

24. At present, the assets of Concrete V and Safeguard VI LP are generally limited to inter-entity receivables from other entities in the Concrete Group, for which the Monitor estimates that the recovery will be minimal given that the majority of the inter-entity receivables are owed from entities that are insolvent.

25. In the unlikely event that the transactions described above are unwound and the properties are returned to Concrete V and Safeguard VI LP the Monitor prepared a preliminary liquidation analysis of the potential recoveries to creditors, a summary of the analysis is presented below. The detailed analysis is attached as Appendix A:

Preliminary Estimated Liquidation Value	HIGH	LOW
Assets	16,617,500	12,707,500
Less: Liquidation Costs	(830,875)	(635,375)
Funds Available for Distribution	15,786,625	12,072,125
Secured Liabilities	(16,660,346)	(30,140,750)
Funds Available for Distribution to Unsecureds	(873,721)	(18,068,625)

26. As noted in the above table, the Monitor does not anticipate any recoveries to unsecured creditors in the event the properties are returned to Concrete V and Safeguard VI LP.

27. As noted above Concrete V and Safeguard VI LP have minimal assets and the Receiver does not have any cash on hand with respect to these entities. Litigation to unwind the transactions described above would be costly and in the Receiver's view would only appear to be beneficial to the creditors of Concrete V and Safeguard VI LP. The Receiver does not intend on pursuing litigation to unwind or rescind the transactions.

28. The stay of proceedings with respect to Concrete V and Safeguard VI LP will expire on June 11, 2010. The Receiver is not seeking a stay of proceedings with respect to these entities. Once the stay of proceedings expires, creditors of Concrete V and Safeguard VI LP will be free to pursue remedies available to them including resuming litigation against Concrete V and Safeguard VI LP.

29. As described in the Seventh Report the Receiver negotiated a settlement agreement with the Strategic Group (the "Strategic Settlement Agreement"). The main terms of the Strategic Settlement Agreement are as follows:

   a) The Strategic Group will have a secured claim against the Safeguard LP's as follows:

Summary of Strateic Settlement	
Entity	**Amount**
Safeguard LP	$299,731.47
Safeguard II LP	$436,753.76
Safeguard III LP	$460,751.61
Safeguard IV LP	$670,207.73
Safeguard V LP	$516,220.76

b) The Safeguard LP's will begin making simple monthly interest payments on the above described principal sums at an interest rate of 9% to the Strategic Group on August 1, 2010;

c) The principal payable by each of the respective Safeguard LP's is not due until the sale of the property associated with that particular Safeguard LP;

d) Security granted is in the form of a charge against the respective properties for the principal and interest payable by the particular Safeguard LP (the "New Strategic Charge");

e) The New Strategic Charge replaces any existing security or charges the Strategic Group currently have against the respective properties of the Safeguard LPs;

f) The New Strategic Charge will not permit the Strategic Group to foreclose on the properties in the event of a default; and

g) The New Strategic Charge is subordinate to any existing mortgagees registered as at April 27, 2010 against title to the respective properties of the Safegaurd LPs, the Chiller DIP Financing Charge, the Receiver's Charge and the Receiver's Borrowing Charge (collectively, the "Present Charges"). The New Strategic Charge shall also be postponed to any replacement security totaling no more than the Present Charges.

30. A copy of the Strategic Settlement Agreement is attached as Appendix B to this report.

31. After the Strategic Settlement Agreement was executed the Strategic Group came back to the Receiver with a request to amend the agreement to reflect a mutual release on the basis that it was always the Strategic Group's understanding that a mutual release, or similar type provision, was to form part of the Strategic Settlement Agreement. The Receiver consulted with the Management Committee and the Steering Committee and the agreement was amended to provide a covenant not to sue. The Receiver was of the view that such an amendment was appropriate in the circumstances.

32. The Receiver and Strategic negotiated a Settlement Amending Agreement, a copy of the Settlement Amending Agreement is attached as Appendix C to this report. In addition to adding a covenant not to sue provision to the Strategic Settlement Agreement, the Settlement Amending Agreement also addresses a typographical error that was discovered in the Strategic Settlement Agreement.

33. The Strategic Settlement Agreement and Strategic Amending Agreement are subject to Court approval. The Receiver is seeking this Honourable Court's approval of the agreements (the "Strategic Settlement Agreement Approval Order").

DISCUSSIONS WITH THE FIRST MORTGAGE HOLDERS

34. As noted above, the Receiver has been in discussions with the first mortgage holders for each of the Safeguard LP's with respect to the following matters:

    a) The New Strategic Charge contemplated in the Strategic Settlement Agreement; and

    b) The subordinate collateral mortgage charge contemplated in the CareVest Commitment Letter; and

c) The change in legal ownership contemplated by the Plans and the proposed Final Orders (defined below).

The Receiver notes that each of the above noted matters are considered a default under the terms of the mortgages.

35. The Receiver notes that IMS Limited Partnership, in its capacity as Subservicer for Midland Loan Services, Inc., in its capacity as Servicer for Computershare Trust Company of Canada, in its capacity as Custodian of Real Estate Asset Liquidity Trust Commercial Mortgage Pass-Through Certificates, Series 2004-24 Series 2005-2 and Series 2007-Canada 21 (collectively, "Midland") (first mortgage holder for the properties in Safeguard LP I and Safeguard LP III) indicated to the Receiver prior to the hearing on May 5, 2010 that it opposed the Strategic Settlement Agreement (as described in the Seventh Report), therefore the Receiver adjourned the application seeking approval of the agreement and began negotiations with Midland with respect its concerns regarding the Strategic Settlement Agreement.

36. The Receiver has been in negotiations with Midland since May 5, 2010 with respect to a forbearance agreement. The terms of a forbearance agreement were agreed to on May 26, 2010. To date, a form of agreement has not been executed, but the Receiver anticipates execution of same prior to June 2, 2010 (the "Midland Forbearance Agreement"). The Receiver notes that Midland is not agreeable to a subordinate charge as required by the CareVest Commitment Letter and therefore this charge is not included in the forbearance agreement with Midland. The Midland Forbearance Agreement will include a forbearance fee payable to Midland upon the mortgages maturity. The Receiver notes that any special service or recovery fees claimed by Midland will be reduced by the forbearance fee.

37. On May 18, 2010 the Receiver contacted counsel for both Citizen's Bank and CIBC (the respective first mortgage holders on Safeguard IV LP and Safeguard V

LP) with respect to the Strategic Settlement Agreement, the CareVest Commitment Letter and the new general partner.

38. The Receiver has been in discussions with both CIBC and its counsel since May 18, 2010 with respect to the relief being sought by the Receiver in these proceedings with respect to Safeguard V LP. The Receiver has been negotiating a forbearance agreement with CIBC which also includes the waiver of any default relating to the Strategic Settlement Agreement and the subsequent charge contemplated therein and a new general partner being affirmed by the ILPs. CIBC requested additional information from the Receiver to assist with these negotiations. The Receiver provided this information to CIBC and its counsel on May 27, 2010. To date the Receiver and CIBC have not completed negotiations with respect to a forbearance agreement. The Receiver is hopeful that these negotiations will be complete by June 2, 2010. In the event that CIBC and the Receiver are unable to reach agreement on this matter, the Receiver is of the view that it is appropriate for this Honourable Court to grant the relief requested in the Final Order (defined below) for Safeguard V LP with respect to waiving the defaults that will result from the Strategic Settlement Agreement and the new general partner. Safeguard V LP has acted diligently and in good faith throughout these proceedings and the relief sought does not prejudice CIBC in any material respect. A copy of the CIBC mortgage is attached as Appendix D.

39. The Receiver has followed up with counsel for Citizen's Bank on three occasions to confirm Citizen's Banks position on the relief sought in the Final Orders (defined below) and the Strategic Settlement Approval Order. In discussions on May 18, 2010, Citizen's Banks counsel noted that their client (Citizen's Bank) would likely not have any issue with the subsequent charge required under the Strategic Settlement Agreement. In the event that Citizen's Bank and the Receiver are unable to reach agreement on this matter, the Receiver is of the view that it is appropriate for this Honourable Court to grant the relief requested in the Final Order (defined below) for Safeguard IV LP with respect to waiving the defaults that will result from the Strategic Settlement Agreement and the new general

partner (if applicable). Safeguard IV LP has acted diligently and in good faith throughout these proceedings and the relief sought does not prejudice Citizen's Bank in any material respects. A copy of the Citizen's Bank mortgage is attached as Appendix E.

CLAIMS PROCESS UPDATE

Resolution of 550 Capital Corp. Claim

40. On January 19, 2010, 550 Capital corp. ("550 Capital") filed a claim against Concrete Equities Inc. ("CEI"), Wealthcrete, Concrete Associates, Safeguard LP and Safeguard II LP in the amount of $364,477. On February 1, 2010, the Monitor issued a notice of revision amending 550 Capital's claim to $16,000. Subsequently, 550 Capital filed a notice of dispute and notice of motion for the disallowed portion of their claim, in accordance with the Claims Process Order.

41. After reviewing additional evidence, the Receiver and 550 Capital settled the claim of 550 Capital at a value of $245,000. CEI, Wealthcrete/Safeguard LP and Concrete Associates/Safeguard II LP are jointly and severally liable for this claim. A condition of the settlement agreement is that 550 Capital was required to vote in favour of the Plans for Safeguard LP and Safeguard II LP.

Late Claims

42. Since the Fourth Report, six additional late claims were filed with the Monitor. The following table summarizes these claims:

Summary of Late Claims			
Claimant	**Amount**	**Claim type**	**Claimed Against**
1432322 Alberta Ltd.	$7,500	Unsecured	Wealthcrete
Constellation NewEnergy Canada Inc.	28,264	Unsecured	Concrete Associates
Giselle Cochrane	144,000	Unsecured	Concrete Executive Club Inc.
Jason Mace	20,000	Secured	Santa Clara LP
Nexen Marketing	39,146	Unsecured	Safeguard II LP & Concrete Associates
Vincenzo De Palma	5,019,198	Unsecured	All entities
	$5,229,844		

Notes

The unsecured claim of Constellation NewEnergy Canada Inc. is denominated in US dollars.

43. Prior to receiving the claims of 1432322 Alberta Ltd. ("143 AB"), the Monitor was not aware that this claimant was a creditor of Wealthcrete and, as such, 143 AB was not notified of the Claims Process in accordance with the Claims Process Order.

44. While Wealthcrete has already filed a Plan and the Affected Creditors have approved the Plan, the Monitor believes that the acceptance of the $7,500 late claim by 143 AB will not impact the amount and timing of the distributions in accordance with the Plan moreover, 143 AB had not been notified of the Claims Process. As a result, the admittance of 143 AB's late claim is not expected to prejudice the Affected Creditors of Wealthcrete. The Monitor recommends that the late claim of 143 AB be admitted.

Claim of New Constellation Energy Ltd. ("NCE")

45. On May 28, 2010 NCE filed a claim against Safeguard II LP and Concrete Associates in the amount of US$28,264.48. The Monitor confirms that a Proof of Claim Package was mailed to NCE on December 17, 2009 in accordance with the Claims Process Order.

46. The Monitor believes that NCE's claim should not be admitted due to the following:

a) Proper notice of the Claims Process in accordance with the claims process order was given to NCE;

b) NCE's claim was filed subsequent to the filing of the Plan and was filed on the date that the Affected Creditors approved the Plan; and

c) The Plan for Safeguard II LP is conditional on re-financing. In the event that the CareVest re-financing is completed, the contemplated financing of $9.4 million may not be sufficient to pay this additional claim (as the loan amount was negotiated without knowledge of this claim). The Monitor is of the view that the Plan of Safeguard II LP and Concrete Associates may be materially affected if this claim is admitted.

Claim of Giselle Cochrane

47. Prior to receiving the claims of Mrs. Giselle Cochrane ("Mrs. Cochrane"), the Monitor was not aware that this claimant was a creditor of Concrete Executive Club Inc. and, as such, Mrs. Cochrane was not notified of the Claims Process in accordance with the Claims Process Order.

48. Mrs. Cochrane's claim was received prior to any distributions or the completion of a Plan, and there does not appear to be any prejudice to the creditors, as a whole, as a result of Mrs. Cochrane's claim being filed late. The Monitor proposes that Mrs. Cochrane's late claim be accepted as filed.

Claim of Jason Mace

49. The Monitor has reviewed the claim of Mr. Jason Mace ("Mr. Mace") in conjunction the Applicant's books and records, and is of the opinion that Mr. Mace's claim against Santa Clara LP relates to an ownership interest in the Santa Clara LP, as opposed to a debt transaction.

50. The Monitor is of the view that Mr. Mace does not have a valid claim against Santa Clara LP.

Claim of Nexen Marketing

51. Nexen Marketing ("Nexen") filed a late claim against Safeguard II LP and Concrete Associates in the amount of $39,146. The Monitor confirms that a Proof of Claim Package was mailed to Nexen on December 17, 2009 in accordance with the Claims Process Order.

52. The Monitor reviewed the Nexen claim and certain charges included in the claim were disputed. The Monitor extended an offer to Nexen that it would accept the claim in these proceedings in the amount of $37,567, subject to Court approval. Nexen accepted the Monitor's offer on May 26, 2010.

53. Nexen's claim was received prior to any distributions under the Plan, and there does not appear to be any prejudice to the creditors, as a whole, as a result of Nexen's claim being filed late. The Monitor proposes that the Nexen late claim be accepted in the amount of $37,567.

Claim of Vincenzo De Palma

54. Vincenzo De Palma ("De Palma") was a member of the Management Committee at the time it was resolved to implement a Claims Process. Moreover, the Monitor advises that Vincenzo De Palma's counsel was served with a Proof of claim Package on or before December 18, 2010 in accordance with the Claims Process Order, and Mr. De Palma did not file a proof of claim prior to the Claims Bar Date.

55. On March 5, 2010, counsel for Darcy Sandhu and 934608 Alberta Ltd. (collectively "Mr. Sandhu") filed a proof of claim as assignee of the De Palma Claim against all Applicants in the amount of $5,019,198.

56. Following the filing of Mr. De Palma's claim, the Receiver advised Mr. Sandhu, as purported assignee, that the Receiver reserved all rights with respect to this late

filed claim. The Monitor confirms that no steps have been taken with respect to making an application to the Court to have this late claim admitted.

57. A summary of the Monitor’s recommendations with respect to the late claims described above is as follows:

a) Claim of 143 AB should be admitted;

b) Claim of Mrs. Cochrane should be admitted;

c) Claim of Mr. Mace should not be admitted (it is not a valid claim);

d) Claim of Nexen should be admitted in the amount of $37,567; and

e) Claim of NCE should not be admitted.

BOOKS AND RECORDS IN THE RECEIVER’S POSSESSION

58. The Receiver is in possession of the books and records from Concrete with respect to the Applicants and the Related Entities (the “Concrete Records”). The Receiver is also in possession of books and records from Bishop & McKenzie LLP who acted as counsel for Concrete, books and records from Carlos Solarzano and books and records from Fraser Milner Casgrain LLP (the Monitor notes that the books and records from Fraser Milner Casgrain LLP were copies of the original records). Collectively referred to as the “Concrete Records”.

59. As the Applicants are preparing to emerge from these proceedings the Receiver has been in discussions with the incoming GP of the Safeguard LP’s with respect to a transition of the books and records to the incoming GP.

60. The Concrete Records are co-mingled therefore the Receiver is of the view that the incoming GP will likely require the books and records of the Applicants and the Related Entities on a go-forward basis. Given the circumstances surrounding the Safeguard LP’s the Receiver is of the view that it is appropriate and in the best interest of all stakeholders for the new general partner to gain custody of the

Concrete Records, save for the Bishop & McKenzie LLP records which should be returned to that law firm.

61. The Receiver notes that the Alberta Securities Commission ("ASC") has requested information from the Receiver as part of an investigation and the Receiver is not certain when the ASC's investigation will be complete. The ASC will likely require additional information from the Concrete Records to complete its investigation.

62. The Receiver has cooperated fully with the ASC in its investigation of the Applicants and Related Entities. The Receiver will continue to cooperate with the ASC after its discharge in the event that additional information is required by the ASC to complete its investigation. The Receiver has also met with the RCMP and in the event the RCMP determines that it is appropriate to investigate the Applicants, Related Entities or the former directors of Concrete et. al the Receiver will cooperate with the RCMP. In the event the Receiver is required to testify, perform substantive analysis for the ASC/RCMP or expend considerable time assisting the ASC/RCMP the Receiver is of the view that it is appropriate for the Receiver to be compensated for such assistance. The Receiver notes that the Receiver's Discharge Order (defined below) includes a provision that the new general partner will compensate EYI and its counsel for providing this assistance.

SPECIAL MEETINGS OF THE INDIVIDUAL LIMITED PARTNERS

Background

63. Pursuant to the Limited Partners Meeting Orders (the "LP Meeting Orders"), the Safeguard LPs were authorized to call, hold and conduct meetings of the individual limited partners (the "ILPs") to consider and vote on various resolutions (the "Special LP Meetings"), as described below. The LP Meeting Orders set out the procedures for the calling and conduct of the Special LP Meetings. The Special LP Meetings were held on the mezzanine level at the offices of Ernst & Young Inc. at 1000, 440 2nd Avenue S.W. in Calgary, Alberta on May 28, 2010 starting at 10 a.m.

64. As required by the LP Meeting Orders, on or before May 7, 2010, the Monitor sent a copy of the following documents (collectively the "ILP Meeting Materials") to the ILP's by mail:

a) Notice of the Special LP Meetings;

b) The Plan (if applicable);

c) Form of Proxy;

d) Instructions to the ILPs;

e) A copy of the Seventh Report of the Monitor; and

f) A copy of the LP Meeting Order.

65. The Meeting Materials were also made available on the Monitor's website on May 7, 2010.

66. The Monitor provided a contact person in the Meeting Materials to respond to enquiries from creditors.

67. Mrs. Michelle Grant, Vice President of Ernst & Young Inc., acted as Chair of the Special LP Meetings. Representatives of the Monitor, Management Committee and Prospective General Partner were available to answer questions of the ILP questions. At the meetings, a quorum was present and accordingly, the Chair declared the meetings to be properly constituted.

68. The following resolutions were moved at the Special LP Meetings:

a) an extraordinary resolution (the "New GP Resolution") approving the removal of the current General Partner of the Limited Partnership and appointing Lavalin L.P. Investment Corp, or its nominee as the General Partner of the Limited Partnership, in the form set out in Schedule "A" to the Notice of Special Meeting of Limited Partners; and

b) an extraordinary resolution (the "LP Agreement Amendment Resolution") approving certain amendments to the LP Agreement to (i) amend the definition of Partnership Business; (ii) to permit the issuance of additional Units; and (iii) to permit the issuance of fractional Units, in the form set out in Schedule "B" to the Notice of Special Meeting of Limited Partners.

69. Additionally, the following resolution was moved at each of the Special LP Meetings, with the exception of the Special LP Meeting for Safeguard II LP:

a) an extraordinary resolution (the "Guarantee Resolution") approving a transaction pursuant to which the Limited Partnership will provide a secured guarantee of the mortgage obligations of Safeguard II LP, in the form set out in Schedule "C" to the Notice of Special Meeting of Limited Partners.

Results of the Voting

70. In respect of the extraordinary resolutions discussed above, the ILPs, voting either in person or by way of proxy voted as follows:

Summary of Voting Results from Special LP Meetings						
	New GP Resolution		LP Agreement Amendment Resolution		Guarantee Resolution	
	For	Against	For	Against	For	Against
Safeguard LP	99%	1%	99%	1%	88%	12%
Safeguard II LP	99%	1%	100%	0%	NA	NA
Safeguard III LP	99%	1%	99%	1%	91%	9%
Safeguard IV LP	99%	1%	98%	2%	92%	8%
Safeguard V LP	98%	2%	98%	2%	97%	3%

71. On the basis of the foregoing, the proposed resolutions were overwhelmingly approved by the requisite majority of ILP's in each of the Safeguard LPs.

72. The Receiver notes that certain individuals submitted proxies to the Receiver prior to the Special LP Meetings, which the Receiver was not able to reconcile to the Concrete investor registries for the Safeguard LP's. The Receiver also notes that certain individuals who attended the Special LP Meetings were not included on the Concrete investor registries. The Receiver has not included these votes in the above noted table, but notes that in the event these additional votes were counted, the results would remain the same, the proposed resolutions would still overwhelmingly be approved by the requisite majority of ILP's.

73. The ILP's have approved the issuance of additional units in satisfaction of the Safeguard LP's pre-filing inter-entity debt and the issuance of fractional units.

74. The ILP's have approved a loan to Safeguard II LP in the total amount of approximately $130,000 and have agreed to cross-guarantee a collateral mortgage to a maximum amount of $5,000,000 with respect to the SNC Lavalin Building.

MEETINGS OF CREDITORS

Background

75. Pursuant to the Meeting Orders, Safeguard LP, Safeguard II LP and Safeguard III LP and their Respective General Partners were authorized to call, hold and conduct a meeting of the creditors to consider and vote on the Plans. The Meeting Orders set out the procedures for the calling and conduct of the meetings of creditors. The meetings of the Creditors were held on the mezzanine level at the offices of Ernst & Young Inc. at 1000, 440 2nd Avenue S.W. in Calgary, Alberta on May 28, 2010 starting at 2 p.m.

76. As required by the Meeting Orders, on or before May 7, 2010, the Monitor sent a copy of the following documents (collectively the "Meeting Materials") under each Plan to all creditors eligible to vote (the "Creditors") by mail at the address appearing on the Proof of Claim or such other address as provided to the Monitor:

g) A notice of the Creditors' Meeting;

h) The Plan;

i) a blank form of the Instrument of Proxy

j) Instructions to the Creditors;

k) A copy of the Seventh Report of the Monitor; and

l) A copy of the Meeting Order.

77. The Meeting Materials were also made available on the Monitor's website on and after May 7, 2010.

78. The Monitor provided a contact person in the Meeting Materials to respond to enquiries from creditors.

79. In accordance with the Meeting Order, Mrs. Michelle Grant of Ernst & Young Inc. acted as the chair (the "Chair") of the Creditors' Meeting. At the Creditors' Meeting, a quorum was present and accordingly, the Chair declared that the Creditors' Meeting was properly constituted.

Results of the Voting

80. A motion to consider a resolution to approve the Plan was proposed at the Creditors' Meeting (the "Resolution") and a vote by ballot was called for by the Chair. The Creditors at each of the Creditors' Meetings voted as a single class as provided for in the Plan.

81. The Creditors or their proxy holders voted on the resolution to approve the Plans as follows:

Summary of Voting Results from Creditors Meetings						
	Safeguard LP		**Safeguard II LP**		**Safeguard III LP**	
	For	Against	For	Against	For	Against
Voting Affected Creditors (#)	4	-	3	-	3	-
Voting Affected Creditors (%)	100%	0%	100%	0%	100%	0%
Value of claims of voting Affected Creditors ($)	$273,622	-	$252,341	-	$10,211	-
Value of claims of voting Affected Creditors (%)	100%	0%	100%	0%	100%	0%

82. In summary, a majority in number representing in excess of two-thirds in value of the Creditors holding proven claims and voting in person or by proxy at the Creditors' Meetings, voted in favour of the resolutions to approve the Plans and hence the requisite majorities required by section 6 of the CCAA were obtained for each Plan. Copies of the minutes of the Creditors' Meetings, excluding the exhibits will be posted on the Monitor's web-site once they are completed.

83. The Monitor notes that no Affected Creditors with Disputed Claims attended the Creditors' Meetings either in person or by proxy.

APPROVAL AND IMPLEMENTATION OF THE PLANS

84. The Meeting Orders and the CCAA require the Plans be sanctioned by the Court following approval by the requisite majorities (the "Sanction Order"). The motion seeking an order sanctioning the Plans is scheduled to be heard on June 2, 2010. Subject to this Honourable Court sanctioning the Plans on June 2, 2010, the Applicants believe that the Implementation Date will be in late June, 2010.

85. The Applicants are seeking the following relief (among other things) as outlined in the Sanction Order:

a) Affected Claims shall be forever compromised, discharged and released. Affected Claims are permanently stayed subject only to the rights of Affected Creditors to receive the distributions pursuant to the Plans;

b) All registrations against title to the properties with the exception of the Mortgagee Claims are deemed to be discharged and extinguished;

c) All Proven Claims are final and an Affected Creditor who did not file a claim by the Claims Bar Date shall be forever barred from making a claim, with the exception of those late claims approved by this Honourable Court;

d) Affected Creditors are deemed to have consented to and agreed to the provisions of the Plans;

e) As at the Effective Time all obligations or agreements to which the Applicant is a party to (including all mortgages of real property) shall be and remain in full force and effect, unamended as at the Plan Implementation Date (unless terminated or repudiated by the Applicant);

f) Permanent stay of proceedings in respect of all Affected Claims and any other matter that is released pursuant to the Plans;

g) Deemed waiver of defaults;

h) The releases as contemplated in section 4.11 of the Plans; and

i) Approval of the conduct of the Monitor and its counsel and the discharge of the Monitor.

86. Additionally, as discussed in the Seventh Report, the Plan for Safeguard II LP is also conditional on refinancing the SL Mortgage by September 30, 2010. Standard Life is currently marketing the property pursuant to a judicial listing approved by this Court and in the event that a sale closes prior to Safeguard II LP refinancing the SL Mortgage the Plan will not be implemented.

RELIEF SOUGHT FOR SAFEGUARD IV LP AND SAFEGUARD V LP

87. As noted in the Seventh Report, Safeguard IV LP and Safeguard V LP did not file Plans. Safeguard IV LP did not have any Affected Creditors and Safeguard V LP has minimal Affected Creditors.

88. The Receiver is seeking final orders which would provide the same relief to Safeguard IV LP and Safeguard V LP as if they filed Plans and creditors voted to approve said Plans (the "Final Order").

89. The Monitor is in receipt of three unsecured creditor claims in Safeguard V LP; the total value of these claims is less than $5,000. The Receiver has not yet paid these unsecured claims. The Receiver intends to send a letter to each of the unsecured creditors of Safeguard V LP with a payment equal to the full amount of the claims once the Court has approved the Final Order for Safeguard V LP.

SETTLEMENT OF PRE-FILING INTER-ENTITY DEBT

90. The ILPs voted in favour of the LP Agreement Amendment Resolution which among other things authorizes the Safeguard LP's to issue additional units in settlement of the pre-filing inter-entity debt claims.

91. The analysis of the inter-entity claims as described in detail in the Investigation Report will be the basis for determining the inter-entity receivables and payables owed to/from each of the entities in the Concrete family of companies.

92. As described in the Seventh Report the inter-entity claims analysis presented in the Investigation Report was updated to reflect the assignment of certain claims and the allocation of professional fees to the other Applicants as applicable. An updated inter-entity matrix was attached as Appendix C to the Seventh Report.

93. The Receiver notes that certain additional inter-entity claims were adjusted to simplify the professional fee allocation process and reduce the additional LP units to be issued as part of the settlement of the inter-entity debt, this includes:

a) The receivable owed to Urban Registered Corp. from Safeguard VII LP was reduced to $nil and Safeguard VII LP's minimum fee allocation was increased accordingly; and

b) The receivable owed to Concrete XI Corp. ("Diversified") from El Golfo and Safeguard VII LP was reduced pro-rata by the minimum fee allocation to Diversified and the El Golfo and Safeguard VII LP minimum fee allocations were increased accordingly. The Receiver notes that the only entities who owe monies to Diversified are El Golfo and Safeguard VII LP. As a result of these adjustments the receivables owed to Diversified are:

   i. Safeguard VII LP owes $437,194; and

   ii. El Golfo owes $110,949.

94. The Receiver notes that the assignment of certain claims as described in paragraph 51(a) of the Seventh Report are designed to provide Safeguard V LP with cross and/or counterclaims to the claims that are being asserted against Safeguard V LP by the former directors. These claims have been assigned to Mr. Sandhu.

Summary of LP units to be issued in settlement of the pre-filing inter-entity debt

95. Attached as Appendix F to this report is an updated schedule which summarizes the units that the Applicants will be issuing/receiving through the conversion of the pre-filing inter-entity debt to equity.

96. The Monitor notes that the analysis presented in the Seventh Report (Appendix E) has been updated to reflect a reduction in units issued by the Safeguard LP's to account for the recovery of professional fees (as described below).

97. Since Safeguard V LP is not issuing additional units to satisfy pre-filing inter-entity debt (it does not have any pre-filing inter-entity payables), Safeguard V LP will receive units from the other Safeguard LP's that are payable to El Golfo and

Safeguard VII LP to satisfy its recovery of professional fees in the amount of $88,010.

Dilution effect of issuing new LP units

98. As noted in the Seventh Report, the Monitor prepared an analysis of the effect the issuance of new units will have on each of the Safeguard LP's. The analysis was updated as described above, a summary of the dilution effect is provided in the table below a detailed analysis for each entity is attached as Appendix G:

Entity	% Dilution
Safeguard LP	7.69%
Safeguard II LP	18.70%
Safeguard III LP	3.39%
Safeguard IV LP	31.44%
Safeguard V LP	0%

ALLOCATION OF PROFESSIONAL FEES

99. As described in the Seventh Report, the Safeguard LP's funded these proceedings. In the Monitor's view it is appropriate to allocate costs of these proceedings to the other Applicants and Related Entities.

100. The Monitor is of the view that it is appropriate to allocate the professional fees pro-rata based on the Monitor's estimated fair market value of recoveries for each Applicant and Related Entities.

101. Appendix D to the Seventh Report included a summary of the Monitor's allocation of professional fees. This analysis has been updated to reflect the inclusion of fees through April 30, 2010 along with an estimate of fees to completion; total fees allocated are approximately $2.9 million.

102. To simplify the issuance of additional partnership units the analysis was also updated to reflect the reduction of pre-filing inter-entity debt owed by Concrete Associates XI Corp. ("Concrete XI") to Safeguard VII LP and El Golfo in the amount of $65,272 which represents Concrete XI's allocation of professional fees

(based on the methodology described above) and a resultant increase in the minimum professional fee allocation for Safeguard VII LP and El Golfo (the only known creditors of Concrete XI). The result of these updates is to increase the allocation of professional fees to Safeguard VII LP by $48,806 and to El Golfo by $13,766 (allocated pro-rata based on the payable owed by Concrete XI).

103. Attached as Appendix H is an updated summary of the professional fee allocation.

APPROVAL OF PROFESSIONAL FEES

104. A summary of the Receiver's accounts from May 26, 2009 to April 30, 2010 is attached as Appendix I. The Receiver's total fees are $ 1,961,245.99 (plus applicable taxes).

105. The Receiver estimates fees to completion of this engagement will not exceed $280,000.

106. A summary of the bills of costs for the Receiver's counsels from May 20, 2009 to April 30, 2010 is attached as Appendix J. The Receiver's counsels fees are $563,121.21 (plus applicable taxes). The Receiver has examined the bills of costs referred to above, the services referred to therein have been duly authorized and duly rendered and the charges therein are reasonable in the Receiver's opinion.

107. The Receiver's counsel estimates fees to completion of this engagement will not exceed $90,000.

108. The Receiver respectfully requests that this Honourable Court approve the Receiver and the Receiver's counsel fees and disbursements along with the estimate of fees to completion.

APPLICANT'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD

109. The Applicant's stay of proceedings continues until and including June 11, 2010 (the "Stay Period"). The Receiver is seeking an extension of the Stay Period until the time immediately subsequent to the Effective Date (as this term is defined in

the Plans of Safeguard LP, Safeguard II LP and Safeguard III LP and in the Final Order of Safeguard IV LP and Safeguard V LP).

110. An extension of the Stay Period is necessary to allow the Applicants to satisfy the conditions precedent to Plan Implementation or the conditions precedent in the Final Order.

111. It is the Monitor's view that the Applicants have been acting in good faith and with due diligence and an extension of the Stay Period is fair and reasonable.

DISCHARGE OF THE MONITOR

112. Upon the delivery of the Monitor's certificate in accordance with Section 4.05 of the Plans, stating that the Plan Implementation Date has occurred the Monitor will have effectively completed its duties with respect to the Wealthcrete Investment Corporation general partner of Safeguard LP, Concrete Associates Investment Corporation general partner of Safeguard II LP and Concrete Associates II Investment Corporation general partner of Safeguard III LP in the CCAA proceedings.

113. In accordance with the Final Order once the Certificate of Amendment is filed giving effect to the new general partner in Safeguard IV LP and Safeguard V LP the Monitor will have effectively completed its duties with respect to Concrete Associates III Investment Corporation general partner of Safeguard IV LP and Concrete Associates IV Investment Corporation general partner of Safeguard V LP.

114. The Monitor notes that the remaining Applicants are non-operating entities. These Applicants did not file Plans and the stay of proceedings with respect to these Applicants will expire on June 11, 2010. The Monitor's duties with respect to the remaining Applicants will be complete upon the expiration of the stay of proceedings.

DISCHARGE OF THE RECEIVER

115. As noted above the ILP's have voted in favour of the New GP Resolution. The new general partner (the "New GP") of each partnership will be confirmed as the New GP of the Safeguard LP's once the Certificate of Amendment is filed pursuant to the Partnership Act.

116. Once the New GP is confirmed the Receiver's duties with respect to the Safeguard LP's will be complete.

117. The Receiver notes that certain operational liabilities incurred during the Receivership proceedings will be unpaid on the Receiver's discharge date, including operating cost adjustments payable to certain tenants (which the Receiver has been holding funds in reserve to pay). A list of the known post-receivership creditors is attached as Appendix K to this report. The Receiver will be transferring all of the remaining cash on hand (after holding back funds for the estimate of professional fees to completion) to the New GP. The Receiver is not aware of any liabilities that would exceed the funds that will be transferred to the New GP. In the circumstances, the Receiver is of the view that it is appropriate for the New GP to be responsible for payment of these unpaid post-receivership liabilities.

118. The administration of the receivership of the remaining Applicants (with the exception of El Golfo) (the "Discharge Applicants" a list of the Discharge Applicants is attached at Appendix L) is essentially complete, as the assets in the remaining Applicants are limited to the pre-filing inter-entity payables (if any) and potential claims against the former directors. Prior to the Receiver's discharge the Receiver will be filing proofs of claim in the estate of Mr. Humenuik and Mr. Aurora. The Receiver is of the view that its duties with respect to the Discharge Applicants will be complete once the proofs of claim described above are filed and therefore the Receiver is seeking its unconditional discharge with respect to the Discharge Applicants.

119. The Receiver continues to administer the El Golfo estate (as described in the Seventh Report) and is not seeking its discharge with respect to this Applicant.

RECOMMENDATIONS

120. The Monitor recommends that this Honourable Court approve the following:

a) The Strategic Settlement Agreement and the Settlement Amendment Agreement;

b) The acceptance of the late claims as described above;

c) The set-off of certain pre-filing inter-entity debts and the settlement of the revised pre-filing inter-entity debt figures through the issuance of new limited partnership units in the Safeguard LP's at a value which equals the Monitor's estimate of fair market value after allocated professional fees as described in the Seventh Report and as amended in this report;

d) The Monitor's proposed allocation of professional fees as described in the Seventh Report and as updated in this report;

e) The Monitor's, Receiver's and its counsels' professional fees;

f) The Wealthcrete Investment Corporation, Concrete Associates Investment Corporation and Concrete Associates II Investment Corporations motion for the sanctioning of its Plans be approved on the basis that:

i. Notice of the Applicant's Creditors' Meeting held to vote on the Plans were duly given and the Creditors' Meetings were duly constituted;

ii. The Plans are fair and equitable and offers the Affected Creditors a distribution that is the best option in the circumstances;

iii. The Applicant's Affected Creditors, voting in person or by proxy at the Creditors' Meeting, approved the Plans by the majority required by the CCAA; and

iv. To the best of the Monitor's knowledge, the Applicant has complied with all statutory requirements of the CCAA and all previous Orders of this Honourable Court and has not done or purported to do anything which is not authorized by the CCAA.

g) Concrete Associates III Investment Corporation motion for a final order approved on the basis that:

i. The Applicant does not have any Affected Creditors; and

ii. To the best of the Monitor's knowledge, the Applicant has complied with all statutory requirements of the CCAA and all previous Orders of this Honourable Court and has not done or purported to do anything which is not authorized by the CCAA.

h) Concrete Associates IV Investment Corporation motion for a final order approved on the basis that:

i. The Applicant intends to pay its Affected Creditors in full after the Final Order is approved; and

ii. To the best of the Monitor's knowledge, the Applicant has complied with all statutory requirements of the CCAA and all previous Orders of this Honourable Court and has not done or purported to do anything which is not authorized by the CCAA.

i) The Applicants request for an extension of the Stay Period to the Effective Date;

j) The Monitor's full and absolute discharge as described in the Sanction Order or Final Order as applicable; and

k) The Receiver's absolute and unconditional discharge as Receiver of the general partners of the Safeguard LP's, the Safeguard LP's and the Discharge Applicants.

All of which is respectfully submitted this 31st day of May, 2010.

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

Kevin Meyler, CA•CIRP
Vice-President

APPENDIX A

Concerte Associates V Investment Corporation ("Concrete V") / Safeguard Real Estate Investment Fund VI Limited Partnership ("Safeguard 6")
Preliminary Liquidation Analysis **Appendix A**

	Estimate of Book Values $ CDN	HIGH	LOW	Notes
Preliminary Estimated Liquidation Value				
Glenmore Commerce Court	10,550,000	8,967,500	6,857,500	1
Airways Business Plaza	9,000,000	7,650,000	5,850,000	1
Total Assets	**19,550,000**	**16,617,500**	**12,707,500**	
Less: Liquidation Costs	**(977,500)**	**(830,875)**	**(635,375)**	2
Funds Available for Distribution	**18,572,500**	**15,786,625**	**12,072,125**	
Secured Liabilities				
CIBC	(6,148,407)	(6,148,407)	(6,148,407)	3
Manulife	(4,415,756)	(4,415,756)	(4,415,756)	4
AX Limited Partners	(1,774,063)	(1,774,063)	(1,774,063)	5
Strategic Claims				
Grid Note	(3,666,220)	-	(3,666,220)	6
Advance March 30, 2009	(3,390,003)	(3,390,003)	(3,390,003)	7
Advance April 1, 2009	(8,493,000)	-	(8,493,000)	8
Interest on Strategic Claims to January 22, 2010	(1,755,301)	(434,117)	(1,755,301)	9
Termination Fee	(498,000)	(498,000)	(498,000)	10
Total Secured Liabilities	**(30,140,750)**	**(16,660,346)**	**(30,140,750)**	
Funds Available for Distribution to Unsecureds	**(11,568,250)**	**(873,721)**	**(18,068,625)**	

Notes:

1 - Estimate of book values are based on Colliers International appraisals prepared as at April 1, 2009 (see enclosed appraisal letters). High scenario is 85% of purchase price calculations and low scenario is 65%.

2 - Estimate of liquidation costs 5% of high and low asset values.

3 - CIBC Mortgage on title (Glenmore Commerce Court), amount based on consolidated statement of adjustments for the purchase of this property. Original principal amount of $6,250,000 registered on November 22, 2007.

4 - Manulife Mortgage on title (Airways Business Plaza), amount based on consolidated statement of adjustments for the purchase of this property. Original principal amount of $4,750,000 registered on September 29, 2005.

5 - Vendor take back of $1,800,000 as part of the purchase of Glenmore and Airways. Mortgage registered on title in the amount of $15,000,000. AX Limited Partner filed a proof of claim in the Claims process in the amount of $1,774,063 as an unsecured creditor of Concrete V. By virtue of the registration on title the Monitor is of the view that this is a secured claim.

6 - Claims filed by Strategic and related entities in the claims process. Termination fee and costs related to Safeguard LP's 1 to 5. In the high scenario it is assumed that this claim is not valid as against Concrete V and Safeguard 6. In the low scenario it is assumed the Concrete V and Safeguard 6 (by virtue of joint and several liability) are responsible for repayment of this amount.

7 - Claims filed by Strategic and related entities in the claims process. This amount relates to advances to purchase the Glenmore and Airways properties.

8 - Claims filed by Strategic and related entities in the claims process. This amount relates to the repayment of the TCC Mortgage on the Symcor Otis properties. In the high scenario it is assumed that this claim is not valid as against Concrete V and Safeguard 6. In the low scenario it is assumed the Concrete V and Safeguard 6 (by virtue of joint and several liability) are responsible for repayment of this amount.

9 - In the high scenario the interest relates only to the March 30, 2009 advances and in the low scenario the interest includes both the March 30, 2009 and April 1, 2009 advances.

10 - Termination fee payable to Strategic based on the memorandum agreement dated February 11, 2009 between Concrete V and Strategic. Equals 2% of original purchase price ($24,900,000).

APPENDIX B

SETTLEMENT AGREEMENT

THIS AGREEMENT dated the 27th day of April, 2010.

BETWEEN:

ERNST & YOUNG INC., in its capacity as court appointed Interim Receiver and Receiver and Manager and Monitor (the "**Receiver**") of each of **SAFEGUARD REAL ESTATE FUND LIMITED PARTNERSHIP ("Safeguard I")** and its General Partner **WEALTHCRETE INVESTMENT CORPORATION**, **SAFEGUARD REAL ESTATE FUND II LIMITED PARTNERSHIP ("Safeguard II")** and its General Partner **CONCRETE ASSOCIATES INVESTMENT CORPORATION**, **SAFEGUARD REAL ESTATE FUND III LIMITED PARTNERSHIP ("Safeguard III")** and its General Partner **CONCRETE ASSOCIATES INVESTMENT II CORPORATION**, **SAFEGUARD REAL ESTATE FUND IV LIMITED PARTNERSHIP ("Safeguard IV")** and its General Partner **CONCRETE ASSOCIATES INVESTMENT III CORPORATION**, **SAFEGUARD REAL ESTATE FUND V LIMITED PARTNERSHIP ("Safeguard V")** and its General Partner **CONCRETE ASSOCIATES INVESTMENT IV CORPORATION**

OF THE FIRST PART

AND:

STRATEGIC FINANCIAL CORP., **AIRWAYS BUSINESS LIMITED PARTNERSHIP** and its General Partner **AIRWAYS BUSINESS PLAZA CAPITAL CORP.**, **SYMCOR-OTIS LIMITED PARTNERSHIP** and its General Partner **SYMCOR-OTIS CAPITAL CORP.**, **GLENMORE COMMERCE COURT LIMITED PARTNERSHIP** and its General Partner **GLENMORE COMMERCE COURT CAPITAL CORP.** (collectively, the "**Strategic Group**")

OF THE SECOND PART

WHEREAS:

A. By Order of the Honourable Madam Justice B.E.C. Romaine of the Alberta Court of Queen's Bench ("**Justice Romaine**") issued in Alberta Court of Bench Action No. 0901-07666 on June 9, 2009, the Receiver was appointed as interim receiver over all of Safeguard I's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

B. By Order of Justice Romaine issued in Alberta Court of Bench Action No. 0901-07667 on June 9, 2009, the Receiver was appointed as interim receiver over all of Safeguard II's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

C. By Order of Justice Romaine issued in Alberta Court of Bench Action No. 0901-07668 on June 9, 2009, the Receiver was appointed as interim receiver over all of Safeguard III's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

D. By Order of Justice Romaine issued in Alberta Court of Bench Action No. 0901-07669 on June 9, 2009, the Receiver was appointed as interim receiver over all of Safeguard IV's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

E. By Order of Justice Romaine issued in Alberta Court of Bench Action No. 0901-07953 on June 9, 2009, the Receiver was appointed as interim receiver over all of Safeguard V's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

(The Orders described in the preceding paragraphs A through E above shall hereinafter be collectively referred to as the "**Bankruptcy Proposal Proceedings Receivership Orders**".)

F. By Order of Justice Romaine issued in Alberta Court of Bench Action No. 0901-11048 (the "**CCAA Proceedings**") on July 29, 2009 (the "**Receivership Order**"), the Receiver was appointed as interim receiver and receiver and manager over all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of each of Safeguard I, Safeguard II, Safeguard III, Safeguard IV, Safeguard V (individually, a "**Safeguard LP**" and collectively, the "**Safeguard I-V LPs**") and their respective General Partners.

G. The Receivership Order granted the Receiver a charge (the "**Receiver's Charge**") against property of the Safeguard I-V LPs and their respective General Partners with respect to the fees of the Receiver and the fees and disbursements of the Receiver's legal counsel. The Receiver's Charge grants the Receiver a first charge in the amount of $50,000.00 and further provides that the balance after the first $50,000.00, if any, shall rank subordinate to the security of the first mortgagee on the subject property but in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any other Person (as that term is defined in the Receivership Order).

H. By Order of Justice Romaine issued on July 29, 2009, the Bankruptcy Proposal Proceedings Receivership Orders were restated, amended and consolidated with the Receivership Order granted in the CCAA Proceedings.

I. By Order of Justice Romaine issued in the CCAA Proceedings on July 29, 2009 (the "**Initial CCAA Order**"): (i) the Safeguard I-V LPs and their respective General Partners were granted protection under the *Companies Creditors' Arrangement Act*, R.S.C. 1985 c. C-36 (the "***CCAA***"); (ii) the Safeguard I-V LPs and their respective General Partners were granted authority to file with the Court a plan of compromise or arrangement; and (iii) the Receiver was appointed as Monitor in the CCAA Proceedings.

J. By Orders of Justice Romaine issued in the CCAA Proceedings on each of August 19, 2009, October 29, 2009, December 14, 2009 and February 26, 2010 (collectively, the

"**CCAA Extension Orders**") the protection granted under the *CCAA* pursuant to the Initial CCAA Order were extended such that such protection is presently set to expire at 12:00 Noon on April 30, 2010.

K. By Order of Justice Romaine issued in the CCAA Proceedings on December 14, 2009 (the "**Amended and Restated Receivership Order**") the Receivership Order was amended and provided, *inter alia*, that the Receiver be empowered to borrow (the "**Receiver's Borrowings**") by way of a revolving credit or otherwise, such monies as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed:

(a) in relation to Safeguard II and its General Partner, Concrete Associates Investment Corporation, the aggregate sum of $450,000.00;

(b) in relation to Safeguard III and its General Partner, Concrete Associates Investment II Corporation, the aggregate sum of $550,000.00;

(c) in relation to Safeguard IV and its General Partner, Concrete Associates Investment III Corporation, the aggregate sum of $350,000.00; and

(d) in relation to each other Applicant (as such term is defined in the Amended and Restated Receivership Order, which includes Wealthcrete Investment Corporation, the General Partner of Safeguard I, and Concrete Associates Investment VI Corporation, the General Partner of Safeguard V) and related Limited Partnerships (as such term is defined in the Amended and Restated Receivership Order, which includes Safeguard I and Safeguard V), the aggregate sum of $100,000.00 each.

The Amended and Restated Receivership Order further provided that the whole of the property of the respective Safeguard I-V LPs and their respective General Partners is charged by way of a fixed and specific charge with respect to the Receiver's Borrowings (the "**Receiver's Borrowing Charge**").

L. By Order of Justice Romaine issued in the CCAA Proceedings on December 14, 2009 (the "**Claims Process Order**"):

(a) every creditor of any of the respective Safeguard I-V LPs and their respective General Partners claiming to have a Pre-Filing Claim (as such term is defined in the Claims Process Order) against such entities must file a Proof of Claim (as such term is defined in the Claims Process Order) with the Receiver by no later than 5:00 p.m. (Mountain Time) on January 22, 2010 (the "**Claims Bar Date**");

(b) the Receiver is to review each Proof of Claim received by the Claims Bar Date and if such claim was revised or disallowed by the Receiver, the Receiver is to issue a Notice of Revision or Disallowance (as such term is defined in the Claims Process Order) to the creditor on or before 5:00 p.m. on February 3, 2010 (the "**Claims Disallowance Date**"); and

(c) any creditor receiving a Notice of Revision or Disallowance who disputes same shall deliver a Notice of Dispute (as such term is defined in the Claims Process Order) to the Receiver by 5:00 p.m. (Mountain Time) on February 12, 2010 (the "**Notice of Dispute Date**") and thereafter file and serve on the Receiver a Notice of Motion in the CCAA Proceedings returnable within fifteen (15) days after it delivered a Notice of Dispute for determination of the disputed claim.

M. The Strategic Group, in accordance with the terms of the Claims Process Order, filed Proof of Claims with the Receiver by the Claims Bar Date against each of the respective Safeguard I-V LPs and their respective General Partners (collectively, the "**Initial Strategic Group Claims**") as follows:

(a) Strategic Financial Corp. claimed to have secured claims, jointly and severally, against each of: (i) Safeguard I and its General Partner, Wealthcrete Investment Corporation; (ii) Safeguard II and its General Partner, Concrete Associates Investment Corporation; (iii) Safeguard III and its General Partner, Concrete Associates Investment II Corporation; and (iv) Safeguard IV and its General Partner, Concrete Associates Investment III Corporation; in the amount of $3,666,200.00;

(b) Strategic Financial Corp. claimed to have secured claims as against Safeguard V and its General Partner, Concrete Associates Investment IV Corporation, in the amount of $753,059.25;

(c) Each of Airways Business Plaza Limited Partnership, through its General Partner, Airways Business Plaza Capital Corp. (collectively, "**Airways Business Plaza**"), Symcor-Otis Limited Partnership, through its General Partner, Symcor-Otis Capital Corp. (collectively, "**Symcor-Otis**"), and Glenmore Commerce Court Limited Partnership, through its General Partner, Glenmore Commerce Court Capital Corp. (collectively, "**Glenmore Commerce**") claimed to have secured claims, jointly and severally, against each of: (i) Safeguard I and its General Partner, Wealthcrete Investment Corporation; (ii) Safeguard II and its General Partner, Concrete Associates Investment Corporation; (iii) Safeguard III and its General Partner, Concrete Associates Investment II Corporation; and (iv) Safeguard IV and its General Partner, Concrete Associates Investment III Corporation; in the amount of $17,304,504.30; and

(d) Each of Airways Business, Symcor-Otis and Glenmore Commerce claimed to have secured claims as against Safeguard V and its General Partner, Concrete Associates IV Investment Corporation, in the amount of $14,391,363.55.

N. The Receiver, in accordance with the Claims Process Order, reviewed the Initial Strategic Group Claims and issued Notices of Revision or Disallowance (the "**Notices of Disallowance**") with respect to the Initial Strategic Group Claims by the Claims Disallowance Date. The Notices of Disallowance:

(a) Disallowed the claims of Strategic Financial Corp. in their entirety;

(b) Disallowed the claims of Airways Business Plaza, Symcor-Otis and Glenmore Commerce against the Safeguard I-V LPs in their entirety; and

(c) Revised the claims of Airways Business Plaza, Symcor-Otis and Glenmore Commerce as against each of Wealthcrete Investment Corporation, Concrete Associates Investment Corporation, Concrete Associates Investment II Corporation, Concrete Associates Investment III Corporation and Concrete Associates Investment IV Corporation (collectively, the "**Concrete GPs**") to secured claims of $2,563,007.77 and limited the security to receivables owing to the Concrete GPs by the Safeguard I-V LPs.

O. The Strategic Group, in accordance with the Claims Process Order, delivered to the Receiver by the Notice of Dispute Date, Notices of Dispute (the "**Notices of Dispute**") with respect to the Notices of Disallowance. The Notices of Dispute set out the terms of the revised claims of the Strategic Group (collectively, the "**Revised Strategic Group Claims**") as follows:

(a) Acknowledged that the claims of Strategic Financial Corp. are not joint and several.

(b) Disputed the Notice of Disallowance regarding the claims of the Strategic Financial Corp. as against the Safeguard I-V LPs and their respective General Partners such that Strategic Financial Corp. claimed to have:

(i) secured claims in the amount of $395,806.64 against Safeguard I and its General Partner, Wealthcrete Investment Corporation;

(ii) secured claims in the amount of $655,886.46 against Safeguard II and its General Partner, Concrete Associates Investment Corporation;

(iii) secured claims in the amount of $702,546.54 against Safeguard III and its General Partner, Concrete Associates Investment II Corporation;

(iv) secured claims in the amount of $1,105,494.82 against Safeguard IV and its General Partner, Concrete Associates Investment III Corporation; and

(v) secured claims in the amount of $809,485.40 against Safeguard V and its General Partner, Concrete Associates Investment VI Corporation.

(c) Disputed the Notice of Disallowance regarding the claims of Airways Business Plaza, Symcor-Otis and Glenmore Commerce as against the Safeguard I-V LPs such that Airways Business Plaza, Symcor-Otis and Glenmore Commerce claimed to have:

(i) secured claims in the amount of $395,806.64 against Safeguard I;

(ii) secured claims in the amount of $655,886.46 against Safeguard II;

(iii) secured claims in the amount of $702,546.54 against Safeguard III;

(iv) secured claims in the amount of $1,105,494.82 against Safeguard IV; and

(v) secured claims in the amount of $809,485.40 against Safeguard V.

(d) Disputed the Notice of Disallowance regarding the claims of Airways Business Plaza, Symcor-Otis and Glenmore Commerce as against the Concrete GPs such that Airways Business Plaza, Symcor-Otis and Glenmore Commerce claimed to have:

(i) secured claims in the amount of $14,034,110.94 against Wealthcrete Investment Corporation;

(ii) secured claims in the amount of $14,294,190.76 against Concrete Associates Investment Corporation;

(iii) secured claims in the amount of $14,430,850.84 against Concrete Associates Investment II Corporation;

(iv) secured claims in the amount of $14,743,799.12 against Concrete Associates Investment III Corporation; and

(v) secured claims in the amount of $14,447,789.70 against Concrete Associates Investment IV Corporation.

P. The Strategic Group, in accordance with the Claims Process Order, filed and served a Notice of Moton in the CCAA Proceedings on the Receiver returnable on February 26, 2010 for a determination of the Revised Strategic Group Claims (the "**Dispute Application**").

Q. The Dispute Application was adjourned *sine die* on February 26, 2010.

R. By Order of Justice Romaine issued in the CCAA Proceedings on April 12, 2010:

(a) the Receiver was authorized and empowered to borrow from The Standard Life Assurance Company of Canada ("**Standard Life**") up to a maximum of $315,000 (the "**Chiller DIP Loan**") to fund the purchase and installation of a new chiller unit on the SNC Lavalin building municipally described as 909 – 5th Avenue S.W., Calgary, Alberta;

(b) as security for the Chiller Loan, Standard Life was granted a security interest in all of the present and future movable and immovable property, corporeal and incorporeal assets and all proceeds derived directly or indirectly therefrom of Concrete Associates Investment Corporation as General Partner of Safeguard II (the "**Chiller DIP Financing Charge**"); and

(c) the Chiller DIP Financing was granted priority to all interests, charges and encumbrances in favour of all other creditors of Safeguard II and its General Partner Concrete Associates Investment Corporation.

S. The Receiver and the Strategic Group have agreed to settle those portions of the Initial Strategic Group Claims and the Revised Strategic Group Claims as they relate to claims against the Safeguard I-V LPs and their respective General Partners (hereinafter collectively referred to as the "**Strategic Group Claims**") upon certain terms and conditions more particularly described in this Settlement Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and obligations herein contained, and other good and valuable consideration, the receipt and sufficiency of each of which is hereby acknowledged by each of the parties, the parties hereto agree as follows:

ARTICLE 1
ACKNOWLEDGEMENTS

1.1 RECITALS

Each of the parties hereto acknowledge and agree that each of the recital paragraphs A. to S. to this Settlement Agreement are accurate and complete and form an integral part of this Settlement Agreement.

ARTICLE 2
SETTLEMENT

2.1 SETTLED AMOUNT OF STRATEGIC GROUP CLAIMS

Each of the parties hereto acknowledge and agree that: (i) the principal owing on the Strategic Group Claims are hereby quantified in the following agreed upon amounts; and (ii) the the claims of the various entities comprising the Strategic Group shall collectively be accepted against the entities stated below in the following agreed upon principal amounts (collectively, the "**Settled Strategic Group Claims Principal**"):

(a) $299,731.47 as against Safeguard I and its General Partner Wealthcrete Investment Corporation;

(b) $436,753.76 as against Safeguard II and its General Partner Concrete Associates Investment Corporation;

(c) $460,751.61 as against Safeguard III and its General Partner Concrete Associates Investment II Corporation;

(d) $670,207.73 as against Safeguard IV and its General Partner Concrete Associates Investment III Corporation; and

(e) $516,220.76 as against Safeguard V and its General Partner Concrete Associates Investment IV Corporation.

2.2 DATE OF QUANTIFICATION OF SETTLED STRATEGIC GROUP CLAIMS

The Settled Strategic Group Claims Principal is quantified as of the date of July 1, 2010.

2.3 INTEREST RATE ON SETTLED STRATEGIC GROUP CLAIMS

Interest on the Settled Strategic Group Claims Principal shall be payable at a rate of 9% per annum calculated and compounded monthly on the last day of each month until the date of payment in full.

2.4 WITHDRAWAL OF DISPUTE APPLICATION

The Strategic Group hereby acknowledges and agrees that the Dispute Application as it specifically relates to the Strategic Group Claims is hereby withdrawn.

ARTICLE 3
REPAYMENT OF SETTLED STRATEGIC GROUP CLAIMS

3.1 PAYMENT OF SETTLED STRATEGIC GROUP CLAIMS PRINCIPAL

The Settled Strategic Group Claims Principal shall be repayable as follows:

(a) With respect to the $299,731.42 sum payable by Safeguard I and its General Partner Wealthcrete Investment Corporation, such sum shall not be payable until such time as the primary assets of Safeguard I consisting of: (i) a property municipally described as 13750 Bow Bottom Trail S.E., Calgary, Alberta (“**Deer Valley Station**”); and (ii) a property municipally described as 15 Millrise Boulevard S.W., Calgary, Alberta (“**Millrise Plaza**”), are sold.

(b) With respect to the $436,753.76 sum payable by Safeguard II and its General Partner Concrete Associates Investment Corporation, such sum shall not be payable until such time as the primary asset of Safeguard II consisting of a property municipally described as 909 – 5 Avenue S.W., Calgary, Alberta (the “**SNC Lavalin Building**”) is sold.

(c) With respect to the $460,751.61 sum payable by Safeguard III and its General Partner Concrete Associates Investment II Corporation, such sum shall not be payable until such time as the primary asset of Safeguard III consisting of a property municipally described as 55 Castleridge Boulevard N.E., Calgary, Alberta (“**Castleridge**”) is sold.

(d) With respect to the $670,207.73 sum payable by Safeguard IV and its General Partner Concrete Associates Investment III Corporation, such sum shall not be payable until such time as the primary asset of Safeguard IV consisting of a property municipally described as 396 – 11 Avenue S.W., Calgary, Alberta (“**Concrete Equities Place**”) is sold.

(e) With respect to the $516,220.76 sum payable by Safeguard V and its General Partner Concrete Associates Investment IV Corporation, such sum shall not be payable until such time as the primary asset of Safeguard V consisting of a property municipally described as 1001 - 1 Street S.E., Calgary, Alberta (“**MEG Place**”) is sold.

3.2 PAYMENT OF INTEREST

Interest on the Settled Strategic Group Claims Principal shall be payable in monthly instalments and shall be payable on the first day of each month commencing August 1, 2010 and shall be payable in the following amounts as follows (collectively, the “**Settled Strategic Group Claims Interest Payments**”):

(a) With respect to the interest payable by Safeguard I and its General Partner Wealthcrete Investment Corporation, the monthly interest payment shall be $2,247.99.

(b) With respect to the interest payable by Safeguard II and its General Partner Concrete Associates Investment Corporation, the monthly interest payment shall be $3,275.65.

(c) With respect to the interest payable by Safeguard III and its General Partner Concrete Associates Investment II Corporation, the monthly interest payment shall be $3,455.64.

(d) With respect to the interest payable by Safeguard IV and its General Partner Concrete Associates Investment III Corporation, the monthly interest payment shall be $5,026.56.

(e) With respect to the interest payable by Safeguard V and its General Partner Concrete Associates Investment IV Corporation, the monthly interest payment shall be $3,871.66.

3.3 EARLY REPAYMENT OPTION

Each of the Safeguard I-V LPs and their respective General Partner shall have the option of repaying its respective share of the Settled Strategic Group Claims Principal, without penalty or bonus, prior to sale of that particular Safeguard LP’s primary asset, provided however that the Strategic Group has received a minimum of six (6) months of Settled Strategic Group Claims Interest Payments from that particular Safeguard LP and its respective General Partner.

ARTICLE 4
SECURITY

4.1 SECURITY FOR REPAYMENT OF THE SETTLED STRATEGIC GROUP CLAIMS PRINCIPAL AND INTEREST

To secure repayment of the Settled Strategic Group Claims Principal and the Settled Strategic Group Claims Interest Payments, the Receiver shall seek an Order of the Alberta Court of Queen's Bench in the CCAA Proceedings (the "**Strategic Group Security Court Order**") granting the Strategic Group a fixed security interest charge (collectively, the "**Strategic Group Security**"):

(a) Against title to each of Deer Valley Station and Millrise Plaza with respect to the \$299,731.42 portion of the Settled Strategic Group Claims Principal and the \$2,247.99 monthly portion of the Settled Strategic Group Claims Interest Payments payable by Safeguard I and its General Partner Wealthcrete Investment Corporation.

(b) Against title to the SNC Lavalin Building with respect to the \$436,753.76 portion of the Settled Strategic Group Claims Principal and the \$3,275.65 monthly portion of the Settled Strategic Group Claims Interest Payments payable by Safeguard II and its General Partner Concrete Associates Investment Corporation.

(c) Against title to Castleridge with respect to the \$460,751.61 portion of the Settled Strategic Group Claims Principal and the \$3,455.64 monthly portion of the Settled Strategic Group Claims Interest Payments payable by Safeguard III and its General Partner Concrete Associates Investment II Corporation.

(d) Against title to Concrete Equities Place with respect to the \$670,207.73 portion of the Settled Strategic Group Claims Principal and the \$5,026.56 monthly portion of the Settled Strategic Group Claims Interest Payments payable by Safeguard IV and its General Partner Concrete Associates Investment III Corporation.

(e) Against title to MEG Place with respect to the \$516,220.76 portion of the Settled Strategic Group Claims Principal and the \$3,781.66 monthly portion of the Settled Strategic Group Claims Interest Payments payable by Safeguard V and its General Partner Concrete Associates Investment IV Corporation.

4.2 POSITION OF STRATEGIC GROUP SECURITY

The Strategic Group Security shall rank in priority to all other claimants with the exception of the following (collectively, the "**Present Charges**"):

(a) Any existing mortgages registered as at April 27, 2010 against title to Deer Valley Station, Millrise Plaza, the SNC Lavalin Building, Castleridge, Concrete Equities Place and MEG Place (collectively, the "**Real Property**");

(b) The Chiller DIP Financing Charge;

(c) The Receiver's Charge; and

(d) The Receiver's Borrowing Charge.

The Strategic Group Security shall be postponed to the Present Charges and to any replacement security totalling no more than the Present Charges.

4.3 LIMITATIONS OF THE STRATEGIC GROUP SECURITY

The Strategic Group Security will entitle the Strategic Group to receive payment of the particular Safeguard LPs and its respective General Partner's share of the Settled Strategic Group Claims Principal upon the sale of that particular Safeguard LP's Real Property. Should an Event of Default (as defined below) occur, the Strategic Group Security shall not entitle any entity comprising the Strategic Group to foreclose on any of Deer Valley Station, Millrise Plaza, the SNC Lavalin Building, Castleridge, Concrete Equities Place or MEG Place. Should an Event of Default occur, the Strategic Group Security shall however be entitled to commence legal proceedings against the Safeguard LP and its respective General Partner that has committed the Event of Default.

4.4 CONDITION PRECEDENT OF THE STRATEGIC GROUP COURT ORDER

It is a condition precedent of the settlements contemplated by this Settlement Agreement that:

(a) the Strategic Security Court Order be obtained on or before June 11, 2010 (the "**Condition Precedent Fulfilment Date**"), which date may be extended by agreement in writing by the parties hereto. The Strategic Security Court Order will include express approval of the terms of this Settlement Agreement; and

(b) that the Receiver obtain an Order sanctioning a plan of compromise or arrangement with respect to the Safeguard I-V LPs in the CCAA Proceedings (the "**Plan Sanctioning Order**") on or before the Condition Precedent Fulfillment Date.

In the event either the Strategic Security Court Order or the Plan Sanctioning Order is not obtained by the Condition Precedent Fulfillment Date, this Settlement Agreement shall be null and void.

ARTICLE 5
DEFAULT

5.1 EVENT OF DEFAULT

Should:

(a) a Safeguard LP and its respective General Partner fail to make a Settled Strategic Group Claims Interest Payment on the date required in accordance with section 3.2 hereof (an "Interest Payment Default"); and

(b) should such Interest Payment Default not be remedied within sixty (60) days;

such event shall be considered an event of default (**"Event of Default"**) hereunder and shall entitle the Strategic Group to exercise such remedies as are available to it pursuant to section 4.3 hereunder.

5.2 REPLACEMENT OF GENERAL PARTNER

The Receiver shall be at liberty to replace any of the Concrete GPs as General Partner of any of the Safeguard I-V LPs with a new entity to act as General Partner and such replacement shall not constitute an Event of Default hereunder.

ARTICLE 6
RELEASE & DISCHARGE

6.1 RELEASE BY STRATEGIC GROUP

Payment of the Settled Strategic Group Claims Principal and Settled Strategic Group Claims Interest Payments in accordance with the terms of this Settlement Agreement represents full and final settlement of all claims of the Strategic Group against each of the Safeguard I-V LPs and their respective General Partners. Upon receipt of payment of a respective Safeguard LPs and its respective General Partner share of the Settled Strategic Group Claims Principal and Settled Strategic Group Claims Interest Payments in accordance with the terms of this Settlement Agreement, each entity comprising the Strategic Group, together with its employees, servants, agents, directors, officers, members, administrators, predecessors, successors, affiliates, heirs, beneficiaries, assigns and executors, hereby acknowledges and agrees to release and forever discharge that particular Safeguard LP and its respective General Partner from any and all manner of actions, cause and causes of action, contracts (whether expressed or implied), claims, demands, damages, loss, injury, suits, debts, sums of money, indemnity, expenses, interest, costs and claims of any kind and every kind and nature whatsoever, at law or in equity or statutory, which it ever had or now have or which they can, shall or may hereafter have by reason of any cause, matter or thing AND (without limiting the generality of the foregoing) in particular with respect to: (i) the Strategic Group Claims; (ii) the Settled Strategic Group Claims Principal and Settled Strategic Group Claims Interest Payments; and (iii) any claims any entity comprising the Strategic Group may have or acquire through the bankruptcies of Varun Aurora and Dave Humeniuk, or through Vincenzo De Palma or through any future bankruptcy of Vincenzo De Palma against a particular Safeguard LP and its respective General Partner (collectively, the **"Release"**). The Release shall not apply to any claims that the Strategic Group has against Safeguard Real Estate Fund VI Limited Partnership and its General Partner Concrete Associates Investment V Corporation, Safeguard Real Estate Fund VII Limited Partnership and its General Partner Concrete Associates Investment VI Corporation, nor to any claim that 550 Capital Corp., an entity affiliated with the Strategic Group, may have against any of the Safeguard I-V LPs and their respective General Partners.

6.2 DISCHARGE OF STRATEGIC GROUP SECURITY

Upon receipt of payment of a Safeguard LPs' and its respective General Partner's share of the Settled Strategic Group Claims Principal and Settled Strategic Group Claims Interest Payments in accordance with the terms of this Settlement Agreement, the Strategic Group shall discharge the Strategic Group Security registered against title of that particular Safeguard LP's Real Property.

ARTICLE 7
MISCELLANEOUS

7.1 ENTIRE AGREEMENT

Each of Receiver and the Strategic Group expressly agrees that this Settlement Agreement, as written, represents the entire agreement between the parties hereto and this Settlement Agreement may not be altered, added to or varied without the express written authorization of each of the parties hereto. Each of the Receiver and the Strategic Group further acknowledge that neither the Receiver nor any entity comprising the Strategic Group has made or relied upon other representations, inducements, statements, conditions, terms or warranties (neither written nor oral nor expressed nor implied) except as expressly set out in writing in this Settlement Agreement.

7.2 ENUREMENT

This Settlement Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

7.3 GOVERNING LAW

This Settlement Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the parties hereby attorns to the non-exclusive jurisdiction of the Courts of Alberta.

7.4 INVALIDITY OF PROVISIONS

If any one or more of the provisions contained in this Settlement Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.5 TIME OF THE ESSENCE

The parties agree that time shall be of the essence of this Settlement Agreement in all respects.

7.6 FURTHER ASSURANCES

The parties hereby agree that they will execute such further documents, deeds, assurances, including any amendments to all or any of the Strategic Group Security, and that they will do all such acts as may be reasonably required to fully implement the intent of this Settlement Agreement.

7.7 WAIVER

No condoning, excusing or waiver by any party of any default, breach or non-observance by another party at any time or times with respect to any covenants or provisos contained in this Settlement Agreement shall constitute a waiver by that party of its rights to act upon such or further default, breach or non-observance.

7.8 COUNTERPART EXECUTION

This Settlement Agreement may be executed in two or more counterparts, and may be signed by facsimile or other means of electronic communication producing a printed copy, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear the date first written above.

Balance of page intentionally left blank. Execution pages to follow.

IN WITNESS WHEREOF the parties have executed this Settlement Agreement effective as of the date first above written.

ERNST & YOUNG INC., in its capacity as court appointed Interim Receiver and Receiver and Manager and Monitor of each of:
SAFEGUARD REAL ESTATE FUND LIMITED PARTNERSHIP
and its General Partner **WEALTHCRETE INVESTMENT CORPORATION,**
SAFEGUARD REAL ESTATE FUND II LIMITED PARTNERSHIP
and its General Partner **CONCRETE ASSOCIATES INVESTMENT CORPORATION,**
SAFEGUARD REAL ESTATE FUND III LIMITED PARTNERSHIP
and its General Partner **CONCRETE ASSOCIATES INVESTMENT II CORPORATION,**
SAFEGUARD REAL ESTATE FUND IV LIMITED PARTNERSHIP
and its General Partner **CONCRETE ASSOCIATES INVESTMENT III CORPORATION,**
and **SAFEGUARD REAL ESTATE FUND V LIMITED PARTNERSHIP**
and its General Partner **CONCRETE ASSOCIATES INVESTMENT IV CORPORATION**

Per:________________________________

STRATEGIC FINANCIAL CORP.

Per:________________________________

AIRWAYS BUSINESS PLAZA CAPITAL CORP. in its own corporate capacity and its capacity as General Partner of **AIRWAYS BUSINESS LIMITED PARTNERSHIP**

Per:________________________________

SYMCOR-OTIS CAPITAL CORP. in its own corporate capacity and its capacity as General Partner of **SYMCOR-OTIS LIMITED PARTNERSHIP**

Per:________________________________

GLENMORE COMMERCE COURT CAPITAL CORP. in its own corporate capacity and its capacity as General Partner of **GLENMORE COMMERCE COURT LIMITED PARTNERSHIP**

Per:________________________________

APPENDIX C

SETTLEMENT AMENDING AGREEMENT

THIS AGREEMENT made this 26th day of May, 2010.

BETWEEN:

ERNST & YOUNG INC., in its capacity as court appointed Interim Receiver and Receiver and Manager and Monitor (the "**Receiver**") of each of **SAFEGUARD REAL ESTATE FUND LIMITED PARTNERSHIP** ("**Safeguard I**") and its General Partner **WEALTHCRETE INVESTMENT CORPORATION, SAFEGUARD REAL ESTATE FUND II LIMITED PARTNERSHIP** ("**Safeguard II**") and its General Partner **CONCRETE ASSOCIATES INVESTMENT CORPORATION, SAFEGUARD REAL ESTATE FUND III LIMITED PARTNERSHIP** ("**Safeguard III**") and its General Partner **CONCRETE ASSOCIATES INVESTMENT II CORPORATION, SAFEGUARD REAL ESTATE FUND IV LIMITED PARTNERSHIP** ("**Safeguard IV**") and its General Partner **CONCRETE ASSOCIATES INVESTMENT III CORPORATION, SAFEGUARD REAL ESTATE FUND V LIMITED PARTNERSHIP** ("**Safeguard V**") and its General Partner **CONCRETE ASSOCIATES INVESTMENT IV CORPORATION**

OF THE FIRST PART

AND:

STRATEGIC FINANCIAL CORP., AIRWAYS BUSINESS PLAZA LIMITED PARTNERSHIP and its General Partner **AIRWAYS BUSINESS PLAZA CAPITAL CORP., SYMCOR-OTIS LIMITED PARTNERSHIP** and its General Partner **SYMCOR-OTIS CAPITAL CORP., GLENMORE COMMERCE COURT LIMITED PARTNERSHIP** and its General Partner **GLENMORE COMMERCE COURT CAPITAL CORP.** (collectively, the "**Strategic Group**")

OF THE SECOND PART

WHEREAS:

A. Pursuant to a Settlement Agreement dated the 27th day of April, 2010 (the "**Settlement Agreement**"), between the Receiver in its capacity as court appointed Interim Receiver and Manager and Monitor of each of Safeguard I, Safeguard II, Safeguard III, Safeguard IV, Safeguard V and their respective General Partners, of the first part, and the Strategic Group, of the second part, the Receiver and the Strategic Group agreed to settle the Strategic Group Claims (as such term is defined in the Settlement Agreement).

B. The parties hereto wish to amend the Settlement Agreement in accordance with this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and obligations herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Capitalized terms that are used but not otherwise defined in this Agreement shall have the corresponding meaning ascribed to them in the Settlement Agreement.

2. The Settlement Agreement shall be amended as follows:

   (a) Where the words "Airways Business Limited Partnership" appear in the Settlement Agreement, such words shall be deleted and replaced with the words "Airways Business Plaza Limited Partnership".

   (b) The following shall be added to the Settlement Agreement and inserted as paragraph 6.3:

   "**6.3 <u>CONVENANT NOT TO SUE BY SAFEGUARD I-V LPs</u>**

   The Safeguard I-V LPs and their respective General Partners hereby covenant and agree not to sue an entity comprising the Strategic Group, any related entity, any of their employees, servants, agents, directors, officers, members, administrators, predecessors, successors, affiliates, heirs, beneficiaries, assigns and executors, with respect to any cause, matter or thing in any way related to the Strategic Group Claims or any transactions between the Safeguard I-V LPs directly or on their behalf, and any entity comprising the Strategic Group or any related entity contemplated under the Memorandum of Agreement made February 11, 2009 between the Safeguard I-V LPs and their respective General Partners, Varun Aurora, Vincenzo De Palma and Strategic Financial Corp. on behalf of limited partnerships to be formed."

3. This Agreement, upon approval by Order of the Court in Alberta Court of Queen's Bench Action No. 0901-11048, amends the Settlement Agreement with effect as and from the date first written above, provided that, in all other respects, the Settlement Agreement is hereby confirmed.

4. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear date as of the date of this Agreement. Any such executed counterpart may be delivered by facsimile transmission or by email in PDF format and will be deemed to be an original document, provided that any party executing this Agreement by facsimile copy or PDF format shall deliver an originally executed copy of this Agreement immediately thereafter to each of the other parties hereto.

Balance of page intentionally left blank. Execution pages to follow.

IN WITNESS WHEREOF the parties have executed this Settlement Amending Agreement effective as of the date first above written.

ERNST & YOUNG INC., in its capacity as court appointed Interim Receiver and Receiver and Manager and Monitor of each of:
SAFEGUARD REAL ESTATE FUND LIMITED PARTNERSHIP
and its General Partner **WEALTHCRETE INVESTMENT CORPORATION,**
SAFEGUARD REAL ESTATE FUND II LIMITED PARTNERSHIP
and its General Partner **CONCRETE ASSOCIATES INVESTMENT CORPORATION,**
SAFEGUARD REAL ESTATE FUND III LIMITED PARTNERSHIP
and its General Partner **CONCRETE ASSOCIATES INVESTMENT II CORPORATION,**
SAFEGUARD REAL ESTATE FUND IV LIMITED PARTNERSHIP
and its General Partner **CONCRETE ASSOCIATES INVESTMENT III CORPORATION,**
and **SAFEGUARD REAL ESTATE FUND V LIMITED PARTNERSHIP**
and its General Partner **CONCRETE ASSOCIATES INVESTMENT IV CORPORATION**
Per:____________________________

STRATEGIC FINANCIAL CORP.
Per:____________________________

AIRWAYS BUSINESS PLAZA CAPITAL CORP. in its own corporate capacity and its capacity as General Partner of **AIRWAYS BUSINESS PLAZA LIMITED PARTNERSHIP**

Per:____________________________

SYMCOR-OTIS CAPITAL CORP. in its own corporate capacity and its capacity as General Partner of **SYMCOR-OTIS LIMITED PARTNERSHIP**

Per:____________________________

GLENMORE COMMERCE COURT CAPITAL CORP. in its own corporate capacity and its capacity as General Partner of **GLENMORE COMMERCE COURT LIMITED PARTNERSHIP**

Per:____________________________

APPENDIX D

Appendix I

ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE

IMAGE OF DOCUMENT REGISTERED AS:

081322736

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

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"*The Land Titles Act*"

MORTGAGE

Concrete Associates IV Investment Corporation, c/o Canadian Mortgage Strategies & Investments (Pacific), Suite 1630 – 1177 West Hastings Street, Vancouver, BC V6E 2K3 (hereinafter called the "Mortgagor"), being registered as owner of an estate in fee simple, with respect to the following lands, namely:

Firstly:

PLAN 8711689
BLOCK 70
LOT 43

EXCEPTING THEREOUT ALL MINES AND MINERALS

Secondly:

PLAN "A"
BLOCK 70
LOTS 8 AND 9

(collectively, the "Mortgaged Premises")

IN CONSIDERATION of the principal sum of Twelve Million Five Hundred Thousand Dollars ($12,500,000.00) loaned to the Mortgagor by CIBC Mortgages Inc. (the "Lender") of P.O. Box 115 Commerce Court Postal Station, Toronto, in the Province of Ontario, M5L 1E5 (Attention: Commercial Mortgage Department), the receipt of which sum the Mortgagor does hereby acknowledge, and covenants with the Lender that:

REPAYMENT
(Fixed Rate)

1. The Mortgagor will pay to the Lender the principal sum of $12,500,000.00, in lawful money of Canada at the Lender's Main Office in Calgary, in the Province of Alberta, or at such other place as may be designated by the Lender with interest at the rate of 5.303 per annum, calculated half-yearly not in advance as well after as before maturity until the principal sum and interest and all other money payable under this mortgage, sometimes herein referred to as the "Mortgage Monies" or the "monies secured hereby", shall be fully paid as follows:

(a) Interest at the aforesaid rate on the amounts of the principal sum from time to time advanced, computed from the respective dates of such advances up to and including the first day of September, 2008 (hereinafter called the "interest adjustment date") shall become due and be paid on the date last mentioned, provided the Lender may require the aforesaid interest on the principal advances made from time to time, computed from the date of each such advances, to become due and payable in monthly installments on the first day of the month next following the first advance, and on the first day of each and every month thereafter and the balance, if any, of the aforesaid interest on advances shall become due and be paid on the Interest adjustment date, and at the option of the Lender, interest so due and payable may be deducted from such advances;

(b) Thereafter the principal sum together with interest at the aforesaid rate, computed from the date last mentioned shall become due and be paid by equal consecutive monthly installments of Seventy-four Thousand Eight Hundred Seventy-One Dollars and Sixty-four Cents ($74,871.64) each, the first of such installments to become due and be paid on the first day of October, 2008, and a like amount on the first day of each and every consecutive succeeding month thereafter up to and including the first day of September, 2013, and the full balance of the principal sum and interest thereon as aforesaid shall become due and be paid on the date last mentioned; and

(c) Except as otherwise agreed in writing, payments or other monies received by the Lender may be applied by it on any part of the Mortgage Monies determined by it from time to time, notwithstanding any contrary stipulation by the Mortgagor. The Lender may from time to time revoke or alter any such application and reapply the amount in question on any other part of the Mortgage Monies determined by it.

2. All interest in arrears shall become principal and bear interest at the rate aforesaid, payable at the times, in the manner and at the place herein mentioned for the payment of interest, from the time the same becomes due and payable. In case the sums hereby secured or any part thereof be not paid at the time or times above set forth for payment thereof the Mortgagor will, so long as such sums or any part thereof remain unpaid or owing on the security hereof, or during the continuance of this security, pay interest from day to day as above provided on the said sums or on so much thereof as shall for the time being remain due, owing or unpaid during the continuance of this security, and the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Lender's right to interest, at the above rate, on any monies due or owing to the Lender during the continuance of this security, under any of the covenants herein contained or on any judgment to be recovered thereon. Provided that in the event of any default being made in the payment of any installment of interest secured under this Mortgage the same shall thereupon become part of the principal sum hereby secured and shall bear interest from the time when the same became due at the rate aforesaid, and on each day when any installment of interest falls due hereunder in each and every year until the whole of the said principal sum and interest secured hereby is fully paid and satisfied; all sums of money, whether interest or otherwise, then due and remaining unpaid shall become principal and bear interest at the rate aforesaid.

3. (a) The Mortgagor shall insure each and every building on the Mortgaged Premises and keep them constantly insured against loss or damage by fire and such other risks, hazards or perils as the Lender may require to be protected by Insurance from time to time and in respect of which a prudent owner of a comparable property would in the opinion of the Lender insure at such time, to the full extent of their insurable value for replacement cost on a stated amount basis before, during and after any period of construction. Such insurance shall, at the request of the Lender, include without limitation the following insurance coverage in respect of the Mortgaged Premises and all buildings thereon:

(i) fire insurance with "All Risk" coverage under a form providing coverage of at least equivalent to Commercial Building Broad Form (IAO Form 700) including building by-laws, earthquake, flood and malicious damage endorsement and coverage for foundation and all parts below ground level and leakage from fire protection equipment all on a stated amount replacement cost basis (all as defined by and provided in accordance with the terms and conditions stipulated by the Insurers' Advisory Organization), and in any event for not less than the principal amount loaned by the Lender to the Mortgagor and secured by this Mortgage, with first loss payable to the Lender by way of a mortgage clause insurance endorsement approved by the Insurers' Advisory Organization. Any provisions in any policy with respect to reconstruction in the case of loss on "same or adjacent sites" shall be deleted therefrom. In the event that such organization shall cease to exist, the aforesaid stipulation and approval shall be made by the Lender, acting reasonably; permission shall be provided in such insurance policy for the aforesaid buildings to be vacant or unoccupied for a period of at least thirty (30) days and shall provide for partial occupancy;

(ii) comprehensive broad form boiler and machinery insurance on a blanket replacement basis, including unfired pressure vessels insurance and air-conditioning and miscellaneous electrical apparatus equipment, if any, and including coverage for building by-laws endorsement and repair and replacement, and including use and occupancy coverage, all for an amount satisfactory to the Lender, with first loss payable to the Lender by way of a Boiler and Machinery Insurance Association mortgage clause acceptable to the Lender;

(iii) comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of Five Million Dollars ($5,000,000.00) per occurrence, written on an inclusive basis; and

(iv) rental and business interruption insurance coverage sufficient to cover one hundred percent (100%) of the gross annual income on an "All Risk" basis as provided under Commercial Building Broad Form (IAO Form 700) including building by-laws endorsement, earthquake and flood, providing coverage at least equivalent to IAO Profits Form 551 with at least a 12 month indemnity period.

(b) Prior to the making of any advance by the Lender of the principal sum hereby secured, the Mortgagor shall deliver to the Lender evidence acceptable to the Lender of such insurance, and at least thirty (30) days prior to the date fixed for expiration by affluxion of time or pursuant to notice of cancellation of any policy of such insurance evidence also acceptable to the Lender of renewal or replacement.

(c) Every policy of insurance shall be effected only in such form and content and with such insurer as may be approved by the Lender, and shall have attached to it a mortgage clause insurance endorsement acceptable to the Lender, and shall be executed by the insurer or insurers issuing the policy; co-insurance provisions will not be acceptable in any of the insurance policies. The loss under each policy shall be made payable to the Lender with preference in its favour over any claim of any other person. Each policy shall be retained by the Lender during the currency of this Mortgage. Should an insurer at any time cease to have the approval of the Lender, the Mortgagor shall effect such new insurance as the Lender may require. In the event of failure on the Mortgagor's part to execute any obligation undertaken under this paragraph, the Lender may effect such insurance as it deems proper and all premiums paid by it in respect thereof shall be repaid forthwith to the Lender, and until so repaid all premiums paid by it shall bear interest at the rate hereinbefore provided, calculated from the date the premiums are paid by the Lender, and the said premium and interest shall be a charge on the Mortgaged Premises. All cancellation and alteration provisions in the above described policies, including those contained in the mortgage clause insurance endorsement, shall require thirty (30) days' prior notice to the Lender of the cancellation or any material alterations of any such policy. In addition to the requirements of subparagraph (a), the Lender shall be entitled to require coverage of such other risks and perils as the Lender may from time to time consider advisable or desirable and in respect of which insurance coverage may be available, and the Mortgagor agrees to immediately obtain at its cost all such additional insurance in accordance with the Lender's request and subject to its approval as provided herein.

(d) In case of loss or damage, the Mortgagor shall immediately notify the Lender and the Lender shall have the right to receive the proceeds of each insurance policy which insures any building or other improvement to the Mortgaged Premises. In the event the Mortgagor is then in breach in respect of the due observation or performance of any covenant or condition which this Mortgage requires them to observe or perform, the Lender shall have the right to apply the said insurance proceeds wholly or in part in reduction of the principal sum then unpaid. Otherwise, such insurance proceeds shall be applied to the cost of repair and restoration and, subject to compliance with the *Builders' Lien Act* (Alberta) or any successor to such statute, shall be paid out from time to time to the Mortgagor' order as repair work progresses in payment for the cost of repairs unless, in the opinion of the Lender, the insurance proceeds shall be insufficient to pay the entire cost of repairs in which event payment of such proceeds shall be conditional upon the prior payment by the Mortgagor of the deficiency. The initial receipt by the Lender of such proceeds shall not, until the express appropriation of them by the Lender to such use, operate as payment of the principal sum. No damage may be repaired nor any reconstruction effected without the prior written approval of the Lender which shall not be unreasonably withheld. Payment of insurance proceeds in payment of the cost of repairs shall also be conditional upon receipt by the Lender of assurance acceptable to it that this Mortgage will be and remain a first charge against the Mortgaged Premises having priority over all other mortgages, liens, charges and encumbrances existing in respect thereof following completion of the repair and disbursement of the insurance proceeds to the full extent of the principal sum then outstanding.

4. That, subject as hereinafter in this paragraph provided, the Mortgagor will pay, as and when the same fall due, all taxes, rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the Mortgaged Premises or on this Mortgage, or on the Lender in respect of this Mortgage; PROVIDED that, in respect of municipal taxes against the Mortgaged Premises:

(a) The Lender may pay out of and deduct from any advance of the monies secured by this Mortgage any taxes, the whole or any instalment of which become payable on or before the interest adjustment date;

(b) The Mortgagor shall, in each year during the currency hereof, if requested in writing by the Lender, pay to the Lender, in equal monthly installments, such amount as the Lender may estimate as being the annual taxes next becoming due and payable, the said monthly installments to be paid with and in addition to the monthly installments of interest and principal due and payable under this Mortgage, and the Mortgagor shall also pay to the Lender, before the due date of the current annual taxes, any additional sums that may be requisite in order that out of such monthly and additional payments, the Lender may pay the whole amount of the annual taxes on or before the due date thereof;

(c) The Lender shall apply such deduction and payments on the taxes as they become due, so long as the Mortgagor is not in default under any covenant or agreement contained in this Mortgage, but nothing herein contained shall obligate the Lender to apply such payments on account of taxes more often than yearly; PROVIDED, HOWEVER, that if, before any sum or sums so paid to the Lender shall have been so applied, there shall be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Lender may, at its option, apply such sum or sums in or towards payment of the principal and/or interest in default; and

(d) In default of the payment by the Mortgagor of monies for taxes as aforesaid, then the Lender may pay such taxes and also any liens, charges and encumbrances which may be charged against the Mortgaged Premises, and all monies expended by the Lender for any of such purposes shall be added to the principal monies hereby secured and paid by the Mortgagor to the Lender forthwith, and until paid, shall bear interest at the rate aforesaid.

5. That all erections, buildings, fences and improvements, fixed or otherwise, now on or hereafter put on the Mortgaged Premises are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the realty and of the security, and are included in the expression the "Mortgaged Premises", and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of this security repair, maintain, restore, amend, keep, make good, finish, add to and put in order, and in the event of any loss or damage thereto or destruction thereof, the Lender may give notice to the Mortgagor to repair, rebuild or reinstate the same, within a time to be determined by the Lender and to be stated in such notice, and upon the Mortgagor failing so to repair, rebuild or reinstate within such time, such failure shall constitute a breach of covenant hereunder, and thereupon, the Mortgage Monies shall, at the option of the Lender, become immediately due and payable and without any demand by the Lender upon the Mortgagor; PROVIDED that the Lender may repair, rebuild or reinstate the Mortgaged Premises at the cost of the Mortgagor and charge all monies determined by the Lender to be properly paid therefor to the Mortgage Account. This provision shall be in addition to any statutory covenants implied in this Mortgage.

6. AND THE Mortgagor FURTHER COVENANTS AND AGREES WITH THE LENDER THAT:

(a) The Mortgagor has good title to the Mortgaged Premises;

(b) The Mortgagor has the right to mortgage the Mortgaged Premises;

(c) On default, the Lender shall have quiet possession of the Mortgaged Premises;

(d) The Mortgaged Premises are free from all encumbrances except as otherwise registered on title as of the date hereof;

(e) The Mortgagor will execute such further assurances of the Mortgaged Premises as may be required; and

(f) The Mortgagor has done no act to encumber the Mortgaged Premises.

7. AND THE MORTGAGOR FURTHER COVENANTS AND AGREES WITH THE LENDER THAT, in the event of default being made in any of the covenants, agreements, provisos or stipulations expressed or implied herein;

(a) The Lender may, at its option, at the expense of the Mortgagor and when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any such covenants, agreements, provisos or stipulations;

(b) The Lender may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Mortgaged Premises and a solicitor to examine and report upon the title to the same;

(c) The Lender may enter into possession, either by itself or its agent, of the Mortgaged Premises and, whether in or out of possession, collect the rents and profits thereof and make any demise or lease of the Mortgaged Premises, or any part thereof, for such terms, periods and at such rent as the Lender shall think proper;

(d) It shall and may be lawful for and the Mortgagor does hereby grant full power, right and license to the Lender to enter, seize and distrain upon the Mortgaged Premises, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Mortgage Monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;

(e) The whole of the Mortgage Monies hereby secured shall, at the option of the Lender, become due and payable;

(f) The Lender may sue the Mortgagor for the monies secured hereby;

(g) The Lender may take judicial proceedings to foreclose the Mortgagor's and/or any other person's interest in the Mortgaged Premises, to take possession of it and/or to sell, lease, or otherwise deal with it;

(h) The Lender may exercise any other rights or remedies which the Lender may have, whether under this Mortgage, at law, in equity, by contract, or otherwise; and

(i) The Lender may exercise each of the foregoing powers without notice to the Mortgagor.

8. AND THE Mortgagor ALSO COVENANTS AND AGREES WITH THE LENDER THAT:

(a) The granting of this Mortgage shall not operate as a merger of any other security given by the Mortgagor to the Lender;

(b) The taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof;

(c) The Lender may at any time release any part of the Mortgaged Premises or any of the covenants and agreements herein contained or any collateral security, either with or without any consideration therefor and without being accountable for the value thereof or for any money except what is actually received, and without thereby releasing or affecting any other of the Mortgaged Premises or any of the other covenants or agreements herein contained, or releasing any surety or any other security;

(d) Neither execution nor registration nor acceptance of this Mortgage, nor the advance of part of the monies secured hereby, shall bind the Lender to advance the said principal sum or any unadvanced portion thereof, but nevertheless, this Mortgage shall take effect forthwith on the execution of these presents, and if the principal sum or any part thereof shall not be advanced at the date hereof, the Lender may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates, and the amount of such advances, when so made, shall be secured hereby and repayable with interest as herein provided;

(e) All proper solicitors', inspectors', valuators' and surveyors' fees and expenses for drawing and registering this Mortgage, and for examining the Mortgaged Premises and the title thereto, and for making or maintaining this Mortgage a first charge on the Mortgaged Premises, together with all sums which the Lender may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, taxes, rates or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Mortgaged Premises, or in maintaining, repairing, restoring or completing the Mortgaged Premises, including the price or value of any goods of any sort or description supplied for or to be used on the Mortgaged Premises, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting, including legal costs as between a solicitor and his own client, and also a reasonable allowance for out of pocket expenses of the Lender or of any agent, solicitor or servant of the Lender for any purpose herein provided for, whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor, or otherwise, are to be secured hereby and shall be a charge on the Mortgaged Premises, together with interest thereon at the aforesaid rate, and all such monies shall be repayable to the Lender on demand, or if not demanded, then with the next ensuing installment payable hereunder, except as herein otherwise provided, and all such sums, together with interest thereon, are included in the expression the "Mortgage Monies";

(f) In the event of the Mortgage Monies advanced hereunder or any part thereof being applied to the payment of any charge or encumbrance, the Lender shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party so paid off, whether such charge or encumbrance has or has not been discharged, and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off shall be final and binding on the Mortgagor;

(g) The Lender shall not be charged with any monies receivable or collectible out of the Mortgaged Premises, or otherwise, except those actually received, and all revenue of the Mortgaged Premises received or collected by the Lender from any source other than payment by the Mortgagor may, at the option of the Lender, be retained in a suspense account or used in maintaining or insuring or improving the Mortgaged Premises, or applied on the Mortgage Account, and the Lender shall not be under any liability to pay interest on any sums in such suspense account;

(h) Any discharge of this Mortgage shall be prepared by the solicitor of the Lender, and the Lender shall have a reasonable time after receipt of payment in full within which to have prepared and to execute such discharge, and a tender of the Mortgage Monies shall not entitle the Mortgagor to receive such discharge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Lender. All legal, administrative and other expenses for the preparation and execution of such discharge shall be paid by the Mortgagor. Any payment that is received after 12:00 o'clock noon on any date shall be deemed, for the purpose of calculation of interest, to have been paid and received on the next business day;

(i) The Mortgagor shall not make or permit to be made any alterations or additions in or to the Mortgaged Premises without the prior written consent of the Lender, and the Mortgagor shall not use the Mortgaged Premises or permit them to be used for any trade or manufacture of any description without the prior written consent of the Lender, (notwithstanding the foregoing the Mortgaged Premises may be used for the business purposes for which they are currently used);

(j) Any discretion, option, decision or opinion hereunder on the part of the Lender shall be sufficiently exercised or formed if exercised or formed by or subsequently ratified by the manager or acting manager for the time being of the Lender at Calgary, Alberta or an executive officer of the Lender or any officer or agent appointed by the Lender for that purpose; and

(k) Wherever the singular number or masculine gender is used in this Mortgage, the same shall be construed as including the plural and feminine and neuter, respectively, and vice versa where the fact or context so requires; and in any case where this Mortgage is executed by more than one party, all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several; and the heirs, executors, administrators, successors and assigns of any party executing this Mortgage is/are jointly and severally bound by the covenants, agreements, stipulations and provisos herein stated.

9. For better securing the punctual payment of the Mortgage Monies, the Mortgagor hereby attorns and becomes tenant to the Lender of the Mortgaged Premises at a monthly rental equivalent to each monthly installment secured hereby, the same to be paid on each day appointed for the payment of installments, and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor, or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* or shall take the benefit of any statute relating to bankruptcy or insolvent debtors, then such rental shall, if not already payable, be payable immediately thereafter. The legal relationship of landlord and tenant is hereby constituted between the Lender and the Mortgagor. The Lender may, at any time after default hereunder enter, upon the Mortgaged Premises or any part thereof and determine the tenancy hereby created without giving the Mortgagor any notice to quit; but neither this clause nor anything done by virtue thereof shall render the Lender a mortgagee-in-possession or accountable for any monies except those actually received.

10. The Mortgagor does hereby assign, set over and transfer to the Lender any and all awards or payment, including interest thereon, and the right to receive the same, which may be made with respect to the Mortgaged Premises or any part thereof as a result of:

(a) The exercise of the right of eminent domain;

(b) Any expropriation, partial or complete;

(c) The alteration of the grade or width of any street, including any sidewalk or lane;

(d) The imposition or enforcement of any restriction, regulation or condition to meet any planning or development concept or guidelines, or any law or rule of any municipality or other competent authority; or

(e) Any other injury to or decrease in the value of the Mortgaged Premises, or any part thereof, and of reasonable legal fees, costs and disbursements incurred and recoverable in connection with the collection of any and all such awards or payments. The Mortgagor agrees to execute and deliver from time to time such further instruments as may be requested by the Lender to confirm such assignment to the Lender of any such awards or payments. Any amount received hereunder shall be applied firstly on the principal sum in payment of any arrears and then in reverse order of maturity.

11. Being aware of the provision of *The Law of Property Act* of Alberta, as amended, whereby it is provided that, in all cases, except where a mortgage is given by a corporation, in any action brought upon any mortgage of land, the remedy of the Lender is limited to the land alone and no action shall lie on the covenant for payment contained in such mortgage, and that any waiver or release given of the rights, benefits or protection under and by virtue of the relevant provisions of the said *Law of Property Act* is against public policy and void, the Mortgagor herein being a corporation, does expressly agree with the Lender, that, in the event there is default in payment of the indebtedness secured hereunder and/or in any other security held by the Lender, then the Lender may proceed against the Mortgagor, upon its covenants for payment in accordance with the terms hereof and may realize on any and all securities held by it, simultaneously or otherwise, as it in its absolute discretion shall decide.

12. This Mortgage is closed to prepayment. The Mortgagor shall not have the right to prepay the amount owing hereunder.

13. As security for the payment of all monies owing hereunder, the Mortgagor hereby assigns and agrees to assign to the Lender all rents which shall now or hereafter may become payable by reason of any present or future tenancy or tenancies, lease or leases covering the Mortgaged Premises or any part thereof; and if the Mortgagor is in default in the observance or performance of any of the terms, covenants and conditions of this Mortgage, then the Lender shall have the right, by its agents or otherwise, to take and receive the rents thereof, and for such purposes, the Mortgagor hereby appoints the Lender its attorney for it and in it's name to execute such agreements, transfers or conveyances as may be required for the purposes aforesaid, the Mortgagor hereby confirming and ratifying all things which the Lender may do in connection therewith; and the Mortgagor agrees to execute such further assurances as may be required to give effect to the true intent and purpose of this provision; but nothing in this provision shall make the Lender chargeable or accountable as a mortgagee-in-possession.

14. Notwithstanding anything herein contained to the contrary, the occurrence of any of the following events or conditions will constitute a default under this Mortgage:

(a) any default under any of the terms, covenants, provisos or conditions of any other security, including, without restricting the generality hereof, one or more general assignment of leases, specific assignment of lease(s) and/or security agreements granted or to be granted as additional or collateral security to this Mortgage;

(b) any representation, warranty or statement made by or on behalf of the Mortgagor to the Lender is untrue in any material respect at the time when or as of which time it was made;

(c) the Mortgagor ceases or threatens to cease to carry on in the normal course of the Mortgagor's business or any material part thereof;

(d) the Mortgagor becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Mortgagor; or if the Mortgagor is a corporation, steps are taken under any legislation by or against the Mortgagor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;

(e) a receiver, trustee, custodian or other similar official is appointed in respect of the Mortgagor or any of the Mortgagor's property;

(f) the holder of prior or subsequent mortgage, encumbrance or charge takes possession of all or any part of the Mortgagor's property, or a distress, execution or other similar process is levied against all or any part of such property; or

(g) the Lender, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance is or is about to be impaired or that this Mortgage or the Mortgaged Premises are or are about to be placed in jeopardy.

15. [Intentionally deleted]

16. Any waiver, forgiveness or condonation by the Lender of any default, breach, omission, non-performance or non-observance by the Mortgagor shall not operate as or in any way constitute a waiver, forgiveness or condonation of any other or subsequent default, breach, omission, non-performance or non-observance hereunder.

17. The Mortgagor agrees that, if and whenever the Lender becomes entitled hereunder to enter into possession of the Mortgaged Premises, it may, in its discretion, with or without entry into possession of the Mortgaged Premises, either in whole or in part, by notice in writing to the Mortgagor, appoint a receiver of the Mortgaged Premises or any part thereof, and of the rents and profits thereof, or only the rents and profits thereof, and with or without security, and may from time to time remove any receiver and appoint another in his stead, and that, in making any such appointment or appointments, the Lender shall be deemed to be acting as the attorney for the Mortgagor.

AND that the following provisions shall apply upon the appointment of any such receiver:

(a) A statutory declaration of the Lender as to default under this Mortgage shall be prima facie evidence thereof for the purposes of the appointment of such receiver;

(b) Every such receiver shall be the agent or attorney of the Mortgagor, whose appointment is irrevocable by the Mortgagor, for the collection of all rents or other money receivable in respect of the Mortgaged Premises or any part thereof;

(c) The Lender may, in its discretion, by written instrument, vest the receiver with all or any of the powers of discretion of the Lender;

(d) The Lender may from time to time in writing fix the remuneration of the receiver, which shall not be unreasonable;

(e) The appointment of a receiver by the Lender shall not incur or create any liability on the part of the Lender to the receiver in any respect, and such appointment or anything which may be done by the receiver or the removal of the receiver or the termination of the receivership shall not have the effect of constituting the Lender a mortgagee-in-possession in respect of the Mortgaged Premises, or any part thereof;

(f) The receiver shall have power to rent or license for use any part of the Mortgaged Premises which may become vacant for such term and subject to such provisions as the receiver may deem advisable or expedient, and in doing so, the receiver shall act as the attorney or agent of the Mortgagor and shall have authority to execute under seal any lease in the name of and on behalf of the Mortgagor, and the Mortgagor undertakes to ratify and confirm whatever the receiver may do in connection with the Mortgaged Premises;

(g) The receiver shall have power to construct or complete any unfinished construction upon the Mortgaged Premises so that the Mortgaged Premises and the buildings thereof so completed shall be a complete structure;

(h) The receiver shall have power to manage, operate or repair the Mortgaged Premises or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental from the Mortgaged Premises, or any part thereof;

(i) The receiver shall not be liable to the Mortgagor to account for money or damages other than the money actually received by the receiver in respect of the Mortgaged Premises, or any part thereof, and out of such money so received, the receiver shall, subject to other written directions from the Lender, pay or make reasonable reserves for payment in the following order:

    (i) The receiver's remuneration aforesaid;

    (ii) All obligations incurred by the receiver in connection with the management, operation, amendment or repair of the Mortgaged Premises or any part thereof;

    (iii) Interest, principal and other money which may from time to time be or become charged upon the Mortgaged Premises in priority to this Mortgage, and all taxes, insurance premiums and every other proper expenditure made or incurred by the receiver in respect of the Mortgaged Premises or any part thereof;

(iv) To the Lender all principal amounts and other moneys due from time to time under this Mortgage; and

(v) And thereafter, any surplus remaining in the hands of the receiver shall be payable to the Mortgagor;

(j) The Lender may at any time terminate any such receivership by notice in writing to the Mortgagor and to the receiver, and if the Mortgagor ceases in default under this Mortgage, the Lender may terminate the receivership upon the request in writing of the Mortgagor; and

(k) Save as to surplus money payable to the Mortgagor, the Mortgagor releases and discharges the Lender and the receiver from every claim of every nature, whether in damages or otherwise, arising by reason of anything done by the Lender or the receiver under the provisions of this clause 17, except the gross negligence of the Lender or the receiver.

18. If any covenant, agreement, proviso or stipulation is or shall be held invalid or unenforceable, the remainder of the Mortgage shall not be affected thereby and shall remain in full force and effect. Neither the granting of this Mortgage, any assignment of rentals, any chattel mortgage or guarantee, or other security document, nor the taking of any action, including obtaining a judgment on same, shall operate as a merger of any of the rights of the Lender under any such security document, and each such security document shall stand separately on its own and the Lender may pursue its rights under any of such security documents independent of any other.

19. That a default in the due performance by the Mortgagor of any of the Mortgagor' covenants contained in the Commitment Letter (as hereinafter defined) or in any other instrument or security which may now or at any time be held or taken by the Lender in respect of the indebtedness secured hereby shall, in addition to its usual effect, have the same effect and give rise to the same rights and remedies as a default under the terms of this Mortgage, and in the event of the Lender becoming entitled to take legal proceedings of any nature whatsoever against the Mortgagor in respect of this Mortgage or in respect of any of the said other instruments or securities, the Lender may either concurrently with such suit, successively or otherwise pursue any or all of the Lender's other remedies, and should the Lender so pursue one or another of the said remedies, this shall not constitute an election by the Lender to abandon any of the other remedies.

20. In the event that this Mortgage is granted and approved by the Lender as a second or other subsequent charge upon the lands, the Mortgagor covenants and agrees that it will well and truly pay all monies accruing due under all prior mortgages and encumbrances charging the Mortgaged Premises, as and when the same shall become due, and that it will well and truly observe and perform the covenants of the mortgagor or encumbrancer in any prior mortgage or encumbrance contained, and in the event it shall make default in payment of the monies due under any prior mortgage or encumbrance, or shall fail to observe or perform the covenants of the mortgagor or encumbrancer in any prior mortgage or encumbrance contained, then such default or failure shall constitute default under this Mortgage; AND FURTHER, in the event of default in payment of the monies due under any prior mortgage or encumbrance, that the Lender shall have the right to pay the same, and any monies to be paid by the Lender herein shall forthwith be due and payable to the Lender, together with interest thereon at the rate provided herein and shall be recoverable by foreclosure proceedings along with other monies

secured by this Mortgage, or the Lender may, at the Lender's option, be subrogated to all the rights and stand in the position of and be entitled to all of the rights of the mortgagee or encumbrancer entitled to such prior mortgage or encumbrance, and the decision of the Lender as to the validity of or amount of any advance or disbursements made under this Mortgage and of any claim so paid off shall be final and binding upon the Mortgagor.

21. That the provisions of the commitment letter prepared by the Lender, dated the 2nd day of April, 2008, and accepted by the Mortgagor (herein called the "Commitment Letter"), which are not expressly restated herein or in any collateral or other security documentation to be executed and delivered to the Lender by the Mortgagor or any guarantors, shall survive the execution and registration of this Mortgage or any collateral or other security documents, until the Mortgagor and the Lender, by an appropriate instrument in writing so declare otherwise. If there shall exist any conflict between the terms of the Commitment Letter and the terms of this Mortgage or any other security, then the Lender in its sole discretion shall decide which shall govern and take precedence. Reference to the "Commitment Letter" includes the Commitment Letter, as amended, supplemented, restated or replaced from time to time.

22. Notwithstanding anything to the contrary contained in Schedule "A" of the Commitment Letter, the Mortgagor shall deliver to the Lender within 90 days of the end of each fiscal year of the Mortgagor complete financial statements of the operation of the Mortgaged Premises normally furnished to the tenants of the Mortgaged Premises and a minimum quality of Notice to Reader financial statements for the Mortgagor and the corporate guarantor, if any, prepared in accordance with generally accepted accounting principles by a recognized qualified accountant. The financial statements shall include stand alone income and expense statements of the Mortgaged Premises for each fiscal year, a balance sheet, detailed statement of income and expenditures and supporting notes and schedules and such other information relating to the Mortgaged Premises as the Lender may reasonably require from time to time. The Mortgagor shall also deliver to the Lender copies of all leases not previously provided and a comprehensive list of all current tenants and rentals of the Mortgaged Premises annually during the term hereof (and any renewal hereof) coincidental with the delivery of the aforesaid financial statements. The Mortgagor shall also cause to deliver to the Lender within 90 days of the end of each fiscal year of the Mortgagor personal net worth statements, including detailed assets and liabilities of any individual guarantor(s) in a form satisfactory to the Lender. In addition, the Mortgagor shall provide to the Lender on an annual basis within 90 days of the end of each calendar year during the term of this Mortgage and any renewal hereof, a Rent Roll signed by the Mortgagor setting out the date of the Rent Roll, the name of each tenant under lease, the unit number, the area occupied, occupancy date, monthly rent paid, the date of the last rental increase, monthly additional rent for realty taxes and operating costs, amount of any rental arrears owing, lease commencement date and expiry date, and the particulars of any vacant units available for lease. In addition to the foregoing, the Lender may require the Mortgagor and any guarantor(s) to provide any of the aforesaid financial statements updated to any date subsequent to the end of the Mortgagor's or any guarantor's last complete fiscal year or last net worth statement. Where the income from the Mortgaged Premises is subject to goods and services tax ("GST") the Mortgagor agrees, at the Lender's request, to provide a letter from Canada Customs and Revenue Agency ("CCRA") confirming the GST is in good standing, or at the Lender's request, a signed third party authorization to CCRA.

23. The Mortgagor also agrees that the Mortgaged Premises shall be professionally managed at all times in a sound, prudent and businesslike manner, failing which the Lender may, in its sole discretion, acting reasonably, appoint a new property manager or managers from time to time all at the expense of the Mortgagor. The Mortgagor further agrees to perform

the terms of the Commitment Letter and promptly do all things necessary to satisfy the Conditions of Financing set forth in the Commitment Letter. The Mortgagor undertakes not to encumber the Mortgaged Premises or the chattels situated thereon with any other mortgage or other charge without having obtained prior written authorization of the Lender, failing which all the sums due and payable hereunder with accrued interest shall fall due and be payable immediately as decided by the Lender and at the Lender's sole discretion, without any further notice or delay. The Mortgagor hereby represents and warrants to the Lender that up to and including the date of the advance hereunder all obligations owed by the Mortgagor to CCRA pursuant to the *Income Tax Act* (Canada) and the *Excise Tax Act* (Canada) including, but not restricted to, all employee withholdings, are and will be up to date and will have been paid in full. If applicable, where more than one advance hereunder is anticipated, the Mortgagor covenants and agrees to provide satisfactory evidence to the Lender prior to each advance, that any of the aforesaid obligations owed by the Mortgagor to CCRA are up to date and have been paid in full. The Mortgagor hereby acknowledges and agrees that failure to remit any of the aforesaid obligations owing to CCRA when due shall constitute an event of default under this Mortgage.

24. The Mortgagor further covenants and agrees, without limiting any of the provisions of this Mortgage in respect to expropriation, condemnation or other public taking of lands, that in the event that any portion of the Mortgaged Premises shall be purchased, acquired by agreement or otherwise taken for any public work whatsoever pursuant to the *Expropriation Act* of Alberta, the *Municipal Government Act* of Alberta or the *Public Works Act* of Alberta or any other statute or regulation, then and in such event:

(a) any and all compensation whatsoever payable to the Mortgagor or anyone claiming an interest under or through the Mortgagor shall be payable to and shall be paid to the Lender and the same are hereby assigned irrevocably to the Lender accordingly, and further any such compensation paid to or to the order of or received by the Mortgagor shall be and be deemed to be held in trust for the Lender; and

(b) at the Lender's sole option the amount of the principal hereby secured remaining unpaid shall forthwith become due and payable, together with interest thereon at the said rate to the date of payment and together with a bonus equal to a sum of three months' interest at the said rate, calculated on the amount of principal so remaining unpaid.

25. For the purposes of this paragraph, the following terms will have the definitions set out below:

(a) "Environmental Laws" means any law, regulation, order, by-law, permit or lawful requirement of any Governmental Body with respect to pollution control, environmental protection or regulation of Hazardous Substances, and where the context permits includes any present and future law, regulation, order, by-law, permit or lawful requirement;

(b) "Governmental Body" means any government, parliament, legislature, regulatory authority, agency, commission, board or other law, regulation, treaty or rule-making entity or authority having or purporting to have jurisdiction on behalf of any nation or state or province or other subdivision thereof, including without limitation, any central bank, monetary, fiscal or other authority or comparable agency; and

(c) "Hazardous Substances" means:

(i) dangerous or hazardous substances or materials, asbestos or asbestos-containing materials, urea formaldehyde foam type of insulation, radioactive substances, explosives, polychlorinated biphenyls ("PCB's") and PCB contaminated fluids or equipment, petroleum and associated products, underground storage tanks or surface impoundments;

(ii) corrosive or toxic substances, including compounds known as chlorophenyls;

(iii) pollutants or contaminants which, when added to water, degrade or alter the quality of the water so that it is detrimental to its use by man, animals, fish or plants;

(iv) any substance which, if discharged into the air endangers the health or safety of persons or animals or damages plant life or property; and

(v) any waste, special waste or other substance the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is prohibited, controlled, regulated or licensed under Environmental Laws.

(d) The Mortgagor will operate its business in compliance with all applicable laws, regulations, by-laws and other lawful requirements, whether municipal, provincial, federal or otherwise, including all Environmental Laws and will permit the Lender to conduct investigations and appraisals of all or any of its records, businesses and assets at any time and from time to time to ensure such compliance.

(e) The Mortgagor hereby authorizes the Lender to make enquiries from time to time of any Governmental Body with respect to the Mortgagor' compliance with Environmental Laws and the Mortgagor agrees that it will from time to time provide to the Lender such written authorization as the Lender may reasonably require in order to facilitate the obtaining of such information. The Mortgagor hereby agrees that it shall provide the Lender upon reasonable request with an environmental audit and/or assessment (the "Assessment") with respect to the Mortgaged Premises or any of the parcels comprising the Mortgaged Premises from time to time as a result of any discharge or release or suspected discharge or release of any Hazardous Substances in, on or under the Mortgaged Premises. The Assessment shall be undertaken by such consultants acceptable to the Lender, all at the expense of the Mortgagor. The Mortgagor agrees to immediately undertake any action required or recommended arising out of the Assessment or that the Lender may require to ensure that the business operations of the Mortgagor and the condition of the Mortgaged Premises are in compliance with all Environmental Laws. Any Assessment undertaken with respect to the Mortgaged Premises on behalf of the Lender shall in no way derogate from, qualify or limit the Mortgagor' representations and warranties as set out in subparagraph (f) below.

(f) The Mortgagor hereby represents, warrants, covenants and agrees with the Lender (which representations, warranties, covenants and agreements shall survive satisfaction or release of the Mortgage debt or extinguishment of the Mortgage debt in the event the Lender or a third party becomes owner of the Mortgaged Premises upon default of the Mortgagor) that:

(i) to the best of the knowledge of the Mortgagor there were no Hazardous Substances used in the construction of the Mortgaged Premises, and no Hazardous Substances have escaped, seeped, leaked, spilled, been released or discharged on, from or under the Mortgaged Premises;

(ii) if any Hazardous Substances are brought onto the Mortgaged Premises or used by any person on the Mortgaged Premises, they shall be transported, used and stored only in accordance with Environmental Laws, prudent industrial standards and any other reasonable requirements of the Lender;

(iii) no use of the Mortgaged Premises will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Mortgaged Premises nor will the Mortgagor permit any policy of insurance in respect of the Mortgaged Premises to be cancelled;

(iv) the Mortgagor shall promptly notify the Lender as soon as it knows of or suspects that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Mortgaged Premises; and

(v) if any Hazardous Substances escape, seep, leak or are released or discharged in, on or under the Mortgaged Premises the Mortgagor shall immediately at its sole cost and expense undertake all such action as may be required by Environmental Laws and as the Lender may require, and pay all costs in connection therewith to result in the complete removal of any Hazardous Substances from the Mortgaged Premises in accordance with all Environmental Laws and to the complete satisfaction of the Lender; and the failure of the Mortgagor to do so shall constitute an event of default under this Mortgage and entitle the Lender to immediately exercise its remedies without further notice to the Mortgagor, notwithstanding any other provisions contained in this Mortgage relating to the giving of notice and the curing of any such default.

(g) The Mortgagor shall indemnify and save harmless the Lender, its directors, officers, employees, agents and successors and assigns, from any and all liabilities, actions, damages, claims, losses, costs and expenses whatsoever (including without limitation, the full amount of all legal fees (on a solicitor-and-his-own-client basis), costs, charges and expenses and the costs of removal, treatment, storage and disposal of any Hazardous Substances and remediation of the Mortgaged Premises) which may be paid by, incurred or asserted against the Lender, its directors, officers, employees, agents or successors or assigns for, with respect to or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or other release of any Hazardous Substances from any part of the Mortgaged Premises into the environment including without limitation into or upon an other real property, the atmosphere or watercourse, body of water or wetland. Any amount owing by the Mortgagor under the indemnity in this subparagraph (g) shall be payable by it upon demand by the Lender with interest from the date of demand at the rate provided herein and shall be a charge upon the Mortgaged Premises as part of the principal secured by this Mortgage. The Mortgagor agrees that its indemnity obligations set out in this subparagraph (g) shall survive:

(i) any exercise by the Lender of its remedies as provided herein or as otherwise available at law, including, without limitation, proceeding to realize on the security created by this Mortgage by foreclosure; and

(ii) the discharge of the Mortgage and any other agreements or security granted to the Lender whether collateral to this Mortgage or otherwise, and the payment and satisfaction of the principal and all other amounts secured or payable under this Mortgage,

but such indemnity obligations shall be limited to liabilities, actions, damages, claims, losses, costs and expenses arising in connection with Hazardous Substances that were on or released from the Mortgaged Premises prior to such discharge, payment or satisfaction.

26. If this Mortgage is a building mortgage, the Mortgagor covenants and agrees with the Lender to construct a building or buildings and other improvements on the Mortgaged Premises in accordance with plans and specifications which have been or are hereafter approved by the Lender and by Canada Mortgage and Housing Corporation, if applicable, and to carry on diligently to completion the said building, buildings and other improvements; and that the building or buildings being erected or to be erected on the Mortgaged Premises shall form part of the security for the full amount of the moneys secured by this Mortgage, and that advances on this Mortgage are to be made from time to time in future in accordance with the progress of such building or buildings or upon their completion, occupation or sale, subject to the provisions herein.

27. If applicable, it is further stipulated, provided and agreed by the Mortgagor with the Lender that notwithstanding anything to the contrary herein contained:

(a) The Mortgagor covenants and agrees with the Lender that the Mortgagor will observe and perform each and every one of the covenants and provisions required to be observed and performed under or pursuant to the terms of this Mortgage, and of *The Condominium Property Act* of Alberta, and all amendments thereto, and any legislation passed in substitution therefor, and the by-laws of the Condominium Corporation of which the Mortgagor is a member (the "Condominium Corporation") by virtue of the Mortgagor's ownership of the condominium unit being charged by this Mortgage and any amendments thereto.

(b) Without limiting the generality of the foregoing subparagraph (a), the Mortgagor covenants to pay promptly when due any and all unpaid assessments, instalment or payments due or to become due to the Condominium Corporation by an owner of a condominium unit.

(c) The Mortgagor further covenants and agrees that where the Mortgagor defaults in the Mortgagor's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or to any assessment, instalment or payment due to the Condominium Corporation, or upon breach of any covenant or provision herein contained, including those covenants and provisions referred to in subparagraph (a) hereof, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of this Mortgage and proceed to exercise its rights herein.

(d) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Lender, the Lender may distrain for arrears of any assessments, instalment or payments due to the Lender or arising under any of the subparagraphs in this paragraph contained.

28. Any assessments, instalments and payments required to be paid by the Mortgagor under or pursuant to the preceding paragraph or otherwise shall be a charge on the Mortgaged Premises.

29. The Mortgagor hereby assigns to the Lender all of its rights to vote at all meetings and in the exercise of all powers of the Condominium Corporation and whether or not such rights touch or concern their title or interest in the said unit, or otherwise, unless the Lender in writing waives their rights herein. The Lender's right to vote does not impose any obligation on the Lender to do so or to protect the Mortgagor's interests, and shall not constitute the Lender as a Mortgagee in possession and shall not give rise to any liability on the part of the Lender.

30. The Lender or agent of the Lender or, if applicable, agent of Canada Mortgage and Housing Corporation may, at any time, enter upon this Mortgaged Premises to inspect the lands and buildings thereon.

31. If the Mortgagor shall be in default in the observance of performance of any of the terms, covenants, conditions or payments described herein, then the Mortgagor hereby irrevocably appoints the Lender, or its agent or employee (the choice of which shall be at the election of the Lender, in its sole and absolute discretion) to be its attorney, in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Lender and, without limiting the generality of the foregoing, the Lender is hereby appointed pursuant to Section 115 of the *Land Titles Act*, R.S.A. 1980 c.L-5 as amended or replaced by substitute legislation from time to time, as the Mortgagor's attorney to execute and deliver, under seal of the Mortgagor, or by the hand and under the seal of the Mortgagor, any agreements, instruments and assurances as the Lender sees fit, for any and all purposes and for the purpose of carrying out the Lender's power of sale contained herein.

32. (a) This mortgage may be renewed or extended, from time to time, at the sole option of the Lender by an agreement in writing between the parties for the term offered by the Lender with or without an increased rate of interest, notwithstanding that there may be subsequent encumbrances. The "date of the mortgage" shall be deemed to be the date of the renewal agreement. Such renewal agreement need not be registered against title to the said lands in order to retain the priority for this Mortgage, so renewed and altered, over any instrument registered subsequently to the registration of this Mortgage prior to its renewal, and such renewal agreement shall be binding against the Mortgagor, its successors and assigns, and all subsequent mortgagors and encumbrancers and other parties.

(b) The Mortgagor shall, forthwith on request therefor by the Lender, provide to the Lender, at the Mortgagor's expense, all such postponements and other assurances as the Lender may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the Mortgagor's expense (including without limitation payment of the Lender's legal expenses on a solicitor-and-his-own-client basis).

(c) No such renewal, even if made by a successor in title to the Mortgagor named herein and whether or not the Mortgagor shall consent thereto, shall in any way release or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this mortgage as renewed or extended. Nothing contained herein shall be taken to confer any right of renewal upon the Mortgagor.

33. The undersigned Mortgagor acknowledges having received a true copy of this Mortgage.

34. All references to "CIBC Mortgage Corporation", if any, in the Commitment Letter, this Mortgage or any schedules attached thereto or in any security collateral hereto, shall mean "CIBC Mortgages Inc." This Mortgage is subject to the provisions set forth in any Supplemental Mortgage Provisions attached hereto.

35. Except as and to the extent otherwise provided below, the Lender's rights, recourses and remedies against the Mortgagor under, in respect of or in connection with the loan under the Commitment Letter shall be limited to the Mortgaged Premises and revenues and rents there from and the leases, chattels, equipment and other personal property thereon and all benefits there from or relating thereto together with all proceeds there from, and nothing herein contained shall limit, restrict or derogate from the Lender's rights, recourses or remedies to and against the Mortgaged Premises or collateral security thereto. Despite the foregoing, the Lender shall have full, unlimited and unrestricted rights, remedies, recourses to and against the Mortgagor and it's property:

(a) in connection with the environmental indemnity referred to in Schedule "A" of the Commitment Letter;

(b) or any prepayment of rents or security deposits paid under or in connection with any leases or agreements to lease affecting the Mortgaged Premises from time to time or for any rents paid after the date of any event of default under the loan advanced under the Commitment Letter to any person other than the Lender; and

(c) for the Mortgagor's fraud or for the Mortgagor's application of insurance proceeds or revenues from the Mortgaged Premises in violation of the terms of the Commitment Letter or this Mortgage or any of the leases of the Mortgaged Premises;

to the extent of:

(d) any loss, liability, expense or damage suffered or incurred by the Lender; and

(e) any diminution in the value or the marketability of the Mortgaged Premises, in whole or in part;

directly or indirectly, resulting from any of the foregoing events.

AND for the better securing to the Lender repayment in the manner aforesaid of the principal sum and interest and other monies hereby secured, the Mortgagor hereby mortgages to the Lender its estate and interest in the Mortgaged Premises above described.

IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage as of the 23rd day of April, 2008.

Concrete Associates IV Investment Corporation

Per: Dave Humeniuk

c/s c/s

Per: ~~Dave Humeniuk~~ DH

SCHEDULE "A"

Supplemental Mortgage Provisions

Certain Defined Terms

Unless otherwise defined in this Schedule, capitalized terms used herein shall have the meanings ascribed thereto in the Mortgage. In this Schedule the following capitalized terms shall have the following meanings: (a) "**Borrower Entity**" means the Mortgagor and any other covenantor, guarantor and indemnitor under or in respect of the Mortgage Monies, and each person having an unregistered/beneficial ownership interest in the Mortgaged Premises from time to time and their respective heirs, executors, administrators, trustees, successors and assigns, (b) "**Commitment Letter**" means the commitment letter governing the Loan, as amended, supplemented, restated or replaced from time to time; (c) "**Lender**" means CIBC Mortgages Inc. and its successors and assigns from time to time; (d) "**Lender Entity**" means each of the Lender, any custodian or servicer of the Loan from time to time, all persons having an ownership interest in the Loan from time to time and their respective employees, officers, directors, agents, consultants, successors and assigns, (e) "**Loan**" means the loan made by the Lender to the Mortgagor giving rise to the Mortgage Monies; (f) "**Mortgagor**" means the Mortgagor referred to in the Mortgage and its successors and assigns from time to time; (g) "**Transfer**" means (i) any conveyance, assignment, transfer, sale or other disposition (directly or indirectly, voluntary or involuntary, by operation of law or otherwise) of any legal or beneficial interest in the Mortgaged Premises or any part thereof, or (ii) any change in effective voting control of any person comprising the Mortgagor or any unregistered/beneficial owner of the Mortgaged Premises from that existing at the time of the initial advance of the Mortgage Monies (including any change of 50% or more of the voting securities or equity interests of any such person or any change of ownership of securities or equity interests in any such person representing more than 50% of the economic interest in such person), or (iii) any agreement by any person to do or complete any of the matters referred to in (i) or (ii) above. Unless disclosed in writing to the Lender prior to acceptance of the Commitment Letter, the Mortgagor represents and warrants to the Lender that the Mortgagor does not hold title to the Mortgaged Premises for any unregistered/beneficial owners.

Prepayment

No Borrower Entity or any other person shall have any right to prepay all or any part of the principal amount of the Mortgage Monies prior to the maturity date set forth in the Mortgage (such maturity date, as same may be amended from time to time, herein called the "Balance Due Date"). If any acceleration or prepayment of all or any portion of the principal amount of the Mortgage Monies should occur prior to the Balance Due Date for any reason whatsoever (whether as a result of any event of default under the Mortgage, the Commitment Letter or any other agreement to which the Mortgagor and the Lender are party, applicable law or otherwise, herein called an "Event of Default"), then the yield maintenance fee (as defined below) shall immediately become due and payable by the Mortgagor to the Lender, in addition to all other amounts then due and owing to the Lender on account of the Mortgage Monies. Such yield maintenance fee shall form part of the Mortgage Monies and shall be secured by the Mortgage and the Lender's other security. The Mortgagor acknowledges that the yield maintenance fee represents reasonable and fair compensation for the loss that the Lender may sustain from any acceleration or prepayment of the principal amount of the Mortgage Monies prior to the Balance Due Date, provided nothing herein shall create any right to prepay all or any portion of the principal amount of the Mortgage Monies at any time or in any circumstances prior to the Balance Due Date.

In this Schedule, "**yield maintenance fee**" means the greater of:

(i) the amount equal to three (3) months' interest payable under the Loan, and

(ii) the amount, if any, as of the date of prepayment, by which the present value of the future instalments of principal and interest due to and including the Balance Due Date, including the balloon payment due on the Balance Due Date, in respect of the Mortgage Monies calculated using the Government of Canada Yield (as defined below), calculated semi-annually not in advance, exceeds the then outstanding principal amount of the Loan.

The "Government of Canada Yield" means the wholesale bid side yield, as determined by the Lender, on a current Government of Canada coupon bond having a maturity equivalent to the remaining term of the Loan, which determination shall be made as of 10:00 a.m. (Toronto time) on the date of prepayment.

Lender May Sell or Securitize Loan

Each Borrower Entity acknowledges and agrees that the Loan, the Mortgage Monies and all related security may be sold, assigned, syndicated or securitized in whole or in part by the Lender and its successors and assigns from time to time without restriction and without notice to or the consent of any Borrower Entity or other person.

Appointment of Custodian/Servicer

The Mortgagor acknowledges that the Lender may appoint or designate from time to time, in the Lender's discretion, a custodian or agent to hold registered and documentary title to the Loan, the Mortgage Monies and all related security for and on behalf of the Lender or any other person(s) having a beneficial or unregistered ownership interest therein from time to time. Such custodian or agent will have no liability whatsoever to any Borrower Entity in connection with any matter relating to the Loan. The Lender may also appoint, from time to time and in its sole discretion, a third party servicer to service and administer the Loan and to deal with each Borrower Entity in place of the Lender with respect to all matters relating to the Loan as the Lender may determine in its sole discretion, including collection and enforcement.

Consent to Disclosure

Each Lender Entity may collect, retain, release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by it relating to any Borrower Entity, the Mortgaged Premises or the Loan (both before and after the disbursement of funds and/or default thereunder) without restriction and without notice to or the consent of any Borrower Entity (and each Borrower Entity hereby irrevocably consents thereto):

(a) to any other Lender Entity;

(b) to any proposed purchaser or subsequent owner of the Loan including any subsequent or proposed Lender Entity and their respective third party advisors and agents, such as lawyers, accountants, auditors, consultants, appraisers and credit verification sources;

(c) to the public or any private group in any offering memorandum, prospectus or other disclosure document relating to any sale, syndication or securitization of the Loan (including all initial and continuing disclosure requirements), regardless of format or scope of distribution;

(d) to the public or other interested persons, directly or indirectly through information service providers or other market participants, for the purpose of providing market information from time to time relating to the status of the Loan or any related securitization or any interest therein, regardless of format or scope of distribution;

(e) to any governmental authority having jurisdiction over any sale, syndication or securitization of the Loan or any trade of any interest therein;

(f) to any other person in connection with the sale, syndication or securitization of the Loan, including insurers and rating agencies; and

(g) to any other person in connection with the collection or enforcement proceedings taken under or in respect of the Loan.

Without limiting the foregoing, each Borrower Entity acknowledges that certain Lender Entities may collect or come into possession of personal information relating to certain individuals either comprising or otherwise connected with such Borrower Entity, which information may include contact information (mailing address, e-mail address, telephone number or fax number), financial information and status (bank account numbers, existing debts, personal net worth or credit history), date of birth, place of employment and social insurance number. Each Borrower Entity acknowledges and agrees that such personal information may be used by Lender Entities in connection with the processing, approving, funding, servicing and administering the Loan and any sale, syndication or securitization of the Loan, and in so doing each Lender Entity may disclose and otherwise deal with personal information in the same manner and to the same persons as provided in the preceding paragraph without restriction and without notice to or the consent of any Borrower Entity or any related individual. Each Borrower Entity, for itself and on behalf of its directors, officers, shareholders and principals, hereby consents to and authorizes such use and disclosure of all such personal information by each Lender Entity and represents and warrants that it has full power and authority to give such consent and authorization.

Title Insurance

The Mortgagor agrees that the Lender may require, in its sole discretion and as a condition of funding, a lender's title insurance policy from a title insurer in form and content satisfactory to the Lender, at the Mortgagor's sole costs. The Mortgagor shall provide or cause to be provided, at its sole cost, all information required by such title insurer, including any solicitor's title opinion if so required, in support of the issuance of the Lender's title insurance policy.

Transfers

No Transfer shall be made or permitted to be made without the prior written consent of the Lender in its sole discretion. If, without the prior written consent of the Lender, any Transfer occurs in breach of this provision, then the Lender, at its sole option and without limiting its other rights and remedies hereunder, may declare the Mortgage Monies (including any related yield maintenance fee) to be immediately due and payable by the Mortgagor to the Lender. Notwithstanding the foregoing, the Lender's consent to a Transfer shall not be unreasonably withheld in the case of a transferee whose financial condition, managerial capacity and ownership structure meets standards consistently applied by the Lender (or following securitization of the Loan, by the Loan servicer) for approval of borrowers of mortgage loans having similar terms and secured by similar properties. If the Lender approves such Transfer, such approval shall be subject to the Mortgagor's satisfaction of certain terms and conditions set out in the Lender's Loan documents, including execution and delivery of an assumption agreement (in the Lender's standard form) and payment by the Mortgagor to the Lender of a reasonable assumption fee and all reasonable fees, costs and expenses of the Lender, its servicer, legal counsel and rating agencies.

Material Adverse Change

Notwithstanding the satisfaction of all other conditions of funding and/or the locking of the interest rate, the Lender shall not be required to fund the Loan and may terminate the Commitment Letter if it determines in its sole discretion that there has occurred any change in financial market conditions, applicable laws, or general accounting standards which would, in the opinion of the Lender, in its sole discretion, materially and adversely affect the ownership or value of the Loan or the Lender's ability to profitably sell, syndicate or securitize the Loan in whole or in part. In the event that the Lender terminates this Commitment Letter and does not close the Loan specifically due to circumstances set out in this clause, the Lender agrees to refund all deposits paid to the Lender.

Credit Investigations

Each Borrower Entity consents to and authorizes the Lender or its representatives to make inquiries of, and exchange information with, third parties regarding the character, general reputation, personal characteristics, financial and credit data of each Borrower Entity, including its respective directors, officers, shareholders and principals, and represents and warrants that it has the full power and authority to give such consent and authorization.

Financial Encumbrances

No financial encumbrance (including any mortgage, charge, lien or security interest of any kind, whether prior or subordinate to or *pari passu* with the Lender's security) shall be created, issued, incurred or permitted to exist in respect of the Mortgaged Premises (or any related plant, equipment, chattels or other personal property) without the Lender's prior written consent in its sole discretion, except in favour of the Lender. Any such financial encumbrance not permitted hereby shall be vacated and discharged from the Mortgaged Premises forthwith. If any such financial encumbrance of the Mortgaged Premises or any part thereof is made, created, incurred or permitted to exist in breach of this provision, then the Lender, at its sole option, and without limiting its other rights and remedies hereunder, may declare the Mortgage Monies (including any related yield maintenance fee) to be immediately due and payable by the Mortgagor to the Lender.

DATED: AS OF THE ____________ DAY OF APRIL, 2008

CONCRETE ASSOCIATES IV INVESTMENT CORPORATION

TO

CIBC MORTGAGES INC.

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MORTGAGE

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MacPherson Leslie & Tyerman LLP
Barristers and Solicitors
4505-400 3rd Avenue SW
Calgary, Alberta
T2P 4H2

APPENDIX E

ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE

IMAGE OF DOCUMENT REGISTERED AS:

081131318

LAND TITLES ACT

MORTGAGE

CONCRETE ASSOCIATES III INVESTMENT CORPORATION

TO

CITIZENS BANK OF CANADA

BENNETT JONES LLP
BARRISTERS AND SOLICITORS
4500, 855 – 2ND STREET, S.W.
CALGARY, ALBERTA T2P 4K7

FILE NO. 56257-8

MORTGAGE

Land Titles Act

RECITALS

WHEREAS:

A. The MORTGAGOR is or is entitled to become the registered owner of the LANDS;

B. The MORTGAGEE has agreed to lend the PRINCIPAL SUM to the MORTGAGOR on the terms and conditions set out herein;

C. As security for repayment of the PRINCIPAL SUM together with interest and performance of the covenants contained herein, the MORTGAGOR has agreed to grant this MORTGAGE in favour of the MORTGAGEE.

NOW THEREFORE in consideration of the covenants and promises contained herein, the MORTGAGOR and MORTGAGEE covenant each with the other as follows:

ARTICLE 1

1.1 Definitions

In this MORTGAGE:

(a) BUSINESS DAYS means a day upon which the MORTGAGEE'S head office is open for business;

(b) COLLATERAL SECURITY means the additional and collateral security, if any, which may be required by the MORTGAGEE to be granted by the MORTGAGOR or others pursuant to the provisions of this MORTGAGE or the COMMITMENT LETTER including, but without limiting the generality of the foregoing, the following:

(i) Assignment of Leases and Rent;

(ii) Security Agreement; and

(iii) Environmental Indemnity Agreement;

(c) COMMITMENT LETTER means that certain letter from the MORTGAGEE to the MORTGAGOR. dated October 1, 2007, as the same may be amended, restated or supplemented from time to time;

(d) HAZARDOUS SUBSTANCES means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

(i) radioactive materials;

(ii) explosives;

(iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant;

(iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:

(A) endangers the health, safety or welfare of persons or the health of animal life;

(B) interferes with normal enjoyment of life or property; or

(C) causes damage to plant life or to property;

(v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls; and

(vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the MORTGAGOR, the MORTGAGEE or the LANDS;

(e) IMPROVEMENTS means all improvements of every kind whether or not affixed to the LANDS including without limitation all buildings, erections, improvements, machinery and plant, furnaces, boilers, elevators, escalators, mobile homes, plumbing, air conditioning, ventilating and refrigerating equipment, water heaters, wall to wall carpeting, plate glass, storm doors, storm windows, screens and screen doors and all apparatus and equipment appurtenant thereto whether moveable or stationery, with all proper, usual and necessary gears, tools, accessories, equipment and appliances, which are now or may hereafter be placed or installed upon the LANDS;

(f) INTEREST ADJUSTMENT DATE means April 1, 2008, or such later date as may be fixed by the MORTGAGEE, or such earlier date as may be agreed upon by the parties;

(g) INTEREST RATE means FIVE AND NINETY-FIVE ONE HUNDREDTHS (5.95%) per cent per annum, calculated and compounded semi-annually, not in advance;

(h) LANDS means that parcel or parcels of land situate in the Province of Alberta and legally described in Schedule "A" attached hereto, together with all IMPROVEMENTS;

(i) MATURITY DATE means April 1, 2013;

(j) MONTHLY INSTALMENT means the monthly payments of interest required to be made hereunder;

(k) MORTGAGE means this mortgage together with all Recitals and all Schedules attached hereto;

(l) MORTGAGE MONIES means the PRINCIPAL SUM together with interest thereon and all other monies secured by this MORTGAGE, including without restriction, any advances, letters of credit issued by the MORTGAGEE for the benefit of the MORTGAGOR, fees or expenses made or incurred by the MORTGAGEE;

(m) MORTGAGEE means **CITIZENS BANK OF CANADA**;

(n) MORTGAGEE'S ADDRESS means Commercial Mortgages, 700 – 815 West Hastings Street, Vancouver, British Columbia V6C 1B4 or such other address as the MORTGAGEE shall from time to time advise in writing;

(o) MORTGAGOR means **CONCRETE ASSOCIATES III INVESTMENT CORPORATION**;

(p) MORTGAGOR'S ADDRESS means 1700, 530 – 8th Avenue, S.W., Calgary, Alberta T2P 3S8 or such other address as the MORTGAGOR shall from time to time advise in writing;

(q) PRIME RATE means the floating annual rate of interest which is established from time to time by the MORTGAGEE as a reference rate for the purpose of determining rates of interest it shall charge on loans and designated by the Mortgagee as the "Prime Rate". A statement or statements in writing made by the Manager of any branch or any officer of the MORTGAGEE as to the PRIME RATE, from time to time, shall be final and conclusive as evidencing the PRIME RATE during the operative time of the statement and shall not be open to dispute or challenge by the MORTGAGOR. Any change in the PRIME RATE shall be effective on the banking day on which the MORTGAGEE changes its PRIME RATE and such rate of interest shall be changed automatically without notice to the MORTGAGOR;

(r) PRINCIPAL SUM means the sum of **EIGHTEEN MILLION ($18,000,000.00) DOLLARS** in lawful money of Canada;

(s) PRIOR CHARGE means any mortgage, lien, agreement for sale, encumbrance, interest in land or other charge or claim upon or with respect to the LANDS which has or may have or which may acquire priority to this MORTGAGE;

(t) REAL ESTATE TAXES means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the LANDS and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this MORTGAGE or on the MORTGAGEE in respect of this MORTGAGE or on the monies secured by this MORTGAGE or on the LANDS;

(u) RECEIVER means any person or persons appointed by the MORTGAGEE in accordance with section 6.1 herein and includes a receiver, and a receiver and a manager;

(v) TERM means the period of time from the first advance of the PRINCIPAL SUM hereunder to and including the MATURITY DATE;

1.2 Preamble and Schedule Incorporated

The parties hereby confirm and ratify the matters contained and referred to in the preamble to this MORTGAGE and agree that same and Schedule "A" attached hereto are expressly incorporated into and form part of this MORTGAGE.

1.3 Schedule

The schedule to this MORTGAGE is as follows:

Schedule "A" - The LANDS.

ARTICLE 2

2.1 Loan of PRINCIPAL SUM

The MORTGAGEE agrees to lend the PRINCIPAL SUM to the MORTGAGOR upon the terms and conditions contained herein but subject always to the MORTGAGEE'S unfettered discretion not to advance.

2.2 Repayment

The MORTGAGOR shall pay to the MORTGAGEE at the MORTGAGEE'S ADDRESS, the PRINCIPAL SUM together with interest thereon as follows:

(a) interest only at the INTEREST RATE on so much of the PRINCIPAL SUM as shall have been advanced from time to time, which interest shall, notwithstanding the definition of INTEREST RATE and only for the purposes of this subsection, be calculated and computed monthly from the respective dates of such advances and shall become due and be paid on the first (1st) day of each and every month commencing with the month next following the month in which the first advance of the PRINCIPAL SUM was made and continuing to and including the INTEREST ADJUSTMENT DATE, on which date all interest on advances shall become due and payable;

(b) thereafter the PRINCIPAL SUM together with interest thereon at the INTEREST RATE from the INTEREST ADJUSTMENT DATE shall become due and be paid by monthly instalments of ONE HUNDRED AND SIX THOUSAND FIVE HUNDRED AND TWELVE ($106,512.00) Dollars each (which include and shall be applied firstly on interest and secondly on principal) on the first (1st) day of each and every month in each and every year from and including first (1st) day of May, 2008 until the whole of the monies hereby secured hereby is fully paid, the balance thereof, notwithstanding anything contained herein, to become due and payable in full in any event on the MATURITY DATE; and

(c) if the PRINCIPAL SUM together with interest thereon and all other monies hereby secured are not paid in full on the MATURITY DATE then from and after such date the MORTGAGOR shall pay interest on such amounts at the at the rate of the PRIME RATE plus FIVE (5.00%) per cent per annum, calculated monthly, such interest to be due and paid on the first day of each and every month commencing May 1, 2013.

For greater certainty, the Mortgagor hereby acknowledges and agrees that the amount of principal money to be advanced under and secured by this MORTGAGE is the sum of EIGHTEEN MILLION ($18,000,000.00) DOLLARS and the interest rate payable under this MORTGAGE shall equal FIVE AND NINETY-FIVE ONE HUNDREDTHS (5.95%) per annum calculated and compounded semi-annually from the INTEREST ADJUSTMENT DATE to and including the MATURITY DATE and thereafter the interest rate payable under this MORTGAGE shall equal the PRIME RATE plus FIVE (5.00%) per cent per annum, calculated monthly, until the whole the whole of the monies hereby secured shall be paid in full. The MORTGAGOR further acknowledges and agrees that from and after the MATURITY DATE the MORTGAGE MONIES due hereunder shall be payable on demand.

2.3 Payment of Interest

All interest on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the rate then in effect hereunder after as well as before maturity, default and the obtaining of any judgment by the MORTGAGEE, to be computed with monthly rests and all such interest and compound interest shall be a charge on the LANDS. In the event of non-payment of any of the MORTGAGE MONIES at the times herein set for payment thereof the MORTGAGOR shall, so long as any part thereof remains unpaid, pay interest at the rate then in effect hereunder at the same times and in the same manner as chargeable on the PRINCIPAL SUM. Provided, however, that in the event that the computation of interest in arrears on a monthly basis is prohibited by the provisions of the *Interest Act* (Canada), then in such event (and only in such event) interest in arrears shall bear interest to the extent permitted by law.

ARTICLE 3

3.1 Insurance

(a) Without limiting the insurance requirements set out in the Commitment Letter, the MORTGAGOR shall forthwith insure the LANDS and all chattels located thereon and during the continuance of this MORTGAGE keep insured in favour of the MORTGAGEE to the extent of the full insurable value thereof, or sufficient to protect the MORTGAGEE, as the MORTGAGEE may reasonably request, in lawful money of Canada, with a company or companies approved by the MORTGAGEE against:

(i) all risks of loss or damage including that caused by fire, windstorm, flooding, hail, lightning, explosion, theft, vandalism, malicious damage, riot, earthquake, impact by aircraft or vehicles, smoke damage; and

(ii) to the extent applicable, against loss or damage caused by any defect in or the bursting or explosion of any steam boiler or other object generating or operated by steam or any closed circulation hot water system or any pressure vessel or by the escape of water from any sprinkler system or other piping within or operated upon the LANDS;

such policies of insurance to contain the usual "Extended Coverage" and "Replacement Cost" endorsements.

(b) Further, the MORTGAGOR will maintain:

(i) comprehensive general liability insurance in such amounts as the MORTGAGEE may require; and

(ii) rental or business interruption insurance in such amounts as the MORTGAGEE may require.

(c) The MORTGAGEE may in the event of any default effect such insurance and insure the LANDS against loss or damage from any other cause whatsoever.

(d) The MORTGAGOR will not do or permit anything to be done whereby the said policy or policies may be voided, and will pay all premiums and sums of money necessary for maintaining every such insurance as aforesaid, as the same become due, and will assign and deliver unto the MORTGAGEE the policy or policies of insurance and the receipt or receipts relating thereto.

(e) The policies shall to the extent applicable, bear endorsements in a form satisfactory to the MORTGAGEE making all proceeds thereunder payable to the MORTGAGEE. All policies shall contain either the Insurance Bureau of Canada standard mortgage clause or the MORTGAGEE'S special mortgage clause.

(f) The policies of insurance and renewals thereof, if applicable, shall be delivered to the MORTGAGEE at such times as are requested by the MORTGAGEE, but without limitation, evidence of renewal shall be delivered not less than thirty (30) BUSINESS DAYS prior to expiration of the insurance.

(g) The MORTGAGEE may require any such insurance to be written by insurance companies acceptable to it, and may, at its option, cancel existing policies and require that new insurance be effected, and may, in the event of failure by the MORTGAGOR to deliver policies or renewals thereof to the MORTGAGEE as herein provided, effect and maintain any insurance herein provided for. Any amount or amounts paid by the MORTGAGEE in respect thereof shall be payable by the MORTGAGOR to the MORTGAGEE forthwith on demand, and shall be added to the PRINCIPAL SUM and will accrue interest at the at the rate then in effect hereunder as if the money were interest in arrears and shall bear interest at the at the rate then in effect hereunder until payment is received by the MORTGAGEE. Such interest shall run from the date of payment by the MORTGAGEE and shall be added to the PRINCIPAL SUM and be a charge upon the LANDS until repaid with interest as aforesaid. However, nothing set out herein shall obligate the MORTGAGEE to obtain such insurance and doing so is solely at the option of the MORTGAGEE.

(h) The MORTGAGOR shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the MORTGAGEE to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance (including, without limitation, any monies paid or payable under a compromise or settlement and notwithstanding that liability may be denied by the insurer or the validity of the policy is put in issue) may at the sole option of the MORTGAGEE:

(i) be applied in or towards substantially rebuilding, reinstating and repairing the LANDS;

(ii) be applied wholly or in part in reduction of the MORTGAGE MONIES then remaining unpaid, notwithstanding that no amount at such time may be due and payable under the terms of this MORTGAGE;

(iii) be paid over in whole or in part to the MORTGAGOR but no such payment shall operate as payment or a novation of the MORTGAGOR'S indebtedness hereunder or as reduction of this MORTGAGE; or

(iv) be applied partly in one way and partly in another as the MORTGAGEE in its sole discretion may determine.

Pending application of the insurance monies for the purpose aforesaid, the same shall be deemed to form part of the MORTGAGE MONIES and be subject to the charge hereby created.

(i) The MORTGAGOR hereby irrevocably appoints the MORTGAGEE as its attorney for the purpose of demanding, recovering and receiving payment of any and all insurance monies to which it may be or may become entitled. Without limiting the generality of the foregoing, the MORTGAGEE may, in the name of the MORTGAGOR:

(i) file proofs of claim with any insurer who shall insure the LANDS;

(ii) settle or compromise any claim for insurance proceeds in respect of the LANDS;

(iii) commence and prosecute any action in the name of the MORTGAGOR for recovery of insurance proceeds in respect of the LANDS; and

(iv) settle or compromise any such action in the name of the MORTGAGOR for recovery of insurance proceeds in respect of the LANDS.

Notwithstanding anything herein contained it shall remain the responsibility of the MORTGAGOR to demand, recover and receive such payment and nothing herein shall render the MORTGAGEE liable to the MORTGAGOR for any act done by it in pursuance of the power of attorney hereby granted or for its failure to do any act or take any step.

(j) The MORTGAGOR acknowledges that it is aware of the provisions of the *Fire Prevention (Metropolis) Act* of 1774, which provides that, in the case of loss or damage by fire, the MORTGAGOR at its discretion, may require that the insurance proceeds be utilized to rebuild, reinstate and repair the LANDS, and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof. It is further agreed, that in the event that the MORTGAGEE at its sole discretion has insurance monies applied to the PRINCIPAL SUM secured hereby the payment of such sums will be subject to any prepayment provisions contained in this MORTGAGE.

3.2 Payment of REAL ESTATE TAXES

The MORTGAGOR shall pay as they become due all REAL ESTATE TAXES and shall submit to the MORTGAGEE tax receipts evidencing payment within thirty (30) days after they become due, provided that:

(a) the MORTGAGEE may deduct from any advance of the PRINCIPAL SUM an amount sufficient to pay any REAL ESTATE TAXES;

(b) the MORTGAGOR will transmit to the MORTGAGEE all assessment notices, tax bills and other notices affecting the imposition of REAL ESTATE TAXES forthwith after the receipt of same by the MORTGAGOR;

(c) if the MORTGAGOR defaults in payment of the REAL ESTATE TAXES, the MORTGAGEE may, but shall not be obliged to, pay all REAL ESTATE TAXES and all monies expended by the MORTGAGEE for such purpose, together with interest thereon at the at the rate then in effect hereunder, shall be added to the PRINCIPAL SUM (such interest to run from the date of payment by the MORTGAGEE), and shall be a charge upon the LANDS and shall be repaid by the MORTGAGOR to the MORTGAGEE forthwith upon demand;

(d) the MORTGAGOR shall, at the option of the MORTGAGEE, pay to the MORTGAGEE on the days appointed herein for payment of MONTHLY INSTALMENTS, such sums in addition thereto as the MORTGAGEE shall compute to be required to provide a fund sufficient to pay in full the REAL ESTATE TAXES when such taxes become due and payable and the MORTGAGEE shall be at liberty to exercise its discretion at any time during the currency of this MORTGAGE. A forbearance by the MORTGAGEE to exercise its discretion, either at the commencement of the TERM or at any other time thereafter, shall in no way affect or preclude the MORTGAGEE from requiring the MORTGAGOR to pay instalments for REAL ESTATE TAXES at any subsequent time. The following provisions shall apply to this subsection:

 (i) in the event that the REAL ESTATE TAXES actually charged for any particular year exceed the estimated amount or in the event of any part of the estimated amount paid to the MORTGAGEE being applied by the MORTGAGEE in or towards principal and interest or other monies in default, the MORTGAGOR will pay to the MORTGAGEE on demand the amount required to satisfy the deficiency;

 (ii) so long as there is no default under any covenant or agreement contained in this MORTGAGE or in any COLLATERAL SECURITY, the MORTGAGEE shall apply such payments on the REAL ESTATE TAXES, but the MORTGAGEE shall be under no obligation to apply such payments more often than yearly;

 (iii) if before any such sum or sums in the hands of the MORTGAGEE shall have been so applied there shall be default in respect of the payment of any of the MORTGAGE MONIES or in any COLLATERAL SECURITY, the MORTGAGEE may, at its option, apply such sum or sums in or towards payment of principal, interest or other monies so in default;

 (iv) if the MORTGAGOR desires to take advantage of any discounts or avoid any penalties in connection with the payment of REAL ESTATE TAXES, then it shall pay to the MORTGAGEE such additional amounts as in the opinion of the MORTGAGEE are required for that purpose; provided always, that the MORTGAGEE may, at its option, decide to prepay either in whole or in part any REAL ESTATE TAXES.

3.3 Maintenance and Repair of the LANDS

(a) The MORTGAGOR will not commit any act of waste upon the LANDS nor do or permit to be done any act which may impair the value thereof.

(b) The MORTGAGOR will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the LANDS and without cost and expense to the MORTGAGEE will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and will promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the LANDS, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the MORTGAGOR shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.

(c) The MORTGAGEE by its agents, solicitors or inspectors may enter upon the LANDS at any reasonable time to view the state of repair.

(d) Should, in the opinion of the MORTGAGEE, the LANDS not be in a proper state of repair, the MORTGAGEE may serve notice upon the MORTGAGOR to make such repairs or replacements as the MORTGAGEE deems proper within a period of twenty (20) BUSINESS DAYS and in the event of the MORTGAGOR not having complied or not being in the process of diligently complying with such request, the MORTGAGEE may deem the MORTGAGOR to be in default hereunder and may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the LANDS for the purpose of doing such work with or without the MORTGAGOR'S concurrence and the cost thereof shall be paid for by the MORTGAGOR upon demand and until paid shall be secured by this MORTGAGE, bear interest at the at the rate then in effect hereunder and be a charge upon the LANDS in priority to the interest of the MORTGAGOR. Provided always, that should the MORTGAGOR have vacated or abandoned the LANDS, or, should the LANDS be occupied by a tenant or tenants who are failing to properly maintain and repair the same, and, the MORTGAGEE, in its sole discretion, deems it necessary to enter upon the LANDS in order to properly maintain and preserve its security, then in such event, the MORTGAGEE shall be entitled to so enter and such action by the MORTGAGEE shall not constitute it a mortgagee in possession nor liable as such.

(e) In the ownership, operation and management of the LANDS, the MORTGAGOR will observe and comply with all applicable federal, provincial and local bylaws, statutes, rules, ordinances and regulations, orders, directions and restrictions including, without limitation, all zoning and building codes affecting the LANDS in force from time to time..

3.4 Alterations or Additions

The MORTGAGOR shall not make, or permit to be made, any alterations or additions to the LANDS nor remove or attempt to remove any IMPROVEMENTS from the LANDS without the prior written consent of the MORTGAGEE.

3.5 Change of Use

The MORTGAGOR will not change or permit to be changed the use of the LANDS without the prior written consent of the MORTGAGEE.

3.6 Fixtures

All IMPROVEMENTS shall, immediately upon being placed on the LANDS, become fixtures and form a part of the realty and of the security of these presents, and are included in the expression the "LANDS", where used in this MORTGAGE.

3.7 HAZARDOUS SUBSTANCES

The MORTGAGOR represents, covenants and warrants to and in favour of the MORTGAGEE that:

(a) neither the MORTGAGOR, nor, to the best knowledge of the MORTGAGOR, any other person has ever caused or permitted any HAZARDOUS SUBSTANCES to be placed, held, located or disposed of on, under or at the LANDS, save and except as disclosed to the MORTGAGEE in writing;

(b) it shall not allow any HAZARDOUS SUBSTANCES to be placed, held, located or disposed of on, under or at the LANDS without the prior written consent of the MORTGAGEE which consent may be arbitrarily or unreasonably withheld;

(c) it shall not allow the LANDS to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of HAZARDOUS SUBSTANCES;

(d) to the extent that HAZARDOUS SUBSTANCES are, with the MORTGAGEE'S consent, placed, held, located or disposed of on, under or at the LANDS in accordance with the terms hereof, the MORTGAGOR shall:

(i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the HAZARDOUS SUBSTANCES;

(ii) at the request of the MORTGAGEE, provide evidence to the MORTGAGEE of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the MORTGAGEE may reasonably require, all at the expense of the MORTGAGOR;

(e) without restricting the generality of the foregoing, in the event that gasoline or other storage tanks are located under or on the LANDS, the MORTGAGOR shall:

(i) maintain and repair such storage tanks in a manner satisfactory to the MORTGAGEE; and

(ii) at the request of the MORTGAGEE, assign any warranties or guarantees received from the manufacturer or installer of such storage tanks in favour of the MORTGAGEE as additional security.

3.8 Indemnity

The MORTGAGOR hereby indemnifies and saves harmless the MORTGAGEE and its successors and assigns from and against any and all losses, liabilities, damages, costs and expenses of any kind whatsoever including, without limitation:

(a) the costs of defending, counter-claiming or claiming against third parties in respect of any action or matter including legal fees, costs and disbursements on a solicitor and his own client basis and at all court levels;

(b) any cost, liability or damage arising out of a settlement of any action entered into by the MORTGAGEE with or without the consent of the MORTGAGOR; and

(c) the costs of repair, clean-up or restoration paid by the MORTGAGEE and any fines levied against the MORTGAGEE;

which at any time or from time to time may be paid, incurred or asserted against the MORTGAGEE, as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release, of HAZARDOUS SUBSTANCES from the LANDS either onto any lands (including the LANDS), into the atmosphere or into any water. This indemnification shall survive the satisfaction, release or enforcement of this MORTGAGE or COLLATERAL SECURITY and the full repayment of the MORTGAGE MONIES.

ARTICLE 4

4.1 MORTGAGOR'S Representations and Warranties

The MORTGAGOR represents and warrants to the MORTGAGEE that:

(a) the MORTGAGOR has a good title to the LANDS;

(b) the MORTGAGOR has the right to mortgage the LANDS;

(c) on default, the MORTGAGEE shall have quiet possession of the LANDS, free from all encumbrances;

(d) the MORTGAGOR will execute such further assurances with respect to the LANDS as may be required by the MORTGAGEE; and

(e) the MORTGAGOR has done no act to encumber the LANDS in priority to the MORTGAGE.

ARTICLE 5

5.1 Default

In the event of default being made in any of the covenants, agreements, provisos, payments or stipulations expressed or implied herein, then:

(a) the MORTGAGEE may, at its option, and at the MORTGAGOR'S expense and when and to such extent as the MORTGAGEE deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation;

(b) the MORTGAGEE may send or employ an inspector or agent to inspect and report upon the value, state and condition of the LANDS and a solicitor to examine and report upon the title to the same, all at the expense of the MORTGAGOR;

(c) it shall and may be lawful for, and the MORTGAGOR does hereby grant full power, right and license to the MORTGAGEE to enter, seize and distrain upon the LANDS or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the LANDS as much of the MORTGAGE MONIES as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;

(d) the MORTGAGEE may, at its option, sell, lease, mortgage or otherwise dispose of or deal with the MORTGAGOR'S interest in and to the LANDS, without entering into possession of the same and without giving any notice to the MORTGAGOR of the MORTGAGEE'S intention to do so. Any sale, lease or mortgage made under the powers hereby given may be on such terms as to credit or otherwise as shall in the opinion of the MORTGAGEE be most advantageous and for such price as can be reasonably obtained therefor and such sale may be made of any portion or portions of the LANDS, from time to time. The MORTGAGEE may make any stipulation as to title or otherwise as the MORTGAGEE may deem proper and the MORTGAGEE may rescind or vary any contract for sale of any of the LANDS and resell without being responsible for any loss occasioned thereby. The proceeds of any sale shall be applied in payment of the MORTGAGE MONIES, all legal costs of the MORTGAGEE as between a solicitor and his own client on a full indemnity basis and the balance, if any, to be paid to the MORTGAGOR. Any such sale shall be absolutely conclusive as against the MORTGAGOR or any persons claiming by, from, through or under the MORTGAGOR and its assigns and in the event of a sale on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the MORTGAGEE is not to be accountable or charged with any monies until the same shall be actually received by it in cash;

(e) the whole of the MORTGAGE MONIES shall, at the option of the MORTGAGEE, become due and payable;

(f) the MORTGAGEE may take such proceedings to realize on the MORTGAGEE'S security created by this MORTGAGE or the COLLATERAL SECURITY by foreclosure or otherwise as the MORTGAGEE may by law be entitled to do;

(g) the MORTGAGEE may exercise each of the foregoing powers, together with all other rights and powers provided for in this MORTGAGE, without notice to the MORTGAGOR; and

(h) the exercise or the attempted exercise of one or more of the MORTGAGEE'S rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.2 No Merger

The giving and taking of this MORTGAGE shall in no way merge or affect any other security or securities that may have been, or that may hereafter be given in respect of any amount secured by this MORTGAGE, or any part thereof, or impair or affect any such security or securities or any remedy thereunder, and all rights and remedies which the MORTGAGEE now has or may hereafter have against the MORTGAGOR or any other person or entity are hereby reserved. The MORTGAGOR agrees that the taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the MORTGAGE MONIES or performance of the obligations hereby secured or the entering into of any arrangement, including the granting of time, compromise, release or discharge or the termination of any causes of action, claim or right whatsoever by the MORTGAGEE against the MORTGAGOR or any other person or entity, whether prejudicial or beneficial to any one or more of them, shall not operate as a merger of such covenant or affect the rights or remedies of the MORTGAGEE, or affect the MORTGAGEE'S right to interest at on any monies which are owing to the MORTGAGEE and such judgment shall provide that interest thereon shall be computed at the at the rate then in effect hereunder in the same manner as provided for herein until the judgment has been paid in full.

The MORTGAGOR acknowledges that it is aware of the provisions of the *Judgment Interest Act*, R.S.A. 2000, c. J-1, dealing with the award of interest from the date a cause of action arises to the date of judgment, and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof, and agrees to pay interest in accordance with the terms of this MORTGAGE, both before and after default, maturity and judgment.

5.3. Release

The MORTGAGEE may at any time release any part of the LANDS, or any of the covenants and agreements herein contained, or any COLLATERAL SECURITY, either with or without any consideration therefor and without being accountable either for the value thereof, or for any money except that which is actually received, and without thereby releasing or affecting any other of the LANDS or any of the other covenants or agreements herein contained or releasing any guarantor or any other security.

5.4 No Obligation to Advance

Neither execution nor registration nor acceptance of this MORTGAGE, nor the advance of part of the PRINCIPAL SUM shall bind the MORTGAGEE to advance the PRINCIPAL SUM or any unadvanced portion thereof, but nevertheless this MORTGAGE shall take effect forthwith on its execution and if the PRINCIPAL SUM or any part thereof shall not be advanced at the date hereof, the MORTGAGEE may advance the same in one or more sums to or on behalf of the MORTGAGOR at any future date or dates and the amount of such advances when so made shall be secured hereby and repayable with interest as herein provided. In all events, the advance of the PRINCIPAL SUM or any part thereof from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the MORTGAGEE.

5.5 Additional Charges

All solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this MORTGAGE and for examining the LANDS and the title thereto, and for making or maintaining this MORTGAGE as a valid and subsisting charge on the LANDS, together with all sums which the MORTGAGEE may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, REAL ESTATE TAXES, rates or in or toward payment of any PRIOR CHARGE, or in maintaining, repairing, restoring or completing the LANDS, and in inspecting, leasing, managing, or improving the LANDS, including the price or value of any goods of any sort or description supplied to be used on the LANDS, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting, and legal costs as between a solicitor and his own client, and also an allowance for the time, work and expenses of the MORTGAGEE, or of any agent, solicitor or servant of the MORTGAGEE, for any purpose herein provided or whether or not such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the MORTGAGOR or otherwise, are to be secured hereby and shall be a charge on the LANDS, together with interest thereon at the rate then in effect hereunder, and all such monies shall be repayable to the MORTGAGEE on demand, or if not demanded, then with the next ensuing MONTHLY INSTALMENT payable hereunder, except as herein otherwise provided. It is the express intention and agreement of the MORTGAGOR and MORTGAGEE that the MORTGAGOR shall fully and totally indemnify the MORTGAGEE for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this MORTGAGE.

5.6 Right of Subrogation

In the event of the PRINCIPAL SUM advanced hereunder or any part thereof being applied to the payment of any charge or encumbrance, the MORTGAGEE shall be subrogated to all the rights of, and stand in the position of and be entitled to all the equities of the party so paid whether such charge or encumbrance has or has not been discharged, and the decision of the MORTGAGEE as to the validity or amount of any advance or disbursement made under this MORTGAGE or of any claim so paid shall be final and binding on the MORTGAGOR.

5.7 Monies Received or Collected

The MORTGAGEE shall not be charged with any monies receivable or collectable out of the LANDS or otherwise except those actually received, and all revenue of the LANDS received or collected by the MORTGAGEE from any source other than payment by the MORTGAGOR may at the option of the MORTGAGEE be retained in a suspense account or used in maintaining or insuring or improving the LANDS, or in payment of REAL ESTATE TAXES or other charges against the LANDS, or applied on the mortgage account, and the MORTGAGEE shall not be under any liability to pay interest on any sums in a suspense account.

5.8 Discharge

Any discharge of this MORTGAGE shall be prepared by the solicitor of the MORTGAGEE and the MORTGAGEE shall have a reasonable time after receipt of payment in full within which to have prepared and to execute such discharge. A tender of the MORTGAGE MONIES shall not entitle the MORTGAGOR to immediately receive such discharge.

5.9 Exercise of Discretion

Any discretion, option, decision or opinion hereunder on the part of the MORTGAGEE shall be sufficiently exercised or formed if exercised, or formed by or subsequently ratified by the manager or acting manager for the time being or by an executive officer of the MORTGAGEE, or any officer or agent appointed by the MORTGAGEE for that purpose.

5.10 Default Under PRIOR CHARGE

If the MORTGAGOR makes default in the performance of the covenants, payments or conditions contained in any PRIOR CHARGE then such default shall constitute a default hereunder and the MORTGAGE MONIES shall, at the option of the MORTGAGEE, become forthwith due and payable without notice or demand. The MORTGAGEE shall be at liberty in the event of such default, but shall not be obligated, to pay any arrears or other sums payable under the PRIOR CHARGE, or pay off all or any portion of the principal or interest thereby secured. Any amounts so paid by the MORTGAGEE shall:

(a) be added to the MORTGAGE MONIES;

(b) bear interest at the at the rate then in effect hereunder until paid;

(c) be a charge upon the LANDS; and

(d) unless repaid to the MORTGAGEE upon demand, shall be recoverable from the MORTGAGOR in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a PRIOR CHARGE, the MORTGAGOR hereby irrevocably appoints the MORTGAGEE its agent for such purpose and irrevocably directs the MORTGAGEE to tender such monies upon the holder of a PRIOR CHARGE, in the name of and on behalf of the MORTGAGOR, and in this regard the MORTGAGOR hereby assigns unto the MORTGAGEE, its equity of redemption, if any, with respect to the PRIOR CHARGE together with the statutory right of redemption given to the MORTGAGOR by the provisions of Section 38 of the *Law of Property Act*, R.S.A. 2000, c. L7. It is the intention of the parties that the MORTGAGEE shall have the same rights and powers but not the liabilities as the MORTGAGOR under and pursuant to the terms of the PRIOR CHARGE so that the MORTGAGEE will be in a position to take whatever steps are necessary to bring the PRIOR CHARGE into good standing once a default has occurred thereunder. This assignment is not intended to encompass the MORTGAGOR'S entire interest in the PRIOR CHARGE, but only to the extent hereinbefore stipulated. Nothing herein contained shall create an obligation upon the MORTGAGEE to cure any default on behalf of the MORTGAGOR.

5.11 Attornment

For better securing the punctual payment of the MORTGAGE MONIES, the MORTGAGOR hereby attoms and becomes tenant to the MORTGAGEE of the LANDS at a monthly rental equivalent to the MONTHLY INSTALMENTS secured hereby, the same to be paid on each day appointed for the payment of the MONTHLY INSTALMENT, and if any judgment, execution or attachment shall be issued against any of the goods or lands of the MORTGAGOR or if the MORTGAGOR shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or shall take the benefit of any statute relating to bankruptcy or insolvent debtors then such rental shall, if not already payable, be payable immediately thereafter. The legal relationship of landlord and tenant is hereby constituted between the MORTGAGEE and the MORTGAGOR. The MORTGAGEE may at any time after default hereunder enter upon the LANDS, or any part thereof, and determine the tenancy hereby created without giving the MORTGAGOR any notice to quit; but neither this clause nor anything done by virtue thereof shall render the MORTGAGEE a mortgagee in possession or accountable for any monies except those actually received.

5.12 Expropriation and Condemnation

(a) If the LANDS or any part thereof be condemned under any power of eminent domain or be acquired by expropriation, the damages, proceeds, consideration and award for such acquisition, to the extent of the full amount of the MORTGAGE MONIES and obligations secured hereby remaining unpaid, are hereby assigned by the MORTGAGOR and shall be paid forthwith to the MORTGAGEE and its successors and assigns. If a portion only of the LANDS be taken in the expropriation without resulting damage to the IMPROVEMENTS or any part thereof, or if a portion of the LANDS shall be taken in such expropriation proceedings with resulting damage to the IMPROVEMENTS and the amount of the award made therein is based on a determination that the portion of the IMPROVEMENTS remaining on the portion of the LANDS not so taken can practicably be rehabilitated then the provisions of this MORTGAGE relating to insurance proceeds in case of loss or damage shall apply to the award in the said expropriation and the same shall be applied accordingly.

(b) The MORTGAGOR acknowledges that it is aware of the provisions of Sections 49 and 52 of the Expropriation Act, R.S.A. 2000 c. E-13, and any amendments thereto and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof and in addition the MORTGAGOR covenants to pay to the MORTGAGEE the difference between the MORTGAGE MONIES and the monies paid by the expropriating authority to the MORTGAGEE together with interest thereon at the at the rate then in effect hereunder both before and after maturity, default, acceleration and the obtaining of any judgment by the MORTGAGEE.

(c) Notwithstanding the foregoing subsections (a) and (b) the MORTGAGEE shall be at liberty, at its sole option, to declare the whole of the MORTGAGE MONIES as being immediately due and payable in the event that any portion of the LANDS shall be the subject matter of an expropriation proceeding.

(d) Any monies awarded by an order of either the Land Compensation Board or the Surface Rights Board with respect to all or any part of the LANDS to the extent of the full amount of the MORTGAGE MONIES are hereby assigned by the MORTGAGOR and shall be paid forthwith to the MORTGAGEE, its successors and assigns.

ARTICLE 6

6.1 Appointment of RECEIVER

If the MORTGAGOR shall be in default under this MORTGAGE or under any COLLATERAL SECURITY given by the MORTGAGOR to the MORTGAGEE, then the MORTGAGEE may by instrument in writing or by obtaining an order of the court, appoint any person or persons, whether an officer or officers or employee or employees of the MORTGAGEE, or not, to be a RECEIVER of the LANDS and assets which are charged in favour of the MORTGAGEE and the rents and profits derived therefrom or any portion or part thereof, at the MORTGAGEE'S sole discretion. The MORTGAGEE may remove any RECEIVER so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

(a) a RECEIVER so appointed is conclusively the agent or agents of the MORTGAGOR and the MORTGAGOR shall be solely responsible for the acts or defaults and for the remuneration and expenses of the RECEIVER. The MORTGAGEE shall not be in any way responsible for any misconduct or negligence on the part of any RECEIVER;

(b) nothing contained herein and nothing done by the MORTGAGEE or by a RECEIVER shall render the MORTGAGEE a mortgagee in possession or responsible as such;

(c) all monies received by the RECEIVER, after providing for payment of charges ranking prior to this MORTGAGE and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the RECEIVER as hereinafter set forth, shall be applied in or towards satisfaction of the monies owing pursuant to this MORTGAGE;

(d) the RECEIVER so appointed may but shall not be obligated to:

(i) take possession of, collect and get in the property, rents and profits charged by this MORTGAGE and any COLLATERAL SECURITY granted by the MORTGAGOR to the MORTGAGEE and for that purpose to take any proceedings, be they legal or otherwise, in the name of the MORTGAGOR or otherwise;

(ii) carry on or concur in carrying on the business which the MORTGAGOR is conducting on and from the LANDS;

(iii) lease or re-lease all or any portion of the LANDS for any term, and on any condition, and with or without a premium, and for this purpose may execute contracts in the name of the MORTGAGOR which said contracts shall be binding upon the MORTGAGOR;

(iv) borrow monies for the purpose of carrying on the business of the MORTGAGOR on the LANDS, the maintenance and preservation of the LANDS or any part thereof, the payment of taxes, wages and other charges ranking in priority to this MORTGAGE or for other purposes approved by the MORTGAGEE and any money so borrowed shall be repaid by the MORTGAGOR on demand and until repaid shall bear interest thereon at the at the rate then in effect hereunder and form a charge upon the LANDS;

(v) receive the revenues, incomes, issues and profits of the LANDS and to pay therefrom all expenses, charges and borrowings incurred or payable in carrying on the business as it relates to the LANDS and all taxes, assessments and other charges against the LANDS, payment of which may be necessary to preserve the LANDS and the balance, if any, shall be held and applied in the same manner as if the same arose from a sale or realization of the LANDS;

(vi) sell and dispose of any or all of the LANDS at public auction or by tender at such time and on such terms and conditions as the RECEIVER shall determine or to sell and dispose of any or all of the LANDS by private contract and in any event for cash or upon credit and secured or otherwise as the RECEIVER may deem proper and to deliver to the purchaser or purchasers of the LANDS good and sufficient deeds or title document for the same, the RECEIVER being hereby constituted the irrevocable attorney of the MORTGAGOR for the purpose of making such sale and executing such deeds and transfer documents and any such sale shall be absolute and conclusive as against the MORTGAGOR or any persons claiming by, from, through or under the MORTGAGOR and its assigns and in the event of a sale on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the MORTGAGEE is not to be accountable or charged with any monies until the same shall be actually received by it in cash; and the RECEIVER may vary and rescind any contract for sale made by virtue of these presents and may buy and resell the LANDS or part thereof, either by private sale or public auction without the MORTGAGEE or RECEIVER being responsible for any loss or deficiency on resale or expense occasioned thereby and for such purposes the RECEIVER may make and execute all agreements and assurances that the RECEIVER shall deem advisable or necessary;

(vii) make any arrangement or compromise which the RECEIVER shall deem expedient;

(viii) sue or defend any action in the name of the MORTGAGOR;

(ix) exercise all or any of the powers or rights incident to the ownership of the LANDS;

(x) employ or retain for the execution of the duties and powers conferred upon the RECEIVER hereunder, such agents, assistants, professional advisors or other persons as required on the terms and at the remuneration the RECEIVER considers proper;

(xi) carry on and complete any construction commenced by the MORTGAGOR and be in charge of completion of any further construction on the LANDS;

(xii) release any of the LANDS which in the RECEIVER'S opinion are unprofitable or unrealizable or a source of loss or danger to the MORTGAGOR or the MORTGAGEE;

(xiii) exercise all rights and powers of the MORTGAGOR hereunder and to act generally in relation to the LANDS in such manner and on such terms as may seem expedient in the best interests of the MORTGAGEE;

(xiv) assent to the modification of any contract or agreement which may be subsisting in respect of the LANDS; or

(xv) enter into, make, execute and sign all such contracts, agreements, transfers, conveyances, assurances, instruments, and do all such things and bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the LANDS as the MORTGAGEE may deem expedient;

(e) the rights and powers conferred by this section are supplemental to and not in substitution for any other rights which the MORTGAGEE may have from time to time;

(f) the RECEIVER appointed hereunder shall not be obligated to take possession or control of the whole of the business of the MORTGAGOR. Rather, the MORTGAGEE'S right to appoint shall be restricted to the LANDS and the rents, profits and any business deriving therefrom;

(g) the MORTGAGOR shall yield up possession of the LANDS and the conduct of its business in connection therewith to the RECEIVER so appointed upon demand and shall facilitate by all legal means the actions of the RECEIVER and shall not interfere with the carrying out of the powers hereby granted to the RECEIVER and the MORTGAGOR shall forthwith by and through its officer and directors execute such documents and transfers as may be necessary to place the RECEIVER in legal possession of the LANDS and thereupon all the powers and functions, rights and privileges of each and every of the directors and officers of the MORTGAGOR shall cease and determine with respect to the LANDS;

(h) the MORTGAGEE may from time to time fix the remuneration of every such RECEIVER and direct the payment thereof out of the LANDS or the proceeds thereof and if paid by the MORTGAGEE, such remuneration and all expenses incurred by any RECEIVER shall be a charge upon the LANDS and shall be repaid by the MORTGAGOR to the MORTGAGEE forthwith upon demand, and shall bear interest at the at the rate then in effect hereunder until paid.

6.2 Appointment of Attorney

If the MORTGAGOR shall be in default in the observance or performance of any of the terms, covenants, conditions or payments described herein, then the MORTGAGOR hereby irrevocably appoints the MORTGAGEE, or its agent or employee or any RECEIVER appointed as aforesaid (the choice of which shall be at the election of the MORTGAGEE, in its sole and absolute discretion) to be its attorney, in its name and on its behalf to execute and perform any conveyances, assurances and things which the MORTGAGOR ought to execute and perform under the covenants herein contained and generally to use the name of the MORTGAGOR in the exercise of any of the powers hereby conferred on the MORTGAGEE and any RECEIVER and without limiting the generality of the foregoing, the MORTGAGEE and any RECEIVER appointed as aforesaid are hereby appointed pursuant to Section 115 of the *Land Titles Act*, R.S.A. 2000 c.L-4 as amended or replaced by substitute legislation from time to time, as the MORTGAGOR'S attorney to execute and deliver, under seal of the MORTGAGOR, or by the hand and under the seal of the MORTGAGEE or the RECEIVER, any agreements, instruments and assurances as the MORTGAGEE sees fit, for any and all purposes and for the purpose of carrying out the MORTGAGEE'S power of sale contained herein. Any attorney appointed pursuant to this section shall be entitled, in its capacity as attorney, to exercise all of the powers conferred upon a RECEIVER hereunder, in addition to any other powers the attorney may have hereunder.

ARTICLE 7

7.1 Leases

The MORTGAGOR covenants and agrees with the MORTGAGEE as follows:

(a) to faithfully perform any landlord's covenants which it may have undertaken or which it may undertake under any subsisting and future leases or rental agreements affecting the LANDS and neither do, nor neglect to do, nor permit to be done, any act (other than pursuing the enforcement of the terms of such leases or rental agreements in the exercise of the landlord's remedies thereunder following default on the part of any tenant in the performance of its prescribed obligations) which may cause the material modification or the termination of any said leases or rental agreements, or of the obligations of any tenant or any person claiming through such tenant or which may diminish or impair the value of any lease, or the rents provided for therein, or the interest of the landlord or of the MORTGAGEE therein or thereunder and contained in this MORTGAGE;

(b) not to permit any assignment of any lease or any subleasing thereunder without the prior written consent of the MORTGAGEE unless the right to sublet or assign under the lease is expressly reserved by the tenant;

(c) it will not execute a mortgage or create or permit a lien which may be or become superior to any subsisting or future leases affecting the LANDS;

(d) it will give to the MORTGAGEE immediate notice of any default or notice of cancellation received from any tenant;

(e) it will not lease or agree to lease any part of the LANDS except at a rent and on terms and conditions and to tenants which are not less favourable or desirable to the MORTGAGOR than those which a prudent landlord would expect to receive for the premises being leased; and

(f) it will not assign, charge, pledge or otherwise encumber its rights or benefits in subsisting or future leases to anyone other than the MORTGAGEE.

ARTICLE 8

8.1 Condominium

As the LANDS are subject to a condominium plan duly created pursuant to the provisions of the *Condominium Property Act*, R.S.A. 2000 c. C-22, and amendments thereto:

(a) the MORTGAGOR hereby fully and absolutely assigns, transfers and sets over unto the MORTGAGEE, any and all of the MORTGAGOR'S voting rights now existing or which may come into existence with respect to the LANDS, and with respect to the condominium corporation of which the MORTGAGOR is a member by virtue of the MORTGAGOR'S ownership of the condominium unit being charged by this MORTGAGE (herein sometimes called the "Condominium Corporation") whether such voting rights arise under the *Condominium Property Act*, R.S.A. 2000, c. C-22, or any amendments thereto, or any legislation passed in addition thereto, or in substitution therefor, under the Bylaws of the Condominium Corporation, under any agreement with the Condominium Corporation or otherwise howsoever. The MORTGAGOR covenants and agrees to execute any materials or documentation which in the sole opinion of the MORTGAGEE are necessary or advisable to give full effect to such assignment, transfer and setting over of the voting rights. Provided, however, that if the MORTGAGEE is not present in person or by proxy, or if present, does not wish to vote, then the MORTGAGOR may without further authority exercise all voting rights other than the right to vote on any matter requiring a unanimous resolution. Provided further that the MORTGAGEE may, by notice in writing to the MORTGAGOR, revoke and terminate all voting rights and privileges of the MORTGAGOR;

(b) it is further stipulated, provided and agreed that notwithstanding anything to the contrary herein contained:

   (i) the MORTGAGOR covenants and agrees with the MORTGAGEE that the MORTGAGOR shall observe and perform each and every one of the covenants and provisions required to be performed under or pursuant to the terms of this MORTGAGE, the *Condominium Property Act*, R.S.A. 2000, c. C-22 and all amendments thereto and any legislation passed in addition thereto or in substitution therefor, the bylaws of the Condominium Corporation and any amendments thereto, and under any agreement between the MORTGAGOR and the Condominium Corporation; and

   (ii) without limiting the generality of the foregoing subsection, the MORTGAGOR covenants to pay promptly when due any and all assessments, instalments or payments owing to the Condominium Corporation by an owner of a condominium unit;

(c) the MORTGAGOR further covenants and agrees that where the MORTGAGOR defaults in the MORTGAGOR'S obligations to contribute to the common expenses assessed or levied by the Condominium Corporation or any authorized agent on its behalf, or any assessment, instalment or payment owing to the Condominium Corporation, or upon breach of any covenant or provision hereinbefore in this Section contained, then regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the MORTGAGEE, at its option and without notice to the MORTGAGOR:

(i) may, but shall not be obliged to, pay such contribution to the common expenses, assessment, instalment or payment owing to the Condominium Corporation or rectify any such default or breach by the MORTGAGOR and all monies so paid and expended by the MORTGAGEE shall be secured hereby and shall be a charge on the LANDS together with interest thereon at the at the rate then in effect hereunder and all such monies shall be repayable to the MORTGAGEE on demand, or if not demanded, then with the next ensuing MONTHLY INSTALMENT; and

(ii) may deem such default to be a default under the terms of this MORTGAGE and proceed to exercise its rights hereunder; and

(d) upon default herein and notwithstanding any other right of action of the Condominium Corporation or the MORTGAGEE, the MORTGAGEE may distrain for arrears of any assessments, instalments and payments due to the MORTGAGEE or arising under any of the foregoing paragraphs.

ARTICLE 9

9.1 Interpretation

Wherever the singular number or masculine gender is used in this instrument the same shall be construed as including the plural and feminine and neuter respectively where the fact or context so requires. In any case, where this MORTGAGE is executed by more than one party, all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several. The respective heirs, executors, administrators, successors and assigns of any party executing this MORTGAGE are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained. The covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.

9.2 Renewal or Extension

If the MORTGAGEE shall agree to renew or extend the term of this MORTGAGE, then such renewal or extension and the rate of interest, term, payments and other stipulations of such renewal or extension shall be binding upon the MORTGAGOR, the MORTGAGOR'S successors in title, encumbrancers and others interested in the LANDS, whether or not the renewal or extension is registered as an amending agreement or by way of caveat at the Land

Titles Office, and whether or not the rate of interest, payments or amortization period applicable during the renewal or extension term is greater than or less than the rate, payments or amortization period stipulated in this MORTGAGE. The MORTGAGOR shall forthwith upon request by the MORTGAGEE, provide to the MORTGAGEE, at the MORTGAGOR'S expense, all postponements and other assurances as the MORTGAGEE may require in order to ensure the foregoing. All renewals shall be done at the MORTGAGOR'S legal expense on a solicitor and his own client basis. Such renewal, even if made by a successor in title to the MORTGAGOR named herein, shall in no way release or abrogate or render unenforceable the covenants or obligations of the MORTGAGOR named herein, which shall continue notwithstanding such renewal. In the event that the MORTGAGE is renewed as aforesaid, the MORTGAGE, as renewed, shall be deemed to be dated as at the date of maturity of this MORTGAGE or the MORTGAGE as previously renewed, as the case may be, for the purposes of prepayment only.

No extension of time given by the MORTGAGEE to the MORTGAGOR or alteration of interest rate or principal payments or any other dealing by the MORTGAGEE with the owner of the LANDS shall in any way prejudice or affect the rights of the MORTGAGEE against the MORTGAGOR or the MORTGAGOR'S assigns, or anyone claiming under the MORTGAGOR or any other persons.

9.3 COMMITMENT LETTER Not Merged

The provisions of the COMMITMENT LETTER are not superseded by or merged in the execution or registration of the MORTGAGE or any COLLATERAL SECURITY and the provisions of the COMMITMENT LETTER shall remain in full force and effect until all of the conditions thereof to be observed and performed by the MORTGAGOR have been fully paid and satisfied, provided however that in the event of a conflict between the terms of the COMMITMENT LETTER and the terms of this MORTGAGE or the COLLATERAL SECURITY, the MORTGAGEE, in its sole discretion, shall determine the provisions of which documents shall prevail, which determination shall be final and binding on the MORTGAGOR.

9.4 Governing Law

This MORTGAGE shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Courts of the Province of Alberta shall have exclusive jurisdiction over any dispute or matter arising herefrom.

9.5 Pre-authorized Cheque Withdrawal

The MORTGAGOR shall continue throughout the currency of this MORTGAGE to provide to the MORTGAGEE, at the MORTGAGEE'S request, post-dated cheques or documentation so as to effect a pre-authorized cheque withdrawal for the purposes of paying the MONTHLY INSTALMENTS.

9.6 Financial Records

If the MORTGAGOR carries on a commercial or industrial enterprise upon the LANDS then:

(a) the MORTGAGOR covenants and agrees during the continuance of this MORTGAGE to maintain proper records and books of account with respect to the revenues and expenditures in relation to the LANDS and to permit the MORTGAGEE or any person appointed by the MORTGAGEE for that purpose to examine such records and books at all reasonable times and to make copies or extracts therefrom, and to give to the MORTGAGEE all information with regard to the revenues and expenditures in relation to the LANDS which the MORTGAGEE may reasonably require;

(b) the MORTGAGOR shall, at the MORTGAGOR's sole cost and expense, during the continuance of this MORTGAGE furnish to the MORTGAGEE annually within ninety (90) days of the end of each of the fiscal years of the MORTGAGOR, the following:

(i) with respect to the MORTGAGOR, accountant prepared financial statements, signed in the original;

(ii) with respect to any corporate guarantors hereof, accountant prepared financial statements, signed in the original;

(iii) with respect to any individual guarantors hereof, detailed personal financial statements; and

(iv) with respect to Safeguard Real Estate Investment IV Limited Partnership, accountant prepared financial statements, signed in the original.

(c) the MORTGAGOR shall deliver to the MORTGAGEE such additional financial statements, information, plans and reports as and when requested by the MORTGAGEE from time to time.

9.7 COLLATERAL SECURITY

As additional and collateral security for the repayment of the monies hereby secured and the performance of the covenants contained herein, the MORTGAGOR shall execute and deliver or cause to be delivered to the MORTGAGEE the COLLATERAL SECURITY. None of the rights or remedies of the MORTGAGEE under this MORTGAGE or under the COLLATERAL SECURITY shall be merged in, waived, delayed, impaired, prejudiced or suspended by any such additional security or any act of the MORTGAGEE pursuant thereto.

9.8 Default Under COLLATERAL SECURITY

(a) If the MORTGAGOR or any guarantor makes default under any COLLATERAL SECURITY then the same shall constitute default under this MORTGAGE and the MORTGAGEE shall be at liberty to exercise its rights under this MORTGAGE and under any COLLATERAL SECURITY, either successively or concurrently, to the same extent as if the time for payment of the PRINCIPAL SUM and other monies hereby secured had fully come and expired.

(b) It is understood and agreed that a default by the MORTGAGOR hereunder or under the COLLATERAL SECURITY shall constitute a default under all other instruments or agreements, if any, securing or evidencing the loan herein or any indebtedness, present or future, of the MORTGAGOR to the MORTGAGEE and a default by the MORTGAGOR under any such instruments or agreements shall constitute a default hereunder.

9.9 Notices

(a) All notices, requests, demands, pleadings, judicial documentation and any other communications required to be served or given by the terms of this MORTGAGE or by the Rules of Court of Alberta, the *Judicature Act*, R.S.A. 2000, C. J-2, and any amendments thereto, the *Law of Property Act*, R.S.A. 2000, C. L-7, and any amendments thereto, or any other statute, as a result of a default by the MORTGAGOR including but not restricted to any Statement of Claim issued by the MORTGAGEE or a MORTGAGEE'S Notice of Motion requesting enforcement of its rights hereunder (the "Notice"), shall be sufficiently served either personally or by prepaid registered mail addressed to the MORTGAGOR at the MORTGAGOR'S ADDRESS or, if to the MORTGAGEE, at the MORTGAGEE'S ADDRESS. The Notice shall be conclusively deemed to have been received by the addressee three (3) BUSINESS DAYS after mailing thereof as aforesaid; provided that in the case of any real or reasonably apprehended interruption of the mail, service may be by telegraph, telex, facsimile or other operative form of electronic written telecommunication (in which case the addressee shall be conclusively deemed to have received the same on the day upon which, in the ordinary course of such telecommunication, the same would have been received).

(b) No want of notice or publication when required by this MORTGAGE or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this MORTGAGE.

9.10 No Further Encumbering

In the event of the MORTGAGOR further encumbering the LANDS in order to secure financing subsequent in priority to the loan secured by this MORTGAGE, without first obtaining the written consent of the MORTGAGEE, then, at the MORTGAGEE'S option, the MORTGAGE MONIES shall immediately become due and payable.

9.11 Due on Sale

In the event that the MORTGAGOR shall sell, convey, transfer or assign (or purport to do so) the LANDS or any portion thereof or interest therein to a purchaser, transferee or assignee without first obtaining the MORTGAGEE'S consent in writing, then, at the MORTGAGEE'S option, the MORTGAGE MONIES shall become immediately due and payable, without the necessity of a prior demand. Such consent may be unreasonably or arbitrarily withheld. Failure to exercise the aforesaid option shall not be deemed or construed to be an acceptance by the

MORTGAGEE of the aforesaid purchaser, transferee or assignee, nor shall such failure be or constitute or operate as a release, waiver or discharge of any personal covenants contained in this MORTGAGE or any COLLATERAL SECURITY, nor shall such failure prejudice or affect the enforcement of such personal covenants, nor shall such failure operate as a release or discharge of this MORTGAGE or any surety of or for this MORTGAGE. Any promise to pay, written or verbal acknowledgement of the indebtedness outstanding hereunder, or part payment of the MORTGAGE MONIES by any of the MORTGAGOR'S successors in title to the LANDS shall be conclusively deemed to be made on behalf of the MORTGAGOR and any successors in title, as the case may be, as its agent for the purpose of furnishing a fresh starting point for the running of any limitation period.

If the MORTGAGOR or any other party who becomes liable to perform and observe the covenants herein should be a corporation, then any direct or indirect transaction or dealing whatsoever which affects the share structure or share ownership of such corporation and which results in a change in control, either legal or beneficial, of the shareholdings of that corporation shall constitute an event as hereinbefore described such that the MORTGAGEE'S prior written consent as aforesaid is to be obtained, failing which, at the MORTGAGEE'S sole option, the MORTGAGE MONIES shall become immediately due and payable, without the necessity of a prior demand.

9.12 Prepayment

When not in default hereunder, under the COMMITMENT LETTER or under the COLLATERAL SECURITY, the MORTGAGOR shall be entitled to prepay the whole or any part of the PRINCIPAL SUM outstanding hereunder during the TERM upon payment to the Mortgagee the **greater of**:

i) an additional three (3) months of contract mortgage interest on the amount so prepaid: or

(ii) a yield maintenance fee based upon the difference between the contract mortgage interest rate, and the appropriate Government of Canada bond or treasury bill yield for the remaining term, as calculated by the MORTGAGEE.

9.13 Unenforceable Terms

If any term, covenant or condition of this MORTGAGE or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this MORTGAGE or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this MORTGAGE shall be valid and shall be enforceable to the fullest extent permitted by law.

9.14 Easements

That the mortgage and charge of this MORTGAGE extends to and charges all easements, rights-of-way and restrictive covenants benefiting the LANDS and now or hereafter existing and the MORTGAGOR agrees to grant to and in favour of the MORTGAGEE all such instruments, assurances and conveyances as the MORTGAGEE may reasonably require to better secure the benefits and rights to the same in favour of the MORTGAGEE. Nothing herein shall make the MORTGAGEE liable or responsible for (nor shall the MORTGAGEE be liable or responsible for) any obligations under any easement, right-of-way or restriction of any kind, whether benefiting or a burden upon the Lands.

9.15 Management

That in the event that management of the LANDS becomes unsatisfactory, in the MORTGAGEE's reasonably held opinion, the MORTGAGEE may, after giving the MORTGAGOR thirty (30) days to correct any deficiency, terminate the contract of any existing manager, if need be and appoint alternate management to its satisfaction, with all costs in that regard being borne by the MORTGAGOR. The MORTGAGOR hereby grants a power of attorney in favour of the MORTGAGEE, irrevocable until the sums hereby secured are repaid, to terminate or enter into a new contract of management, as the case may be, on behalf of the MORTGAGOR. The MORTGAGOR appoints the MORTGAGEE as its exclusive agent for such purposes and agrees to be irrevocably bound by any exercise thereof.

9.16 Receipt Acknowledged

The MORTGAGOR acknowledges receipt of a true copy of this MORTGAGE.

9.17 Charge

For better securing to the MORTGAGEE repayment of the MORTGAGE MONIES, the MORTGAGOR hereby mortgages to the MORTGAGEE all of its right, title, estate and interest in the LANDS.

IN WITNESS WHEREOF the MORTGAGOR has affixed its corporate seal duly attested to by its authorized signing officers this 2nd day of April, 2008.

CONCRETE ASSOCIATES
III INVESTMENT CORPORATION

Per: Dave Humeniuk
Name: David Humeniuk
Title: Vice President

Per: ______
Name:
Title:
(c/s)

DY

SCHEDULE "A"

CONDOMINIUM PLAN 0811241
UNIT 1
AND 124 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 2
AND 152 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 3
AND 159 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 4
AND 203 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 5
AND 115 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 6
AND 93 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 7
AND 176 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 8
AND 98 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 9
AND 180 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 10
AND 176 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 11
AND 182 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 12
AND 176 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 13
AND 98 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 14
AND 193 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 15
AND 178 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 16
AND 182 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 17
AND 175 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 18
AND 99 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 19
AND 179 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 20
AND 175 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 21
AND 181 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 22
AND 175 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 23
AND 99 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 24
AND 179 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 25
AND 176 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 26
AND 182 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 27
AND 174 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 28
AND 99 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 29
AND 180 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 30
AND 176 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 31

AND 180 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 43
AND 98 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 60
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 73
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 92
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 93
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 94
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 95
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 96
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 97
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 98
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 99
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 100
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 103
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 105
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 107
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 111
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 112
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 113
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 114
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 115
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 116
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 117
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 118
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 119
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 120
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 121
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 122
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0811241
UNIT 123
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 124
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 125
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 126
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 127
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0811241
UNIT 128
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

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APPENDIX F

Concrete

Summary of Additional Units Issued by the Safeguard LP's **Appendix F**

		From					
	Fractional Units Issue	**DV&MR**	**SNC**	**Castleridge**	**CE Place**	**El Golfo**	**New Shares to be issued**
To	DV&MR		-	-	3.0	-	3.0
	SNC	2.6		-	2.0	-	4.6
	Castleridge	9.4	51.0		-	-	60.5
	CE Place	-	-	1.7		-	1.7
	MEG Place	-	-	-	-	-	-
	Glenmore Airways	-	-	-	-	-	-
	Symcor Otis	0.8	3.8	1.3	42.5	-	48.4
	El Golfo	5.0	1.5	6.5	182.6		195.6
	Diversified	-	-	-	-	191.2	191.2
	Total	17.8	56.3	9.6	230.2	191.2	505.1

APPENDIX G

Safeguard LP

Shareholder unit analysis			Schedules	Notes
Fair market value of assets	*(A)*	9,313,939	Sch. 1	1
Less: Estimated claims @ April 30, 2010	*(B)*	5,034,237	Sch. 2	2
Less: Pre-filing intercompany payables	*(C)*	360,666		
Estimate of fair market value of equity	*(D) = (A) - (B) - (C)*	3,919,036		
# of partnership units issued to current shareholders	*(E)*	213.0		3
Value per unit		*18,399*		
# of new units issued for pre-filing inter-entity settlement	*(F) = ((C) * (E)) / (D)*	19.6		
Less: Reduction for professional fees recovery	*(G)*	1.8	Sch. 3	
# of new units issued for pre-filing inter-entity settlement, Net	*(H) = (F) - (G)*	**17.8**	Sch. 3	
Adjusted number of partnership units issued	*(I) = (H) + (E)*	230.8		
Value per unit	*((C) + (D)) / (I)*	**18,546**		
Existing shareholders adjusted % ownership	*(E) / (I)*	**92.31%**		
Dilution to existing shareholders after settlement of inter-entity claims	*((I) - (E)) / (I)*	**7.69%**		4

Note 1 - Appraised value of property based on Colliers International appraisal prepared as at July 1, 2009. Includes inter-entity receivables and professional fee recoveries from other entities. - see schedule 1

Note 2 - Receiver's best estimate of accepted claims as through the claims process. In addition, the estimated claims include the ILP DIP loan.

Note 3 - # of partnership units based on books & records of the L.P.

Schedule 1 -

Estimate of Fair Market Value of Assets	
Land and Buildings	9,250,000
Inter-entity Receivables	
CE Place	29,975
Recovery of professional fees	33,964
Total	**9,313,939**

Schedule 2 -

Estimate of Claims as at April 30, 2010	
Mortgages	4,342,241
Other secured creditors	297,500
Unsecured creditors	394,497
Total	**5,034,237**

Schedule 3 -

Pre-filing intercompany payables by project	Book value	Units distributed	FMV of shares	Less holdback for Prof Fees	Adjusted Payables	Adjusted Units Distributed
SNC	47,000	2.6	47,000	-	47,000	2.6
Castleridge	173,675	9.4	173,675	-	173,675	9.4
Symcor Otis	18,275	1.0	18,275	4,434	13,841	0.8
El Golfo	121,716	6.6	121,716	29,530	92,185	5.0
Total	**360,666**	**19.6**	**360,666**	**33,964**	**326,702**	**17.8**

Schedule 4 -

Pre-filing intercompany receivables by project	Units received	FMV of shares	Less funding of Prof Recovery	Adjusted receivables	Adjusted Units Received
CE Place	3.0	29,975	-	29,975	3.0
Total	**3.0**	**29,975**	**0**	**29,975**	**3.0**

Safeguard II LP

Shareholder unit analysis			Schedules	Notes
Fair market value of assets	*(A)*	17,373,367	Sch. 1	1
Less: Estimated claims @ April 30, 2010	*(B)*	10,351,083	Sch. 2	2
Less: Pre-filing intercompany payables	*(C)*	1,399,026		
Estimate of fair market value of equity	*(D) = (A) - (B) - (C)*	5,623,258		
# of partnership units issued to current shareholders	*(E)*	245.0		3
Value per unit		*22,952*		
# of new units issued for pre-filing inter-entity settlement	*(F) = ((C) * (E)) / (D)*	61.0		
Less: Reduction for professional fees recovery	*(G)*	4.6	Sch. 3	
# of new units issued for pre-filing inter-entity settlement, Net	*(H) = (F) - (G)*	**56.3**	Sch. 3	
Adjusted number of partnership units issued	*(I) = (H) + (E)*	301.3		
Value per unit	*((C) + (D)) / (I)*	**23,303**		
Existing shareholders adjusted % ownership	*(E) / (I)*	**81.30%**		
Dilution to existing shareholders after settlement of inter-entity claims	*((I) - (E)) / (I)*	**18.70%**		4

Note 1 - Appraised value of property based on Colliers International appraisal prepared as at July 1, 2009. Includes inter-entity receivables and professional fee recoveries from other entities. - see schedule 1

Note 2 - Receiver's best estimate of accepted claims as through the claims process. In addition, the estimated claims include the ILP DIP loan and the Chiller DIP loan.

Note 3 - # of partnership units based on books & records of the L.P.

Note 4 - The above analysis does not include the conversion of the ILP DIP loan to equity.

Schedule 1 -

Estimate of Fair Market Value of Assets	Amount
Land and Buildings	17,200,000
Inter-entity Receivables	
DV&MR	47,000
CE Place	20,500
Recovery of professional fees	105,867
Total	**17,373,367**

Schedule 2 -

Estimate of Claims as at April 30, 2010	Amount
Mortgage	8,765,185
DIP Loans	728,333
Other secured creditors	433,503
Unsecured creditors	424,061
Total	**10,351,083**

Schedule 3 -

Pre-filing intercompany payables by project	Book value	Units distributed	FMV of shares	Less holdback for Prof Fees	Adjusted Payables	Adjusted Units Distributed
Castleridge	1,170,894	51.0	1,170,894	-	1,170,894	51.0
Symcor Otis	162,400	7.1	162,400	75,363	87,037	3.8
El Golfo	65,732	2.9	65,732	30,504	35,229	1.5
Total	**1,399,026**	**61.0**	**1,399,026**	**105,867**	**1,293,160**	**56.3**

Schedule 4 -

Pre-filing intercompany receivables by project	Units received	FMV of shares	Less funding of Prof Recovery	Adjusted receivables	Adjusted Units Received
DV&MR	2.6	47,000	-	47,000	2.6
CE Place	2.0	20,500	-	20,500	2.0
Total	**4.6**	**67,500**	**0**	**67,500**	**4.6**

Safeguard III LP

Shareholder unit analysis			Schedules	Notes
Fair market value of assets	*(A)*	19,919,027	Sch. 1	1
Less: Estimated claims @ April 30, 2010	*(B)*	10,998,983	Sch. 2	2
Less: Pre-filing intercompany payables	*(C)*	374,520		
Estimate of fair market value of equity	*(D) = (A) - (B) - (C)*	8,545,524		
# of partnership units issued to current shareholders	*(E)*	272.0		3
Value per unit		*31,417*		
# of new units issued for pre-filing inter-entity settlement	*(F) = ((C) * (E)) / (D)*	11.9		
Less: Reduction for professional fees recovery	*(G)*	2.4	Sch. 3	
# of new units issued for pre-filing inter-entity settlement, Net	*(H) = (F) - (G)*	**9.6**	Sch. 3	
Adjusted number of partnership units issued	*(I) = (H) + (E)*	281.6		
Value per unit	*((C) + (D)) / (I)*	**31,682**		
Existing shareholders adjusted % ownership	*(E) / (I)*	**96.61%**		
Dilution to existing shareholders after settlement of inter-entity claims	*((I) - (E)) / (I)*	**3.39%**		4

Note 1 - Appraised value of property based on Colliers International appraisal prepared as at July 1, 2009. Includes inter-entity receivables and professional fee recoveries from other entities. - see schedule 1

Note 2 - Receiver's best estimate of accepted claims as through the claims process. In addition, the estimated claims include the ILP DIP loan.

Note 3 - # of partnership units based on books & records of the L.P.

Note 4 - The above analysis does not include the conversion of the ILP DIP loan to equity.

Schedule 1 -

Estimate of Fair Market Value of Assets	**Amount**
Land and Buildings	18,500,000
Inter-entity Receivables	
DV&MR	173,675
SNC	1,170,894
Recovery of professional fees	74,458
Total	**19,919,027**

Schedule 2 -

Estimate of Claims as at April 30, 2010	**Amount**
Mortgage	9,961,577
DIP Loans	568,333
Other secured creditors	457,322
Unsecured creditors	11,752
Total	10,998,983

Schedule 3 -

Pre-filing intercompany payables by project	**Book value**	**Units distributed**	**FMV of shares**	**Less holdback for Prof Fees**	**Adjusted Payables**	**Adjusted Units Distributed**
CE Place	54,500	1.7	54,500	-	54,500	1.7
Symcor Otis	55,000	1.8	55,000	12,797	42,203	1.3
El Golfo	265,020	8.4	265,020	61,662	203,358	6.5
Total	**374,520**	**11.9**	**374,520**	**74,458**	**300,061**	**9.6**

Schedule 4 -

Pre-filing intercompany receivables by project	**Units received**	**FMV of shares**	**Less funding of Prof Recovery**	**Adjusted receivables**	**Adjusted Units Received**
DV&MR	9.4	173,675	-	173,675	9.4
SNC	51.0	1,170,894	-	1,170,894	51.0
Total	**60.5**	**1,344,569**	**0**	**1,344,569**	**60.5**

Safeguard IV LP

Shareholder unit analysis			Schedules	Notes
Fair market value of assets	*(A)*	26,241,166	Sch. 1	1
Less: Estimated claims @ April 30, 2010	*(B)*	18,732,387	Sch. 2	2
Less: Pre-filing intercompany payables	*(C)*	2,488,722		
Estimate of fair market value of equity	*(D) = (A) - (B) - (C)*	5,020,056		
# of partnership units issued to current shareholders	*(E)*	502.0		3
Value per unit		*10,000*		
# of new units issued for pre-filing inter-entity settlement	*(F) = ((C) * (E)) / (D)*	248.9		
Less: Reduction for professional fees recovery	*(G)*	18.7	Sch. 3	
# of new units issued for pre-filing inter-entity settlement, Net	*(H) = (F) - (G)*	**230.2**	Sch. 3	
Adjusted number of partnership units issued	*(I) = (H) + (E)*	732.2		
Value per unit	*((C) + (D)) / (I)*	**10,255**		
Existing shareholders adjusted % ownership	*(E) / (I)*	**68.56%**		
Dilution to existing shareholders after settlement of inter-entity claims	*((I) - (E)) / (I)*	**31.44%**		4

Note 1 - Appraised value of property based on Colliers International appraisal prepared as at July 1, 2009. Includes inter-entity receivables and professional fee recoveries from other entities. - see schedule 1

Note 2 - Receiver's best estimate of accepted claims as through the claims process. In addition, the estimated claims include the ILP DIP loan.

Note 3 - # of partnership units based on books & records of the L.P.

Note 4 - The above analysis does not include the conversion of the ILP DIP loan to equity.

Schedule 1 -

Estimate of Fair Market Value of Assets	Amount
Land and Buildings	26,000,000
Inter-entity Receivables	
Castleridge	54,500
Recovery of professional fees	186,666
Total	**26,241,166**

Schedule 2 -

Estimate of Claims as at April 30, 2010	Amount
Mortgage	17,656,002
DIP Loans	361,667
Other secured creditors	714,718
Total	**18,732,387**

Schedule 3 -

Pre-filing intercompany payables by project	Book value	Units distributed	FMV of shares	Less holdback for Prof Fees	Adjusted Payables	Adjusted Units Distributed
DV&MR	29,975	3.0	29,975	-	29,975	3.0
SNC	20,500	2.0	20,500	-	20,500	2.0
Symcor Otis	460,718	46.1	460,718	35,271	425,447	42.5
El Golfo	1,977,529	197.8	1,977,529	151,394	1,826,135	182.6
Total	**2,488,722**	**248.9**	**2,488,722**	**186,666**	**2,302,056**	**230.2**

Schedule 4 -

Pre-filing intercompany receivables by project	Units received	FMV of shares	Less funding of Prof Recovery	Adjusted receivables	Adjusted Units Received
Castleridge	1.7	54,500	-	54,500	1.7
Total	**1.7**	**54,500**	**0**	**54,500**	**1.7**

Safeguard V LP

Shareholder unit analysis			Schedules	Notes
Fair market value of assets	*(A)*	20,694,628	Sch. 1	1
Less: Estimated claims @ April 30, 2010	*(B)*	13,788,249	Sch. 2	2
Less: Pre-filing intercompany payables	*(C)*	-		
Estimate of fair market value of equity	*(D) = (A) - (B) - (C)*	6,906,379		
# of partnership units issued to current shareholders	*(E)*	1669.0		3
Value per unit		*4,138*		
# of new units issued for pre-filing inter-entity settlement	*(F) = ((C) * (E)) / (D)*	0.0		
Less: Reduction for professional fees recovery	*(G)*	0.0	Sch. 3	
# of new units issued for pre-filing inter-entity settlement, Net	*(H) = (F) - (G)*	**0.0**	Sch. 3	
Adjusted number of partnership units issued	*(I) = (H) + (E)*	1669.0		
Value per unit	*((C) + (D)) / (I)*	**4,138**		
Existing shareholders adjusted % ownership	*(E) / (I)*	**100.00%**		
Dilution to existing shareholders after settlement of inter-entity claims	*((I) - (E)) / (I)*	**0.00%**		4

Note 1 - Appraised value of property based on Colliers International appraisal prepared as at July 1, 2009. Includes inter-entity receivables and professional fee recoveries from other entities. - see schedule 1

Note 2 - Receiver's best estimate of accepted claims as through the claims process. In addition, the estimated claims include the ILP DIP loan.

Note 3 - # of partnership units based on books & records of the L.P.

Note 4 - The above analysis does not include the conversion of the ILP DIP loan to equity.

Schedule 1 -

Estimate of Fair Market Value of Assets	**Amount**
Land and Buildings	20,590,000
Inter-entity Receivables	
Symcor Otis	16,618
Recovery of professional fees	88,010
Total	**20,694,628**

Schedule 2 -

Estimate of Claims as at April 30, 2010	**Amount**
Mortgage	**12,143,751**
Other secured creditors	**1,639,604**
Unsecured creditors	**4,894**
Total	**13,788,249**

APPENDIX H

Concrete

Professional Fee Allocation Summary **Appendix H**

Company	FMV of Total Assets	Initial Weights	Expected Allocation	Actual minimum allocation	Adjusted Weights (with minimum allocation)	Amount that should have been paid	Actual Amount paid	Recovery to Safeguard LP
Professional fees								
Safeguard LP	9,279,975	9.49%	271,900	50,000	9%	255,663	289,627	33,964
Safeguard II LP	17,267,500	17.65%	505,932	50,000	18%	432,683	538,550	105,867
Safeguard III LP	19,844,569	20.29%	581,439	65,000	20%	504,796	579,254	74,458
Safeguard IV LP	26,054,500	26.63%	763,388	50,000	27%	627,421	814,086	186,666
Safeguard V LP	20,606,618	21.06%	603,767	100,000	21%	556,684	644,694	88,010
Safeguard VI LP	-	0.00%	-	-	0%	-	-	-
Safeguard VII LP	696,393	0.71%	20,404	130,678	1%	146,111	-	(146,111)
El Golfo	3,568,597	3.65%	104,559	263,766	4%	342,853	-	(342,853)
Luna Morada,Conchas Chinas,CPI	-	0.00%	-	-	0%	-	-	-
Concrete Equities Inc.	-	0.00%	-	-	0%	-	-	-
Concrete Place Properties	-	0.00%	-	-	0%	-	-	-
Concrete Executive Club	-	0.00%	-	-	0%	-	-	-
Urban Registered Corp.	-	0.00%	-	-	0%	-	-	-
Diversified	505,933	0.52%	14,824	-	1%	-	-	-
Total	97,824,085	100%	2,866,211		100%	2,866,211	2,866,211	(0)

Notes:

1. Fair market value of assets includes the appraised value of the property in the respective entity and recoveries if any from inter-entity receivables. For El Golfo the fair market value of assets includes the estimated proceeds of $1 million from the Mexican Condo. See Schedule 1.
2. Minimum allocation of $50,000 (if the entity has sufficient funds to pay this amount) based on the Receiver's Charge authorized in the Initial Order.
3. Safeguard III LP's minimum allocation is $65,000 instead of $50,000 because the Monitor reduced the receivable owed to Concrete Executive Club of $15,000; therefore Safeguard III LP's allocation increased by Concrete Executive Club's minimum allocation.
4. Safeguard V LP's minimum allocation is $100,000 instead of $50,000 because the Monitor assigned certain receivables owed to Safeguard VI LP in the amount of $680,803 to Safeguard V LP; therefore Safeguard V LP's allocation increased by Safeguard VI LP's minimum allocation.

5. Safeguard VII LP's minimum allocation is $130,678 instead of $50,000 because the Monitor reduced the receivable owed to Urban Registered Corp.; therefore Safeguard VII LP's allocation increased by Urban Registered Corp's minimum allocation of $31,872. Safeguard VII LP's allocation also increased by $48,806 representing Safeguard VII LP's pro-rata allocation of Diverisified's minimum fee allocation. Diversified's pro-rata allocation of fees was reduced pro-rata between Safeguard VII LP and El Golfo the two entities that had receivables owing to Diversified. This allocation was done to simply the number of units to be issued by the limited partners.

6. El Golfo's minimum allocation is $263,766 instead of $50,000 because of the following:
a) the Monitor assigned gross receivables from Luna/Conchas to El Golfo in partial settlement of certain pre-filing inter-entity debt, therefore El Golfo's allocation increased by Luna/Conchas minimum allocation.
b) El Golfo's allocation also increased by $13,678 representing El Golfo's pro-rata allocation of Diversified's minimum fee allocation (as described above).
c) $150,000 relates to professional fees that were paid by the Safeguard LP's that related directly to El Golfo matters. These amounts were allocated directly to El Golfo and are not allocated pro-rata amongst all of the entities.

"Schedule 1" Estimated Fair Market Value of Assets

	Safeguard LP	Safeguard II LP	Safeguard III LP	Safeguard IV LP	Safeguard V LP	Safeguard VII LP	El Golfo	Concrete Executive Club	Urban Registered Corp.	Diversified	Total
Fixed Assets	9,250,000	17,200,000	18,500,000	26,000,000	20,590,000	-	1,000,000	-	-	-	92,540,000
Inter-entity Receivables											
Safeguard LP		47,000	173,675			18,275	121,716				360,666
Safeguard II LP			1,170,894	54,500		162,400	65,732				1,453,526
Safeguard III LP						55,000	265,020				320,020
Safeguard IV LP	29,975	20,500				460,718	1,977,529				2,488,722
Safeguard V LP							-				-
Safeguard VI LP					16,618		-				16,618
Safeguard VII LP							138,600			394,984	533,584
El Golfo										110,949	110,949
Luna Morada,Conchas Chinas,CPI											-
Concrete Equities Inc.											-
Concrete Place Properties											-
Concrete Executive Club											-
Urban Registered Corp.											-
Diversified											-
Total FMV of Assets	**9,279,975**	**17,267,500**	**19,844,569**	**26,054,500**	**20,606,618**	**696,393**	**3,568,597**	**-**	**-**	**505,933**	**97,824,085**

APPENDIX I

Concrete

Summary of Receiver's Accounts **Appendix I**

Summary of Receiver's Accounts

Invoice #	Date of Invoice	Amount	GST	Total
CA0189511141	12-Aug-09	$ 291,165.14	$ 14,558.26	$ 305,723.40
CA0189513875	03-Sep-09	243,507.08	13,836.15	257,343.23
CA0189519660	14-Oct-09	211,264.35	11,823.16	223,087.51
CA0189523888	11-Nov-09	274,960.45	13,748.02	288,708.47
CA0189527205	04-Dec-09	150,085.57	7,504.28	157,589.85
CA0189533066	14-Jan-10	118,280.14	5,914.01	124,194.15
CA0189539351	18-Feb-10	138,612.17	6,930.61	145,542.78
CA0189541747	03-Mar-10	165,890.19	8,294.51	174,184.70
CA0189548987	05-Apr-10	187,471.00	9,417.49	196,888.49
CA0189557822	11-May-10	180,009.90	9,000.50	189,010.40
Total		$ 1,961,245.99	$ 101,026.99	$ 2,062,272.98

APPENDIX J

Concrete

Summary of the Receiver's Counsels Accounts **Appendix J**

Summary of the Receiver's Counsels Accounts								
Invoice #	**Date of Invoice**		**Amount**		**GST**		**Total**	
McCarthy Tetrault LLP								
2342987	24-Jul-09	$	8,190.92	$	409.55	$	8,600.47
2342988	24-Jul-09		8,130.92		406.55		8,537.47
2342989	24-Jul-09		8,190.92		409.55		8,600.47
2342990	24-Jul-09		8,359.58		417.98		8,777.56
2342991	24-Jul-09		8,252.29		412.62		8,664.91
2349068	25-Aug-09		13,160.73		656.14		13,816.87
2354336	17-Sep-09		69,188.51		3,459.43		72,647.94
2360991	21-Oct-09		23,805.44		1,138.79		24,944.23
2367067	17-Nov-09		84,712.60		4,235.63		88,948.23
2371090	04-Dec-09		32,153.15		1,607.21		33,760.36
2379030	31-Dec-09		35,544.55		1,777.23		37,321.78
2384379	04-Feb-10		29,421.75		1,470.94		30,892.69
2389967	03-Mar-10		21,590.45		1,077.92		22,668.37
2395884	31-Mar-10		13,345.05		666.86		14,011.91
2403498	10-May-10		86,883.74		4,344.19		91,227.93
Subtotal		*$*	*450,930.60*	*$*	*22,490.59*	*$*	*473,421.19*
MacPherson Leslie & Tyerman LLP							
403620	15-Dec-09	$	7,436.50	$	371.83	$	7,808.33
405938	15-Jan-10		3,513.25		175.69		3,688.94
408840	15-Feb-10		57,247.00		2,862.28		60,109.28
410937	05-Mar-10		20,568.75		1,028.44		21,597.19
414667	31-Mar-10		8,181.93		409.11		8,591.04
418286	15-May-10		15,243.18		762.20		16,005.38
Subtotal		*$*	*112,190.61*	*$*	*5,609.55*	*$*	*117,800.16*
Total		$	563,121.21	$	28,100.14	$	591,221.35

APPENDIX K

Concrete

List of Known Post-Receivership Creditors **Appendix K**

List of Known Post-Receivership Creditors	
Company	**Company**
1256783 Alberta Ltd. dba Bombay Sweet House	Hollywood Look Hair & Beauty
1271097 Alberta Ltd. dba Curves for Women	Hopewell Development Corporation
1348308 Alberta Ltd. dba Captain Scott's Fish & Chips	Hopewell Development Corporation
1432322 Alberta Ltd. o/a Salon #5	Huot M Consulting Ltd.
1433004 Alberta Inc. o/a Quizno's Subs	Kennington Properties Ltd.
1530706 Alberta Ltd. o/a Salon #5	Kingsland Dry Cleaning & Alterations Ltd.
26th Avenue River Investment Inc.	KIT Inc. (KFC #1747)
552949 Alberta Ltd. dba Castleridge Veterinary Clinic	Lester S. Ikuta PC & Rahim Ladha PC, Millrise Dental Clinic
603768 Saskatchewan Ltd. dba Woody's Taphouse	Link Insurance Agency Ltd. & Vadan Insurance Service Ltd.
671116 Alberta Ltd. dba Rip's Pub & Eatery	Liquor Stores Limited Partnership
711734 Alberta Ltd. dba Castleridge Medical Clinic	Millgreen Wine & Spirits Inc.
887365 Alberta Ltd. dba Deer Valley Wine Boutique	Multi Culture Travel
930177 Alberta Ltd. dba Allegro Hair Design	NAI Commercial
A-1 Spice & Movie Centre Ltd.	NewWest Enterprise Property Group Inc.
Allstream Inc.	Nexen Inc.
Almadon Holdings Ltd. dba Radiology Consultants Associated	Night Owl Ventures Ltd. dba St. George & Dragon Pub
Amandeep Dhaley	Pharmx Rexall Drug Store Ltd.
AON Parizeau Inc.	Phu Huong Foods Ltd.
Aryan Food Services Inc.	Quang & Yen Tran dba Kayla's Classic Nails
Asian Village Ltd.	Redberry Alberta Restaurants Inc. o/a Pizza Hut
Avenue Commercial	Rogers
Barclay Street Real Estate Ltd.	Rogers Insurance Limited
Café 909	Rogers Shared Services
Canada Revenue Agency	Rogers Wireless Inc. c/o Rogers Real Estate Services
Canada Safeway (Store #283)	Salime Youssef dba My Donair
Carbon Copy Digital	Shell Canada Products c/o DTZ Barnicke Limited
CB Richard Ellis	Shulabh Trading Inc. dba Shulabh Jewellers
City of Calgary	Smith International Canada Ltd.
Colliers International	SNC Lavalin
Connect All Inc.	SNC Lavalin Construction
Diamond Insurance Agencies Ltd.	SNC Lavalin Inc.
Direct Energy	Starbucks Coffee Canada Inc.
Dom H. Chung Professional Corporation	Starbucks Coffee Canada Inc.
Domo Gasoline Corporation Ltd.	Starbucks Coffee Canada Inc.
Emerald Palace Restaurant Inc.	Telus
Enmax	Twin Butte Energy Ltd.
First Choice Haircutters Ltd.	UAE Exchange Canada Inc.
Fortune Cookies Etc. Inc. dba Mary Brown's Famous Chicken &	Vern's Pizza Company Ltd.
Hanson Restaurants TB Inc. dba Taco Bell	Winkin'Owl Neighborhood Pub & Grill Inc.
Hoa Nguyen & Si Huu Trang	Worley Parsons

APPENDIX L

Concrete

Dischargeable Applicants **Appendix L**

1. Concrete Equities Inc.
2. Concrete Associates V Investment Corporation
3. Costa Koraal Investment Corporation
4. Luna Morada Investment Corporation
5. Concrete Equities Executive Club Inc.
6. 1456775 Alberta Ltd.
7. Concrete Place Properties Ltd.
8. Safeguard Real Estate Investment Fund VI Limited Partnerships
9. Conchas Chinas Real Estate Investment Fund Limited Partnership
10. Calle Mariposas Limited Partnership
11. Safeguard VIII Limited Partnership; and
12. Concrete Properties Limited Partnership