

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF APPLICATIONS MADE UNDER SECTION 50.4 OF THE
BANKRUPTCY AND INSOLVENCY ACT OF CANADA (AS AMENDED)**

Court No. 25 - 1210846
Estate No. 25 - 1210846

**IN THE MATTER OF THE PROPOSAL OF SAFEGUARD REAL ESTATE
INVESTMENT FUND LIMITED PARTNERSHIP**

Court No. 25 - 1210841
Estate No. 25 - 1210841

**IN THE MATTER OF THE PROPOSAL OF SAFEGUARD REAL ESTATE
INVESTMENT FUND II LIMITED PARTNERSHIP**

Court No. 25 - 1210851
Estate No. 25 - 1210851

**IN THE MATTER OF THE PROPOSAL OF SAFEGUARD REAL ESTATE
INVESTMENT FUND III LIMITED PARTNERSHIP**

Court No. 25 - 1210850
Estate No. 25 - 1210850

**IN THE MATTER OF THE PROPOSAL OF SAFEGUARD REAL ESTATE
INVESTMENT FUND IV LIMITED PARTNERSHIP**

Court No. 25 - 1210849
Estate No. 25 - 1210849

**IN THE MATTER OF THE PROPOSAL OF SAFEGUARD REAL ESTATE
INVESTMENT FUND V LIMITED PARTNERSHIP**

NOTICE OF MOTION

TAKE NOTICE THAT an application will be made by counsel for Safeguard Real Estate Investment Fund Limited Partnership, Safeguard Real Estate Investment Fund II Limited Partnership, Safeguard Real Estate Investment Fund III Limited Partnership, Safeguard Real Estate Investment Fund IV Limited Partnership and Safeguard Real Estate Investment Fund V

Limited Partnership (the "Debtors") before Madam Justice B.E.C. Romaine at the Calgary Courts Centre, 601-5th Street SW, Calgary, Alberta on Wednesday, July 29, 2009 at the hour of 3 o'clock in the afternoon or so soon thereafter as counsel may be heard for an Order substantially in the form attached hereto as Exhibit "A", including orders:

1. Abridging time for service of this motion, declaring that this motion is properly returnable on Wednesday, July 29, 2009 and declaring that further service of this motion is hereby dispensed with;
2. that the proceedings commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") by the filing of a notices of intentions to file a proposal by the Debtors and the appointment of Ernst and Young Inc. as proposal trustee be terminated and Ernst & Young in such capacity be discharged;
3. amending, restating and consolidating the Receivership Orders with the Receivership Order being granted in QB Action No. 0901-11048 and continuing the same pursuant to 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;
4. approving the second report of the Interim Receiver dated July 29, 2009 (the "Second Report"); and
5. such further and other relief as counsel may request and that this Honourable Court deems just.

AND FURTHER TAKE NOTICE THAT the grounds upon which the Debtors intend to rely including the following:

- a) On May 26, 2009 the Debtors each filed notices of intention to file a proposal pursuant to section 50.4(1) of the BIA;

- b) Ernst & Young Inc. was named as trustee under each of the proposal proceedings of the Debtors;
- c) Ernst & Young Inc. was appointed the Interim Receiver pursuant to an Order of this Honourable Court on June 9, 2009;
- d) To date, none of the Debtors has filed a proposal;
- e) The Interim Receiver continues to spend a considerable amount of time and resources investigating the financial situation of the Debtors and determining the assets, liabilities and inter-corporate transactions of the Debtors and other associated entities;
- f) Given more time and the flexibility afforded by proceedings under the CCAA, there is a reasonable likelihood that successful plans or a joint plan of arrangement could be submitted to the creditors of the Debtors by their respective general partners;
- g) Ernst & Young Inc. in its capacity as proposal trustee and Interim Receiver, consents to this motion and to act as Monitor under the CCAA proceedings relating to the general partners of the Debtors; and
- h) Such further and other grounds as counsel may advise at the hearing of this application.

AND FURTHER TAKE NOTICE THAT the Debtors will rely upon the following in support of this application:

- a) The Interim Receiver's Second Report, to be filed;

- b) Such further and other materials as counsel for the Debtors may advise and this Honourable Court may permit.

DATED at the City of Calgary, in the Province of Alberta this 28th day of July, 2009.

DAVIS LLP

Per: 

Larry B. Robinson, Q.C.
Counsel for the Debtors

TO: Clerk of the Court
AND TO: Service List (Attached)

In the Insolvency Matters of Certain Safeguard Real Estate Investment Limited Partnerships - Service List

Name and Company	Contact Information	Notes
Sean Collins McCarthy Tétrault LLP	Address: 3300, 421- 7 th Avenue S.W. Calgary, Alberta T2P 4K9 Phone: (403) 260-3531 Fax: (403) 260-3501 Email: scollins@mccarthy.ca	Notes: Solicitors for the Trustee
Blair Yorke-Slader Bennett Jones	Address: 4500, 855 - 2 nd Street S.W. Calgary, AB T2P 4K7 Phone: (403) 298-3291 Fax: (403) 265-7219 Email: yorkesladerb@bennettjones.com	Notes: Solicitors for certain limited partners
Chris Simard Bennett Jones	Address: 4500, 855 - 2 nd Street S.W. Calgary, AB T2P 4K7 Phone: (403) 298-3100 Fax: (403) 265-7219 Email: simardc@bennettjones.ca	Notes: Solicitors for Standard Life
Peter Jull, Q.C. Gowling Lafleur Henderson LLP	Address: 1400 Scotia Centre 700 - 2nd Street S.W. Calgary, AB T2P 4V5 Phone: (403) 292-9807 Fax: (403) 263-9193 Email: peter.jull@gowlings.com	Notes: Solicitors for Strategic
Tom Taylor Taylor Conway	Address: Suite 440, 7220 Fisher Street SE Calgary, AB T2H 2H8 Phone: (403) 640-1009 Fax: (403) 640-0103 Email: ttaylor@taylorconway.ca	Notes: Solicitors for Mr. Sandhu
Neil Narfason Ernst & Young	Address: Ernst & Young Tower 1000, 440 - 2nd Avenue SW Calgary, AB T2P 5E9 Phone: (403) 290-4100 Fax: (403) 290-4265 Email: neil.narfason@ca.ey.com	Notes: Trustee and Interim Receiver
Kevin Meyler Ernst & Young	Address: Ernst & Young Tower 1000, 440 - 2nd Avenue SW Calgary, AB T2P 5E9 Phone: (403) 290-4100 Fax: (403) 290-4265 Email: kevin.e.meyler@ca.ey.com	Notes: Trustee and Interim Receiver

Name and Company	Contact Information	Notes
Larry Robinson, Q.C. Davis LLP	Address: 1000, 250 - 2 nd Street S.W. Calgary, Alberta T2P 0C1 Phone: (403) 698-8715 Fax: (403) 697-6609 Email: larry.robinson@davis.ca	Notes: Solicitors for certain Safeguard Real Estate Investment Fund Limited Partnerships and their General Partners
Lance Williams Davis LLP	Address: 1000, 250 - 2 nd Street S.W. Calgary, Alberta T2P 0C1 Phone: (403) 296-4470 Fax: (604) 605-4877 Email: lwiliams@davis.ca	Notes: Solicitors for certain Safeguard Real Estate Investment Fund Limited Partnerships and their General Partners

EXHIBIT "A"

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
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FUND IV LIMITED PARTNERSHIP**

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**IN THE MATTER OF THE PROPOSAL OF SAFEGUARD REAL ESTATE INVESTMENT
FUND V LIMITED PARTNERSHIP**

BEFORE JUSTICE B.E.C. ROMAINE
IN CHAMBERS
COURTS CENTRE,
CALGARY, ALBERTA

)
) ON WEDNESDAY, THE
) 29TH DAY OF JULY, 2009
)

ORDER

UPON THE APPLICATION of Safeguard Real Estate Investment Fund Limited Partnership, Safeguard Real Estate Investment Fund II Limited Partnership, Safeguard Real

Estate Investment Fund III Limited Partnership, Safeguard Real Estate Investment Fund IV Limited Partnership and Safeguard Real Estate Investment Fund V Limited Partnership (the "Debtors"); AND UPON READING the Interim Receiver's Report dated July __, 2009; AND UPON IT APPEARING that notice for this application was duly served; AND UPON HEARING Counsel for the Debtors, Counsel for the Trustee and Counsel for certain of the limited partners of the Debtors; AND UPON noting the consent of Counsel for certain of the limited partners of the Debtors; AND UPON noting the recommendation of the Interim Receiver that this Order be granted; AND UPON noting that there are applications concurrent to this one for Initial Orders pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") in relation to, *inter alia*, the general partners of the Debtors;

IT IS HEREBY ORDERED THAT:

1. Time for service of this application is abridged such that this application is properly returnable today.
2. Further service of this motion is hereby dispensed with.
3. The proceedings commenced by the Debtors under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the "BIA") by the filing of a notice of intention to file a proposal on May 26, 2009 and that the appointment of Ernst & Young Inc. as proposal trustee be and is hereby terminated and Ernst & Young Inc. in such capacity be and is hereby discharged.
4. The Receivership Orders granted in these matters be and are hereby restated, amended and consolidated with the Receivership Order being granted in QB Action No. _____ and the same are hereby continued pursuant to section 13(2) of the *Judicature Act*, R.S.A. 2000, c. J-2 and section 99(a) of the *Business Corporations Act*, R.S.A. 2000, c. B-9. The terms of the restated and amended Receivership Orders shall apply retroactively to the date they were originally granted, *mutatis mutandis*;
5. The Interim Receiver's Second Report and the activities of the Interim Receiver described therein be and are hereby approved.

J.C.C.Q.B.A.

ENTERED THIS ____ DAY OF
_____, 2009.

CLERK OF THE COURT

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**IN THE MATTER OF THE PROPOSAL OF SAFEGUARD
REAL ESTATE INVESTMENT FUND V LIMITED
PARTNERSHIP**

ORDER

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File No. 75800-00005

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IN THE MATTER OF THE PROPOSAL OF
SAFEGUARD REAL ESTATE INVESTMENT FUND
V LIMITED PARTNERSHIP

NOTICE OF MOTION

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