Affidavit of: Vincenzo De Palma
Sworn on: October 27, 2009

Action No. 0901-11048

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT 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 EQUITIES EXECUTIVE CLUB INC., 1456775 ALBERTA LTD., AND CONCRETE PLACE PROPERTIES LTD.**

# AFFIDAVIT OF VINCENZO DE PALMA

I, Vincenzo De Palma, of the City of Calgary, in the Province of Alberta, Business Person **MAKE OATH AND SAY**:

1. I am a director of the Applicants (as defined in the Initial Order) and the majority of the Related Entities (as defined in the Initial Order), and as such have personal knowledge of the matters hereinafter deposed except where otherwise stated to be based on information or belief, and where so stated, I believe the same to be true.

2. I am also a member of the Management Committee as created by the Receivership Order dated July 29, 2009 granted in these proceedings.

3. Since the granting of the extension of the Stay Period (as defined in the Initial Order) by Order of this Honourable granted August 28, 2009 (the "Stay Extension"), the Applicants have acted in good faith and with diligence with respect to the restructuring of their affairs under the supervision of the Monitor and subject that terms of the Stay Extension, the Initial Order, the Receivership Order and the directions of the Management Committee.

4. Attached hereto and marked as Exhibit "A" to this my Affidavit are actual cash flow statements for the period from July 29, 2009 to October 16, 2009 and projected 9 week cash flow statements for all of the Applicants on a consolidated basis and individually 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, Safeguard Real Estate Investment Fund V Limited Partnership, and the New CCAA Applicants (being the remainder of the Applicants not listed above), all prepared by Ernst & Young Inc. ("EYI") in its capacity as Receiver of the Applicants with the assistance of various parties including Concrete Equities management.

5. Attached hereto and marked as Exhibit "B" to this my Affidavit is a schedule of Concrete Equities Consolidated Schedule of Inter-entity Lending prepared by EYI in its capacity as Receiver of the Applicants with the assistance of various parties including Concrete Equities management.

6. During the period since the granting of the Stay Extension, the Applicants have worked diligently to assist the Monitor and Receiver in accumulating information, both financial and otherwise about the Applicants, managing the assets of the Applicants and providing information to numerous interested parties all with the interest of developing plans to maximize recovery for the stakeholders and permit them to make informed decisions about their interest in various assets.

7. This affidavit is filed in support of an application by the Applicants for an Order extending the Stay Period to and including December 18, 2009.

| | |
|---|---|
| SWORN BEFORE ME at the City of Calgary in the Province of Alberta on October 27, 2009 | |
| A Commissioner for Oaths in and for the Province of Alberta.<br>LARRY BOYD ROBINSON | **VINCENZO DE PALMA** |

This is Exhibit "A" referred to in the Affidavit of Vincenzo De Palma, sworn before me in the City of Calgary, in the Province of Alberta, this 26th day of October, 2009.

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A Commissioner for Oaths in and for the Province of Alberta
LARRY BOYD ROBINSON

CONCRETE EQUITIES CONSOLIDATED
PROJECTED 9 WEEK CASH FLOW
($ CAD)

| | Actuals 29-Jul-09 to Oct 16-09 | W/E 23-Oct-09 | W/E 30-Oct-09 | W/E 06-Nov-09 | W/E 13-Nov-09 | W/E 20-Nov-09 | W/E 27-Nov-09 | W/E 04-Dec-09 | W/E 11-Dec-09 | W/E 18-Dec-09 | FORECAST TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Forecast | | | | | | | | | |
| NET OPERATING INCOME | $ 1,997,804 | $ - | $ (208,500) | $ 508,557 | $ (62,500) | $ - | $ - | $ 433,697 | $ - | $ (108,250) | $ 563,004 |
| NON-RECOVERABLE EXPENSES | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | |
| MORTGAGE PAYMENTS | 1,090,306 | - | - | 356,269 | - | - | - | 356,269 | - | - | 712,538 |
| CAPITAL & LEASING COSTS | 15,822 | - | - | 30,000 | - | - | - | 15,800 | 40,000 | - | 85,800 |
| REPAIRS & MAINTENANCE | - | - | - | - | - | - | - | - | - | - | - |
| CAPITAL EXPENSE | - | - | - | - | - | - | - | - | - | - | - |
| RESTRUCTURING EXPENSES | 692,707 | - | 390,000 | - | - | 300,000 | - | - | - | 250,000 | 940,000 |
| OTHER OPERATING EXPENSES | 139,091 | 5,000 | - | - | - | - | - | - | - | - | 5,000 |
| CONTINGENCY | - | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 90,000 |
| | 1,937,926 | 15,000 | 400,000 | 396,269 | 10,000 | 310,000 | 10,000 | 382,069 | 50,000 | 260,000 | 1,833,338 |
| | $ - | | | | | | | | | | |
| CHANGE IN CASH | 59,879 | (15,000) | (608,500) | 112,288 | (72,500) | (310,000) | (10,000) | 51,628 | (50,000) | (368,250) | (1,270,334) |
| OPENING CASH | $ 1,038,634 | 1,198,512 | 1,183,512 | 575,012 | 687,301 | 614,801 | 304,801 | 294,801 | 346,429 | 296,429 | 1,198,512 |
| DRAW ON RETAINER | $ 100,000 | | - | | | | | | | | - |
| INTER-ENTITY LENDING | | - | - | - | - | - | - | - | - | - | - |
| CLOSING CASH | $ 1,198,512 | $ 1,183,512 | $ 575,012 | $ 687,301 | $ 614,801 | $ 304,801 | $ 294,801 | $ 346,429 | $ 296,429 | $ (71,821) | $ (71,821) |
| RESTRICTED FUNDS | (239,734) | (239,734) | (239,734) | (239,734) | (195,984) | (195,984) | (195,984) | (195,984) | (195,984) | (127,484) | (127,484) |
| NET CLOSING CASH | 958,778 | 943,778 | 335,278 | 447,567 | 418,817 | 108,817 | 98,817 | 150,445 | 100,445 | (199,305) | (199,305) |

The notes accompanying the cash flows for Safeguard Real Estate Investment Fund LP, Safeguard Real Estate Investment Fund II LP, Safeguard Real Estate Investment Fund III LP, Safeguard Real Estate Investment Fund IV LP, Safeguard Real Estate Investment Fund V LP and the New CCAA Applicants form an integral part of this cash flow. This cash flow should be reviewed in conjunction with the accompanying notes.

**SAFEGUARD REAL ESTATE INVESTMENT FUND LIMITED PARTNERSHIP ("Safeguard LP")**
**PROJECTED 9 WEEK CASH FLOW**
**($ CAD)**

| | Notes | Actuals 29-Jul-09 to Oct 16-09 | Forecast Week 1 23-Oct-09 | Week 2 30-Oct-09 | Week 3 06-Nov-09 | Week 4 13-Nov-09 | Week 5 20-Nov-09 | Week 6 27-Nov-09 | Week 7 04-Dec-09 | Week 8 11-Dec-09 | Week 9 18-Dec-09 | FORECAST TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **NET OPERATING INCOME** | 1 | $ 201,075 | $ - | $ (25,500) | $ 57,820 | $ (10,000) | | | $ 52,820 | | $ (10,000) | $ 65,140 |
| **NON-RECOVERABLE EXPENSES** | | | | | | | | | | | | |
| MORTGAGE PAYMENTS | 2 | 93,855 | | | 31,285 | | | | 31,285 | | | 62,570 |
| CAPITAL & LEASING COSTS | 3 | 15,622 | | | 5,000 | | | | 5,000 | | | 10,000 |
| REPAIRS & MAINTENANCE | 4 | - | | | - | - | - | - | - | - | - | - |
| CAPITAL DISBURSEMENTS | | - | - | | | | | | | | | - |
| RESTRUCTURING EXPENSES | 5 | 67,305 | - | 39,409 | - | - | 30,315 | - | - | - | 25,262 | 94,986 |
| OTHER OPERATING EXPENSES | 6 | 18,438 | 505 | - | | | | | | | | 505 |
| CONTINGENCY | | - | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 18 000 |
| | | 195,420 | 2,505 | 41,409 | 38,285 | 2,000 | 32,315 | 2,000 | 38,285 | 2,000 | 27,262 | 186 061 |
| **CHANGE IN CASH** | | 5,655 | (2,505) | (66,909) | 19,535 | (12,000) | (32,315) | (2,000) | 14,535 | (2,000) | (37,262) | (120 921) |
| **OPENING CASH** | | 178,637 | 194,398 | 191,892 | 106,775 | 121,683 | 85,922 | 53,608 | 47,608 | 40,715 | 38,715 | 194,398 |
| DRAW ON RETAINER | | 10,105 | | - | | | | | | | | - |
| INTER-ENTITY LENDING | 7 | | - | (18,208) | (4,627) | (23,761) | - | (4,000) | (21,427) | - | - | (72,023) |
| **CLOSING CASH** | | $ 194,398 | $ 191,892 | $ 106,775 | $ 121,683 | $ 85,922 | $ 53,608 | $ 47,608 | $ 40,715 | $ 38,715 | $ 1,453 | $ 1,453 |
| RESTRICTED FUNDS | 8 | $ (1,250) | $ (1,250) | $ (1,250) | $ (1,250) | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **NET CLOSING CASH** | | $ 193,148 | $ 190,642 | $ 105,525 | $ 120,433 | $ 85,922 | $ 53,608 | $ 47,608 | $ 40,715 | $ 38,715 | $ 1,453 | $ 1,453 |

**SIGNIFICANT CASH FLOW ASSUMPTIONS**

**Notes:**

1. Net operating income is projected on a tenant by tenant basis (taking into consideration vacancies) by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month. The forecast also incorporates known operating disbursements from the prior period which were unpaid as at October 16, 2009. Net operating income also includes additional repairs and maintenance costs. These additional costs are assumed to be paid from restricted funds (if any), since these expenses are recoverable from the tenants.

2. Mortgage payments are forecast to continue to be made according to the terms of the applicable mortgage for each property.

3. Capital and leasing costs include known lease renewal commission payments.

4. Repairs and maintenance during the forecast period are anticipated to be recoverable from the tenants.

5. Restructuring expenses include accrued expenses which were unpaid at October 16, 2009, plus an estimate of expenses for the Receiver, the Receiver's counsel and the Applicants counsel over the forecast period.

6. Other operating costs relate to overhead costs incurred for the benefit of the Applicants

7. In accordance with the Initial Order, inter-company borrowings will alleviate cash shortfalls

8. Preliminary estimate of surplus operating costs recovered from tenants for the period June to September 2009.

SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP ("Safeguard II LP")
PROJECTED 9 WEEK CASH FLOW
($ CAD)

| | Notes | Actuals 29-Jul-09 to Oct 16-09 | Forecast Week 1 23-Oct-09 | Week 2 30-Oct-09 | Week 3 06-Nov-09 | Week 4 13-Nov-09 | Week 5 20-Nov-09 | Week 6 27-Nov-09 | Week 7 04-Dec-09 | Week 8 11-Dec-09 | Week 9 18-Dec-09 | FORECAST TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NET OPERATING INCOME | 1 | 392,195 | $ - | $ (45,750) | $ 84,550 | $ (15,000) | | | $ 84,550 | | $ (60,750) | $ 47,600 |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | |
| MORTGAGE PAYMENTS | 2 | 253,433 | - | | 77,311 | - | - | | 77,311 | | | 154,622 |
| CAPITAL & LEASING COSTS | 3 | - | | | - | | | | | | | - |
| REPAIRS & MAINTENANCE | 4 | - | - | | - | - | - | - | - | - | - | - |
| CAPITAL DISBURSEMENTS | | - | - | - | - | - | - | - | | | | - |
| RESTRUCTURING EXPENSES | 5 | 125,149 | - | 73,279 | - | - | 56,369 | - | - | - | 46,974 | 176,622 |
| OTHER OPERATING EXPENSES | 6 | 24,371 | 939 | - | | | | | | | | 939 |
| CONTINGENCY | | - | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 18,000 |
| | | 402,953 | 2,939 | 75,279 | 79,311 | 2,000 | 58,369 | 2,000 | 79,311 | 2,000 | 48,974 | 350,184 |
| CHANGE IN CASH | | (10,757) | (2,939) | (121,029) | 5,239 | (17,000) | (58,369) | (2,000) | 5,239 | (2,000) | (109,724) | (302,584) |
| OPENING CASH | | 110,143 | 118,175 | 115,235 | 56,000 | 61,239 | 56,000 | 41,000 | 41,000 | 46,239 | 44,239 | 118,175 |
| DRAW ON RETAINER | | 18,790 | | - | | | | | | | | - |
| INTER-ENTITY LENDING | 7 | - | - | 61,794 | - | 11,761 | 43,369 | 2,000 | - | - | - | 118,924 |
| CLOSING CASH | | $ 118,175 | $ 115,235 | $ 56,000 | $ 61,239 | $ 56,000 | $ 41,000 | $ 41,000 | $ 46,239 | $ 44,239 | $ (65,485) | $ (65,485) |
| RESTRICTED FUNDS | 8 | $ (56,000) | $ (56,000) | $ (56,000) | $ (56,000) | $ (41,000) | $ (41,000) | $ (41,000) | $ (41,000) | $ (41,000) | $ - | $ - |
| NET CLOSING CASH | | $ 62,175 | $ 59,235 | $ - | $ 5,239 | $ 15,000 | $ - | $ - | $ 5,239 | $ 3,239 | $ (65,485) | $ (65,485) |

SIGNIFICANT CASH FLOW ASSUMPTIONS

Notes:

1. Net operating income is projected on a tenant by tenant basis (taking into consideration vacancies) by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month. The forecast also incorporates known operating disbursements from the prior period which were unpaid as at October 16, 2009. Net operating income also includes additional repairs and maintenance costs. These additional costs are assumed to be paid from restricted funds (if any), since these expenses are recoverable from the tenants.

2. Mortgage payments are forecast to continue to be made according to the terms of the applicable mortgage for each property.

3. Capital and leasing costs include known lease renewal commission payments.

4. Repairs and maintenance during the forecast period are anticipated to be recoverable from the tenants.

5. Restructuring expenses include accrued expenses which were unpaid at October 16, 2009, plus an estimate of expenses for the Receiver, the Receiver's counsel and the Applicants counsel over the forecast period.

6. Other operating costs relate to overhead costs incurred for the benefit of the Applicants.

7. In accordance with the Initial Order, inter-company borrowings will alleviate cash shortfalls.

8. Preliminary estimate of surplus operating costs recovered from tenants for the period June to August 2009. The Receiver in conjunction with the property manager is preparing a full analysis of the funds that may need to be reimbursed to the tenants of this building, as operating costs are significantly lower than budget. These amounts are not required to be reimbursed during the Forecast Period.

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

**SAFEGUARD REAL ESTATE INVESTMENT FUND III LIMITED PARTNERSHIP ("Safeguard III LP")**
**PROJECTED 9 WEEK CASH FLOW**
**($ CAD)**

| | Notes | Actuals 29-Jul-09 to Oct 16-09 | Forecast Week 1 23-Oct-09 | Week 2 30-Oct-09 | Week 3 06-Nov-09 | Week 4 13-Nov-09 | Week 5 20-Nov-09 | Week 6 27-Nov-09 | Week 7 04-Dec-09 | Week 8 11-Dec-09 | Week 9 18-Dec-09 | FORECAST TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **NET OPERATING INCOME** | 1 | $ 246,473 | $ - | $ (31,000) | $ 85,272 | $ (10,000) | | | $ 54,272 | | $ (10,000) | $ 88,544 |
| **NON-RECOVERABLE EXPENSES** | | | | | | | | | | | | |
| MORTGAGE PAYMENTS | 2 | 188,697 | - | | 62,899 | - | - | | 62,899 | | | 125,798 |
| CAPITAL & LEASING COSTS | 3 | - | | | 25,000 | | | | 10,800 | 40,000 | | 75,800 |
| REPAIRS & MAINTENANCE | 4 | - | - | - | - | - | - | - | - | - | - | - |
| CAPITAL DISBURSEMENTS | | - | - | - | - | - | - | - | | | | - |
| RESTRUCTURING EXPENSES | 5 | 134,608 | - | 78,818 | - | - | 60,629 | - | - | - | 50,524 | 189,972 |
| OTHER OPERATING EXPENSES | 6 | 26,434 | 1,010 | - | | | | | | | | 1,010 |
| CONTINGENCY | | - | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 18,000 |
| | | 349,739 | 3,010 | 80,818 | 89,899 | 2,000 | 62,629 | 2,000 | 75,699 | 42,000 | 52,524 | 410,580 |
| **CHANGE IN CASH** | | (103,266) | (3,010) | (111,818) | (4,627) | (12,000) | (62,629) | (2,000) | (21,427) | (42,000) | (62,524) | (322,036) |
| **OPENING CASH** | | 162,148 | 79,092 | 76,081 | - | - | - | - | - | - | - | 79,092 |
| DRAW ON RETAINER | | 20,210 | | - | | | | | | | | - |
| INTER-ENTITY LENDING | 7 | - | - | 35,737 | 4,627 | 12,000 | 62,629 | 2,000 | 21,427 | 42,000 | - | 180,420 |
| **CLOSING CASH** | | $ 79,092 | $ 76,081 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (62,524) | $ (62,524) |

**SIGNIFICANT CASH FLOW ASSUMPTIONS**

**Notes:**

1. Net operating income is projected on a tenant by tenant basis (taking into consideration vacancies) by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month. The forecast also incorporates known operating disbursements from the prior period which were unpaid as at October 16, 2009. Net operating income also includes additional repairs and maintenance costs. These additional costs are assumed to be paid from restricted funds (if any), since these expenses are recoverable from the tenants.

2. Mortgage payments are forecast to continue to be made according to the terms of the applicable mortgage for each property.

3. Capital and leasing costs include known leasing commission payments and required renovation costs in accordance with the leasing agreement.

4. Repairs and maintenance during the forecast period are anticipated to be recoverable from the tenants.

5. Restructuring expenses include accrued expenses which were unpaid at October 16, 2009, plus an estimate of expenses for the Receiver, the Receiver's counsel and the Applicants counsel over the forecast period.

6. Other operating costs relate to overhead costs incurred by Concrete Equities Inc. (the corporate brand and marketing vehicle) for the benefit of the Applicants. Other operating expenses include office occupancy, executive compensation, payroll and other operating costs.

7. In accordance with the Initial Order, inter-company borrowings will alleviate cash shortfalls.

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

SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP ("Safeguard IV LP")
PROJECTED 9 WEEK CASH FLOW
($ CAD)

| | Notes | Actual 29-Jul-09 to Oct 16-09 | Forecast Week 1 23-Oct-09 | Week 2 30-Oct-09 | Week 3 06-Nov-09 | Week 4 13-Nov-09 | Week 5 20-Nov-09 | Week 6 27-Nov-09 | Week 7 04-Dec-09 | Week 8 11-Dec-09 | Week 9 18-Dec-09 | FORECAST TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NET OPERATING INCOME | 1 | 465,066 | - | (74,000) | 151,150 | - | | | 142,150 | | | 219,300 |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | |
| MORTGAGE PAYMENTS | 2 | 329,706 | - | | 109,902 | - | - | | 109,902 | | | 219,804 |
| CAPITAL & LEASING COSTS | 3 | - | | | | | | | | | | - |
| REPAIRS & MAINTENANCE | 4 | - | | | | | | | | | | - |
| CAPITAL DISBURSEMENTS | | - | - | - | - | - | - | - | | | | - |
| RESTRUCTURING EXPENSES | 5 | 189,179 | - | 110,771 | - | - | 85,209 | - | - | - | 71,007 | 266,987 |
| OTHER OPERATING EXPENSES | 6 | 38,612 | 1,420 | - | | | | | | | | 1,420 |
| CONTINGENCY | | - | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 18,000 |
| | | 557,496 | 3,420 | 112,771 | 111,902 | 2,000 | 87,209 | 2,000 | 111,902 | 2,000 | 73,007 | 506,211 |
| CHANGE IN CASH | | (92,431) | (3,420) | (186,771) | 39,248 | (2,000) | (87,209) | (2,000) | 30,248 | (2,000) | (73,007) | (286,911) |
| OPENING CASH | | 239,511 | 175,483 | 172,063 | 3,500 | 42,748 | 40,748 | 3,500 | 3,500 | 33,748 | 31,748 | 175,483 |
| DRAW ON RETAINER | | 28,403 | | - | | | | | | | | - |
| INTER-ENTITY LENDING | 7 | | - | 18,208 | - | - | 49,961 | 2,000 | - | - | - | 70,169 |
| CLOSING CASH | | 175,483 | 172,063 | 3,500 | 42,748 | 40,748 | 3,500 | 3,500 | 33,748 | 31,748 | (41,259) | (41,259) |
| RESTRICTED FUNDS | 8 | (3,500) | (3,500) | (3,500) | (3,500) | (3,500) | (3,500) | (3,500) | (3,500) | (3,500) | (3,500) | (3,500) |
| NET CLOSING CASH | | 171,983 | 168,563 | - | 39,248 | 37,248 | - | - | 30,248 | 28,248 | (44,759) | (44,759) |

SIGNIFICANT CASH FLOW ASSUMPTIONS

Notes:

1. Net operating income is projected on a tenant by tenant basis (taking into consideration vacancies) by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month. The forecast also incorporates known operating disbursements from the prior period which were unpaid as at October 16, 2009.

2. Mortgage payments are forecast to continue to be made according to the terms of the applicable mortgage for each property.

3. Capital and leasing costs include known lease renewal commission payments.

4. Repairs and maintenance are assumed to be nil as these amounts would be paid by the condominium corporation out of the condo fees. The condominium corporation continues to assess the repair and maintenance requirements of the building and the cash resources.

5. Restructuring expenses include accrued expenses which were unpaid at October 16, 2009, plus an estimate of expenses for the Receiver, the Receiver's counsel and the Applicants counsel over the forecast period.

6. Other operating costs relate to overhead costs incurred by Concrete Equities Inc. (the corporate brand and marketing vehicle) for the benefit of the Applicants. Other operating expenses include office occupancy, executive compensation, payroll and other operating costs.

7. In accordance with the Initial Order, inter-company borrowings will alleviate cash shortfalls.

8. Preliminary estimate of surplus operating costs recovered from tenants for the period June to August 2009. The Receiver in conjunction with the property manager is preparing a full analysis of the funds that may need to be reimbursed to the tenants of this building, as operating costs are significantly lower than budget. These amounts are not required to be reimbursed during the Forecast Period.

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

**SAFEGUARD REAL ESTATE INVESTMENT FUND V LIMITED PARTNERSHIP ("Safeguard V LP")**
**PROJECTED 9 WEEK CASH FLOW**
**($ CAD)**

| | Notes | Actuals 29-Jul-09 to Oct 16-09 | Forecast Week 1 23-Oct-09 | Week 2 30-Oct-09 | Week 3 06-Nov-09 | Week 4 13-Nov-09 | Week 5 20-Nov-09 | Week 6 27-Nov-09 | Week 7 04-Dec-09 | Week 8 11-Dec-09 | Week 9 18-Dec-09 | FORECAST TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **NET OPERATING INCOME** | 1 | $ 665,813 | $ - | $ (32,250) | 129,765 | $ (27,500) | | | 99,905 | $ | (27,500) | $ 142,420 |
| **NON-RECOVERABLE EXPENSES** | | | | | | | | | | | | - |
| MORTGAGE PAYMENTS | 2 | 224,615 | | - | 74,872 | - | | | 74,872 | | | 149,744 |
| CAPITAL & LEASING COSTS | 3 | - | - | - | - | - | - | | | | | - |
| REPAIRS & MAINTENANCE | 4 | - | | | - | - | - | - | - | - | - | - |
| CAPITAL DISBURSEMENTS | | - | - | - | - | - | | | | | | - |
| RESTRUCTURING EXPENSES | 5 | 149,814 | - | 87,722 | - | - | 67,479 | - | - | - | 56,232 | 211,433 |
| OTHER OPERATING EXPENSES | 6 | 29,041 | 1,125 | - | | | | | | | | 1,125 |
| CONTINGENCY | | - | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 18,000 |
| | | 403,471 | 3,125 | 89,722 | 76,872 | 2,000 | 69,479 | 2,000 | 76,872 | 2,000 | 58,232 | 380,302 |
| **CHANGE IN CASH** | 7 | 262,343 | (3,125) | (121,972) | 52,893 | (29,500) | (69,479) | (2,000) | 23,033 | (2,000) | (85,732) | (237,881) |
| **OPENING CASH** | | 333,690 | 618,525 | 615,401 | 395,898 | 448,791 | 419,291 | 193,853 | 189,853 | 212,887 | 168,887 | 618,525 |
| DRAW ON RETAINER | | 22,493 | | - | | | | | | | | - |
| **INTER-ENTITY LENDING** | | - | - | (97,531) | - | - | (155,959) | (2,000) | - | (42,000) | - | (297,489) |
| **CLOSING CASH** | | $ 618,525 | $ 615,401 | $ 395,898 | $ 448,791 | $ 419,291 | $ 193,853 | $ 189,853 | $ 212,887 | $ 168,887 | $ 83,154 | $ 83,154 |
| RESTRICTED FUNDS | 8 | $ (168,250) | $ (168,250) | $ (168,250) | $ (168,250) | $ (140,750) | $ (140,750) | $ (140,750) | $ (140,750) | $ (140,750) | $ (113,250) | $ (113,250) |
| **NET CLOSING CASH** | | $ 450,275 | $ 447,151 | $ 227,648 | $ 280,541 | $ 278,541 | $ 53,103 | $ 49,103 | $ 72,137 | $ 28,137 | $ (30,096) | $ (30,096) |

**SIGNIFICANT CASH FLOW ASSUMPTIONS**

**Notes:**

1. Net operating income is projected on a tenant by tenant basis (taking into consideration vacancies) by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month. The forecast also incorporates known operating disbursements from the prior period which were unpaid as at October 16, 2009. Net operating income also includes additional repairs and maintenance costs. These additional costs are assumed to be paid from restricted funds (if any), since these expenses are recoverable from the tenants.

2. Mortgage payments are forecast to continue to be made according to the terms of the applicable mortgage for each property.

4. Repairs and maintenance during the forecast period are anticipated to be recoverable from the tenants.

5. Restructuring expenses include accrued expenses which were unpaid at October 16, 2009, plus an estimate of expenses for the Receiver, the Receiver's counsel and the Applicants counsel over the forecast period.

6. Other operating costs relate to overhead costs incurred by Concrete Equities Inc. (the corporate brand and marketing vehicle) for the benefit of the Applicants. Other operating expenses include office occupancy, executive compensation, payroll and other operating costs

7. In accordance with the Initial Order, inter-company borrowings will alleviate cash shortfalls.

8. Preliminary estimate of surplus operating costs recovered from tenants for the period of June to September 2009. The Receiver in conjunction with the propert manager is preparing a full analysis of the funds that may need to be reimbursed to the tenants of this building as operating costs are significantly lower than budget. These amounts are not required to be reimbursed during the Forecast Period.

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

**CONSOLIDATED CASH FLOWS FOR THE NEW CCAA APPLICANTS**
**PROJECTED 9 WEEK CASH FLOW**
**($ CAD)**

| | Notes | Actuals 29-Jul-09 to Oct 16-09 | Forecast Week 1 23-Oct-09 | Week 2 30-Oct-09 | Week 3 06-Nov-09 | Week 4 13-Nov-09 | Week 5 20-Nov-09 | Week 6 27-Nov-09 | Week 7 04-Dec-09 | Week 8 11-Dec-09 | Week 9 18-Dec-09 | FORECAST TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **NET OPERATING INCOME** | | $ 164,078 | $ 5,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 5,000 |
| **NON-RECOVERABLE EXPENSES** | | | | | | | | | | | | - |
| MORTGAGE PAYMENTS | | - | - | - | - | - | - | - | - | - | - | - |
| CAPITAL & LEASING COSTS | | - | - | - | - | - | - | - | - | - | - | - |
| REPAIRS & MAINTENANCE | | - | - | - | - | - | - | - | - | - | - | - |
| CAPITAL DISBURSEMENTS | | - | - | - | - | - | - | - | - | - | - | - |
| RESTRUCTURING EXPENSES | | 26,652 | - | - | - | - | - | - | - | - | - | - |
| OTHER OPERATING EXPENSES | | 139,091 | 5,000 | - | - | - | - | - | - | - | - | 5,000 |
| CONTINGENCY | | - | - | - | - | - | - | - | - | - | - | - |
| | | 165,743 | 5,000 | - | - | - | - | - | - | - | - | 5,000 |
| **EXCESS (SHORTFALL)** | | (1,665) | - | - | - | - | - | - | - | - | - | - |
| **CHANGE IN CASH** | | (1,665) | - | - | - | - | - | - | - | - | - | - |
| **OPENING CASH** | | 14,505 | 12,840 | 12,840 | 12,840 | 12,840 | 12,840 | 12,840 | 12,840 | 12,840 | 12,840 | 12,840 |
| **CLOSING CASH** | | $ 12,840 | $ 12,840 | $ 12,840 | $ 12,840 | $ 12,840 | $ 12,840 | $ 12,840 | $ 12,840 | $ 12,840 | $ 12,840 | $ 12,840 |
| RESTRICTED FUNDS | | $ (10,734) | $ (10,734) | $ (10,734) | $ (10,734) | $ (10,734) | $ (10,734) | $ (10,734) | $ (10,734) | $ (10,734) | $ (10,734) | $ (10,734) |
| **NET CLOSING CASH** | | $ 2,106 | $ 2,106 | $ 2,106 | $ 2,106 | $ 2,106 | $ 2,106 | $ 2,106 | $ 2,106 | $ 2,106 | $ 2,106 | $ 2,106 |

**SIGNIFICANT CASH FLOW ASSUMPTIONS**

**Notes:**

1. The New CCAA Applicants are non-operating entities forming part of the Concrete Equities family of Companies. Since these entities are non-operating, cash flow projections for these entities would primarily comprised of an allocation of overhead and restructuring costs, as such separate cash flows have not been provided for these entities.

2. Concrete Equities Inc. is no longer operating, therefore other operating expenses are anticipated to be minimal over the Forecast Period.

This is Exhibit "B" referred to in the Affidavit of Vincenzo De Palma, sworn before me in the City of Calgary, in the Province of Alberta, this 26th day of October, 2009.

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A Commissioner for Oaths in and for the Province of Alberta

LARRY BOYD ROBINSON

CONCRETE EQUITIES CONSOLIDATED
SCHEDULE OF INTER-ENTITY LENDING

| | Forecast | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Week 1<br>23-Oct-09 | Week 2<br>30-Oct-09 | Week 3<br>06-Nov-09 | Week 4<br>13-Nov-09 | Week 5<br>20-Nov-09 | Week 6<br>27-Nov-09 | Week 7<br>04-Dec-09 | Week 8<br>11-Dec-09 | Week 9<br>18-Dec-09 | TOTAL |
| Loan from Safeguard V LP | $ - | $ 97,531 | $ - | $ - | $ 155,959 | $ 2,000 | $ - | $ 42,000 | $ - | $ 297,489 |
| Loan to Safeguard I LP | - | - | - | - | - | - | - | - | - | $ - |
| Loan to Safeguard II LP | - | (61,794) | - | - | (43,369) | (2,000) | - | - | - | $ (107,163) |
| Loan to Safeguard III LP | - | (35,737) | - | - | (62,629) | - | - | (42,000) | - | $ (140,366) |
| Loan to Safeguard IV LP | - | - | - | - | (49,961) | - | - | - | - | $ (49,961) |
| | - | - | - | - | - | - | - | - | - | - |
| Loan from Safeguard LP I | - | $ 18,208 | $ 4,627 | $ 23,761 | $ - | $ 4,000 | $ 21,427 | $ - | $ - | $ 72,023 |
| Loan to Safeguard II LP | - | - | - | (11,761) | - | - | - | - | - | $ (11,761) |
| Loan to Safeguard III LP | - | - | (4,627) | (12,000) | - | (2,000) | (21,427) | - | - | $ (40,054) |
| Loan to Safeguard IV LP | - | (18,208) | - | - | - | (2,000) | - | - | - | $ (20,208) |
| Loan to Safeguard V LP | - | - | - | - | - | - | - | - | - | $ - |
| | - | - | - | - | - | - | - | - | - | - |

Action No. 0901-11048

Affidavit of: Vincenzo De Palma
Sworn on: October 27, 2009

CLERK OF THE COURT
OCT 27 2009
CALGARY, ALBERTA

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT 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 EQUITIES EXECUTIVE CLUB INC., 1456775 ALBERTA LTD., AND CONCRETE PLACE PROPERTIES LTD.**

# AFFIDAVIT OF VINCENZO DE PALMA

**DAVIS LLP**
Barristers & Solicitors
1000 - 250 2nd St. SW
Calgary, Alberta
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File No. 75800-00005