Affidavit of Steven Butt
Sworn July 29, 2010

Action No. 0901-11048

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

BETWEEN:

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, CONSTA KORAAL INVESTMENT CORPORATION, LUNA MORADA INVESTMENT CORPORATION, CONCRETE EQUITIES EXECUTIVE CLUB INC., 1456775 ALBERTA LTD., AND CONCRETE PLACE PROPERTIES LTD.

AFFIDAVIT

I, STEVEN BUTT, of the City of Calgary, in the Province of Alberta, Businessman, MAKE OATH AND SAY THAT:

1. I am a commercial real estate agent and am the President of Lavalin LP Investment Corp. (the "**New GP**"), the new General Partner of Safeguard Real Estate Investment Fund II Limited Partnership (the "**Partnership**") and as such I have a personal knowledge of the facts hereinafter deposed to save where stated to be based upon information and belief, in which case I verily believe the same to be true.

The Property and the Building

2. The Partnership is beneficial owner of the subject lands and premises bearing legal description:

PLAN CALGARY 3790P
LOTS A, B, C, AND D

EXCEPTING THEREOUT: (AS TO SURFACE ONLY) A PORTION FOR STREET WIDENING ON PLAN 8211788
and
PLAN A1
BLOCK 26
LOTS 14, 15, AND 16
EXCEPTING THEREOUT: (AS TO SURFACE ONLY) A PORTION FOR STREET WIDENING ON PLAN 8211788

(the "**Property**")

commonly known as the SNC Lavalin Building (the "**Building**").

A Brief History

3. Commencing in May 2009, the Partnership has been first in *Bankruptcy and Insolvency Act* ("**BIA**") proceedings and then in the within *Companies' Creditors Arrangements Act* ("**CCAA**") proceedings as part of a lengthy court-ordered investigation of the affairs of Concrete Equities Inc. and its many affiliates (collectively "**Concrete Equities**").

4. The Partnership is one of seven Calgary-based real estate limited partnerships established by Concrete Equities. Pursuant to an Order of this Court granted June 2, 2010, provision was made for sanction of a CCAA Plan, including the Partnership's election of the New GP in place of the prior Concrete Equities affiliate, and for the exit of the Partnership from CCAA protection upon the successful refinancing of the Building.

5. During the BIA and CCAA proceedings, my real estate brokerage firm, Avenue Commercial, acted as property manager for the Building. For all of the period of the CCAA proceedings I have served without pay as a member of the Management Committee and Steering Committee which advised E&Y on various operational matters affecting the Partnership and four of the other real estate limited partnerships described in paragraph 6 hereof. as well as all the Mexican Investments made on behalf of the LP holders by the Various Concrete Equities entities.

SNC-Lavalin's Lease

6. Through a corporation called 5th Avenue Syndication Ltd., I was one of a small group of owners of the Property between the fall of 2005 and late 2006. As such, I am very familiar with

the Property and the operations at the Building, likely more so than anyone. Based on this familiarity, I am aware of the fact that the Property is an unusual piece of real estate, including that eight of the ten floors of the Building have for some time been occupied by a single tenant, SNC-Lavalin Group Inc., whose lease expires in July 2012. The other two floors of the Building have, until recently, been vacant. I have had several discussions with representatives of SNC-Lavalin over the past few months about possible terms of renewal, but as SNC-Lavalin has no obligation to negotiate the renewal of the lease until 6 months prior to the end of the lease they are apprehensive as to entering into such negotiations now 2 years prior to end of their term. I do know that SNC-Lavalin has recently upgraded a 12509.80 square foot floor space to meet their ongoing needs and has recently renovated space on several floors at the Building.. In anticipation of the reletting of the entire building to the tenant in 2012, we recently agreed to a lease for the eighth floor at a modest interim rent which will be renegotiated at 6 months prior to the end of the lease to address SNC-Lavalin's recent expansion of their operations at the Building. What this means is that SNC now occupies 9 of the 10 floors in the building and they currently have approximately 900 SNC-Lavalin employees at the Building and it is my understanding that SNC-Lavalin intends to continue to lease the Building well into the foreseeable future.

The Mortgage

7. There is an existing first mortgage (the "**Mortgage**") on the Property, in favour of the Standard Life Assurance Company of Canada ("**Standard**"), which matured on October 1, 2008, although the Partnership thereafter continued – and continues – to make regular monthly payments in reduction of the balance owed thereunder as demanded by Standard.

8. Since maturity of the Mortgage, Standard has required the payment of interest at 7.75% per annum, a rate which is nearly double the 4.97% rate required by the terms of the Mortgage prior to maturity. To the best of my knowledge and information, the Partnership, by its Court-appointed Receiver and Monitor Ernst & Young Inc. ("**E&Y**"), has paid all interest owed or accrued pursuant to the Mortgage in each month up to and including July 2010 including as well any extension fees that were required to grant the extension of the term. I am informed by Alex Corbett of E&Y that section 50 of the Mortgage, a copy of which is attached hereto as **Exhibit**

"A", is the basis on which Standard has charged this post-maturity interest rate and, I presume, the processing fee also described therein.

<u>Refinancing Efforts</u>

9. Of course, for many months I have been aware of the necessity to refinance the Building. I have endeavoured to assist E&Y in such regard when appropriate. It is my understanding that the BIA proceedings and then the CCAA proceedings made it very difficult for E&Y to find replacement financing to pay out the Mortgage.

10. Further on the issue of refinancing the Property, until they were, very recently, ordered discharged there have been registered against title to the Property two 2009 caveats of Strategic Financial Corp., claiming first a purchaser's interest and then a secured interest in the amount of approximately $17.3 million, which I understand to have represented a serious concern to potential lenders. Further, the substantial cost of E&Y's own involvement caused a serious reduction in monthly net cash flow from the Building. Finally, the reality that the Partnership and the other limited partnerships, noted above, were under CCAA protection, and were seen in the market as tainted by their association with the Concrete Equities group, caused most lenders to keep their distance. On numerous occasions I was informed by potential lenders that they would be much more inclined to discuss a refinancing of the Building once the CCAA proceedings were concluded, and that the title had be cleared of encumbrances., but not particularly before. I was told on many occasions that the situation as it was appeared to be was far too messy for them to entertain at this time.

<u>The New GP as General Partner</u>

11. On Friday, July 16, 2010, the New GP became the General Partner of the Partnership. Attached hereto as **Exhibit "B"** is a copy of the filed Notice to Amend Certificate of Limited Partnership Amendment No. 3, together with proof of filing of the same. Affiliated corporations of mine became the General Partners of the other four said limited partnerships on June 11, 2010 for one LP and July 16, 2010 for three other LP's, respectively. As mentioned, the Lavalin Partnership remains technically under CCAA protection pending refinancing of the Mortgage, but otherwise operations have now been turned over to the New GP as of this week. Having said that, the records and all the paperwork concerning the properties have not yet been transferred

yet but we are expecting all information to be transferred in the next few business days. We are technically in the first week of operations, but have yet to receive the bulk of the documentation with which we will require to begin to operate the properties.

12. I note that even in the July 22, 2010 Certificates of Title for the Property, marked as Exhibit "A" to Brad Little's Affidavit sworn herein on July 23, 2010, the Strategic Financial Corp. caveats remain registered and the legal ownership of the Building to the New GP has not yet been completed.

The Refinancing Proposal

13. On July 20, 2010, the second business day after becoming General Partner of the Partnership, the New GP was able to obtain a favourable refinancing proposal from Romspen Investment Corporation of Toronto, Ontario, a copy of which is attached hereto as **Exhibit "C"**. The proposal was accepted, and the required $20,000 deposit was paid. I anticipate that inspection of the Building will occur within the next few days; funding is scheduled for August 12, 2010.

The Limited Partners' Position

14. There are approximately 220 limited partners of the Partnership, most of whom are Calgarians and many of modest means (the "**Limited Partnership Group**"). I have come to know many of them personally over the last year. For many their investment in the Partnership represents a significant part of their retirement savings. Only in the last few days has the New GP, on their behalf, been able to approach lenders to obtain refinancing proposals to save their Building. The limited partners' opportunity to redeem, and thus finally be out from under Concrete Equities and the many difficulties which it has caused them, has really just begun. From my knowledge of the Building and of the Calgary real estate market generally, drawn from 23 years of experience in the industry, as well as the confirmation of the Romspen Investment Corporation financing noted above, I am very confident that, given even a brief but reasonable opportunity to do so, the Partnership will be able to refinance the Building successfully. Valuations in the City appeared to be on the rise, lenders are more motivated to participate in the market than they were even a few months ago, and there remains ample equity in the Property.

As noted above, the Property is unusual and may require a somewhat longer exposure to the market, freed of the multiple hindrances of the CCAA proceedings, than might other properties, but I believe it to be a solid asset which, I have no doubt, lenders will now be more willing to refinance.

<u>The Cushman Report and the Cidex Offer</u>

15. I have read the Cushman & Wakefield report attached as Exhibit "A" to the Affidavit of Tim Somner sworn July 23, 2010, and have noted that an offer from Cidex Developments Ltd. ("**Cidex**") is the one which Standard proposes for acceptance. As alluded to in such report, Cidex is a residential developer whose intention is presumably, as it was in June 2010, to convert the Building to alternative uses when the SNC-Lavalin leases expire in July 2012. As such, there is no reason I can imagine to believe that its offer is time sensitive in any way, and that such offer would not be available in the future.

16. From my recent investigations, it does not appear that Cushman & Wakefield exposed the Property to the usual real estate market available for such properties. As far as I can tell, the Property was never advertised in a local Calgary or Alberta newspaper. More significantly, it seems never to have been marketed to any other Calgary and area commercial real estate brokerage firms at all. I am certain that the listing was never sent to us at Avenue Commercial and I am informed by representatives of NAI Commercial, Advent Commercial, and Colliers International, that the listing was not sent to them either. I have been advised by agents of Target and Remax that they, similarly, have not received the listing. I was also informed by an agent of Target that Cushman refused to give them any information for a buyer they had for the property and they were told that they will get nothing until the 90 day listing was up and that Cushman were only dealing with their own clients and not working with outside agents.

17. Additionally, I spoke to a realtor with Remax who advises that he was also completely denied access to the information even though he told Cushman that he had a potential offer on the property. Even after repeated requests, Cushman has refused to date to send out listing information to various firms. It is my belief that this internal marketing policy effectively prejudices the rights of the majority of the commercial agents in town and denies them access to the sales information and the opportunity to effectively market the property to their own list of

clients. Further, it is also my belief that this policy would greatly hinder the marketing and sales exposure of the building and would thus diminish the number of offers garnered. This policy hinders the sales process and at worst prejudices the owners of the buildings rights to a fair and unbiased marketing exposure to garner the highest sales price for the property.

18. It is my belief that Cushman & Wakefield attempted to market the Building internally to its own "usual" clientele only.

19. I was also informed that the largest independent purchaser of real estate in Calgary over the last few years, the Strategic group was not informed of the sale as well. I find this also highly unusual and it makes me wonder who in fact Cushman did market the building to.

The Colliers International 2009 Appraisal

20. Attached hereto as **Exhibit "D"** is a copy of a full Narrative Appraisal Report of the Building prepared by Colliers International Realty Advisors in December 2008. This is, I believe, the Colliers appraisal referred to in paragraph 18 of Mr. Little's Affidavit, and to my knowledge it is the most recent appraisal which pre-dates the dampening effects of the BIA and CCAA proceedings. It reflects a market value, effective January 1, 2009, of $21.2 million. To my knowledge, the Cidex offer at $10 million represents an absolute steal of the Building at well below even the forced sale value suggested by any existing appraisal report.

The Offer to Purchase

21. I, as the President of Avenue Commercial, will be directing Avenue Commercial on or before Friday, July 30, 2010 to put forward an Offer to purchase the Property in order to protect the interests of the Limited Partnership Group. Such offer shall substantially reflect the general terms set out in the "Standard Form Offer" found at Schedule C to the July 23, 2010 Cushman & Wakefield report which is Exhibit "A" to the July 23, 2010 Affidavit of Tim Sommer, but with the following primary terms:

(a) Purchase Price of $10.5 million;

(b) Deposit of $500,000 as a certified cheque or bank draft, to be paid to Bennett Jones LLP in trust,

(c) Balance of Purchase Price and Closing of the Offer to be paid and completed 45 days from acceptance of the offer provided any appeal period relating to the Court ordered sale of the Property has lapsed; and

(d) Such Offer will be open for acceptance until 4:00 p.m. MST on Friday, July 30, 2010.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 29 day of July, 2010.	)))))	
A COMMISSIONER FOR OATHS in and for the Province of Alberta.	)	STEVEN BUTT

Ryan P. Pelletier
Barrister & Solicitor

This is Exhibit "A"
Referred to in the Affidavit
of Steven Butt sworn before
me this 29 day of July, 2010

Commissioner for Oaths in
and for the Province of
Alberta

Ryan P. Pelletier
Barrister and Solicitor

portion thereof; the advance of the principal sum or any part thereof from time to time shall be at the sole discretion of the Mortgagee.

EVENTS OF DEFAULT

49. The following shall constitute events of default under this mortgage entitling the Mortgagee, at its option, to declare the mortgage immediately due and payable with applicable yield maintenance as calculated by the Mortgagee pursuant to the hereinbefore contained clause titled "No Prepayment":

(a) default in payment of any monies when due or failure to observe or perform any covenant or obligation contained in this mortgage, the commitment letter or any other security document;

(b) breach of the provisions of any mortgage, lien or other charge on the Land ranking in priority or subsequent to this mortgage;

(c) any act of insolvency on the part of the Mortgagor, or any guarantor;

(d) any representation or warranty made by or on behalf of the Mortgagor or any guarantor in connection with this mortgage is materially untrue or incomplete;

(e) the Mortgagor fails to comply with any of its obligations under the Excise Tax Act (Canada) to remit GST to the applicable authority or if any action is taken by the applicable authority against the Mortgagor or any third party owing monies to the Mortgagor with respect to GST, penalty or interest thereon which the applicable authority claims is owing from the Mortgagor.

RENEWAL OF MORTGAGE BEYOND THE MATURITY DATE

50. In the event that the Mortgagor fails to repay the outstanding principal and interest balance of the loan on the maturity date or fails to accept a renewal offer tendered, at its sole discretion, by the Mortgagee (for any reason not attributable to the Mortgagee) within the reasonable time period permitted by the Mortgagee's offer to renew, and provided that there are no arrears in principal and interest under this mortgage, then the Mortgagee may, at its sole option, automatically extend the term of the loan for a period of 1 month from the maturity date. In such case, the loan from the date of this extension (and not for any period before) shall bear interest both before and after this new maturity, at an interest rate being the greater of the Mortgage Rate or a rate equivalent to the Royal Bank of Canada's Prime Rate plus 3% per annum, as it may vary and be determined as provided below. This interest rate shall be determined by the Mortgagee on the first Banking Day of the month in which the term of the loan matures and thereafter on such first Banking Day of each month until full repayment of the loan in principal, interest, costs and accessories. Unpaid interest accrued on the principal shall bear interest at the same rate.

This interest shall be calculated and payable monthly. In the event that the renewal or repayment of the Mortgagee's monies owing has not been finalized within the 1 month extension period, then there shall be no further extensions and the Mortgagee will be at liberty to exercise any remedies available to it under this mortgage and its other security.

For the purposes of this clause, the "Royal Bank of Canada's Prime Rate" is defined as the rate of interest, expressed as a percentage per annum, published and quoted by the Royal Bank of Canada at its Head Office in downtown Toronto, Ontario, and commonly known and referred to as the prime lending rate for commercial loans in Canadian dollars.

For the purposes of this clause, "Banking Day" is defined as a day on which the Toronto Head Office of the Royal Bank of Canada is open for business and which is not a Saturday, Sunday or civic or statutory holiday.

When the term is extended as mentioned above, the balance of the loan in principal and interest, as well as unpaid costs and accessories (money owed) may be paid in full on the maturity date or at any time during the 1 month extension period, without notice, bonus or penalty. However, if not paid before, they shall be paid at maturity of this 1 month extension period.

A processing fee representing the greater of $1,000.00 or one tenth (1/10th) of one percent (1%) of the outstanding principal balance at the original maturity date prior to this contemplated renewal shall be automatically added to the principal balance if this 1 month extension period is utilized.

IN WITNESS WHEREOF the Mortgagor has duly executed these presents on the 15th day of ~~August,~~ 2005.

Sept

5TH AVENUE SYNDICATION LTD.

Per: ____________________

Per: ____________________

This is Exhibit "B"
Referred to in the Affidavit
of Steven Butt sworn before
me this 29 day of July, 2010

Commissioner for Oaths in
and for the Province of
Alberta

Ryan P. Pelletier
Barrister and Solicitor

AMEND LIMITED PARTNERSHIP - Proof of Filing

Alberta Amendment Date: 2010/07/16

Service Request Number:	14885210
Registration Number:	LP12320461
Limited Partnership Name:	SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP
Limited Partnership Status:	Active

Note: There is only 1 active General Partner

General Partner

General Partner Status:	Inactive
General Partner Type:	Legal Entity
Corporate Access Number:	2012317059
Last Name / Legal Entity Name:	CONCRETE ASSOCIATES INVESTMENT CORPORATION
Street:	100-6001-1A ST SW
City:	CALGARY
Province:	ALBERTA
Postal Code:	T2H 0G5

General Partner Status:	Active
General Partner Type:	Legal Entity
Corporate Access Number:	2014699801
Last Name / Legal Entity Name:	LAVALIN L.P. INVESTMENT CORP.
Street:	C/O SUITE 207, 1324 - 11 AVENUE SW
City:	CALGARY
Province:	ALBERTA
Postal Code:	T3C 0M6

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Certificate of Limited Partnership (AB)	10000405101452090	2006/03/28
Notice to Amend	10000007104335424	2008/07/23
Notice to Amend	10000207103027996	2008/12/10
Notice to Amend	10000507104650321	2010/07/16

Registration Authorized By: CRISPIN J. ARTHUR
SOLICITOR

AMEND LIMITED PARTNERSHIP - Pre-Registration Confirmation Report

Service Request Number:	14885210
Registration Number:	LP12320461
Limited Partnership Name:	SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP
Limited Partnership Status:	Active
Nuans Number:	
Nuans Date:	
Termination Date:	
Home Jurisdiction Registration Number:	
Valid in Home Jurisdiction:	

Note: There is only 1 active General Partner

General Partner

General Partner Status:	Inactive
General Partner Type:	Legal Entity
Corporate Access Number:	2012317059
Last Name / Legal Entity Name:	CONCRETE ASSOCIATES INVESTMENT CORPORATION
First Name:	
Middle Name:	
Street:	100-6001-1A ST SW
City:	CALGARY
Province:	ALBERTA
Postal Code:	T2H 0G5
Country:	
Internet Mail ID:	

General Partner Status:	Active
General Partner Type:	Legal Entity
Corporate Access Number:	2014699801
Last Name / Legal Entity Name:	LAVALIN L.P. INVESTMENT CORP.
First Name:	
Middle Name:	
Street:	C/O SUITE 207, 1324 - 11 AVENUE SW
City:	CALGARY
Province:	ALBERTA
Postal Code:	T3C 0M6

Country:
Internet Mail ID:

Attachment

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Certificate of Limited Partnership (AB)	10000405101452090	2006/03/28
Notice to Amend	10000007104335424	2008/07/23
Notice to Amend	10000207103027996	2008/12/10
Notice to Amend	10000507104650321	2010/06/18

Registration Authorized By: CRISPIN J. ARTHUR
SOLICITOR

**NOTICE TO AMEND CERTIFICATE OF LIMITED PARTNERSHIP
AMENDMENT NO. 3**

This Notice amends a Certificate of Limited Partnership (the "Certificate") dated March 28, 2006, as amended, in respect of Safeguard Real Estate Investment Fund II Limited Partnership (herein the "Limited Partnership"), a limited partnership formed under the laws of the Province of Alberta, registration number LP12320461. Terms not otherwise defined in this Notice have the meanings given to them in the Amending Agreement to the Limited Partnership Agreement made effective as of June 11, 2010, a copy of which is attached hereto as Schedule 1. The particulars of this amendment are as follows:

1. Section 2 of the Certificate shall be deleted in its entirety and replaced with the following:

   "The business and purpose of the Limited Partnership is to:

   (a) acquire the Building;

   (b) earn income from the development, leasing and sale of the Building;

   (c) increase the equity of the Limited Partners through capital appreciation of the Building;

   (d) enter into purchase and sale contracts, loans, guarantees or such other arrangements as the Managing Partner determines to be appropriate and in the best interests of the Partnership; and

   (e) engage in such other operations and business as may be necessary or appropriate for the foregoing purposes.

2. Section 3 of the Certificate is amended by removing the current General Partner of the Limited Partnership, Concrete Associates Investment Corporation. The name and address of the new General Partner is as follows:

   Lavalin L.P. Investment Corp.
   c/o Suite 207, 1324 – 11 Avenue SW
   Calgary, Alberta T3C 0M6

3. Section 4 of the Certificate is hereby amended by substituting in its place Schedule "A" attached to this Notice, in order to reflect the increase in the number of Units in the Limited Partnership and the current list of Limited Partners in the Limited Partnership. The Schedule "A" attached to this Notice setting forth the name and place of residence of, and the number of Units held and aggregate cash contribution attributable to, each of the current Limited Partners, is hereby incorporated by reference into and forms part of the Certificate.

   The Schedule "B" attached to this Notice is a list of the incoming Limited Partners setting forth the name and place of residence of, the number of Units held and aggregate cash contribution attributable to, each incoming Limited Partner.

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4. Section 12 of the Certificate shall be deleted in its entirety.

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This Notice is being signed by the outgoing General Partner on its own behalf, the current General Partner on its own behalf and as agent and attorney for each of the incoming and current Limited Partners of the Limited Partnership.

EXECUTED with effect as of the 11th day of June, 2010.

Concrete Associates Investment Corporation,
as outgoing General Partner, by Ernst & Young Inc.,
in its capacity as court-appointed receiver and
manager of the outgoing General Partner, Concrete
Associates Investment Corporation

Per: ______________________________

Name: Greg Pollard
Title: SVP

Lavalin LP Investment Corp., as incoming
General Partner

Per: ______________________________

Name:
Title:

Lavalin LP Investment Corp., as agent and
attorney for each of the incoming and current
Limited Partners of the Limited Partnership

Per: ______________________________

Name:
Title:

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This Notice is being signed by the outgoing General Partner on its own behalf, the current General Partner on its own behalf and as agent and attorney for each of the incoming and current Limited Partners of the Limited Partnership.

EXECUTED with effect as of the 11th day of June, 2010.

Concrete Associates Investment Corporation, as outgoing General Partner, by Ernst & Young Inc., in its capacity as court-appointed receiver and manager of the outgoing General Partner, Concrete Associates Investment Corporation

Per: ____________________________

Name:
Title:

Lavalin LP Investment Corp., as incoming General Partner

Per: ____________________________

Name:
Title:

Lavalin LP Investment Corp., as agent and attorney for each of the incoming and current Limited Partners of the Limited Partnership

Per: ____________________________

Name:
Title:

SD-0321

SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP

AMENDING AGREEMENT TO

LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT dated and effective as of the 11th day of June, 2010.

WHEREAS a limited partnership agreement (the "**LP Agreement**") was made as of March 28, 2006 by and among Concrete Associates Investment Corporation (the "**Initial GP**"), David Jones and each of those persons who from time to time are accepted as and becomes a limited partner in accordance with the terms of the LP Agreement;

AND WHEREAS the parties to the LP Agreement have agreed in the LP Agreement, *inter alia*, that: (a) the General Partner may be removed in accordance with Section 14.03 of the LP Agreement; and (b) the Limited Partners may amend the LP Agreement in accordance with Section 16.01 of the LP Agreement;

AND WHEREAS the Limited Partners at a meeting of Limited Partners held on May 28, 2010 resolved by Extraordinary Resolutions to (a) remove the Initial GP and replace it with Lavalin L.P. Investment Corp. (the "**New GP**"); and (b) amend the LP Agreement in the manner described herein;

AND WHEREAS attached hereto as Schedule "A" are the minutes of the meeting of Limited Partners held on May 28, 2010 evidencing the Extraordinary Resolutions referred to above;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT IN CONSIDERATION of the covenants and agreements contained in this Agreement:

1. In accordance with the authority of the Limited Partners given by Extraordinary Resolution, the New GP shall be the General Partner for the purposes of the LP Agreement, and the LP Agreement is amended as follows:

   (a) to replace the words "Concrete Associates Investment Corporation" with "Lavalin L.P. Investment Corp.";

   (b) to replace "Concrete Associates" with "Lavalin";

   (c) to replace the word "Wealthcrete" with "Lavalin"; and

   (d) without limiting the generality of the foregoing, to delete Section 17.01(a) in its entirety and replace it with the following:

   Lavalin L.P. Investment Corp.
   c/o Suite 207, 1324 – 11th Avenue S.W.
   Calgary, Alberta T3C 0M6.

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2. In accordance with the authority of the Limited Partners given by Extraordinary Resolution pursuant to Section 16.01 of the LP Agreement, the LP Agreement is amended as follows:

(a) Section 3.01 shall be deleted in its entirety and replaced with the following:

"Section 3.01 Business of the Partnership: The business and purpose of the Partnership is to:

(i) acquire the Building;

(ii) earn income from the development, leasing and sale of the Building;

(iii) increase the equity of the Limited Partners through capital appreciation of the Building;

(iv) enter into purchase and sale contracts, loans, guarantees or such other arrangements as the Managing Partner determines to be appropriate and in the best interests of the Partnership; and

(v) engage in such other operations and business as may be necessary or appropriate for the foregoing purposes (the **"Partnership Business"**).";

(b) A new Section 4.17 shall be added as follows:

"Section 4.17 Issue of Additional Units.

(a) Notwithstanding anything contained in this Agreement, the Managing Partner may from time to time issue Units (in addition to the Units issued pursuant to Sections 4.02 and 4.03):

(i) in satisfaction of bona fide debt obligations of the Partnership; or

(ii) upon conversion of a convertible debentures issued by the Partnership to certain investors on or about February 10, 2010, in accordance with the terms of such convertible debentures;

provided that the recipients of such additional Units execute and deliver to the Managing Partner such documents deemed necessary or desirable by the Managing Partner to comply with applicable securities laws.

(b) The Managing Partner shall ensure that the Partnership shall receive fair consideration for any Units issued pursuant to Section 4.17(a).";

(c) A new Section 4.18 shall be added as follows:

> "Section 4.18 Fractional Units. Any Unit issued pursuant to Section 4.17 may be issued, divided or split into fractions. A fractional Unit represents a fractional share of the Partnership. Holders of fractional Units shall not be entitled to vote such fractional Unit."; and

(d) Section 9.01 shall be amended by adding the following sentence to the end of such section:

> "Any Units issued pursuant to Section 4.17 (including fractional Units) shall not be certificated but shall be recorded by the Managing Partner in the record books of the Partnership."

3. Any capitalized term used in this Agreement and not defined herein shall have the meaning ascribed to such term in the LP Agreement.

4. This Agreement shall be governed by and construed in accordance with the laws in force in Alberta and the laws of Canada applicable therein.

5. The LP Agreement, as amended by this Agreement is hereby ratified and confirmed, and shall continue in full force and effect.

6. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

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IN WITNESS WHEREOF, this Agreement is executed as of the date set out above.

ERNST & YOUNG INC., in its capacity as court-appointed receiver and manager of SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP

By: ______________________________

LAVALIN LP INVESTMENT CORP., in its capacity as the New GP, on behalf of the Limited Partners in accordance with the authority granted by the Extraordinary Resolutions passed by the Limited Partners at a meeting on May 28, 2010

By: ______________________________

SD... 0321

IN WITNESS WHEREOF, this Agreement is executed as of the date set out above.

ERNST & YOUNG INC., in its capacity as court-appointed receiver and manager of SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP

By: ______________________________

LAVALIN LP INVESTMENT CORP., in its capacity as the New GP, on behalf of the Limited Partners in accordance with the authority granted by the Extraordinary Resolutions passed by the Limited Partners at a meeting on May 28, 2010

By: ______________________________

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Schedule "A" - Minutes of the Meeting of Limited Partners held on May 28, 2010

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MINUTES OF THE SPECIAL MEETINGS (COLLECTIVELY, THE "MEETINGS") OF THE LIMITED PARTNERS FOR EACH OF SAFEGUARD REAL ESTATE INVESTMENT FUND LP ("SAFEGUARD LP"), SAFEGUARD REAL ESTATE INVESTMENT FUND II LP ("SAFEGUARD II LP"), SAFEGUARD REAL ESTATE INVESTMENT FUND III LP ("SAFEGUARD III LP"), SAFEGUARD REAL ESTATE INVESTMENT FUND IV LP ("SAFEGUARD IV LP") AND SAFEGUARD REAL ESTATE INVESTMENT FUND V LP ("SAFEGUARD V LP") (COLLECTIVELY THE "SAFEGUARD LPS")[1]

Held on Friday, May 28, 2010 at 10:00 a.m. (Calgary time)

Introduction

The Meetings started at 10:15 a.m. Mrs. Michelle Grant introduced herself and Mr. Neil Narfason. Mrs. Grant explained that Ernst & Young Inc. acts in two capacities: as Receiver of the Safeguard LPs; and as Monitor of the general partners of the Safeguard LPs.

Meetings Called to Order

Mrs. Grant officially called the meeting to Order and noted that she was acting as Chairperson of the Meetings, and appointed Ms. Trinh of Ernst & Young Inc. to act as secretary of the Meetings. The Meetings were called to Order at approximately 10:30 a.m. (Calgary time).

The Chairperson confirmed that the Meetings were being conducted in the manner outlined in the May 5, 2010 Court of Queen's Bench Orders which authorized the calling of the Meetings.

The Chairperson confirmed that the Notice of Meeting and the Meeting Materials were provided to the Unitholders and that extra copies were available to review at the Meetings. The Chairperson directed that copies of the Meeting Materials be placed in the record books of the Safeguard LPs.

The Chairperson confirmed that there was a quorum present, consisting of at least two persons present in person or by proxy representing at least 25% of Unitholders in each of the Safeguard LPs. The Chairperson directed that a copy of the Receiver's report on attendance be attached as **Appendix A** to these minutes.

Purpose of the Meeting

The purpose of the Meetings was to ask for approval to adopt certain extraordinary resolutions which were outlined in the Notice of Meetings. In order for the extraordinary resolutions to be approved, at least two-thirds of the votes attaching to the units being voted at the Meetings in person or by proxy must be voted in favour of such resolutions.

In accordance with a request from a Unitholder, the Chairperson agreed to read each of the extraordinary resolutions.

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[1] Capitalized terms not defined in these minutes are as defined in the May 5, 2010 LP Meeting Orders, the Notice of Meetings or the Meeting Materials.

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Prior to seeking motions with respect to each extraordinary resolution, the Chairperson, along with Mr. Narfason of Ernst & Young Inc., Mr. Butt of Avenue Commercial and Mr. Yorke-Slader of Bennett Jones LLP responded to a number of questions from the Unitholders in attendance.

Voting Procedure

The Chairperson indicated that meetings for all of the Safeguard LPs were being held concurrently, and she confirmed that all Unitholders who had not previously submitted their proxies had received a ballot to submit their votes.

Extraordinary Resolutions

Mrs. Grant called for motions for each of the extraordinary resolutions in each of the Safeguard LPs. The following is a summary of the motions that were moved and seconded:

a. Motions for New GP Resolution, LP Agreement Amendment Resolution and Guarantee Resolution called for Safeguard LP:

Moved by Steven Butt as proxyholder for various Unitholders, seconded by Jim Crittall.

b. Motions for New GP Resolution and LP Agreement Amendment Resolution for Safeguard II LP:

Moved by Steven Butt as proxyholder for various Unitholders, seconded by Hardy Hofer.

c. Motions for New GP Resolution, LP Agreement Amendment Resolution and Guarantee Resolution called for Safeguard III LP:

Moved by Steven Butt as proxyholder for various Unitholders, seconded by Lisa Whetter.

d. Motions for New GP Resolution, LP Agreement Amendment Resolution and Guarantee Resolution called for Safeguard IV LP:

Moved by Steven Butt as proxyholder for various Unitholders, seconded by Mike Hansen.

e. Motions for New GP Resolution, LP Agreement Amendment Resolution and Guarantee Resolution called for Safeguard V LP:

Moved by Steven Butt as proxyholder for various Unitholders, seconded by Rick Robson.

Voting on Extraordinary Resolutions

Once each of the extraordinary resolutions to be voted upon by Unitholders of each of the Safeguard LPs had been moved and seconded, the Chairperson requested that the Unitholders with ballots vote on each such resolution.

The Meetings were adjourned for 15 minutes to count the ballots and tabulate the results.

Voting Results

The Chairperson called the Meetings to order at approximately 11:30 a.m. (Calgary time).

The Chairperson confirmed that all the extraordinary resolutions passed as follows:

a) Safeguard LP
New GP Resolution: 99% in favour
LP Agreement Amendment Resolution: 99% in favour
Guarantee Resolution: 88% in favour

b) Safeguard II LP
New GP Resolution: 99% in favour
LP Agreement Amendment Resolution: 100% in favour

c) Safeguard III LP
New GP Resolution: 99% in favour
LP Agreement Amendment Resolution: 99% in favour
Guarantee Resolution: 99% in favour

d) Safeguard IV LP
New GP Resolution: 99% in favour
LP Agreement Amendment Resolution: 99% in favour
Guarantee Resolution: 91% in favour

e) Safeguard V LP
New GP Resolution: 98% in favour
LP Agreement Amendment Resolution: 98% in favour
Guarantee Resolution: 97% in favour

The Chairperson directed that the final voting results be included in the Monitors' report to be filed on or about May 31, 2010.

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Termination of the Meeting

On a motion moved by Steven Butt as proxyholder for various Unitholders, seconded by Jim Crittall, and approved by the requisite number of Unitholders present at the Meetings in person and by proxy, the Meetings were terminated at approximately 11:45 a.m. (Calgary time).

Respectfully submitted on June 10th, 2010,

Mrs. Michelle Grant, Chairperson

Ms. Betty Trinh, Secretary

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Appendix A

MINUTES OF THE SPECIAL MEETINGS (COLLECTIVELY, THE "MEETINGS") OF THE LIMITED PARTNERS FOR EACH OF SAFEGUARD REAL ESTATE INVESTMENT FUND LP ("SAFEGUARD LP"), SAFEGUARD REAL ESTATE INVESTMENT FUND II LP ("SAFEGUARD II LP"), SAFEGUARD REAL ESTATE INVESTMENT FUND III LP ("SAFEGUARD III LP"), SAFEGUARD REAL ESTATE INVESTMENT FUND IV LP ("SAFEGUARD IV LP") AND SAFEGUARD REAL ESTATE INVESTMENT FUND V LP ("SAFEGUARD V LP") (COLLECTIVELY THE "SAFEGUARD LPS")

Held on Friday, May 28, 2010 at 10:00 a.m. (Calgary time)

	Attendance (in person and by *# of Unit holders*	Representing % of Units Outstanding %
Safeguard I LP	86	75%
Safeguard II LP	144	70%
Safeguard III LP	149	63%
Safeguard IV LP	203	53%
Safeguard V LP	451	62%

Note

* Percentage of units outstanding is based on the units issued according to the limited partnership registries contained in the books and records of Concrete Equities Inc.

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SCHEDULE "A"

SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP

CURRENT LIMITED PARTNERS

UNIT #	LIMITED PARTNER	ADDRESS	# OF UNITS	AGGREGATE SUBSCRIPTION PRICE
001	Darryl Tamagi	123 Fairways Close NW2 Calgary, AB T4B 2P4	1	$ 50,000.00
002	Paul & Carol Caouette	30010 Township Road #262 Calgary, AB T3R 1C4	1	$ 50,000.00
003	James and Audrey Shepherd	Apt. 2203, 55 Spruce Place Calgary, AB T3C 3X5	1	$ 50,000.00
004	Glenn Gunn	202 Citadel Circle NW Calgary, AB T3G 4C2	2	$ 100,000.00
005	Margaretha Hemmings & Frances Subelack	1607 – 33 Avenue SW Calgary, AB T2T 1Y6	1	$ 50,000.00
006	Ronnie & Monique Mohl	148 West Creek Meadows Chestermere, AB T1X 1S9	1	$ 50,000.00
007	Patti Mann	98 Valley Crest Close NW Calgary, AB T3B 5X1	1	$ 50,000.00
009	(Jon) Hung Kai & Ruth Clark Tang	171 Schooner Cove NW Calgary, AB T3L 1Y7	1	$ 50,000.00
010	Trevor & Karen Hannah	Box 90 Acme, AB T0M 0A0	2	$ 100,000.00
011	Richard & Amy Kohut	Box 1227 Didsbury, AB T0M 0W0	1	$ 50,000.00
012	Staci McPherson	RR #2 Station M High River, AB T1V 1N2	1	$ 50,000.00
013	Leola Reinhart	RR #7 Stn LCD1 Calgary, AB T2P 2G7	1	$ 50,000.00
014	Gail Jenkins & Ken Kirkendall	14935 Deer Run Drive SE Calgary, AB T2J 5X2	4	$ 200,000.00
015	Robert & Candace Cook	816 Macleay Road NE Calgary, AB T2E 6A1	1	$ 50,000.00
017	Paul & Elaine Radder	228 Silver Springs Green NW Calgary, AB T3B 3Y9	1	$ 50,000.00
018	Calmark Design Drafting Inc.	503 Cedarille Crescent SW Calgary, AB T2W 2H6	1	$ 50,000.00
019	677632 Alberta Ltd.	111-60 Sierra Morena Landing SW Calgary, AB T3H 5H1	1	$ 50,000.00
020	Mark & Sanne Toonen	398 Tuscany Ravine Road NW Calgary, AB T3L 3A9	1	$ 50,000.00
022	Dave & Ruth Yesmaniski	Site 17, Box 13, RR #6 Calgary, AB T2M 4L5	1	$ 50,000.00
023	Mintu Bose	79 Horizon View Place Calgary, AB T3Z 3M3	1	$ 50,000.00
024	Susanne & Gerhard Wall	Box 85 Vauxhall, AB T0K 2K0	1	$ 50,000.00

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UNIT #	LIMITED PARTNER	ADDRESS	# OF UNITS	AGGREGATE SUBSCRIPTION PRICE
025	Curt & Nichola Sollid	17 Deerridge Court SE Calgary, AB T2J 5X9	1	$ 50,000.00
026	Scott Graham	83 Royal Ridge Manor NW Calgary, AB T3G 0A2	1	$ 50,000.00
027	Edward & Mary Lou Poniecki	8 Silver Ridge Place NW Calgary, AB T3B 3T7	1	$ 50,000.00
028	Rudy Luk	88 Panatella Manor NW Calgary, AB T3K 0A7	1	$ 50,000.00
029	Melvin & Cheryl Miller	147 Lake Linnet Close SW Calgary, AB T2J 2H9	1	$ 50,000.00
030	Claudia Domingo	227 Sandpiper Place NW Calgary, AB T3K 3V1	1	$ 50,000.00
031	Andrew Layfield	81 Country Village Circle NE Calgary, AB T3K 6E1	1	$ 50,000.00
032	John & Thelma Reynolds	3820 – 14th Avenue SE Calgary, AB T2A 0K3	1	$ 50,000.00
033	Mary & Yuran Ho	2097 Blackmud Creek Drive SW Edmonton, AB T6W 1G9	1	$ 50,000.00
034	Doug & Sandra Shier	69 Springborough Blvd. SW Calgary, AB T3H 5M6	2	$ 100,000.00
035	Edward & Mary Lou Poniecki	8 Silver Ridge Place NW Calgary, AB T3B 3T7	1	$ 50,000.00
036	Elizabeth Tara Wood	159 Waldron Avenue Okotoks, AB T1S 1E1	1	$ 50,000.00
037	Kelly & Teresa Ziegler	RR #1, Site 1, Box 17 Didsbury, AB T0M 0W0	1	$ 50,000.00
038	Shane & Charlene Roberts	1979 Woodside Blvd. Airdrie, AB T4B 2S7	1	$ 50,000.00
039	Don & Linda Rhyno	139 Douglasview Bay SE Calgary, AB T2Z 2P3	2	$ 100,000.00
040	Concrete Registered Investments Inc. ITF Kumar Ramlall	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
041	Rosanne Senior	19 Franklin Drive SE Calgary, AB T2H 0V1	1	$ 50,000.00
043	Concrete Registered Investments Inc. ITF John Bubric	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
044	Concrete Registered Investments Inc. ITF Norman Cochrane	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	4	$ 200,000.00
045	Concrete Registered Investments Inc. ITF Janina O'Sullivan	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
046	Concrete Registered Investments Inc. ITF Gail Pelland	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
047	Concrete Registered Investments Inc. ITF Donna Reed	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
048	Concrete Registered Investments Inc. ITF Donna Reed	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
049	Concrete Registered Investments Inc. ITF Marc F. Reed	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
050	Concrete Registered Investments Inc. ITF Richard Shairp	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00

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UNIT #	LIMITED PARTNER	ADDRESS	# OF UNITS	AGGREGATE SUBSCRIPTION PRICE
051	Concrete Registered Investments Inc. ITF Robert Taylor	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
052	Hardy & Suzanne Hofer	15 Deer Lane Close SE Calgary, AB T2J 5X8	2	$ 100,000.00
053	Marnie Colborne	5603, 836 – 5th Avenue SW Calgary, AB T2P 0N5	1	$ 50,000.00
054	Crane Courier Incorporated	4730 Elbow Drive SW Calgary, AB T2S 2K8	4	$ 200,000.00
055	Douglas & Colleen Horton	195 Lake Adams Crescent SE Calgary, AB T2J 3N2	2	$ 100,000.00
056	Grant Lyons	107 Lake Wapta Rise SE Calgary, AB T2J 2N1	2	$ 100,000.00
057	Douglas & Colleen Horton	195 Lake Adams Crescent SE Calgary, AB T2J 3N2	1	$ 50,000.00
058	Gary Louden	220 Arbour Lake Way NW Calgary, AB T3G 3Z7	1	$ 50,000.00
059	Kevin Smadis	140 Tuscany Springs Circle NW Calgary, AB T3L 2L1	1	$ 50,000.00
060	Adrian Bolli	5644 Travis Street NE Calgary, AB T2K 3W2	1	$ 50,000.00
061	Susan McPherson	RR #2 Station Main High River, AB T1V 1N2	1	$ 50,000.00
062	Carmen Fleuren	277 Hunterhorn Terrace NE Calgary, AB T2K 6G5	1	$ 50,000.00
063	Donald & Anne Hildebrand	33 Shawfield Way SW Calgary, AB T2Y 2X9	2	$ 100,000.00
064	Bryan Crane	3347 Oakwood Drive SW Calgary, AB T2V 4V6	2	$ 100,000.00
065	John & Carol Luider	35 Ventura Place NE Calgary, AB T2E 8G4	1	$ 50,000.00
066	Douglas Smadis	147 Mt. Aberdeen Close SE Calgary, AB T2Z 3N2	1	$ 50,000.00
067	Patricia Smadis	147 Mt. Aberdeen Close SE Calgary, AB T2Z 3N2	1	$ 50,000.00
068	Ameneh Sita Kashanian & Youssef Zarringhalam	12 Edcath Road NW Calgary, AB T3A 4A2	1	$ 50,000.00
069	Fazle & Adlineh Sibtain	24 MacEwan Park Manor NW Calgary, AB T3K 4G6	1	$ 50,000.00
070	Angela Smith	19 Taylor Drive Lacombe, AB T4L 2N8	1	$ 50,000.00
071	Jennifer Sejdl	Box 6166 Lacombe, AB T4L 1X5	1	$ 50,000.00
072	Lindsey Sejdl	RR #1, Site 4, Box 17 Lacombe, AB T4L 2N1	1	$ 50,000.00
073	Concrete Registered Investments Inc. ITF Jim Simpson	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	3	$ 150,000.00
074	Concrete Registered Investments Inc. ITF Kathy Stol	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
075	Concrete Registered Investments Inc. ITF (Jon) Hung Kai Tang	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00

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UNIT #	LIMITED PARTNER	ADDRESS	# OF UNITS	AGGREGATE SUBSCRIPTION PRICE
076	Concrete Registered Investments Inc. ITF Jennifer Thorburn	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
077	Concrete Registered Investments Inc. ITF Peter Vanderwoude	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
078	Concrete Registered Investments Inc. ITF Donna Zimmerman	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
079	Concrete Registered Investments Inc. ITF Carolyn Dewitt	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
080	Concrete Registered Investments Inc. ITF Marvin Fenrich	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
081	Concrete Registered Investments Inc. ITF Lynden Gill	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
082	Concrete Registered Investments Inc. ITF Loraine Goff	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
083	Concrete Registered Investments Inc. ITF Pratima Ramlall	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
084	Concrete Registered Investments Inc. ITF Barbara Rohling	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
085	Patricia Anderson	349 Edgeview Place NW Calgary, AB T3A 4X4	1	$ 50,000.00
086	Judy Uwiera	30 Saddlemead Way NE Calgary, AB T3J 4A6	1	$ 50,000.00
087	Jane Cash	16165 Everstone Road SW Calgary, AB T2Y 3B9	1	$ 50,000.00
088	Abram & Carol Chang	13148 Lake Acadia Road SE Calgary, AB T2J 3B9	1	$ 50,000.00
089	Andrew & Lindsay Helgeton	385 Sagewood Park Airdrie, AB t4B 3B2	1	$ 50,000.00
090	Jon & Karen Carter	8032 Chardie Road SW Calgary, AB T2V 2T4	2	$ 100,000.00
091	Concrete Registered Investments Inc. ITF Troy Ritz	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
092	Concrete Registered Investments Inc. ITF Helen Bubric	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
093	Concrete Registered Investments Inc. ITF Donna Moser	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
094	Collin & Rene Peters	8 Cougarstone Common SW Calgary, AB T3H 5A3	1	$ 50,000.00
095	Concrete Registered Investments Inc. ITF Sylvia Brown	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
096	Concrete Registered Investments Inc. ITF Allan Entwistle	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
098	Concrete Registered Investments Inc. ITF Wayne Goff	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
099	Concrete Registered Investments Inc. ITF Charlotte Herperger	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
100	Concrete Registered Investments Inc. ITF Anne Nixon	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
101	Concrete Registered Investments Inc. ITF Carol Taylor	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00

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UNIT #	LIMITED PARTNER	ADDRESS	# OF UNITS	AGGREGATE SUBSCRIPTION PRICE
102	Concrete Registered Investments Inc. ITF Kevin Van Es	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
103	Joe & Maureen Weber	76 Chaparral Road SE Calgary, AB T2X 3J8	1	$ 50,000.00
104	Wendy O'Blenes	8016 Huntwick Crescent NE Calgary, AB T2K 4H8	1	$ 50,000.00
105	Gina & Scott Winn	50 Tiller Place SE Airdrie, AB T4A 1S6	1	$ 50,000.00
106	Tony & Jennifer Wolsey	205 Woodrow Place Okotoks, AB T1S 1L5	1	$ 50,000.00
107	Graham & Janet Fogg	23 Crystal Ridge Way Okotoks, AB T1S 1P4	1	$ 50,000.00
109	Christiaan Schollaardt	109 Shawfield Bay SW Calgary, AB T2Y 2W4	1	$ 50,000.00
110	Miiko Iwaasa	26 Grizzly Terrace N Lethbridge, AB T1H 6S5	1	$ 50,000.00
111	Lynda Crittall	38 Mt. Gibraltar Heights SE Calgary, AB T2Z 3R2	1	$ 50,000.00
112	John Chan	1106 – 15th Avenue SW Calgary, AB T2R 0S7	1	$ 50,000.00
113	Allan & Sarah Lee	176 Hampstead Way Calgary, AB T3A 6H6	2	$ 100,000.00
115	Darlene Vaughan & Garry Pede	3 Coville Square NE Calgary, AB T3K 5E3	1	$ 50,000.00
116	Jake & Betty Poetticker	RR #2 Lacombe, AB T4L 2N2	1	$ 50,000.00
117	John Yur Kiw	7913 – 93rd Avenue Fort Saskatchewan, AB T8L 3L6	1	$ 50,000.00
118	Francesco Panei	270 Evansmeade Circle NW Calgary, AB T3P 1B4	1	$ 50,000.00
119	Stephen Matthews	36 Deercross Road SE Calgary, AB T2J 6C1	1	$ 50,000.00
120	Tom & Carol Hewitt	Box 4, Site 7, RR #1 Millarville, AB T0L 1K0	1	$ 50,000.00
121	Chet Henderson	52B Bedford Circle NE Calgary, AB T3K 1L1	1	$ 50,000.00
122	Patricia & Tony Paccagnan	2228 – 58th Avenue SW Calgary, AB T3E 1N5	1	$ 50,000.00
123	Concrete Registered Investments Inc. ITF Joel & Ronda Zimmerman	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
124	Concrete Registered Investments Inc. ITF Audrey Tompkins	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
125	Concrete Registered Investments Inc. ITF Steve Rohling	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
126	Concrete Registered Investments Inc. ITF Marty Ritz	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
127	Concrete Registered Investments Inc. ITF Philip Porth	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
128	Concrete Registered Investments Inc. ITF Mary Lou Poniecki	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00

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UNIT #	LIMITED PARTNER	ADDRESS	# OF UNITS	AGGREGATE SUBSCRIPTION PRICE
129	Concrete Registered Investments Inc. ITF Shabnam Nibber	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
130	Concrete Registered Investments Inc. ITF Jamie Newton	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
131	Concrete Registered Investments Inc. ITF Frederick Murray	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
132	Concrete Registered Investments Inc. ITF William Martin	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
133	Concrete Registered Investments Inc. ITF Randi Hogaboam	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
134	Concrete Registered Investments Inc. ITF Paul Graham	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
135	Concrete Registered Investments Inc. ITF Robert Demir	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
136	Concrete Registered Investments Inc. ITF Carrie De Palma	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
137	Concrete Registered Investments Inc. ITF Chris Taylor5	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
138	Concrete Registered Investments Inc. ITF Sandra Zimmerman	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
139	Concrete Registered Investments Inc. ITF Christiaan & Caroline Schollaardt	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
140	Concrete Registered Investments Inc. ITF Gerald & Debbie Rempel	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
141	Concrete Registered Investments Inc. ITF Edward Poniecki	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
142	Concrete Registered Investments Inc. ITF Katherine Paul	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
143	Concrete Registered Investments Inc. ITF Murray Nixon	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
144	Concrete Registered Investments Inc. ITF Lorraine Murray	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
145	Concrete Registered Investments Inc. ITF Maureen Metcalfe	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
146	Concrete Registered Investments Inc. ITF Roberta McDonald	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
147	Concrete Registered Investments Inc. ITF Dean Herperger	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
148	Concrete Registered Investments Inc. ITF Anita Hawes	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
149	Concrete Registered Investments Inc. ITF Marvin Gill	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
150	Concrete Registered Investments Inc. ITF Raymond & Krista Embertson	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
151	Concrete Registered Investments Inc. ITF Kelvin Babuik	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
152	Gerald & Margaret Ziegler	20 Pinebrook Close NE Calgary, AB T1Y 3X5	1	$ 50,000.00
153	Hartwick & Betty Wiehler	3144 – 46 Street SW Calgary, AB T3E 3W8	1	$ 50,000.00

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UNIT #	LIMITED PARTNER	ADDRESS	# OF UNITS	AGGREGATE SUBSCRIPTION PRICE
154	Joe Reichert	517 Sorona Avenue SW Calgary, AB T3C 2K1	2	$ 100,000.00
155	Andrew Reed	104 Edgevalley Place NW Calgary, AB T3A 4Z1	1	$ 50,000.00
156	Maffelda Hertzspring	6 Elkton Way SW Calgary, AB T3H 4Y7	1	$ 50,000.00
157	879601 Alberta Ltd.	Box 44, Site 8, RR #1 Okotoks, AB T1S 1A1	2	$ 100,000.00
159	Ron & Jill Henkel	1112 Lake Sundance Crescent SE Calgary, AB T2J 2S8	1	$ 50,000.00
160	Sentinel Holdings Inc.	154 Sienna Hills Drive SW Calgary, AB T3H 2E2	1	$ 50,000.00
161	Mary Besler	72 Woodglen Court SW Calgary, AB T2W 4K3	1	$ 50,000.00
162	Concrete Registered Investments Inc. ITF Janice Graham	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
163	Concrete Registered Investments Inc. ITF John Gryzenhout	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
164	Concrete Registered Investments Inc. ITF Susan Gryzenhout	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
165	Concrete Registered Investments Inc. ITF Jill Henkel	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
166	Concrete Registered Investments Inc. ITF Hardy Hofer	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
167	Concrete Registered Investments Inc. ITF Mark Imbach	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
168	Concrete Registered Investments Inc. ITF Kevin Kurtz	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
169	Concrete Registered Investments Inc. ITF Wayne Lyons	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
170	Concrete Registered Investments Inc. ITF Stephen Matthews	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
171	Concrete Registered Investments Inc. ITF Kevin Miller	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
172	Concrete Registered Investments Inc. ITF Peter Popii	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
173	Concrete Registered Investments Inc. ITF Maurice Quintin	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
174	Concrete Registered Investments Inc. ITF Darcy Regier	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
175	Concrete Registered Investments Inc. ITF Barb & Barry Roberts	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
176	Concrete Registered Investments Inc. ITF Gayle Schmaltz	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
177	Concrete Registered Investments Inc. ITF John Shanley	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
178	Concrete Registered Investments Inc. ITF Melvin Swereda	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
179	Concrete Registered Investments Inc. ITF Annie Wall Swereda	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00

SD... 0321

UNIT #	LIMITED PARTNER	ADDRESS	# OF UNITS	AGGREGATE SUBSCRIPTION PRICE
180	Concrete Registered Investments Inc. ITF Karen Wallace	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
181	Concrete Registered Investments Inc. ITF James Crittall	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
182	Concrete Registered Investments Inc. ITF Lynda Crittall	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
183	Concrete Registered Investments Inc. ITF Annette Fraser	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
184	Concrete Registered Investments Inc. ITF Judy Ginther	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
185	Concrete Registered Investments Inc. ITF Nelson Keung	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
186	Concrete Registered Investments Inc. ITF Richard Lemieux	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
187	Concrete Registered Investments Inc. ITF Teresa Lind	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
188	Concrete Registered Investments Inc. ITF Peter & Roberta McDonald	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
189	Concrete Registered Investments Inc. ITF Julie Mitrovic	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
190	Concrete Registered Investments Inc. ITF Paul Newton	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
191	Concrete Registered Investments Inc. ITF Susanne Wall	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	2	$ 100,000.00
192	Concrete Registered Investments Inc. ITF Dale Walters	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
193	Concrete Registered Investments Inc. ITF Dan Wood	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
194	Concrete Registered Investments Inc. ITF Cherril Ramcharitar	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
195	Concrete Registered Investments Inc. ITF Louisa & Roderick Cochrane	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
196	Concrete Registered Investments Inc. ITF William & Wendae Whitehead	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
197	Ron & Jill Henkel	1112 Lake Sundance Crescent SE Calgary, AB T2J 2S8	1	$ 50,000.00
198	Keith Thomson	Box 51 Millarville, AB T0L 1K0	1	$ 50,000.00
199	Concrete Registered Investments Inc. ITF Deidre Fenrich	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
200	Concrete Registered Investments Inc. ITF Doug Mark	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
201	Concrete Registered Investments Inc. ITF Paul Lepage	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
202	Concrete Registered Investments Inc. ITF Leslie Lis	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
203	Concrete Registered Investments Inc. ITF Karen Lambert	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
204	Concrete Registered Investments Inc. ITF Glenn Gunn	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00

SD...0321

UNIT #	LIMITED PARTNER	ADDRESS	# OF UNITS	AGGREGATE SUBSCRIPTION PRICE
205	Concrete Registered Investments Inc. ITF Murray Shuturma	#450, 550 – 11th Avenue SW Calgary, AB T2R 1M7	1	$ 50,000.00
206	Joe & Maureen Weber	76 Chaparral Road SE Calgary, AB T2X 3J8	1	$ 50,000.00
207	Dave Jones	7425 MacLeod Trail SW Calgary, AB T2H 0L8	1	$ 50,000.00
208	Hardy & Suzanne Hofer	15 Deerlane Close SE Calgary, AB T2J 5X8	1	$ 50,000.00
209	Richard Shairp	479 Parkridge Crescent SE Calgary, AB T2J 5A9	1	$ 50,000.00
210	Hardy & Suzanne Hofer	15 Deerlane Close SE Calgary, AB T2J 5X8	1	$ 50,000.00
211	Stephen & Romi Louise McMullen	56 Evansbrooke Landing NW Calgary, AB T3P 1G5	1	$ 50,000.00
212	Lakeside Drilling Ltd.	Box 430 Dalemead, AB T0J 0V0	1	$ 50,000.00
213	Hardy & Suzanne Hofer	15 Deerlane Close SE Calgary, AB T2J 5X8	1	$ 50,000.00
214	Albert & Myra Dykstra	Box 1770 Didsbury, AB T0M 0W0	1	$ 50,000.00
215	Allan & Sarah Lee	176 Hampstead Way NW Calgary, AB T3A 6H6	1	$ 50,000.00
216	Kevin Cuffely	308, 880 Centre Ave NE Calgary, AB T2E 9C3	1	$ 50,000.00
UC	Safeguard Real Estate Investment Fund III Limited Partnership	Suite 207, 1324 – 11 Avenue SW Calgary, AB T3C 0M6	50.989348	$ 1,170,893.99
UC	Safeguard Real Estate Investment Fund V Limited Partnership	Suite 207, 1324 – 11 Avenue SW Calgary, AB T3C 0M6	0.164591	$ 3,779.59
UC	Safeguard Real Estate Investment Fund VII Limited Partnership	Suite 207, 1324 – 11 Avenue SW Calgary, AB T3C 0M6	3.590601	$ 82,452.77
UC	Santa Clara Real Estate Investment Fund Limited Partnership	Suite 207, 1324 – 11 Avenue SW Calgary, AB T3C 0M6	1.447214	$ 33,233.10

Legend:
UC - uncertificated

SD...0321

SCHEDULE "B"

SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP

NEW LIMITED PARTNERS

UC	Safeguard Real Estate Investment Fund III Limited Partnership	Suite 207, 1324 – 11 Avenue SW Calgary, AB T3C 0M6	50.989348	$ 1,170,893.99
UC	Safeguard Real Estate Investment Fund V Limited Partnership	Suite 207, 1324 – 11 Avenue SW Calgary, AB T3C 0M6	0.164591	$ 3,779.59
UC	Safeguard Real Estate Investment Fund VII Limited Partnership	Suite 207, 1324 – 11 Avenue SW Calgary, AB T3C 0M6	3.590601	$ 82,452.77
UC	Santa Clara Real Estate Investment Fund Limited Partnership	Suite 207, 1324 – 11 Avenue SW Calgary, AB T3C 0M6	1.447214	$ 33,233.10

Legend:

UC - uncertificated

This is Exhibit " C "
Referred to in the Affidavit
of Steven Butt sworn before
me this 29 day of July, 2010

Commissioner for Oaths in
and for the Province of
Alberta

Ryan P. Pelletier
Barrister and Solicitor

ROMSPEN
investment corporation

Strictly Private & Confidential

July 20, 2010

Lavalin L.P. Investment Corp.
c/o Kevin MacGregor
Mortgage Architects
Units A and B
6505 Mississauga Road
Mississauga, ON

Attention: Steven Butt

Dear Steven:

Re: $9,750,000 First mortgage financing
909 5th Avenue SW, Calgary, Alberta

Thank you for providing Romspen with the opportunity to consider the above-noted financing. We are pleased to provide a proposal, detailed in this letter agreement, which we believe will satisfy your requirements.

This letter agreement sets out the basic terms of the financing which we propose to offer to you regarding the above. If these terms are acceptable to you, please execute and return this agreement to us by the Expiry Date. This will enable us to allocate funds for the purpose of this proposed transaction and to provide our standard form of comprehensive loan commitment ("Commitment") for signature. Provided we deliver a Commitment on substantially similar terms as below, your Standby Deposit shall be deemed earned by us whether or not you choose to accept the Commitment. In the event that we are unable or unwilling to offer the proposed financing to you or if the Commitment delivered to you by us is not on substantially the same terms as below, the standby deposit shall be refunded to you less any reasonable legal and other third party costs incurred by us to such date. Upon successful completion of the transaction the standby deposit shall be credited to the fees payable by you as hereafter noted.

Terms:

Borrower: Lavalin L.P. Investment Corp.

Security: 1. First-ranking mortgage on the property municipally known as 909 5th Avenue SW, Calgary, Alberta, improved with a 121,958 sq. ft., 10 storey office tower, and having a represented value of $21,200,000 (the "Property");

Additional Security:	1. Specific and/or general assignment of all rents, leases, tenancies and other material contracts in respect of the Property; 2. General security agreements creating a first charge in favour of the Lender over the assets of the Borrower and Guarantors; 3. Pledge of all issued shares and/or partnership units of the Borrower and any corporate Guarantors; and, 4. Such other security as may be required by the Lender and/or the Lender's solicitors, acting reasonably.
Guarantors:	1. Safeguard Real Estate Investment Fund II and any other party who may have a beneficial or related interest in the Property.
Amount:	$9,750,000, to be advanced to pay off existing registered indebtedness and to pay fees and transaction costs.
Advance Date:	On or about August 5, 2010
Rate:	11.00 % per annum
Payments:	Interest only, compounded and payable monthly.
Taxes:	The Lender may require a tax account to be established for realty taxes.
Term:	Two (2) years.
Privileges:	Provided the mortgage is not in default, the Borrower may prepay the whole of the principal owing, on a payment date, upon one month's written notice in advance of payment and payment of one month's interest, as a bonus.
Additional Terms:	This offer and any Commitment issued pursuant hereto is subject to the Lender receiving and being satisfied, in its sole and absolute discretion, with the following: 1. an inspection of the Property and an interview with the Borrower; 2. satisfactory review of the SNC Lavalin lease; 3. verification of the use of the Property and income generated from it; 4. all other matters set out in Schedule A attached hereto. The Commitment will contain additional terms and provisions enhancing and detailing the essence of the basic terms herein set out and not inconsistent therewith.

Fees:	Lender's Administration Fee	$ 1,000.00
	Lender's Fee	$243,750.00
	Insurance Risk Management Fee	$ 1,000.00 *
	Lender's Advance Fee	$ 1,000.00
	Lender's Basic Legal Fees (estimated)	$ 20,000.00 *
	Broker's Fee	$ 65,000.00

* Plus disbursements and applicable taxes if any..

Lender will withhold funds on the Advance Date from the Amount in order to pay Fees.

Schedules: Schedule A attached hereto shall form part of this letter agreement.

Confidentiality: No terms of this letter agreement may be disclosed to any third party without the prior written consent of the Lender.

Exclusivity: Following acceptance of this letter agreement, the Borrower agrees to work exclusively with the Lender for 21 days to finalize and execute the proposal.

Jurisdiction: The parties agree that this letter agreement shall be interpreted and governed in accordance with the laws of the Province of Alberta.

Expiry Date: This letter agreement is open for acceptance until July 23, 2010, after which it shall have no further effect.

If you wish to proceed we require the following by the Expiry Date:

1. An executed copy of this letter agreement; and

2. A standby deposit ("Standby Deposit") of $20,000.00 by certified cheque, wire transfer or direct deposit, payable to Romspen Investment Corporation, $10,000.00 which is refundable (less any pre-approved third party expenses) to you if we do not provide you with a Commitment. An additional deposit of $40,000.00 will be required upon acceptance of the Commitment.

The foregoing is not intended to constitute a formal offer to provide financing, or, except with respect to the Jurisdiction, Exclusivity, Confidentiality, Standby Deposit and Expiry clauses outlined above, create any binding obligation between the parties in the absence of a formal agreement supported by appropriate legal documentation.

This letter agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement. Counterparts may be executed either in original or faxed form.

Steven, we are enthusiastic about working with you in finalizing this proposal and providing the financing outlined above. If you have any questions, please feel comfortable calling me at any time to discuss them further. We look forward to your early response.

Yours very truly,

Romspen Investment Corporation
Per:

Blake Cassidy
Managing Partner

We hereby agree to the above noted terms and submit our standby deposit.

Dated at Calgary this 20th day of July, 2010.

Borrower:

Lavalin L.P. Investment Corp.

By: ______________________

I have the authority to bind the Corporation.

Guarantor:

Safeguard Real Estate Investment Fund II LP

By: ______________________

Lavalin L.P. Investment Corp., the General Partner having the authority to bind the Limited Partnership, Safeguard Real Estate Investment Fund II.

SCHEDULE "A"

Due Diligence Material
(As Applicable)

1. Completed Lender's Application Form from each Borrower and Guarantor.

2. Details of ownership structure including all shareholders and/or beneficial owners of each Borrower and corporate Guarantor setting out the issued shares held by each shareholder.

3. Financial statements from each Borrower and Guarantor for the three most recent full fiscal years and for the fiscal year to date.

4. Approved current operating budget for each property to be secured, such budget to include cash flow pro forma statement, indicating estimated timing for receipt of revenue, payment of expenditures, funding sources and repayment schedule for such funding.

5. All signed leases and offers to lease.

6. Detailed rent roll setting out names of all tenants, amount of space occupied, monthly rent, lease commencement and termination dates, renewal rights and any rental arrears.

7. Most recent site plan and survey for each property to be secured.

8. Most recent environmental report for each property to be secured.

9. Most recent appraisal for each property to be secured.

10. Most recent engineering/structural report for each property to be secured.

11. Copy of registered deed and copy of all registered encumbrances for each property to be secured.

12. Copy of all security agreements registered pursuant to the Personal Property Security Act against each Borrower and Guarantor.

13. Copy of agreement of purchase and sale for each property to be secured. If a property is being purchased, copy of the agreement of purchase and sale for such property together with confirmation of deposits.

14. Current property tax assessments and proof of payment of all outstanding realty taxes for each property to be secured.

Ernst & Young Inc. RBC - 00009 - 134 035 5 Transaction #: 0154072 21072010

CHEQUE NO. 97

Payee Romspen Investment Corporation
Suite 300
162 Cumberland Street
Toronto ON M5R 3N5

Total 20,000.00

Safeguard II - Int Rec, Safeguard Real Estate Investment Fund II Limited Partnership, 21-Jul-2010, Inv #: Deposit Amount 20,000.00

THIS CHEQUE HAS A MICROPRINT BORDER AND A FULL WATERMARK. HOLD UP TO A LIGHT SOURCE TO VIEW

Ernst & Young Inc.
Suite 1000, 440-2nd Avenue South West
Calgary AB T2P 5E9
(403) 206-5153

Royal Bank of Canada
MAIN BRANCH
339 - 8TH AVENUE, S.W.
Calgary AB T2P 1C4

97

DATE 2 1 0 7 2 0 1 0
D D M M Y Y Y Y

PAY Twenty Thousand Dollars EXACTLY 20,000.00¢ $20,000.00

TO THE ORDER OF Romspen Investment Corporation
Suite 300
162 Cumberland Street
Toronto ON M5R 3N5

CERTIFIED
JUL 21 2010
ROYAL BANK OF CANADA
339 - 8TH AVENUE S.W.
CALGARY, ALBERTA

Trustee

Per

Misc - Inv #: Deposit, In trust for Safeguard Real Estate Investment Fund II Limited Partnership

9/1340355

⑈00097⑈ ⑆00009⑉003⑆ 991⑉633⑉9⑈ 75

This is Exhibit "D"
Referred to in the Affidavit
of Steven Butt sworn before
me this 29 day of July, 2010

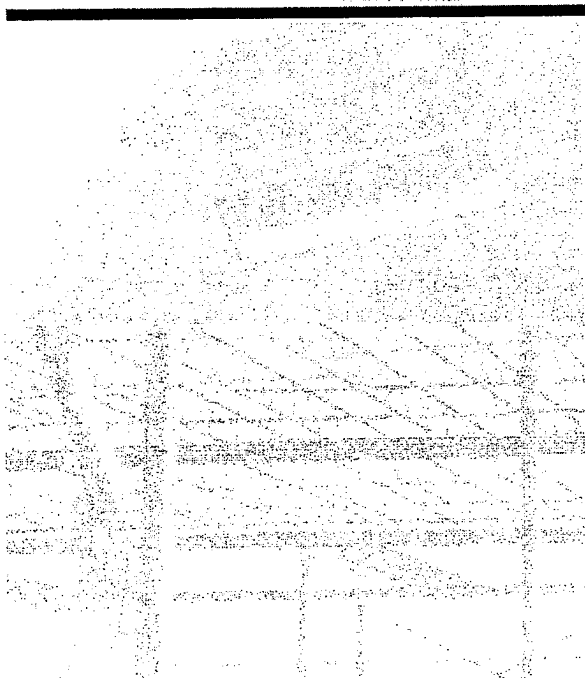
Commissioner for Oaths in
and for the Province of
Alberta

Ryan P. Pelletier
Barrister and Solicitor

Full Narrative Appraisal Report of

Multi-Tenant Office Development
SNC Lavalin Building
Calgary, Alberta

December 2008



prepared for

Concrete Equities Inc.

COLLIERS
INTERNATIONAL

Realty Advisors

prepared by

Colliers International Realty Advisors
Suite 1000 – Royal Bank Building
335 – 8th Avenue S.W.
Calgary, Alberta T2P 1C9

(CIRA3412-08)

December 18, 2008

Concrete Equities Inc.
450, 550 – 11th Avenue SW
Calgary, Alberta T2R 1M7

Attention: Dave Humeniuk

Dear Mr. Humeniuk:

COLLIERS INTERNATIONAL

Colliers International Realty Advisors Inc.
Suite 1000, Royal Bank Building
335-8th Avenue SW
Calgary, Alberta
Canada T2P 1C9
Telephone (403) 265-9180
Fax (403) 237-6366
www.colliers.com

RE: NARRATIVE APPRAISAL OF A MULTI-TENANT DOWNTOWN OFFICE DEVELOPMENT
SNC LAVALIN BUILDING, CALGARY, ALBERTA

In accordance with your request, we have inspected the above property and have carried out a full analysis in order to estimate its current market value.

Based on our investigations, it is our opinion that the market value of the property as at January 1, 2009, was estimated to be:

TWENTY ONE MILLION TWO HUNDRED THOUSAND DOLLARS
$21,200,000

The value is based on the assumption that the property was theoretically exposed to the market for a period of six to nine months prior to the valuation date; this is a hypothetical condition needed to meet the generally accepted definition of market value used in this report.

This report describes the methods and approaches to value in support of the conclusion and contains the pertinent data gathered in our investigation of the market.

Should you have any questions, we would be pleased to discuss the valuation further.

Yours very truly,

COLLIERS INTERNATIONAL REALTY ADVISORS INC.

Chris Marlyn, AACI, P.App.
Senior Vice President, CIRA Canada

Rachel Williamson, B.Comm.
Associate, CIRA Calgary

TABLE OF CONTENTS

EXECUTIVE SUMMARY

SNC LAVALIN BUILDING
909 – 5TH AVENUE SW
CALGARY, ALBERTA

Date of Appraisal	• January 1, 2009
Property Type	• Multi-Tenant Class "B" Downtown Office Development
Rights Appraised	• Leased Fee Estate
Purpose and Intended Use	• This appraisal is for financing purposes.
Value Assumptions	• See Contingent and Limiting Conditions • See Extraordinary Assumptions • No environmental reports were provided to the writer. The value estimate assumes property is free and clear of any and all soil or other environmental contamination. Should this not be the case, the value estimate should be adjusted to reflect the full cost of remediation. • No building condition reports were provided to the writer. The value estimate assumes all other mechanical equipment is in adequate working condition and has been maintained in a professional manner. Should the above not be the case, the value estimate should be adjusted to reflect the full cost to cure the deficiencies.

Final Value Conclusion	• $21,200,000, as at January 1, 2009
Value per sq. ft. of Rentable Area	• $173.83
Stabilized Year One Capitalization Rate	• 7.42% based upon estimated Year One income.
Exposure Time	• Three to nine months

Valuation Summary

Income Approach	
Direct Capitalization	
Forecast Stabilized NOI	• $1,572,756
Overall Capitalization Rate	• 7.00% to 7.50%
Initial Value Conclusion	• $20,430,000 to $22,040,000
Discounted Cash Flow	
Market Rent	• $22.00 in Year One; declining to $20.00 per square foot in Year Two and $18.00 per square foot in Year Three, inflated at 2.5% per annum thereafter.
Reversionary Capitalization Rate	• 7.25% to 7.75%
Discount Rates	• 9.25% to 9.75%
Value Indication	• $20,350,000 to $21,960,000
Direct Comparison Approach	
No. of Comparables	• 5
Indicated Unit Rate Range	• $175.00 to $185.00 per square foot
Value Indication	• $20,080,000 to $21,300,000

Property Description

Location	• The property is prominently within the western portion of Calgary's downtown commercial core. Specifically, the property is located on the corner of 8th Street SW and 5th Avenue SW.
Existing Use	• The site is currently improved with a multi-tenant downtown office development.

Site Dimensions

Frontage	• Approximately 168 feet of frontage along 5th Avenue SW • Approximately 123 feet of frontage along 8th Street SW
Configuration	• Regular, see Site Plan
Total Site Area	• 20,695 square feet, more or less

Building Description

Area/Size	• The total GLA of the property, as reported by our client, and per the new BOMA measurements is 121,958 square feet.
Date of Construction	• According to the information provided, the property was constructed in 1978.
Quality/Condition	• Average overall condition.

Land Use Controls

Land Use Classification (Zoning)	• CM-2: Downtown Business District
Conformity to Zoning	• The property appears to conform to the Land Use By-law requirements as a Permitted Use.

Highest and Best Use	• Development site with short to mid term development potential. • As improved, continuation of its current use as a multi-tenant office development for the foreseeable future.

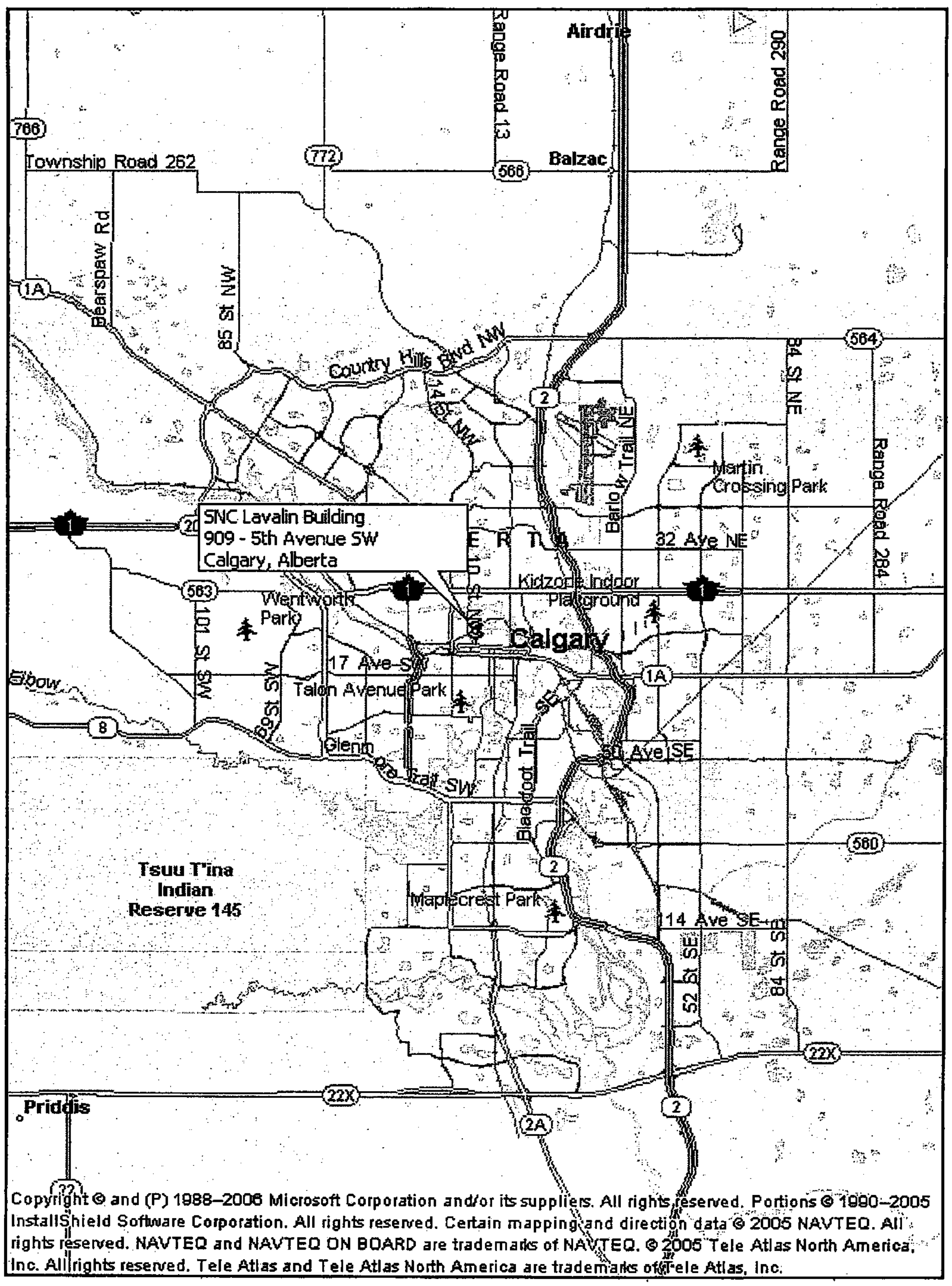
Investment Characteristics (Strengths and Challenges)

Positive Aspects	• Operating costs and taxes are reflective of typical market levels.

- The property is substantially occupied by one good quality tenant, which reduces the management burden.
- Current rental rates are below market levels and there is therefore the potential for income growth.

Negative Aspects

- Should the major tenancies not renew, substantial non-recoverable costs would be required to re-lease the space to new tenants.
- Development is planned or underway for several new "A"- "AAA" Class Downtown Office developments which will compete with SNC Lavalin Building.
- Events related to the instability of North American financial markets have notably reduced the amount of capital available to finance commercial real estate transactions, which in turn impacts overall real estate return requirements; a continuation of the same is expected throughout the fourth quarter of 2008.
- The property's location in the west end of the downtown core, and the fact that it is not connected to the Plus 15 pedway system may detract potential tenants in comparison to competing properties.



Airdrie
Range Road 13
Range Road 290
Balzac
Township Road 262
Bearspaw Rd
85 St NW
Country Hills Blvd NW
14 St NW
Barlow Trail NE
Martin Crossing Park
84 St NE
Range Road 284
SNC Lavalin Building
909 - 5th Avenue SW
Calgary, Alberta
32 Ave NE
Kidzone Indoor Playground
Wentworth Park
Calgary
101 St SW
69 St SW
17 Ave SW
Talon Avenue Park
Elbow
Glenmore Trail SW
Blackfoot Trail SE
Tsuu T'ina Indian Reserve 145
Maplecrest Park
14 Ave SE
52 St SE
Priddis
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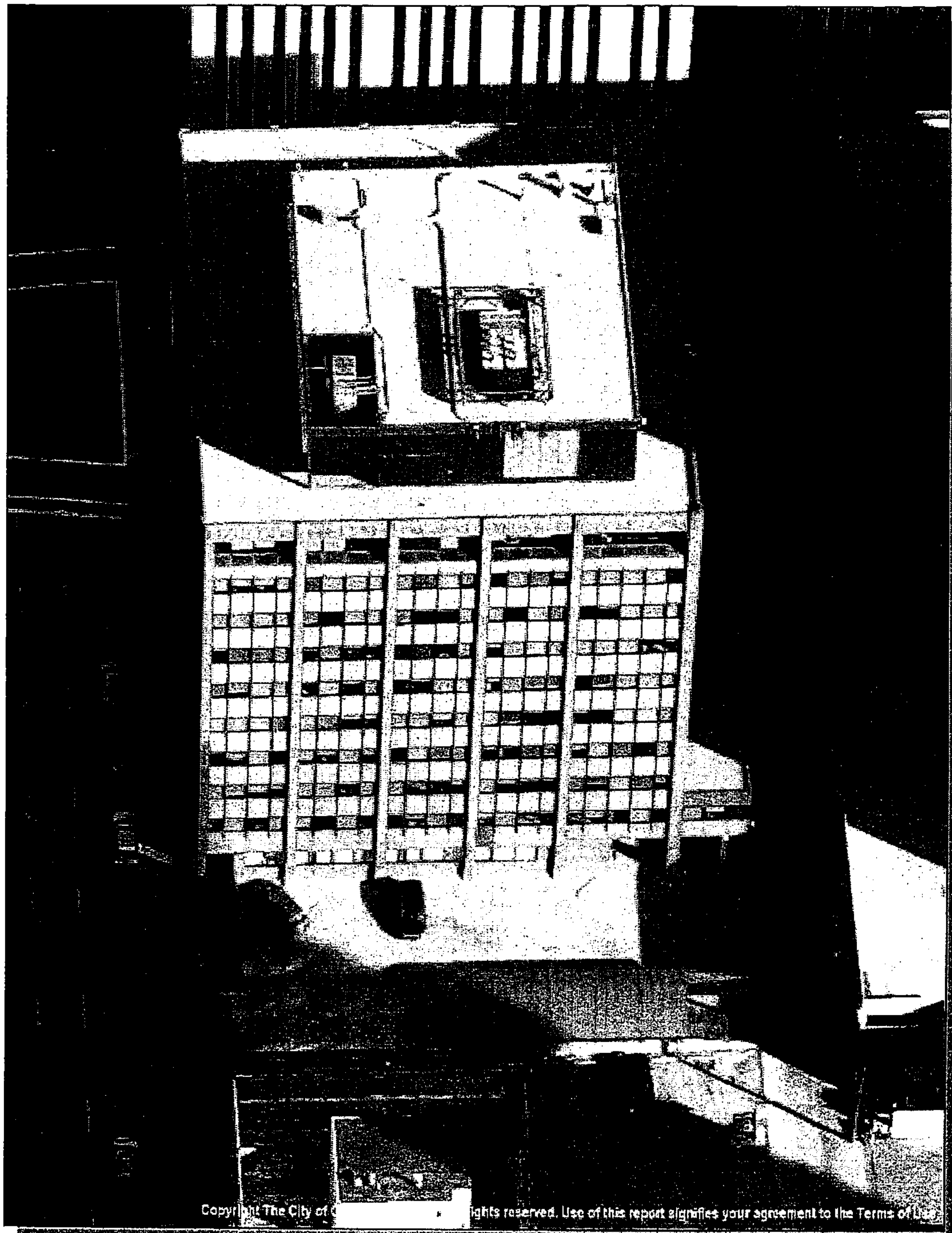
City Map

PHOTOGRAPHS OF SUBJECT PROPERTY



AERIAL VIEW

Adjacent Properties Looking East Along 5th Avenue SW

Adjacent Properties Looking West Along 5th Avenue SW

TERMS OF REFERENCE

Purpose and Intended Use of Report

The purpose of this valuation is to estimate the current market value of **SNC Lavalin Building, 909 - 5th Avenue SW, Calgary, Alberta** for mortgage financing purposes. **Dave Humeniuk** of **Concrete Equities Inc.** has requested this report . This report has been prepared only for the party named above and for only the specific use stated. Use of this report by any other party or for any other purpose than stated herein is completely unauthorized.

Property Rights

The property rights appraised are that of the owner's leased fee simple interest. The leased fee interest pertains to an ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

Effective Date

The effective date of this valuation is January 1, 2009.

Inspection Date

The property was inspected on December 15, 2008 by Rachel Williamson. An interior and exterior inspection was undertaken. Chris Marlyn did not inspect the property. Fieldwork for this assignment was completed in December 2008.

Market Value Definition

For the purposes of this valuation, market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of the specific date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in Canadian Dollars or in financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice", 2001 ed., p. 47)

Exposure Time
An estimate of market value is related to the concept of reasonable exposure time. Exposure time is the property's estimated marketing time prior to a hypothetical sale at market value on the effective date of the appraisal. Reasonable exposure time is a necessary element of a market value definition but is not a prediction of a specific date of sale.

Ongoing discussions with agents active within the investment real estate market have indicated that properties such as the subject typically require a marketing period of three to nine months, depending on a number of factors including leasing status, location, condition of the improvements, and motivation of the purchaser/vendor. Therefore, it is concluded that for the subject property to sell at the market value estimated herein as of the effective date of this report, an exposure period of approximately three to nine months would be required.

Marketing Time
Marketing time is an estimate of the amount of time it might take to sell an interest in real property as its estimated market value during the period immediately after the effective date of the appraisal.

Based on discussions with local brokers, recent comparable sales and the state of the local investment real estate market, a marketing time of three to nine months from the effective date of the appraisal would be required to sell the subject property at its estimated market value.

Scope of the Valuation
This is a ***Full Narrative Appraisal Report*** and complies with the reporting requirements set forth under the Canadian Uniform Standards of the Appraisal Institute of Canada. As such, all relevant material is provided in this report including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein.

During the course of preparing this valuation, the following was completed:

- A personal inspection of the property
- A review of financial and operating data along with lease information provided
- A review of detailed tenant rent roll
- A review of available data regarding the local market
- Verification of current land use and zoning regulations
- A review of sales and listing data on comparable properties
- Interview(s) with market participants

Contingent and Limiting Conditions

The report is subject to the Contingent and Limiting Conditions set forth herein in addition to any specific assumptions that may be stated in the body of the report.

Extraordinary Assumptions

We have relied on information provided to us by our client with respect to the status of the tenancy and their contractual rights and obligations, physical attributes of the property and environmental condition of the site. The assumptions stated herein are critical to the value estimate contained herein and the authors of this report and Colliers International Realty Advisors Inc., reserve the right to amend our estimates should any of these assumptions be altered in whole or in part.

PROPERTY DATA

MUNICIPAL ADDRESS

909, 911, 915 – 5th Avenue SW
505, 509, 513 & 517 – 8th Street SW
Calgary, Alberta

LEGAL DESCRIPTION

Plan A1
Block 26
Lot 14
Excepting thereout: (as to surface only) the portion for street widening on Plan 821 1788

Plan A1
Block 26
Lot 15
Excepting thereout: (as to surface only) the portion for street widening on Plan 821 1788

Plan A1
Block 26
Lot 16
Excepting thereout: (as to surface only) the portion for street widening on Plan 821 1788

Plan Calgary 3790P
Lot A
Excepting thereout: (as to surface only) a portion for street widening on Plan 821 1788

Plan Calgary 3790P
Lot B
Excepting thereout: (as to surface only) a portion for street widening on Plan 821 1788

Plan Calgary 3790P
Lot C
Excepting thereout: (as to surface only) a portion for street widening on Plan 821 1788

Plan Calgary 3790P
Lot D
Excepting thereout: (as to surface only) a portion for street widening on Plan 821 1788

OWNERSHIP AND HISTORY

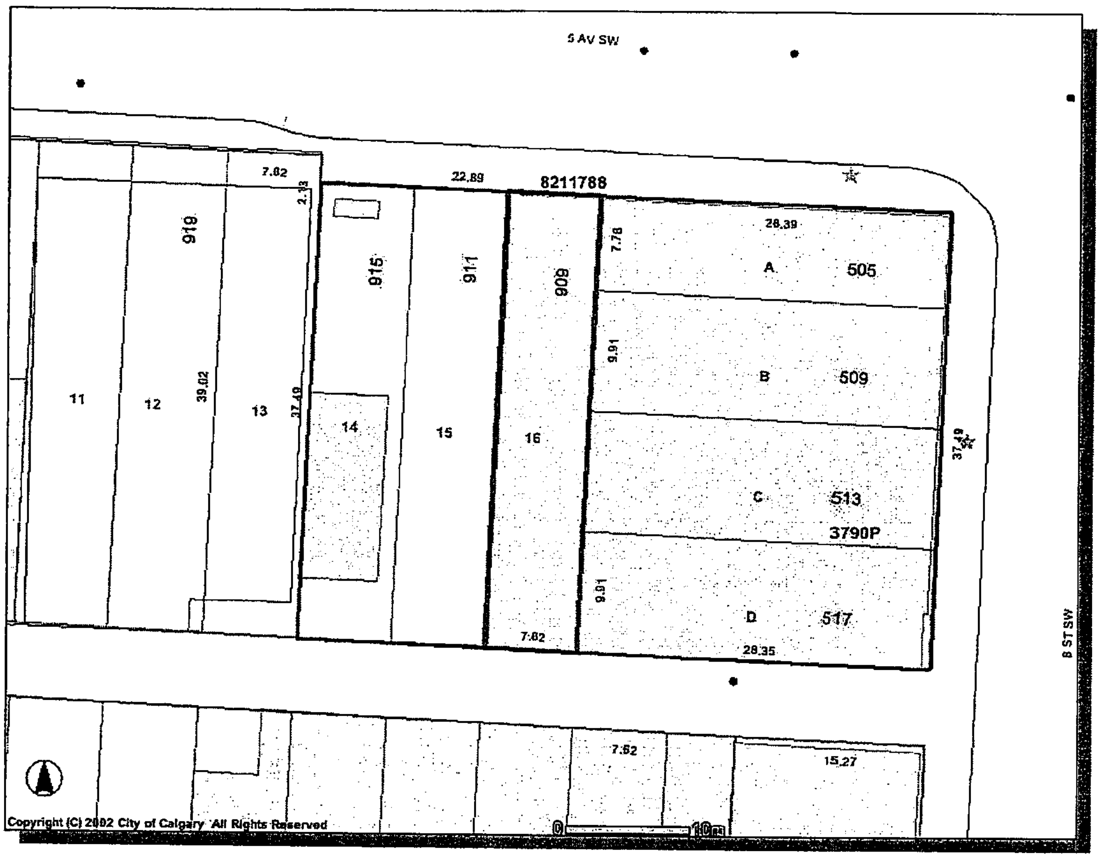
According to a title search, Concrete Associates Investment Corporation are the registered owners of the property. The current owners purchased the property on August 3, 2006 for a stated consideration of $19,000,000. There have been no other transfers of the property in the past three years.

As of the effective date of this appraisal, to our knowledge the property was not listed for sale nor was it subject to any agreement or option.

SITE DESCRIPTION

The property is located on the west end of the downtown commercial core of Calgary. Specifically, the property is located on the corner of 8th Street SW and 5th Avenue SW.

Frontage	• Approximately 168 feet of frontage along 5th Avenue SW • Approximately 123 feet of frontage along 8th Street SW
Area	• 20,695 square feet, more or less
Configuration	• Regular (see Site Plan on following page)
Services	• The site is fully serviced including water, sewer, natural gas, electricity and telephone.
Access	• Primary pedestrian access is via a pedestrian entry points on the corner of 8th Street and 5th Avenue SW. Access is also available via the underground parkade.
Title Instruments	• For the purposes of this analysis, the instruments registered against the title(s) to the property are assumed not to have a significant effect on the property's marketability or its market value. For greater certainty a legal opinion should be solicited for a full explanation of the effects of these encumbrances. Additionally, the property has been valued as if free and clear of any financing.
Topography	• The topography of the site is generally level and consistent with that of adjacent properties and roadways.
Soil Conditions	• We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental assessment would be required for certainty and any cost of remedy should be deducted from the reported value herein. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing development.


5 AV SW
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7.82
2.13
919
915
911
909
7.78
28.39
A
505
9.91
B
509
11
12
39.02
13
37.49
14
15
16
C
513
3790P
9.91
D
517
7.82
28.35
37.49
8 ST SW
7.62
15.27
Copyright (C) 2002 City of Calgary All Rights Reserved
0
10m

Site Plan

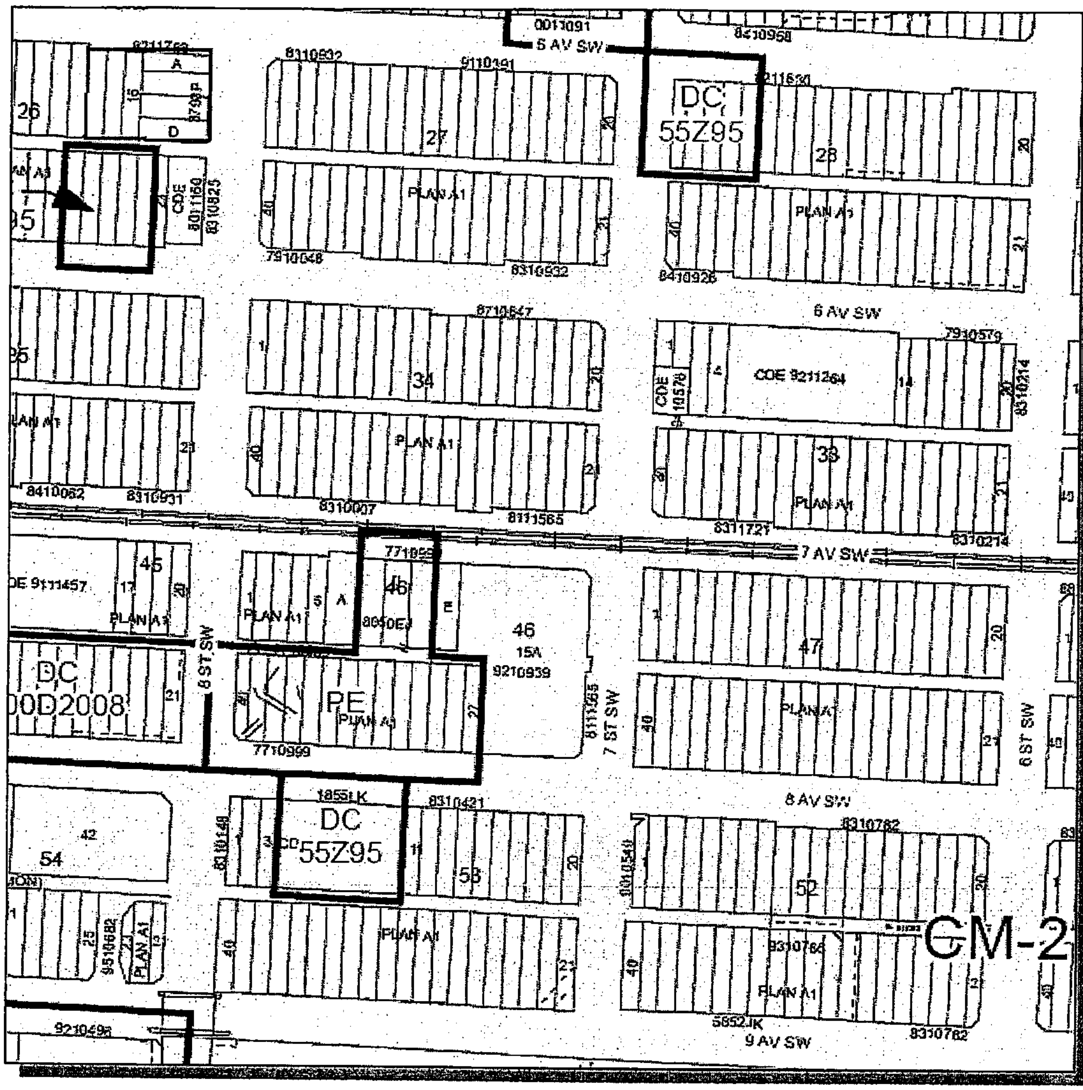
Land Use/Planning

Land Use Classification (Zoning)	• CM-2: Downtown Business District • Property use appears to be in conformity with the applicable land use by-law. • For certainty, written enquiries should be made with the City of Calgary to ascertain compliance with the by-law.
Permitted Uses	• Office uses are listed as permitted uses under the land-use by-law regulations governing the site. • As developed, the subject property appears to be a permitted use.
Compliance	• We assume that the property is in compliance with current land use regulations. For greater certainty, written enquiries should be made with the City of Calgary.

Assessment and Realty Tax Data

2008 Assessment:	$26,240,000
2008 Tax Levy:	$296,748.16
Tax Levy Per SF:	$2.43

The above tax levy of $296,748.16 is equivalent to $2.43 per square foot based on a gross leaseable area of 121,958 square feet. Relative to the value estimate herein, the above assessment appears to be high. Notwithstanding this, we recommend a full review be conducted on the assessment to ensure fairness.



5 AV SW
6 AV SW
7 AV SW
8 AV SW
9 AV SW
8 ST SW
7 ST SW
6 ST SW
DC
55Z95
DC
55Z95
PE
CM-2
PLAN A1

Land Use Map

DESCRIPTION OF IMPROVEMENTS

Building Type	• Class C downtown multi-tenant office development.
Building Age	• Initially constructed in 1978, according to the City of Calgary.
Size	• The total GLA of the property, as reported by our client is 121,958 square feet. It is noted that the SNC Lavalin lease is based upon a lower gross leaseable area, as the lease was completed prior to the BOMA re-measurement. We have utilized the contract rent in place and have adjusted the rentable area to meet the new measurements.
No. of Storeys	• Ten storeys
Parking	• A total of 48 parking stalls are contained within SNC Lavalin Building underground parkade. It is noted that there are an additional 20 surface stalls utilized by the tenants.

The construction and finish details for the subject structure are as follows:

Structure and Exterior Finish	• Reinforced concrete frame over a metal deck.
Lobby Finish	• The office tower lobby is finished with a combination of carpeted and tile flooring, fluorescent lighting, and decorative stone wall finish.
Elevators	• The building is serviced by three passenger cabs which provide access to all offices above grade. The underground parkade is accessible via a stairwell.
HVAC	• Heating for the building is provided via a gas fired boiler which was installed circa 2005.
	• A chiller unit is used in conjunction with the various chiller operations to provide cooling for the building. It is noted that the chiller is scheduled to be replaced in the coming months.
Electrical	• Assumed to be adequate by current standards and to provide sufficient capacity for tenant requirements.
Interior Design	• The interiors of the offices have been demised to accommodate the requirements of the various tenants. Finishes include commercial grade broadloom and ceramic tile floors, painted drywall partition walls and suspended acoustic tile ceilings.
Building Systems	• Fire alarms throughout

- Sprinkler system for the parkade and main floor only

Observed Condition

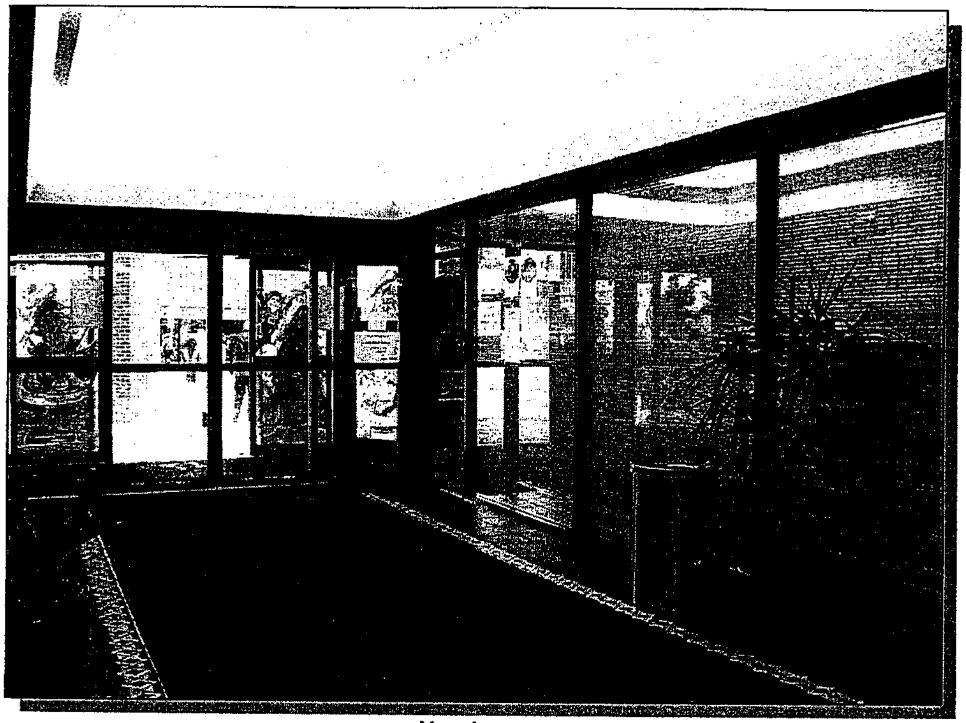
- Several improvements were recently completed and are planned for 2009, including washroom upgrades, elevator upgrades, chiller replacement and lighting upgrades, among other items. It is noted that the building would be considered to be at the lower end in terms of quality as compared to competing Class B downtown office accommodation in Calgary. The foregoing is in consideration of the age of the interior improvements, the building systems and amenities as well as the fact that it is not connected to the Plus 15 pedway system. Notwithstanding, the building appears to be in average overall condition, free from any significant deferred maintenance which may detract from its market value.

Building Condition Report

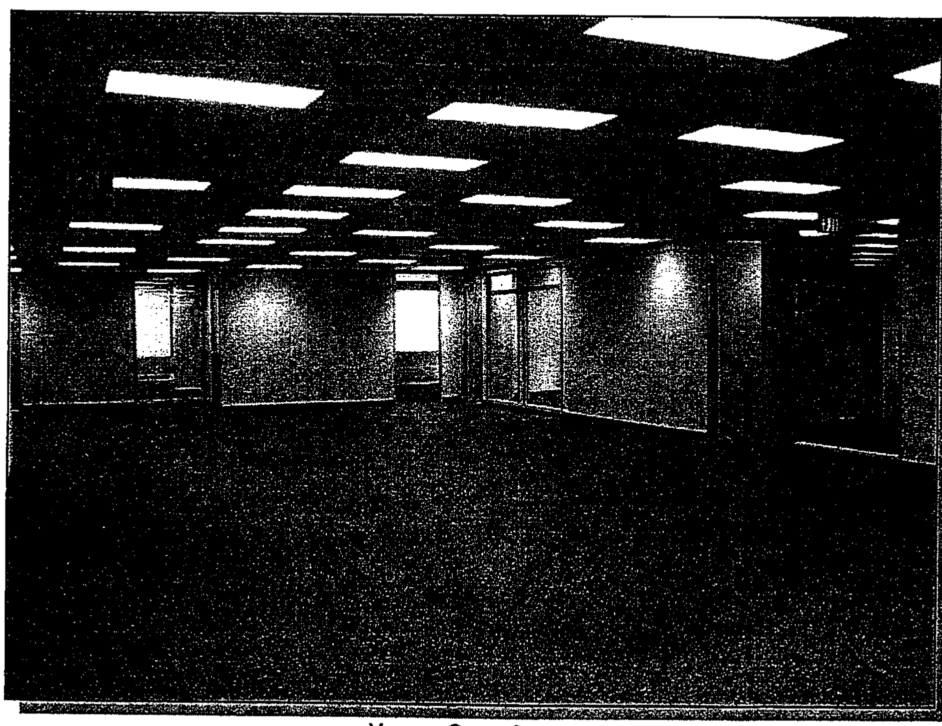
- As we are not qualified to comment on environmental issues, structural and mechanical systems, we recommend that a building condition report be prepared by a qualified consultant.

Summary

The subject property appears to be in average overall condition and appears to provide competitive functional utility relative to current tenant requirements.



Main Lobby



Vacant Office Space

DISTRICT OVERVIEW

The subject property is situated in the southwest suburban residential district of Downtown West End, approximately 1 kilometre southwest of Calgary's primary downtown core. A District Map is included in the preamble to this report to which your attention is directed.

District Boundaries

North	▪	Bow River
South	▪	Canadian Pacific Railway
East	▪	9th Street SW
West	▪	14th Street SW

Adjacent Districts

North	▪	Hillhurst Residential District
South	▪	Connaught Residential District
East	▪	Downtown East Village Residential District
West	▪	Sunalta Residential District

Major Arterials & Access

- 10th Street SW
- 4th Avenue SW
- 5th Avenue SW
- 6th Avenue SW

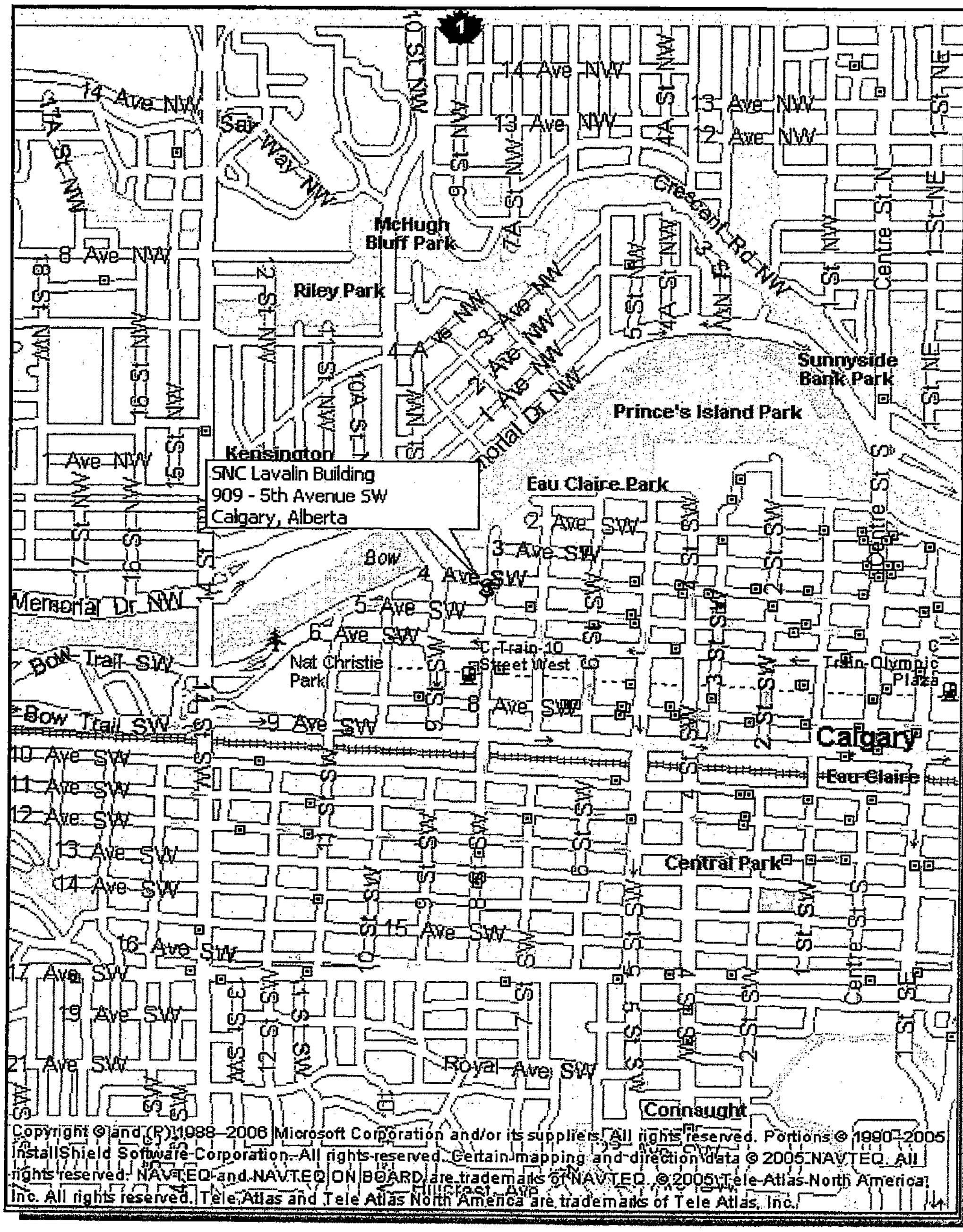
District Character

Downtown West End consists of medium to high density residential and low to medium density commercial developments. Vacant parcels of land are primarily used as surface parking lots, however, over the past three to four years several vacant lots have been converted to medium to high density multi-family condominium developments

Conclusion

Downtown West End is competitively located and is in close proximity to major arterial roadways and thoroughfares.

The subject property is situated within the Downtown Commercial Core sub-market. A District Map is included in on the following page of this report to which your attention is directed.



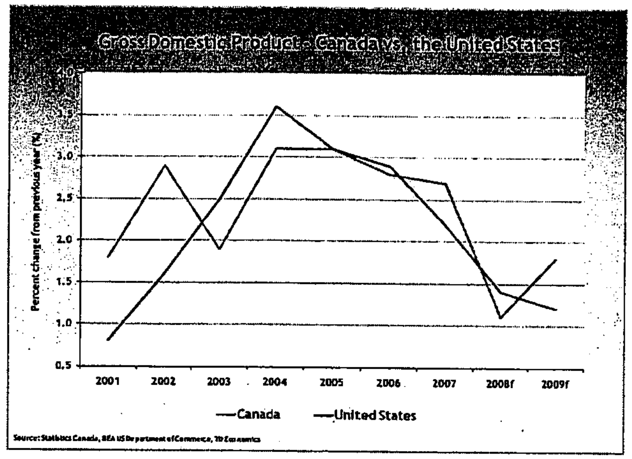
Downtown Calgary Map

Market Overview

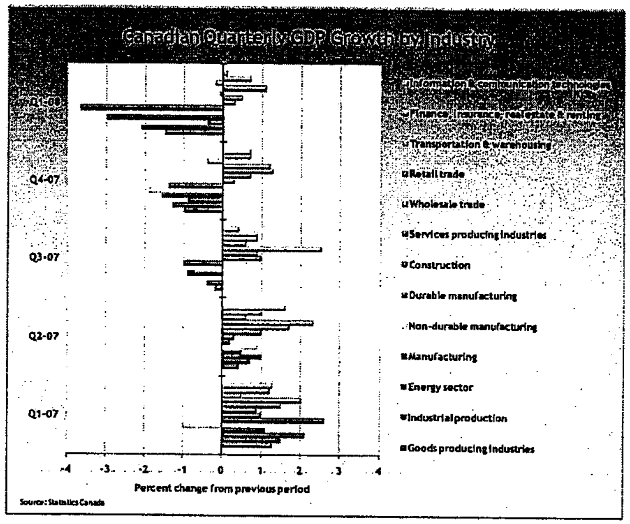
NATIONAL ECONOMIC OVERVIEW

Gross Domestic Product

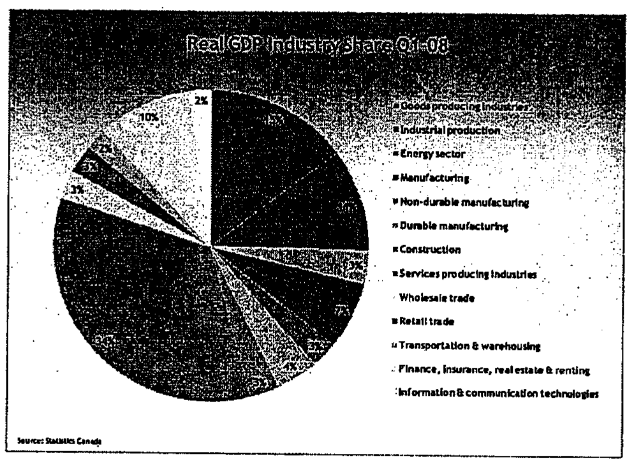
Canada's real gross domestic product (GDP) grew by 2.7% in 2007. Global demand for Canadian natural resources and a high domestic demand held the economy at bay from the impacts of the weakening United States economy in 2007.



The United States is Canada's largest trading partner and in 2008 Canada's GDP will feel the pressure from the declining United States demand for Canadian exports, primarily automotive and forestry products, due to the effects of the current economic downturn in the United States.



According to Statistics Canada, in the First Quarter of 2008 Canada experienced a quarterly decline of 0.1%, the first quarterly decline in GDP since the second quarter of 2003. Many Canadian industries began to experience consistent quarterly decreases in GDP growth in the Third Quarter of 2007. Manufacturing industries have been the hardest hit since demand for automobile related products in United States began to dwindle as a result the financial hardship caused by the sub prime real estate market crisis and the ever-increasing record market highs for oil.

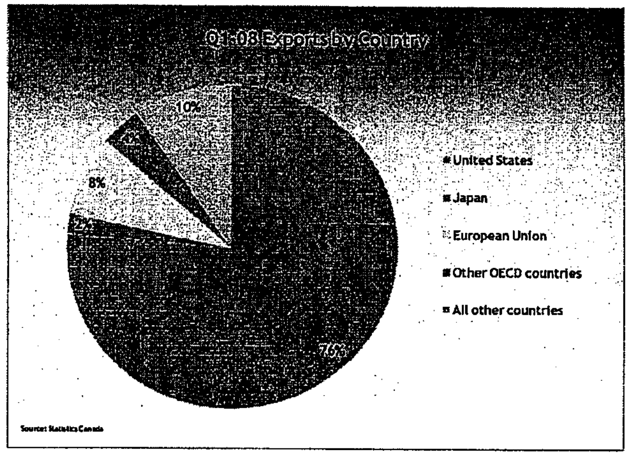


TD Economics forecasts that Canada will

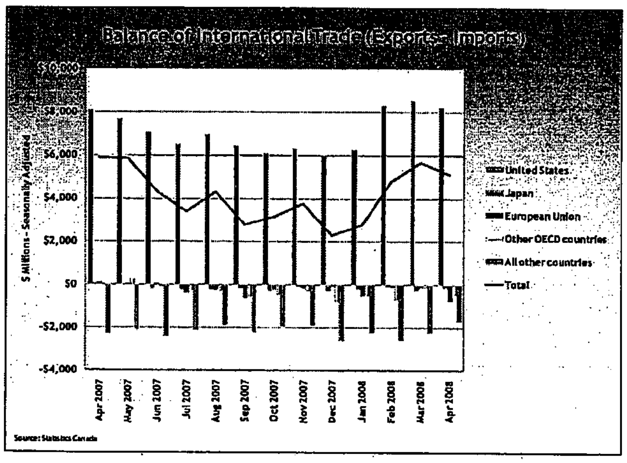
be negatively affected by the near recessionary economy in the United States due to a tight lending criterion for United States financed Canadian companies, and the high Canadian dollar lulling United States demand for Canadian products. In 2008, TD Economics forecasts that Canada will experience a 1.1% Real GDP growth rate, slightly below the United States expected growth rate of 1.4%.

GLOBAL TRADE

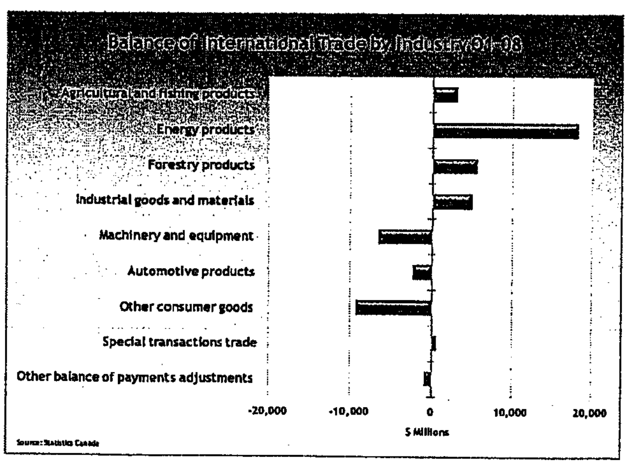
Statistics Canada reports that exports to the United States accounted for 79.0% of total Canadian exports in 2007, a 1.4% decrease from the United States export share in 2006. International trade with countries other than the United States have increased for the past five consecutive years, and 17.4% in 2007 alone.



In the First Quarter of 2008 Canada exported $116,860 million worth of goods. The United States share of Canadian exports fell to 76.0% in the First Quarter of 2008. Roughly 64.0% of total Canadian imports stem from the United States. The First Quarter of 2008 trade balance with the United States totalled approximately $23,082 million.

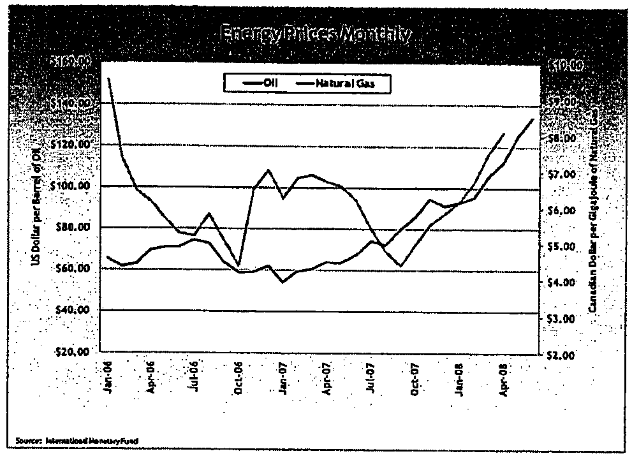


Statistics Canada reports that Canada's trade surplus with the world declined for the first time in four months in April 2008 as growth in imports outpaced growth in exports, mainly due to a 19.0% increase in energy imports and a 4.7% increase in automotive imports from March 2008.



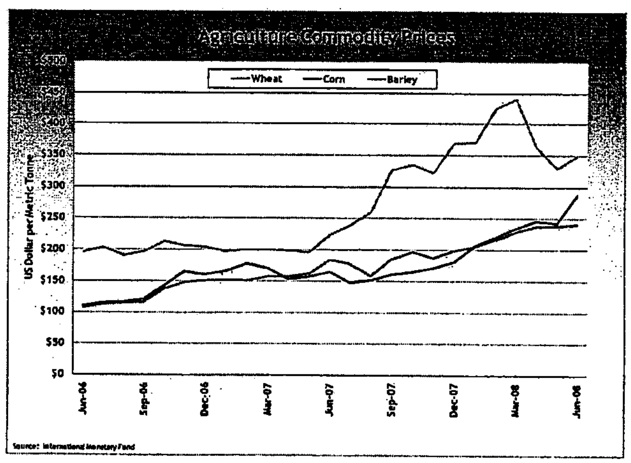
Despite the slight monthly increase in automotive imports in April 2008, automotive imports and exports are down 15.3% and 24.1% respectively from April 2007 to April 2008. High fuel costs and labour disputes in the United States continue to hinder growth in the automotive industry.

In the First Quarter of 2008, the forestry balance decreased 3.6% from the Fourth Quarter of 2007. And in April 2008 the forestry balance was down 21.6% from the same period in 2007. Lumber demand in the forestry sector has lessened since the start of the housing market crises in the United States, while world demand has so far remain constant for pulp and paper products. However, demand for pulp and paper will likely follow suit in the near future. Statistics Canada notes that forestry has been on a downward trend since May 2004.



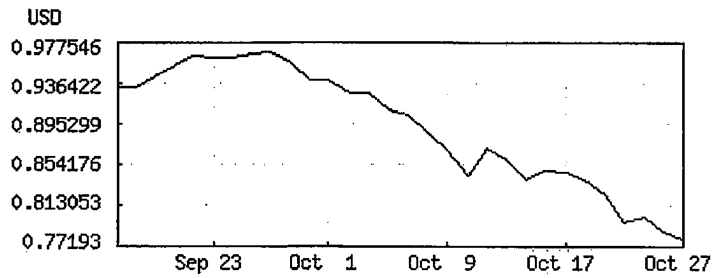
Fuel shortages and soaring energy costs are the hottest issues discussed among broadcasters, economists and people alike and in Canada the economy is highly influenced by world changes in the energy sector. In the First Quarter of 2008, the balance of energy products was up 29.6% over the Fourth Quarter of 2007. And in April 2008, the energy trade balance was 33.3% higher compared to the same period in 2007. Strong gains in the energy sector are influenced by high product demand and increasing energy prices. In April 2008, West Texas Instrument (WTI) crude oil prices were 76.1% higher and natural gas prices were 20.3% higher than in April 2007.

An increasing global demand for agricultural goods from the middle class in developing countries, poor weather conditions in wheat producing countries and the increasing popularity of biofuel products as alternative energy has spurred high prices in the world's agriculture commodities. In the First Quarter of 2008, Canada`s balance of agriculture trade grew approximately 50.0% from the previous quarter and in April 2008 the trade balance was 17.2% higher than in the same period in 2007.



Statistics Canada reported that Canadian farmers have increased seeding in many grains as a result of record high prices. Wheat prices peaked in March 2008 at $439.59 USD per metric tonne. Prairie farmers planted 26.7% more Durum wheat and 8.0% more Spring wheat in 2008.

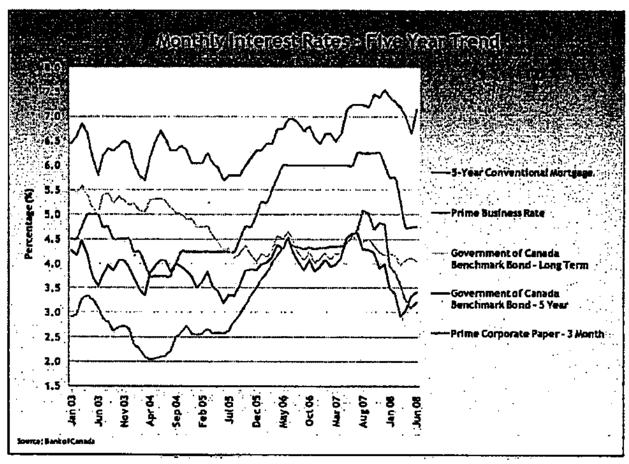
THE CANADIAN DOLLAR



The Canadian Dollar (CAD) achieved parity with the United States Dollar (USD) for the first time in 31 years on September 28th, 2007, and continued to increase to the uppermost daily high rate of $1.0767 USD on November 6th, 2007. October and November 2007 recorded monthly average closing rates above the $1.02 USD mark.

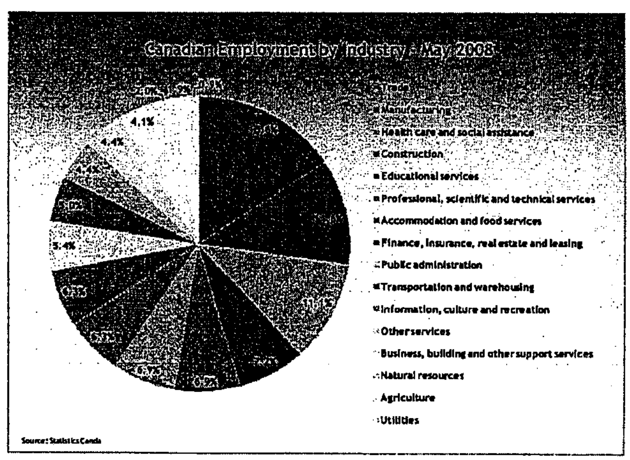
In October 2008 the dollar took a steep decline as the global economy is adjusting to a financial crisis. On October 28th, the Canadian dollar was worth just over 77 cents.

INTEREST RATES



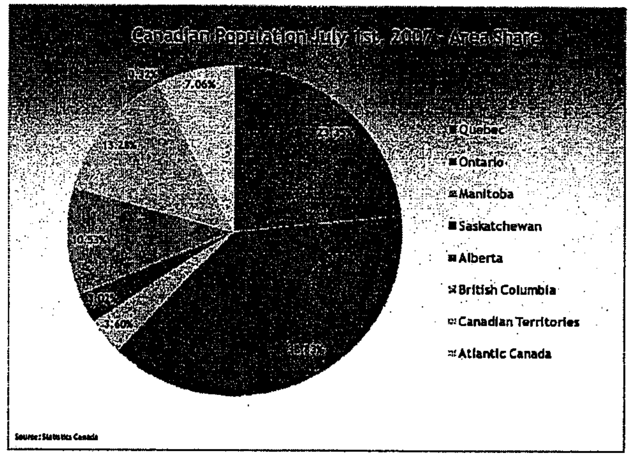
The Bank of Canada's bank rate is currently holding at 3.25%. Since December 4th, 2007, the Bank of Canada has decreased the bank rate by 1.50% to offset the current economic effects from the influential economic slowdown in the United States.

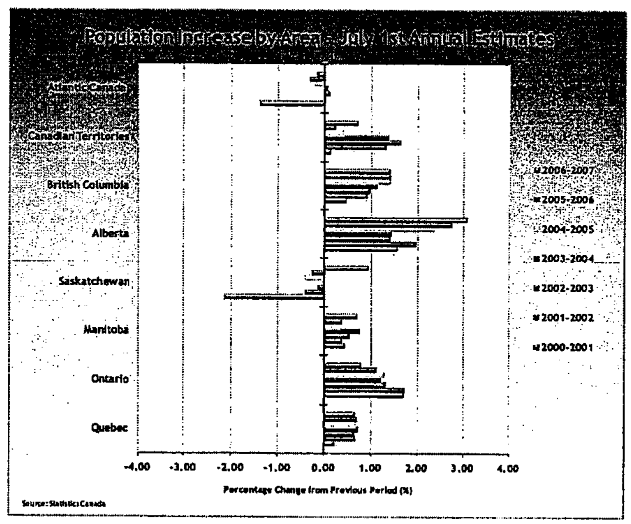
The Bank of Canada closely monitors the United States federal funds rate, the United States equivalent to the Bank of Canada bank rate, and inflationary pressures in Canada when determining the bank rate. The bank rate in Canada and the United States has followed a similar trend since 2004. The Bank of Canada has determined that the Canadian economy is currently operating in a state of excess supply and is expecting the Canadian economy to pick up in the second half of 2008 and accelerate in 2009.



Canada Mortgage and Housing Corporation (CMHC) is forecasting that mortgage rates will increase gradually between 25 to 50 basis points during 2008. A one-year mortgage rate is expected to be in the 6.50% to 7.50% range and a three and five-year mortgage rate is projected to be in the 6.75% to 7.75% range. According to the Bank of Canada the First Quarter and Second Quarter of 2008 recorded quarterly averages of 7.29% and 6.93%, respectively, for a five-year conventional mortgage.

POPULATION





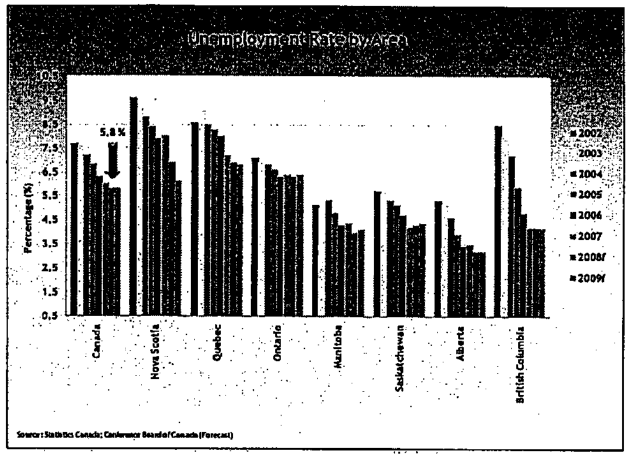
As of January 1, 2008, Statistics Canada estimated the Canadian Population to total 33,143,610. In the fourth quarter of 2007, the Canadian population increased 0.16%, the highest fourth quarter increase since 1995. Statistics Canada reports that the western provinces continue to experience population increases well over the national average.

The Province of Ontario is Canada's most populace region, accounting for 38.8% of the total Canadian population. Ontario has experienced a generally steady population growth rate since 2002. Alberta, Canada's fourth most populace region, has outpaced the rest of the Canadian provinces in population growth from July 2001 to July 2007.

Despite Saskatchewan's population losses from 1999 to 2006, the province experienced gains from July 2006 to July 2007. Saskatchewan's economy has positively shifted and according to Statistics Canada has posted the largest population growth rate of all the provinces in the third and fourth quarters of 2007 with a 0.65% and 0.33% quarterly growth rate respectively. Saskatchewan's robust economy has led to higher levels of in-migration, which will likely edge the province's 2008 growth rate ahead of Alberta's six year lead.

LABOUR FORCE

In 2007, Canada recorded an annual unemployment rate of 6.0%, the lowest unemployment rate in 33 years. Alberta held the lowest unemployment rate for the fourth consecutive year and the Conference Board of Canada projects that Alberta will hold its position in 2008 with a 3.2% unemployment rate. Newfoundland and Labrador continuously post the highest unemployment rate in Canada and continued to do so in 2007 with an unemployment rate of 13.6%, this is the lowest unemployment rate the area has seen since 1981.

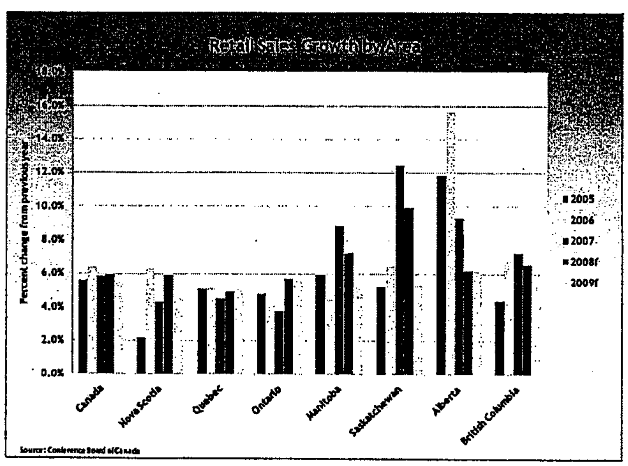


In May 2008, Statistics Canada's Labour Force Survey reported that the Canadian unemployment rate remained at 6.1% from April 2008. From the period of May 2007 to May 2008 employment in Canada increased 2.0% to an estimated 17,144,400 employed persons. Throughout May 2008, full-time employment decreased by 32.2% and part-time employment increased by 40.6% from April 2008. During May 2008 full time employment accounted for approximately 81.5% of total employed persons.

Canada has a diverse labour market with the top three industries, Trade, Manufacturing and Health Care and Social Assistance, accounting for 15.6%, 11.6% and 11.1%, respectively, of the total labour force in May 2008. The remaining thirteen industry sectors employ 7.2% or less of the total labour force. Canada's diverse labour force and high labour demand in the western provinces has kept the average unemployment rate at its lowest levels since the mid 1970s.

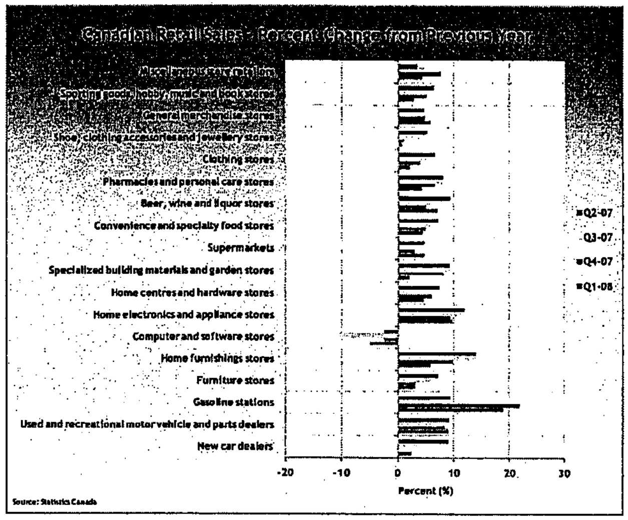
CONSUMER SPENDING

Canadians spent $412,319 million on retail transactions in 2007, 5.8% more than in 2006. The Conference Board of Canada forecasts that Canadian retail sales will increase 6.0% in 2008 and 5.4% in 2009.

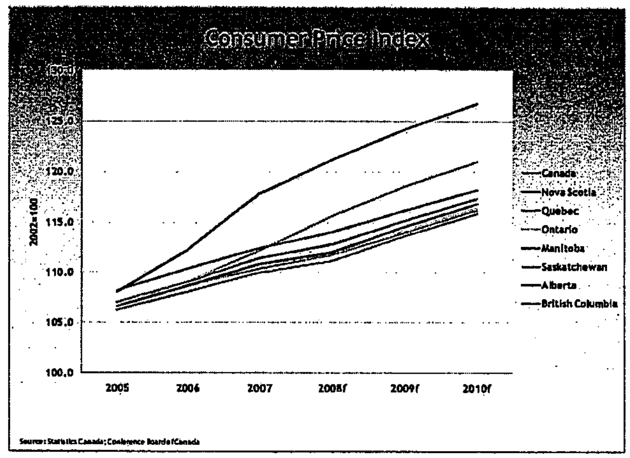


Saskatchewan took the lead over Alberta in 2007 with the largest percentage increase in retail sales of 12.4%. The Conference Board of Canada expects

Saskatchewan strengthening economy to maintain the lead in retail sales growth in 2008 and 2009.



Ontario had the lowest growth rate of all the provinces in 2007 of 3.9%, followed by Nova Scotia and Quebec with a 4.2% and 4.6% growth rate respectively. Ontario and Quebec will see a more positive increase in 2008 due to an increase in public sector jobs, higher wages and provincial fiscal relief.



On a quarterly year-over-year basis computer and software stores were the only retail sector to post declines in sales growth in the past year.

High fuel cost pushed gasoline stations sales to achieve the highest growth rates in both the Fourth Quarter of 2007 and the First Quarter of 2008 with a 21.6% and 18.7% increase respectively. New car dealerships sales growth posted low growth rates as a result of high fuel costs with only a slight 0.3% increase in the Third Quarter of 2007, a 0.0% difference in the Fourth Quarter of 2007 and a mere 2.4% increase in the First Quarter of 2008 over the same periods in the previous year.

High fuel prices are also the culprit in t he rising consumer price index (CPI). From April 2007 to April 2008, the CPI rose 1.7%. Statistics Canada reports that gasoline prices at the pump rose 11.6% between April 2007 and April 2008. During the same period prices for bakery products rose 10.4% as a result of poor weather conditions. The Conference Board of Canada forecasts that the CPI will increase 1.3% in 2008 and 2.0% in 2009.

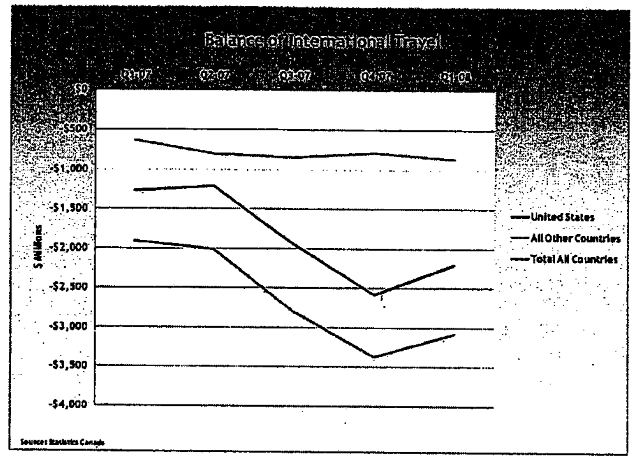
Tourism

According to Statistics Canada, Canada's international travel deficit subsided in the First Quarter of 2008 to $3.1 billion.

In the First Quarter of 2008 Canadian travel spending in the United States decreased 4.6% from the record high Fourth Quarter of 2007. Cross border spending has lessened since Canadian retailers adjusted their prices to reflect the parity of the Canadian and United States dollars.

In the First Quarter of 2008 Americans spent a mere $1,938 million in Canada, 2.9% lower than the Fourth Quarter of 2007 and the lowest spending level in ten-years. Canadian tourism, particularly areas such as Niagara Falls where same-day travel from the United States boosts the economy significantly, will continue to suffer as a result of lower tourism numbers. Total travel to Canada from the United States was down 30.8% and same-day car trips were down 47.2% in April 2008 from the same period in 2005.

On an international level Canadians recorded a record high deficit with overseas countries of $864 million in the First Quarter of 2008. Canadians spent approximately 12.0% more overseas in the First Quarter of 2008 over the same period in 2007. Statistics Canada has recorded the First Quarter of 2008 as the tenth consecutive quarter in which Canadian travel overseas increased. Overnight travel from overseas countries also increased to record highs in the First Quarter of 2008, which pushed overseas tourists spending to a high of approximately $2.2 billion.



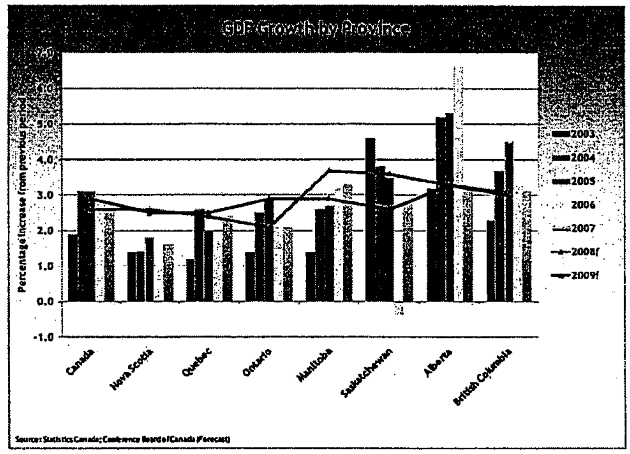
SUMMARY

Canada's largest trading partner, the United States, is currently experiencing unstable economic factors that will result in weak overall demand for Canadian exports and lower tourism profits in Canada. Consumer prices have increased as a result of record high oil and wheat prices, which in turn has resulted in the Canadian energy sector recording high quarterly growth and farmers expanding crop seeding to reap potential monetary gains as global demand for Canadian agriculture products continues to rise. Canadian consumer spending continues to increase and unemployment rates are the lowest in over three decades. The Canadian economy will expand at a slower rate of growth in 2008 and rebound slightly in 2009 as the United States economy stabilizes.

ALBERTA ECONOMIC OVERVIEW

Gross Domestic Product

After leading the provinces and territories in real Gross Domestic Product (GDP) growth from 2004 to 2006 Alberta's growth rate fell to a more moderate 3.4% growth rate in 2007. The Conference Board of Canada forecasts a real GDP growth in Alberta of 3.6% in 2008 and 2009.

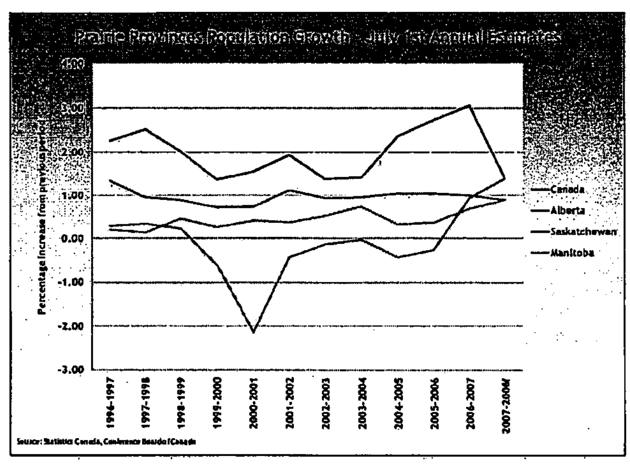


Taxes

The Government of Alberta became debt free in 2005, and is the only province that can claim such a statistic. The Province of Alberta has no provincial sales tax, no payroll tax, no capital tax, the lowest gasonline tax of all the provinces and low property taxes. The combined effect has created a business friendly environment.

Population

Alberta's population as of April 1st, 2008 was estimated to be 3,512,368. In the First Quarter of 2008, Alberta's population increased 0.41% as a result of strong levels of immigration and non-permanent residents moving to Alberta. Statistics Canada reports Alberta led the provinces in population growth in the First Quarter of 2008. The Yukon Territory and the western provinces were the only regions to record population growth rates higher than that of the country.



Over the years Alberta's economic strength has kept the province's population growth well above the national average. From 2002 to 2007, the province has seen a total net inflow of 153,900 people from other provinces, making up 43.0% of the total population growth over that five year period. The Conference Board of Canada forecast that the population of Alberta will experience a slower growth rate in 2008 as a result of increasing cost of living within the province.

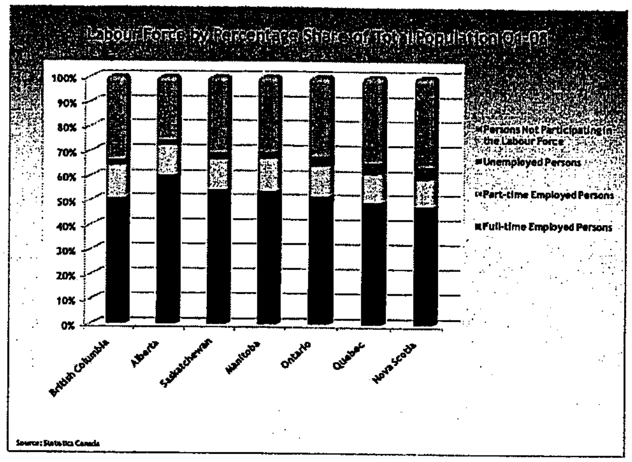
LABOUR FORCE

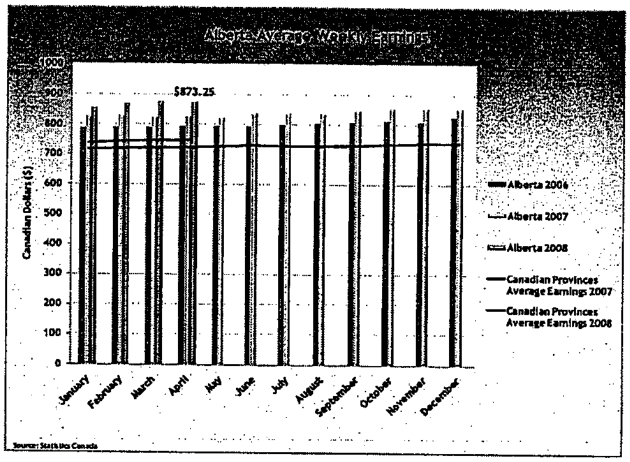
Since 2004 Alberta has had the lowest unemployment rate in the country. In 2007, Alberta also had the highest labour force increase in the country of 4.3%.

The Conference Board of Canada forecasts that Alberta's 2007 unemployment rate of 3.5% will remain unchanged in 2008 and 2009.

As a percentage of total population Alberta has the highest participation and full-time employment rates in Canada. With low unemployment rates and a vast amount of new jobs available, many industries continue to report labour shortages.

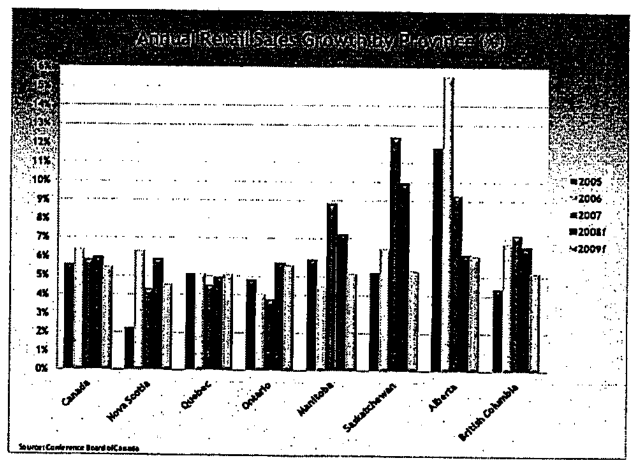
Average weekly earnings in Alberta in April 2008 were $873.25, up 6.0% from April 2007 and 10.5% higher than the Canadian average.



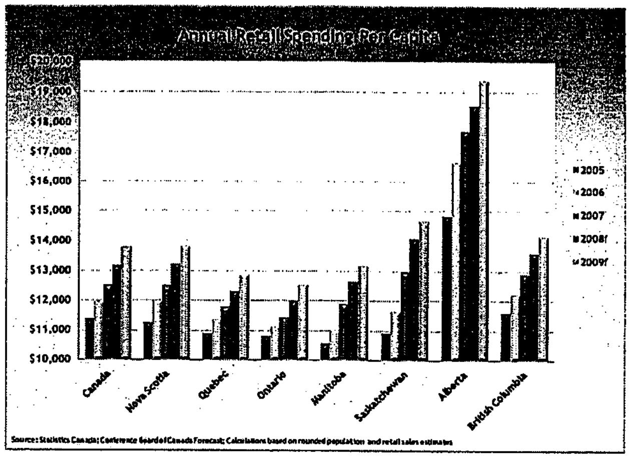


CONSUMER SPENDING

Following many years of strong retail sales growth the Alberta market has slowed. In 2007, Alberta's retail sales totalled $61.2-Billion, however the provinces retail growth rate slipped to second place behind Saskatchewan with a year-over-year retail sales growth rate of 9.3%, down from the 15.6% rate in 2006. The Conference Board of Canada projects that Alberta's retail growth will cool to 6.2% in 2008.



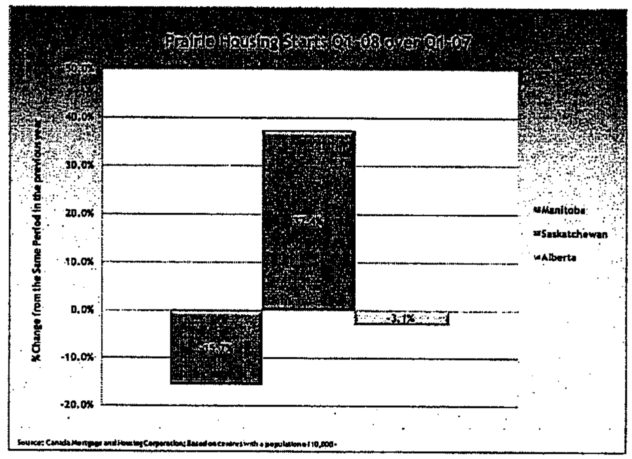
In the First Quarter of 2008, Albertans spent $13,647 million on retail expenditures, new vechicles accounted for 22.9% of the total retail sales value, followed by supermarkets at 15.9% and gasonline stations at 13.2%. Total spending decreased 14.2% from the previous quarter and increased 4.7% from the same period in 2007. On a year-over-year basis only three trade groups, new car dealerships, computer and software stores, and furniture stores, experienced reduced sales numbers in the first quarter.



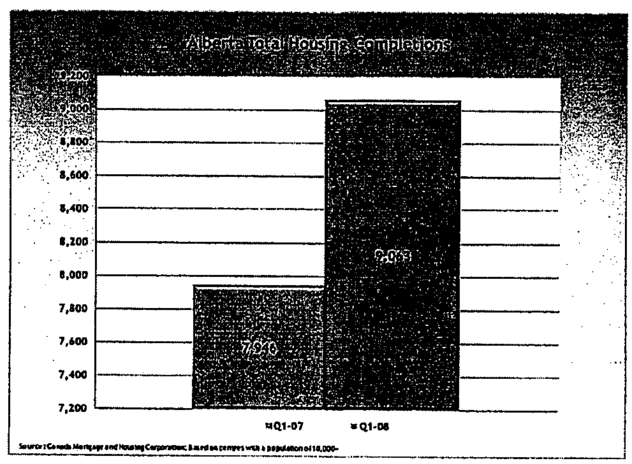
In 2007, Albertans spent 41.4% more per capita on retail expenditures than the national average of $12,527 per person. The Conference Board of Canada indicates that Albertans will continue to lead the country with the highest per capita retail sales spending of approximately 40.9% more than the national average in 2008 and 2009.

HOUSING

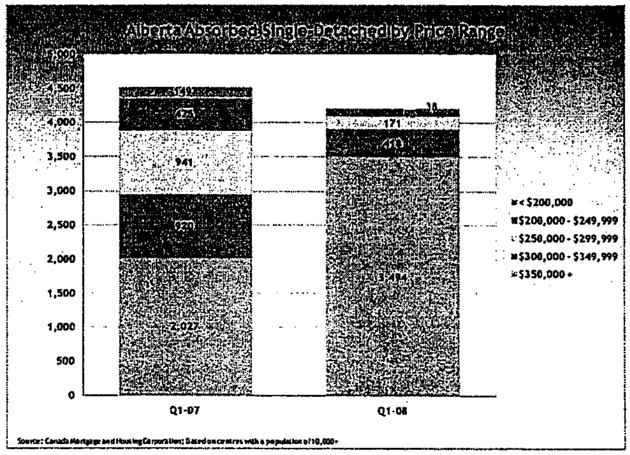
In 2008, Canada Mortgage and Housing Corporation (CMHC) forecasts an 18.0% reduction in housing starts in Alberta. CMHC reports that the reduction in housing starts in Alberta will be a direct result of improved economic conditions elsewhere in Canada causing lower levels of net migration to the province. As economic conditions improve elsewhere in Canada many recent arrivals to Alberta are also opting to move back to their province of origin, causing weaker employment growth and a decrease in demand for housing in Alberta.



In the First Quarter of 2008, total housing starts in the prairie provinces fell 10.0% from the same period in the previous year. CMHC reports that single-detached starts in Alberta dropped 47.0%, and was the poorest quarterly performance in seven years.

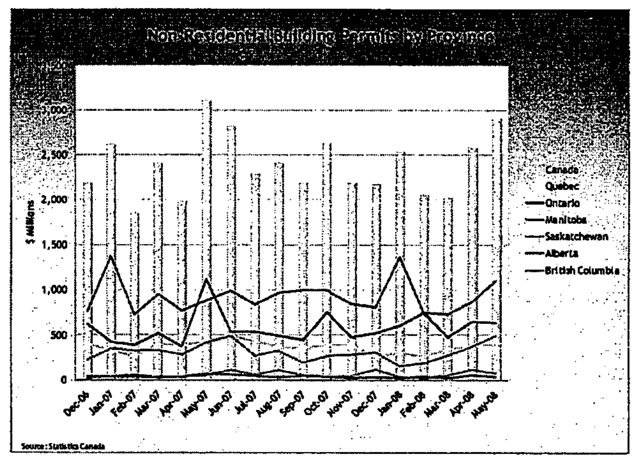


Multiple starts increased 32.0% over the same period in 2007, however the higher levels of multiple starts couldn't push total starts up above the First Quarter of 2007 results.



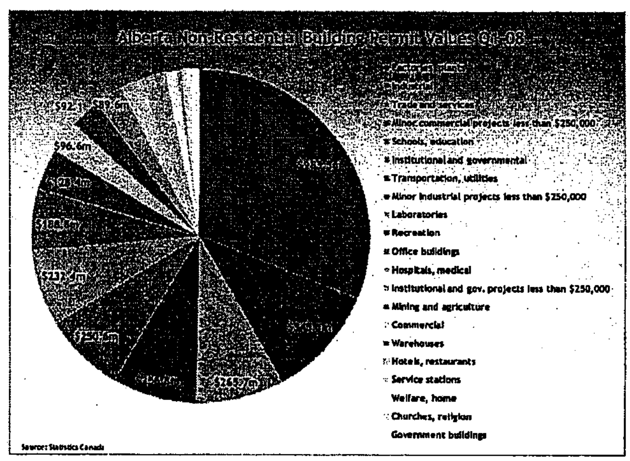
In the First Quarter of 2008, absorbed single-detached dwellings were down 6.6% from the same period in 2007. The average price for a single-detached dwelling was $505,102 in the First Quarter of 2008, 32.6% higher than same period in 2007.

The resale market will also influence the number of new construction starts as resale inventories increase providing more opportunities for buyers. CMHC forecasts that the resale market will see the weakest gain in 12 years of only 4.0%.



BUILDING PERMITS

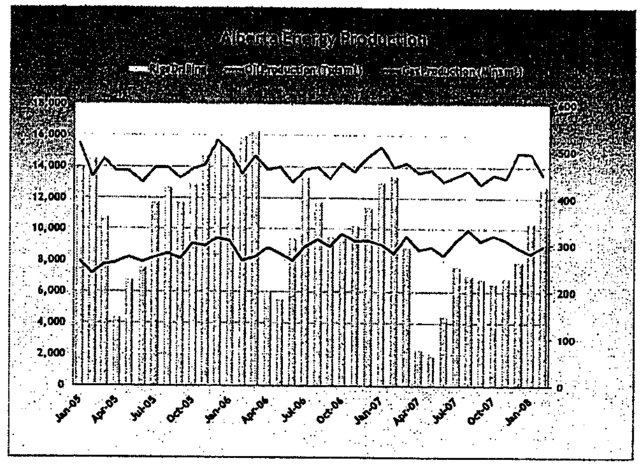
The total value of building permits issued in Alberta the First Quarter of 2008 reached $1,836.5 million, a 36.9% increase over the same period in 2007. Statistics Canada credits the increase to strong growth in the manufacturing and primary industry sectors.



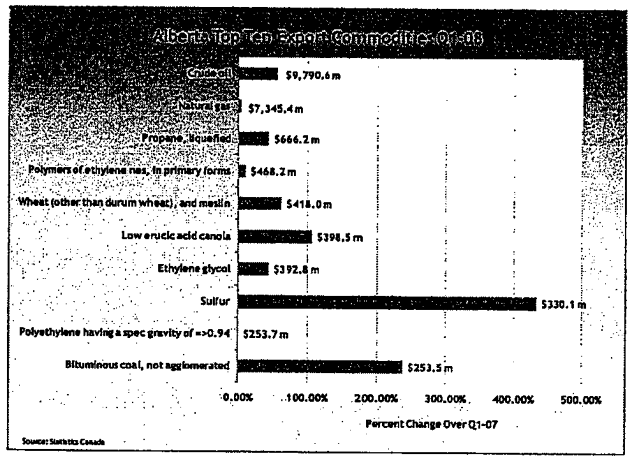
In the First Quarter of 2008, factories and plants had the highest building permit values totalling $983.5 million, followed by industrial permits at $345.1 million and trade and services building permits valued at $265.7 million. Alberta's economy is highly driven by resource based industries and total building permit values are greatly influenced by major projects underway in the oil sands in northern Alberta.

Oil and Gas

Alberta's Oil and Gas industry is the largest contributor to Alberta's economy. Crude petroleum in Alberta is predominately exported to other markets throughout the world, the remainder is used in the province and is refined into transportation fuels and other petroleum products to heat homes and buildings, generate electricity and manufacture lubricants, waxes, plastics, synthetic rubber and asphalt.



Alberta has the world's second largest oil reserves, next to Saudi Arabia. Currently there is approximately $115-billion committed to the development of Alberta's Oil Sands. The United States imports approximately 1,860,000 barrels of crude oil per day from Canada.



In February 2008, Alberta's Monthly Economic Review reports that oil rig drilling activity was down by 5.1% from the same period the year before, with 424 active rigs. From January to February 2008 crude oil production increased 0.5% and natural gas production decreased 3.0% over the same period in 2007.

Exports

In the First Quarter of 2008, exports in Alberta were up 23.4% compared to the same period in 2007. Crude oil was the top commodity traded, increasing 56.5% from the First Quarter of 2007 to a total traded value of $9.790.6 million, followed by natural gas which increased 6.6% to $7,345.4 million and liquefied propane which was up 43.9% to a trading value of $666.2 million. Sulphur saw the largest percent increase of 433.5% of all the industry groups on a quarterly year-over-year basis.

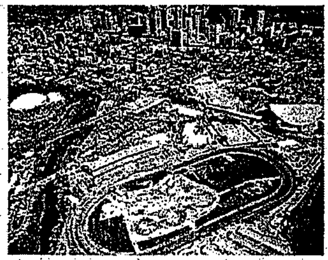
In the First Quarter of 2008, the United States continued to be Alberta's largest trading partner, importing 86.5% of total Alberta exports. China was second importing 3.4% of Alberta's exports followed by Japan at 1.8%. High world demand for oil and Alberta's vast natural resources will continue to support Alberta's economy for many years to come.

Alberta Exports by Industry - First Quarter of 2008 ($'000)			
	2007	2008	% Change
Mining & Energy	13,973,500	18,470,698	32.20%
Crude Oil*	6,254,807	9,790,592	56.50%
Natural Gas & Natural Gas Liquids	7,565,339	8,067,150	6.60%
Manufacturing	5,440,384	5,392,833	-0.90%
Chemicals	1,776,262	1,922,491	8.20%
Primary Agriculture	911,631	1,262,997	38.50%
Crops	662,865	1,056,351	59.40%
Machinery	585,024	716,032	22.40%
Food, Feed & Beverage	707,513	687,654	-2.80%
Primary Metal Products	567,498	472,773	-16.70%
Paper Products & Wood Pulp	364,009	373,535	2.60%
Sulphur	61,876	330,079	433.50%
Petroleum & Coal Products	270,299	301,392	11.50%
Computer & Electronic Products	341,068	258,671	-24.20%
Coal	75,686	258,050	240.90%
Livestock	248,766	206,646	-16.90%
Other Exports	202,356	201,782	-0.30%
Fabricated Metal Products	196,055	175,195	-10.60%
Wood Products	236,598	124,216	-47.50%
Transportation Equipment	146,884	121,799	-17.10%
Plastics & Rubber Products	49,930	67,392	35.00%
Electrical Equipment, App. & Comp.	59,281	56,204	-5.20%
Furniture & Related Products	55,506	46,910	-15.50%
Other Manufacturing	52,859	44,169	-16.40%
Other Mining & Energy	15,792	24,827	57.20%
Non-Metallic Mineral Products	31,598	24,399	-22.80%
Primary Forestry, Fishing & Trapping	901	939	4.30%
TOTAL	**20,528,771**	**25,329,250**	**23.40%**

Source: Statistics Canada

SUMMARY

Provincial non-renewable resources are the key contributors to the economic growth in Alberta. Global demand for Alberta's exports remains high, as energy product demand continues to flourish. Unemployment rates remain low while wages continue to increase along with the cost of consumer goods. Demand for housing in Alberta has decrease slightly due to lower levels of in-migration being influenced by improving economies elsewhere in Canada. Alberta's economy will grow at a more moderate pace in 2008.



CALGARY ECONOMIC OVERVIEW

LOCATION

Located in southern Alberta, Calgary is 300 kilometres south of the provincial capital of Edmonton, 670 kilometres west of Regina, Saskatchewan and 980 kilometres east of Vancouver, British Columbia. The city is situated at the confluence of the Bow and Elbow Rivers and 80 kilometres east of the Rocky Mountains.

Calgary is at an elevation of 1,048 metres, or 3,438 feet. According to the 2006 Statistics Canada National Census, Calgary covers an area of 726.50 square kilometres. Calgary is bound by the north, east, and west by the Municipal District of Rocky View and to the south by the Municipal District of Foothills and the Tsuu T'ina Native Reserve.

TRANSPORTATION

Several major highways, including the Trans Canada Highway and the Queen Elizabeth II Highway, provide highway access into Calgary. The city is also accessible via the Calgary international airport, which had passenger traffic of over 11.2 Million passengers in 2007. Cargo transportation to Calgary is available by rail, truck and air.

Internally, the city has an extensive network of roads which follows a grid-line system that is divided into four quadrants. Currently the Province of Alberta is funding a ring road infrastructure project in the Calgary area. When complete the high-speed freeway will circle the City of Calgary providing interchanges to Calgary communities and business districts. The northeast construction phase began in April 2007 and is projected to be complete in November 2009.

Calgary Transit provides public transportation services within the City of Calgary by means of the light rail transit system known as the C-Train and a fleet of buses. Additionally, the City of Calgary maintains over 635 kilometres of urban walking and bike paths, the largest urban pathway system in North America.

POPULATION

Calgary is the most populous city in Alberta. In the latter part of 2006 Calgary's population crossed the one-million mark. According to the City of Calgary's 2007 Civic Census, the population of Calgary increased by 2.84% from April 2006 to April 2007, over the same period in the previous year to a total population of 1,019,942. Net in-migration decreased to 17,631 from the 25,557 from the previous period. From April of 2000 to April 2007, the population increased by 159,193 individuals, or 18.49%.

Calgary Population Trends			
Year (April to April)	Natural Increase	Net Migration	Total Population
2007	10,552	17,631	1,019,942
2006	9,887	25,557	991,759
2005	8,906	13,677	956,078
2004	8,927	2,253	933,495
2003	8,363	8,965	922,315
2002	7,506	20,962	904,987
2001	7,779	7,991	876,519
2000	7,044	11,317	860,749
Source: The City of Calgary 2007 Civic Census			

HOUSING

According to Canada Mortgage and Housing Corporation (CMHC) the Calgary Census Metropolitan Area's year-to-date housing starts reached 12,904 units in November 2007, a 17% decrease from the same period last year. Multi-family starts in Calgary dropped 76% in November 2007 from the November 2006 results.

Prairie Region Average Resale Value					
	2004	2005	2006	2007	2008f
Calgary	222,860	250,832	346,675	414,066	429,000
Edmonton	179,610	193,934	250,915	338,636	355,000
Regina	111,869	123,600	131,851	165,613	200,000
Saskatoon	132,549	144,787	160,577	232,754	275,000
Winnipeg	121,925	137,062	154,607	174,202	192,500
Source: Canada Mortgage and Housing Corporation					

BUILDING PERMITS

Value of Construction January 2008 (000s)					
	Residential	Industrial	Commercial	Institutional & Gov.	Total
Calgary, Alberta	152,266	86,068	146,079	12,023	396,436
Edmonton, Alberta	160,183	28,479	67,163	77,993	333,818
Winnipeg, Manitoba	35,688	860	8,663	8,729	53,940
Saskatoon, Saskatchewan	22,024	139	11,585	10,759	44,507
Regina, Saskatchewan	10,194	1,481	1,842	59	13,576
Source: Statistics Canada					

LABOUR FORCE

According to Statistics Canada, the November 2007 seasonally adjusted unemployment rate in the Calgary Census Metropolitan Area was 3.0%, well below the 5.9% national rate. The Calgary Census Metropolitan Area employed 684,000 persons in November 2007.

According to the Conference Board of Canada, personal income per capita in Calgary in 2007 was $51,149, considerably higher than the per capita income levels in Vancouver, British Columbia of $35,800 and Canada's overall per capita income of $35,666.

BUSINESS ACTIVITY

Calgary is an ideal location for business activities in Alberta's resource driven economy. The Oil and Gas industry is the most prominent employer in Alberta and many company headquarters are located in the City of Calgary. Notable operations in Calgary are NOVA Chemicals, Nexen, Shell Canada, Dow Chemicals Canada, Imperial Oil, Encana, TELUS, and Shaw Communications.

The Conference Board of Canada reports that Calgary saw a 4.2% gain in real gross domestic product (GDP) in 2007. Service producing industries in Calgary saw the most impressive gains in 2007, particularly in the finance, insurance and real estate sector. The Conference Board of Canada is forecasting an average GDP growth rate of 4.2% from 2008 to 2012.

RECREATION

The Calgary Stampede is Calgary's main tourism event. The stampede takes place yearly over a ten-day period in the beginning of July and attracts thousands of visitors to the Calgary area. The world famous exposition and rodeo first took place in 1912, and today is known as "The Greatest Outdoor Show on Earth". The stampede offers a variety of events for all ages including musical events, agricultural showcases and rides of all kinds.

Calgary is a popular city for sporting events and is home to three professional sporting teams. Both National Lacrosse League and National Hockey League games take place at the

Pengrowth Saddledome, the home of the Calgary Roughnecks and Calgary Flames. The Calgary Stampeders, a Canadian Football League team, play at McMahon Stadium located on the University of Calgary's campus. The stadiums also offer Calgary the opportunity to house large events of all kinds.

The Winter Olympics Games were held in Calgary in 1988 and has since left Calgary with popular sporting facilities. Particularly the Canada Olympic Park, which incorporates ski jumping, bobsleighing and night skiing and the Olympic Oval, a speed skating facility.

City of Calgary Recreation offers over 40 facilities throughout the city to accommodate numerous recreation activities including indoor pools, outdoor ice rinks in the winter, basketball courts and art studios.

POLITICAL CLIMATE

In January 2008, Mayor Dave Bronconnier and a 17-member team composed of public, government and city funded economic development members released a 10-year Economic Development Strategy for the City of Calgary. The Economic Development Strategy focuses on people and community, business and enterprise, and on international reach.

Key strategies and actions set forth in the Economic Development Plan include the development of an integrated infrastructure system with emphasis on developing public transportation to provide adequate, timely and convenient services to the growing population. Creation of a city-wide WiMax network to provide up-to-date communications technology. As well as a land and resource management strategy to facilitate business and performing and visual arts space requirements.

Provincially, Calgary is represented by 23 Members of the Legislative Assembly, five of which are from the Liberal Party and the rest are Progressive Conservatives.

On the national scene, Calgary is represented in Parliament by eight Members of Parliament including Prime Minister Stephen Harper, all of whom are members of the Conservative Party of Canada.

CONCLUSION

Calgary's population continues to increase, putting pressure on current infrastructure and the government to sustain the growth. The City of Calgary has adopted a strategic 10-year plan to cope with the increasing economic pressures, while the Province of Alberta continues to invest in Calgary with the construction of the ring road project. Strong business activities in Calgary continue to positively influence the Calgary economy with a low unemployment rate and strong income gains.

DOWNTOWN OVERVIEW

The downtown Calgary office market has continued to soften slightly since the second quarter of this year. This trend has continued since the start of this year. The vacancy rate for the third quarter of 2008 has risen to 3.49%, up from 3.21% at the end of 2007. Absorption levels for the year are anticipated to be relatively flat. This is not necessarily indicative of lower demand levels. As previously reported, a significant number of tenants either left, or will have left the downtown core by the end of this year. Of the 600,000 +/- square feet vacated, almost all of this space has been reabsorbed by existing tenants who have remained downtown and continued to grow. While this indicates a zero absorption scenario for 2008, there have certainly been healthy levels of leasing activity as larger tenants continue to acquire available space. Rental rates have remained relatively stable over the third quarter of 2008.

HEADLEASE & SUBLEASE COMPARISON

	AVAILABILITY IN SQUARE FEET							
BUILDING CLASS	HEADLEASE		SUBLEASE		TOTAL			
	June 30/08	Sept 30/08	June 30/08	Sept 30/08	June 30/08	%	Sept 30/08	%
AA	0	0	0	0	0	0.00	0	0.00
A	160,999	252,340	86,277	68,769	247,276	1.93	321,109	2.48
B	551,361	474,511	154,103	122,503	705,464	7.68	597,014	6.50
C	172,043	152,465	82,107	104,844	254,150	6.11	257,309	6.45
Total	884,403	879,316	322,487	296,116	1,206,890	3.58	1,175,432	3.49

There have also been a number of transactions completed in new developments this year. Since these buildings are in some cases, years away from completion, the leasing activity has not yet been factored into current vacancy and absorption statistics. Chart 1 on the following page of this report illustrates the reductions in uncommitted space in new office developments and the resulting backfill vacancy created by those tenants moving into new buildings, as well as current vacancies over 20,000 square feet in existing buildings. Looking at the market from this perspective indicates a reduction in available "futures" space of more than 700,000 square feet from February 2008 to October 2008. This suggests that there has been ongoing strong demand for larger blocks of space as existing opportunities are becoming increasingly scarce. Accordingly, larger tenants looking

FOURTH QUARTER FORECAST

Absorption	↔
Vacancy	↔
Availability > 30,000 sq. ft.	↓
Availability < 30,000 sq. ft.	↔
Sublease Space	↔
Net Effective Rent*	↔

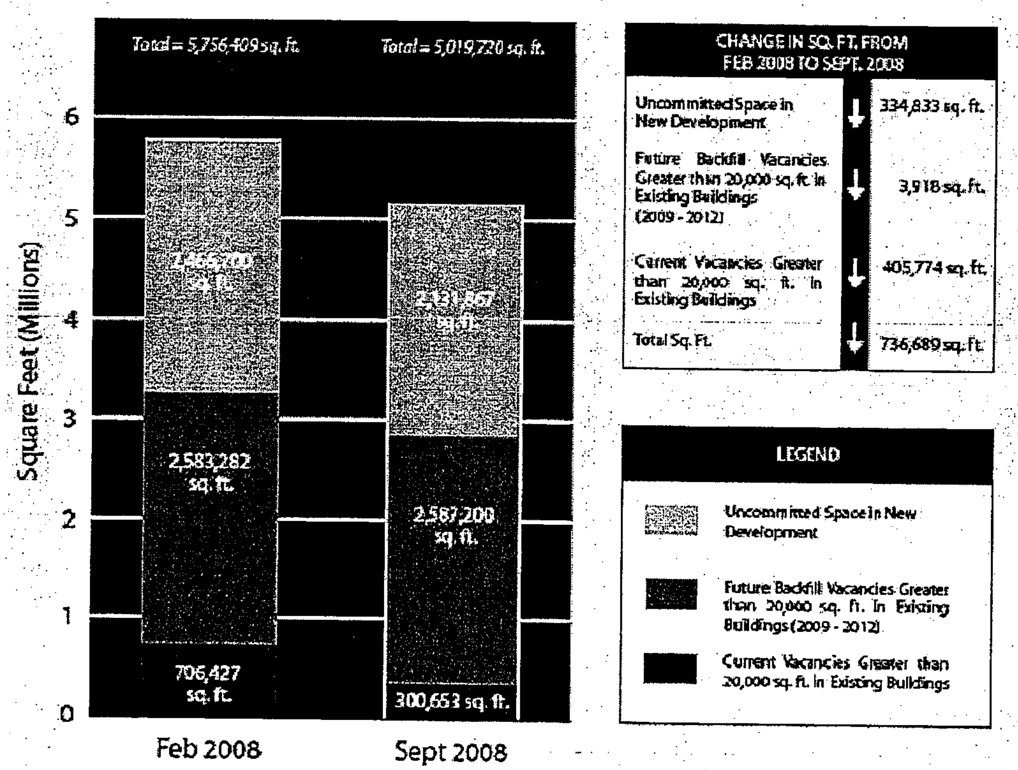
* Net Effective Rent is the rental rate net of cash allowances, free rent and/or tenant improvement allowances provided by the landlord

for additional space are increasingly looking toward new buildings to satisfy their growth requirements.

Projecting go forward demand is a challenge today given the uncertainty that currently exists in the financial and commodity markets. While it is difficult to anticipate all of the effects of the economic crisis in the United States and the corresponding global implications, we expect that Calgary's downtown core will experience reduced levels of overall demand in 2009, relative to the past two or three years. One specific effect may be the junior energy sectors ability to access sufficient capital for growth, which in turn could result in consolidation within the junior energy sector. Depending on the extent of the economic fallout, larger oil companies could be affected as well.

On a more positive note, energy experts anticipate that global demand levels for both oil and natural gas will remain high and we therefore expect to see ongoing growth and positive absorption in the downtown core over the medium term, notwithstanding the current economic storm clouds.

UNCOMMITED SPACE IN NEW OFFICE DEVELOPMENTS, BACKFILL AND CURRENT VACANCIES (>20,000 SQ. FT.)



VALUATION

HIGHEST AND BEST USE

The principle of highest and best use is fundamental to the concept of value in real estate. Highest and best use, in general, may be defined as follows:

> "The reasonably probable and legal use of vacant land of an improved property; which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productive."

Analysis

Legal Permissibility

- According to the City of Calgary Zoning By-law, the site is classified as CM-2: Downtown Business District. Under this designation, permitted uses include a wide variety of commercial uses. Therefore, as presently improved, the property appears to be legally permissible.

Physical Possibility

- At 20,695 square feet, more or less, the site is of a sufficient size to accommodate a wide variety of uses, including an office development similar to the subject property.

Financial Feasibility

- The subject property is substantially leased at rates which provide a positive and acceptable return. Therefore, the subject property is financially feasible.

Maximum Productivity

- Of the various uses available to the property, the current use is considered to provide maximum productivity.

Conclusion

As vacant

- As vacant, development site with short to mid term development potential.

As improved

- As improved, continuation of its current use as a multi-tenant office development for the foreseeable future.

VALUATION METHODOLOGY

Traditionally, there are three accepted methods of valuing real property:

- Cost Approach;
- Direct Comparison Approach; and
- Income Approach

The selection of a relevant methodology depends upon the nature and characteristics of the real estate under consideration.

1) **The Cost Approach** to value is based upon the economic principle of substitution, which holds that the value of a property should not be more than the amount by which one can obtain, by purchase of a site and construction of a building without undue delay, a property of equal desirability and utility.

2) **The Direct Comparison Approach** examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.

3) **The Income Approach** to value is utilized to estimate real estate value of income-producing or investment properties.

   The Direct Capitalization Method is based on the conversion of current earnings directly into an expression of market value. The net income for the current or forthcoming fiscal year is capitalized with an overall rate, which reflects the investment characteristics offered by the asset.

   The capitalization rate used is based on the analysis of sales and interviews with people active in the market.

   Discounted Cash Flow Analysis allows the appraiser to account for the anticipated growth or decline in income over the term of a prescribed holding period.

Two rates must be selected for an application of the DCF process:

- The internal rate of return or discount rate used to discount the projected receivables; and
- An overall capitalization rate used in estimating reversionary value of the asset.

The reversionary capitalization rate utilized is usually similar to the rate that would be applied in present market conditions.

Selection of Relevant Methodology

Since the subject property is an income producing investment-grade property, purchasers would analyze the property on the basis of its income generating capability. For this reason, we have valued the property using the Discounted Cash Flow and Direct Capitalization techniques of the Income Approach. Based on recent market activity, we have also employed the Direct Comparison Approach in support of the Income Approach.

Investors or analysts do not typically use the Cost Approach to value properties such as the subject. The inherent difficulties in accurately estimating developer's profit and all forms of depreciation restrict the reliability of this approach. For these reasons, we have not utilized the Cost Approach to value the property.

REVENUE AND EXPENSE ANALYSIS

To estimate the market value of a property by the Income Approach, the main criteria for the measurement of value is the property's ability to generate income. To this end, an analysis of the potential income and the probable expenses associated with maintaining this income stream is undertaken in order to estimate the net operating income the property is capable of producing.

The net operating income is then converted into an expression of market value through the application of an appropriate technique. The most commonly utilized methods for valuing real estate such as the subject are the *Overall Income (Direct) Capitalization* and *Discounted Cash Flow* techniques, both of which have been included in our analysis.

Tenant Summary and Profile

Leasing Practice/Status

- Leasing within the property is on a fully net basis with the landlord recovering realty taxes and operating costs on a pro rata basis from the tenants.

Occupancy

- As of the effective date of this valuation, the office tower has 25,019 square feet of vacancy on two floors. Based on a total GLA of 121,958 square feet the current occupancy level of SNC Lavalin Building is 79.5%.

Tenancy Schedule

- A Tenancy Schedule for the property is presented in Appendix "D".

Major Tenant Profile

SNC LAVALIN

SNC • LAVALIN

Area Occupied: 96,520
Percent of Total Building Area: 45.3%

SNC Lavalin is one of the worlds leading engineering and construction groups, acting as a major player in the ownership of infrastructure and in the provision of operations and maintenance services. SNC Lavalin also provides the following services: engineering, procurement, construction, project management and project financing. These services are typically provided to variety of industry sectors including agrifood, pharmaceuticals and biotechnology, chemicals and petroleum, environment, heavy construction, mass transit, mining and metallurgy, power and water management.

Market Lease Survey

In order to determine how the subjects' contract rents compare to current market levels, a lease survey has been conducted. The results of this survey are summarized in the table below.

Lease Survey

Index No.	Building Name Tenant Name Address	Leased Area (Sq. ft.)	Lease Term	Base Rental Rate ($/sq. ft.)	Comments
1	Precision Drilling Corporation Altalink Place 1035 – 7th Avenue SW Calgary, Alberta	25,974	Jan-09 – Dec-12 Jan-13 – Dec-15 Jan-16 – Dec 18	$22.00 $24.00 $26.00	• Class C downtown office building • Office space located on the fifth and sixth floors • Constructed in 1998 • As is
2	Personal Support & Development Optima Place 744 – 4th Avenue SW Calgary, Alberta	4,837	Jul-08 – Jun-13 Jul-10 – Jun-11 Jul-11 – Jun-12 Jul-12 – Jun-13	$22.00 $23.00 $24.00 $25.00	• 11 storey Class B downtown office building • Office space located on the fifth floor • Constructed in 1981 • Op. costs est. at $14.83 psf
3	Jardine Lloyd Thompson IBM Building C Calgary, Alberta	24,668	Feb-08 – Jan-13 Feb-13 – Jan-16	$27.00 $30.00	• New beltline office building • Office space located on the fourth and fifth floors • $30.00/sq.ft. TI allowance • NER = $23.51 psf
4	Champion Weight Management Barclay Square 1300 - 8th Street SW Calgary, Alberta	1,437	Jan-08 – Dec-13	$25.00	• Seven-storey office building Barclay Square is located at the intersection of 13th Avenue SW and 8th Street SW Second floor office space • Building GLA of 31,445 sq. ft. • Op. cost est. at $10.50/sq. ft.
5	AltaGas Energy Trust Calgary Place II 355 – 4th Avenue SW Calgary, Alberta	81,037	Dec-07 – Nov-12	$24.50	• 24-storey multi tenant class A downtown office building • Constructed in 1969 • Building GLA 217,113 sq. ft. • Op. cost est. at $16.50/sq. ft. • TI's = $15.00/sq. ft. • NER = $20.90/sq. ft.
6	Confidential 8th Avenue SW Calgary, Alberta (CIRA 2633-07)	3,980	Oct-07 – Sep-10 Oct-10 – Sep-12	$30.00 $32.00	• 11-storey, multi tenant Class B downtown office building • Constructed in 1959 • Building GLA 171,229 sq. ft. • 26 parking stalls • Op. cost est. at $ /sq. ft. • NER = $30.71/sq. ft.

Market Rent	• **Office** – $22.00 per sq. ft. fully net to the landlord in Year One. Due to the anticipated increases in downtown office vacancy over the next few years, this rate is forecast to decrease to $20 in Year Two and to $18.00 in Year Three, increasing at 2.5% per annum thereafter. • **Retail** - $40.00 per sq. ft., fully net to the landlord, inflated at 2.5% annually.
Area Measurements	• The total GLA of the property, as reported by our client, is 121,958 square feet.
Tenant Allowance	• It is assumed that in order to lease vacant space in the building a tenant allowance in the order of $30.00 per square foot will be required for new tenants and $15.00 per square foot for renewals. • In Year One, Tenant Allowances are included in an amount equal to **$750,588.**
Rent Abatements	• No free rent period have been included for new tenants.
Leasing Commissions	• Office Leasing commissions are calculated at $3.75 per square foot for new tenants and $1.88 per square foot for renewals. • Retail leasing commissions are based on 5.0% of lease value for new leasing activity, 2.5% of lease value for renewals. • Year One Leasing Commission expenses have been forecast in an amount equal to **$844,416.**
Tenant Retention	• It is estimated that over the holding period, average tenant retention of 75% will be achieved.
Projected Base Rent	• Based on the rental income in place and projected, Year One Base rent is forecast in an amount equal to **$1,568,869.**
Lag Vacancy	• A lag vacancy or downtime of six (6) months will be charged on lease expiry. • In Year One the Lag Vacancy provision totals **$252,281.**
Space Absorption	• The presently vacant area (25,019 square feet) has been modelled for full absorption over the 12 months following the effective date of this valuation, implying an average of six months lost rent and recoveries. In this regard, new tenant rent abatements, tenant allowances and leasing commissions have been applied to the same.
Scheduled Base Rent	• Projected Scheduled Year One Base Rent is forecast in an amount equal to **$1,316,281.**
Recovery	• Leasing within SNC Lavalin Building is on a fully net basis with the

Revenue landlord recovering all realty taxes and operating costs on a pro rata basis from the tenant.

- Based on the fully net nature of the leases in place, Year One Recovery Revenue is equal to **$1,322,000.**

Miscellaneous Revenue

- Based on the information provided, Miscellaneous Revenue in an amount equal to **$200** per annum is forecast for Year One.

Cogeneration Revenue

- Revenue accrues to the owner via a revenue sharing agreement relating to cogeneration equipment that is located on the property. Based upon historical results, this revenue is forecast at approximately $1,500 per month, or $18,000 per annum.

Parking Revenue

- Revenue generated by the parkade has been forecast at **$105,360** for Year One and represents the 2009 budgeted parking revenue for the subject property. This projection is based upon monthly rates per stall ranging from $140.00 to $350.00.

Potential Gross Revenue

- Adding all the sources of revenue discussed above results in a Year One Potential Gross Income projection for the subject property in an amount equal to **$3,014,429.**

Expense/Recovery Analysis

Realty Taxes and Operating Expenses

- It is assumed that all new leases will be written on a fully net basis, with the tenant being responsible for all utilities, common area maintenance charges and realty taxes.
- Operating expenses, realty taxes and management fee expenses have been included in amounts equal to those included in the 2009 operating budget, a summary copy of which was provided to the writer.
- A summary of the budgeted expenses is presented in the following table:

SNC Lavalin Building
Projected Realty Taxes & Operating Costs

	CIRA Projection	per sq. ft.
Realty Taxes	$332,000	$2.72
Utilities	$370,700	$3.04
Common Area Maintenance	$516,500	$4.24
Management	$70,800	$0.58
Insurance	$32,000	$0.26
Total Taxes & Operating Costs	$1,322,000	$10.84

(1) Based upon budget provided

General

- The overall downtown office market vacancy rate in the Third

Vacancy		Quarter of 2008 was reported at 3.49%.
	•	A vacancy allowance is not intended to reflect the actual vacancy at a specific time but rather to account for potential income losses over the projected holding period of the property over the longer term.
	•	In consideration of the foregoing, a Vacancy Allowance equal to 3.0% of the Potential Gross Income has been considered in our analysis to allow for potential losses due to short-term vacancies that may occur over the life of the investment in the property. This rate is forecast to increase by 1% per annum for the next four years.
Effective Gross Income	•	Deducting the Vacancy Allowance described above from the Potential Gross Revenue forecast results in a projected Effective Gross Income estimate of **$2,923,996.**
Capital Expenditures	•	It has been reported that although certain recoverable capital expenditures are planned in the forthcoming years, we have not modelled the same herein. It is also noted that we have included a contingency allowance in our forecasts.
Net Operating Income	•	Deducting the expenses as described above from the Effective Gross Income results in a Year One Net Operating Income totaling **$1,572,756.**
Contingency Allowance	•	Investors typically include an allowance for structural repairs or other non-recoverable expenses. As such, a Contingency Allowance equal to 1.0% of the Effective Gross Income has been deducted.
Total Leasing & Capital Costs	•	Leasing and Capital Costs, including Tenant Improvement and Leasing Commissions, for Year One total **$844,816.**
Cash Flow Before Debt Service	•	Year One Cash Flow is forecast at **$488,932.**

Other Rates

Collection Loss	•	It is difficult to apply a collection loss factor to the property. Concerns that an investor may have in this regard would most likely be addressed in the selection of the overall yield.

Growth Rates

Rental Growth Rate	•	Rental growth is set at 2.5% per annum throughout the analysis period, unless otherwise noted.
Expense Growth Rate	•	Expense inflation is set at 2.5% per annum throughout the analysis period, unless otherwise noted.

Based upon the foregoing, a Pro Forma Income Statement and Cash Flow Projection have been prepared and are presented on the following pages.

Pro Forma Income Statement
SNC Lavalin Building
Twelve months forthcoming as of: January 1, 2008

Income					
Base Rental Revenue				$1,568,869	
Other Revenue				$123,560	
Recovery Revenue				1,322,000	
Potential Gross Income					$3,014,429
Vacancy & Bad Debt Allowance @		3.00%	PGI		(90,433)
Effective Gross Income					$2,923,996
Expenses					
Realty Taxes				$332,000	
Utilities				370,700	
Common Area Maintenance				516,500	
Management				70,800	
Insurance				32,000	
Contingency Allowance	@	1.00%	EGI	29,240	
Total Expenses					(1,351,240)
Net Operating Income					**$1,572,756**

Cash Flow Projections
SNC Lavalin Building
Twelve month periods commencing: January 1, 2008

For the Years Ending	*Year 1 Dec-2009*	*Year 2 Dec-2010*	*Year 3 Dec-2011*	*Year 4 Dec-2012*	*Year 5 Dec-2013*	*Year 6 Dec-2014*
Potential Gross Revenue						
Base Rental Revenue	$1,568,869	$1,594,414	$1,589,156	$1,902,323	$2,346,572	$2,311,124
Absorption & Turnover Vacancy	($252,281)		($2,558)	($296,802)		($77,464)
Scheduled Base Rental Revenue	$1,316,588	$1,594,414	$1,586,598	$1,605,521	$2,346,572	$2,233,660
Expense Reimbursement Revenue						
Common Area Maintenance	$539,968	$529,007	$542,166	$482,849	$570,120	$565,219
Property Taxes	$300,533	$340,046	$348,496	$310,366	$366,464	$363,315
Insurance	$28,964	$32,777	$33,595	$29,915	$35,323	$35,022
Utilities	$335,561	$379,681	$389,115	$346,553	$409,179	$405,666
Mgmt. Fees	$64,089	$72,520	$74,322	$66,181	$78,149	$77,479
Total Reimbursement Revenue	$1,269,115	$1,354,031	$1,387,694	$1,235,864	$1,459,235	$1,446,701
Miscellaneous Revenues	$200	$205	$210	$215	$221	$226
Parking Revenue	$105,360	$107,994	$110,694	$113,461	$116,298	$119,205
Cogeneration Revenue	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000
Total Potential Gross Revenue	$2,709,263	$3,074,644	$3,103,196	$2,973,061	$3,940,326	$3,817,792
General Vacancy		($122,986)	($152,730)		($275,823)	($195,204)
Collection Loss	($27,093)	($30,746)	($31,032)	($29,731)	($39,403)	($38,178)
Effective Gross Revenue	$2,682,170	$2,920,912	$2,919,434	$2,943,330	$3,625,100	$3,584,410
Operating Expenses						
Common Area Maintenance	$516,500	$529,412	$542,648	$556,213	$570,120	$584,372
Property Taxes	$332,000	$340,300	$348,807	$357,528	$366,466	$375,628
Insurance	$32,000	$32,800	$33,620	$34,460	$35,322	$36,205
Utilities	$370,700	$379,967	$389,467	$399,203	$409,183	$419,413
Mgmt. Fees	$70,800	$72,570	$74,384	$76,244	$78,150	$80,104
Contingency Allow.	$26,822	$29,209	$29,194	$29,433	$36,251	$35,844
Total Operating Expenses	$1,348,822	$1,384,258	$1,418,120	$1,453,081	$1,495,492	$1,531,566
Net Operating Income	$1,333,348	$1,536,654	$1,501,314	$1,490,249	$2,129,608	$2,052,844
Leasing & Capital Costs						
Tenant Improvements	$750,588		$8,232	$1,948,909		$442,300
Leasing Commissions	93,828		2,354	226,220		48,870
Total Leasing & Capital Costs	844,416		10,586	2,175,129		491,170
Cash Flow Before Debt Service & Taxes	$488,932	$1,536,654	$1,490,728	($684,880)	$2,129,608	$1,561,674

INVESTMENT ANALYSIS

This section sets out the data considered in establishing the investment parameters used in valuing the subject property.

1) Investment Alternatives

Alternate forms of investment are summarized as follows:

Investment Alternatives						
Investment Type	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08*
Bank of Canada Prime Rate**	4.50%	4.75%	4.50%	3.75%	3.25%	4.75%
Long Term Canada Bond***	4.38%	4.48%	4.26%	4.11%	4.10%	4.09%
REIT Units (CREIT)	4.38%	4.41%	4.70%	4.90%	4.80%	4.80%
REIT Units (RioCan)	5.12%	5.84%	6.70%	6.60%	6.50%	6.80%
Source: TSX, Bank of Canada, *As of October 6, 2008, ** Low Rate, ***Quarterly Average						

In comparison to the above investment vehicles:

- Real estate offers comparatively poor liquidity, as well as the need for ongoing management and investment.
- Real estate has significantly more risk associated with it.
- A higher internal rate of return is warranted than that indicated by these alternative forms of investment.

2) Investor Interviews

As part of our investigation, we conducted interviews with investors, consultants and brokers actively involved in industrial transactions.

Investors are typically concerned and motivated by the following investment criteria:

a) Income Level - the relationship between the contractual income in place and market levels. Below market rental income in place is very often indicative of upside revenue potential, a positive investment characteristic. Above market rents generally have negative investment appeal.

b) The security of the income stream – the strength of the covenants offered by the tenants, supply level of competing space, and the expiry schedule of the tenancies are all critical factors.

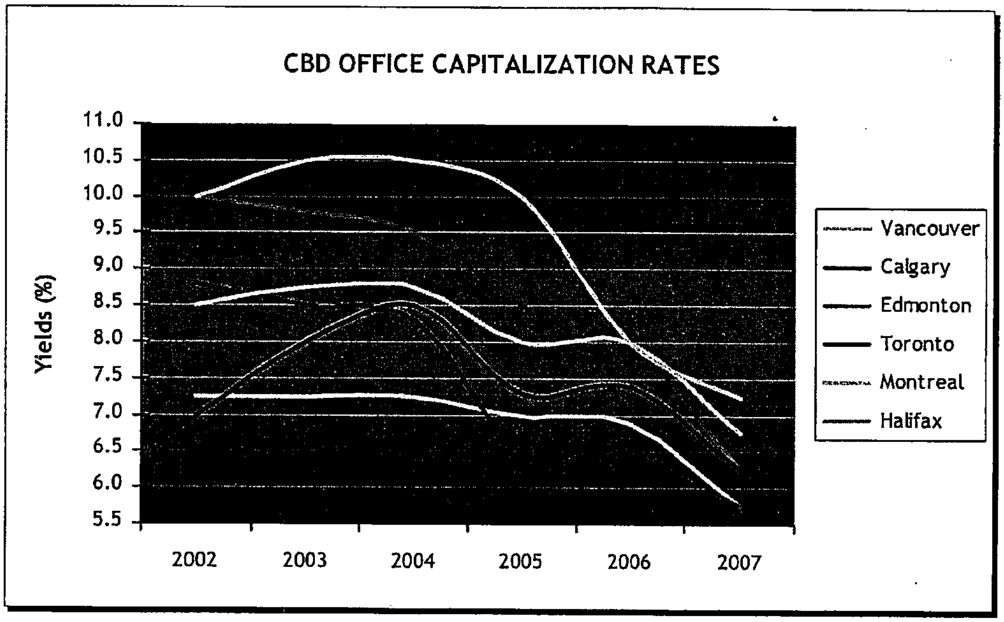
c) Investors want to minimize income risk and structural risk. A well designed, properly maintained building contributes to this objective.

With respect to methodology, investors in properties such as the subject are relying on the Income Approach utilizing both the Direct Income Capitalization and Discounted Cash Flow methods. While future income potential is an important characteristic, for the majority of investors, current income levels are a primary concern.

A property such as the subject would typically appeal to institutional purchasers.

3) Investment Surveys

As part of our analysis, we reviewed investment surveys published by Colliers International. Results of the surveys are summarized below:



4) Market Data

During our research, we analyzed several comparable transactions. A summary of these transactions is included in the table on the following page. Full details are included in the Addenda to this report as Appendix "E".

Index No.	Property Name Location	Sale Price Sale Date Building Size (sq. ft.)	Vendor Purchaser	Stabilized OCR Occupancy NOI per sq. ft. Year Built	Comments
1	441 - 5th Avenue SW Calgary, Alberta 1 & 4 / 27 / 7414GO	$24,100,000 Aug-08 54,847	Leben REIT (Leben Building 441 GP Ltd.) Whiterock REIT (Whiterock 441 5th Avenue SW Calgary Inc.)	6.65% 100.0% $29.21 1973	• 10-storey, multi tenant Class B Downtown office building; constructed in 1973 • Building fully occupied at time of sale • Major tenants include Benchmark Engineering, Cold Creek Capital, and Sizeland Evans • No Parking on site
2	Ford Tower:633 - 6th Avenue SW; A1 / 32 / 1-8 Alpine Building:635 - 6th Avenue SW; A1 / 32 / 1-8 Canadian Centre:833 - 4th Avenue SW; A1 / 19 / 3-8, ptn 9 Eua Claire Place II:521 - 3rd Avenue SW; A1 / 15 / 6-9	$182,600,000 May-08 484,744	PSPIB Re-Direct Inc. (80% Int.) Aspen Properties Ltd. (20% Int.) LaSalle Investment Management (Stampede Nominee Inc.)	6.55% 97.8% $24.66 1981-1998	• Four building portfolio sale • Several leases expire within the first two years of the holding, and rental rates were well below market values at the time of sale • Income information was obtained from RealNet and is assumed to be accurate
3	520 - 5th Avenue SW Calgary, Alberta 23-26 / 16 / A1	$97,500,000 Apr-08 193,292	Public Sector Pension Investment Board (PSB Investments) (PSPIB-Re Direct Inc. (80.0% Int.)) Aspen Properties Ltd. (Consolidated Properties (502 5th Avenue) Ltd. (20.0% Int.) IVG Institutional Funds (520 Fifth Avenue Calgary Investment Corp.)	6.38% 100.0% $32.20 1981	• 25 storey office building • 6,470 sq. ft. of ground floor and Plus15 retail space • Typical floor plate - 7,500 sq. ft. • 57 underground parking spaces on four and a half levels • Main tenants include IMV Projects, Fairmount Energy Inc. and Jennings Capital Inc. • Income information was obtained from RealNet and is assumed to be accurate
4	M.E.G. Place 121 - 10 Avenue SE 1001 - 1 Street SE Calgary, Alberta 43 / 70 / 871 1689 8-9 / 70 / A	$25,500,000 Apr-08 62,782	M.E.G. Place Ltd. Concrete Associates IV Investment Corporation	6.22% 100.0% $25.26 1952 & 1987	• Two-building multi-tenant beltline office development • Building No. 1 is 47,782 sq. ft. & building No. 2 is 15,000 sq. ft. for a combined GLA of 62,782

Index No.	Property Name Location	Sale Price Sale Date Building Size (sq. ft.)	Vendor Purchaser	Stabilized OCR Occupancy NOI per sq. ft. Year Built	Comments
5	444 - 5th Avenue SW Calgary, Alberta C / 26 / 17-19	$56,500,000 Mar-08 164,825	Peter Wu & Co. (2744767 Canada Inc.) Aspen Properties Ltd. (444 - 5th Ave GP Inc.)	6.53% 100.0% $23.37 1972	• Fully occupied at the time of sale • Approximately 53% of the leases in place at the time of sale expire within three years following the date of sale

Capitalization rates tend to vary between properties depending to some extent on such factors as location, size and type of development, quality and condition of improvements, and amenities offered. Combining all of these features with considerations of leasing history and trends, strength of tenancy and income security, the overall capitalization rate tends generally to reflect the perceived quality and durability of the property's income earning capacity.

Acceptable returns, as reflected in capitalization rates, are also subject to influences related to general economic circumstances on a broader scale within the given marketplace.

The sales summarized in the table on the preceding pages relate to five downtown and beltline office transactions within Calgary which occurred between March 2008 and August 2008. The overall investments range from a low of $24,100,000, as indicated by the August 2008 sale of 441 – 5th Avenue SW, to a high of $182,600,000, indicated by the May 2008 portfolio sale of four downtown office buildings. The range in stabilized overall capitalization rates suggested by the five sales represents a relatively narrow range of 6.22% to 6.65%.

Buoyed by a strong provincial and local economy, economic growth within the Province of Alberta is amongst the highest in Canada and has been fueled by positive in-migration, strong GDP growth and high levels of construction. Activity within the investment sales sector was relatively strong in 2007 and through the first portion of 2008, however recent events in the global financial markets have played a role in altering return requirements.

The downward trend in overall capitalization rates which was experienced in most major markets in 2006 and early 2007 and was characterized by a strong investment market and readily available financing, has moderated.

Due in large part to the more restrictive financing market, as opposed to the quality of the real estate, a number of lenders have either retreated from the market, curtailed their commercial lending activity, become more selective in their loan commitments, or now require a higher equity component, increased levels of recourse, and higher spreads. As a result, the previously experienced accelerated decline in both overall capitalization rates and internal rates of return has moderated, with most markets exhibiting an upward shift in required returns/yields throughout 2008.

It is noted that although some of the selected sales just recently closed, they were likely negotiated well before their transaction dates. This factor is important to note, as although the financial crisis has been ongoing throughout 2008, key events which elevated the global financial crisis took place in September 2008. Discussions with industry professionals indicate that there is increased competition to find buyers for properties, and bid prices are often significantly below asking prices. These factors, coupled with the increasing difficulty of obtaining financing for real estate acquisitions, has resulted in fewer transactions being closed currently. As real estate transactions often take months to complete, the full effect of the financial crisis has yet to be fully reflected in transactions. Despite a lack of transaction activity, it is widely believed that the global financial crisis has further increased real estate return requirements above those witnessed in the first half of 2008. In general, these increases in overall capitalization rates are in the order of 0.50% to 1.25% (depending upon the characteristics of the property).

Prior to selecting an appropriate capitalization rate to be applied to SNC Lavalin Building, a review of the investment characteristics associated with the property and the market is considered worthwhile.

SIGNIFICANT INVESTMENT CHARACTERISTICS OF SUBJECT

It is necessary to understand the specific investment characteristics of the subject property, in order to determine the appropriate yields and capitalization rates necessary to estimate value.

The following summarizes the major investment attributes of the property:

Location

- The property is located within the west end of the Downtown Commercial Core of Calgary. It is noted that the subject property is not connected to the Plus 15 pedway system.
- The property is located on the outer periphery of downtown with good access to the major roadways which provide access in and out of the core area.

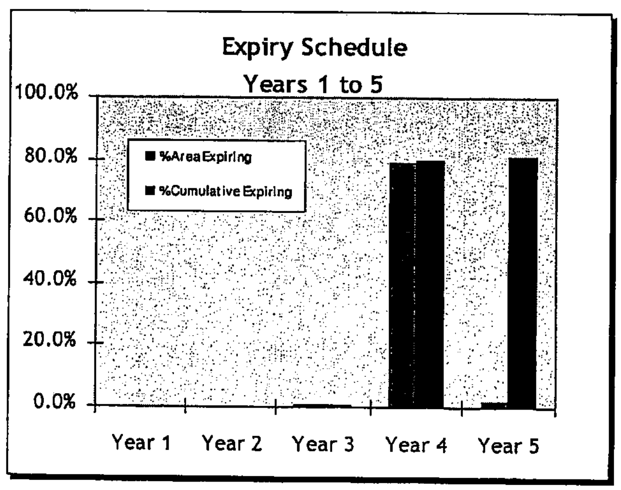
Physical Attributes

- The building is in good overall condition. The building is reported to be free of any significant deferred maintenance that would detract from the property's overall value.
- The building offers competitive functional utility relative to current expectations.

Operational

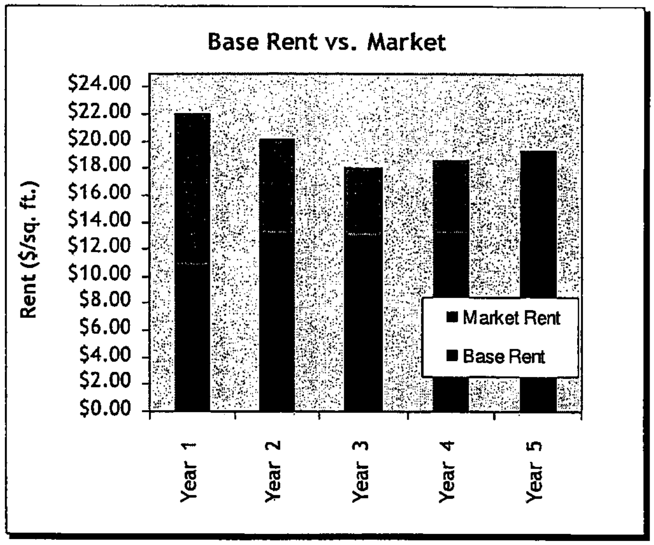
Lease Rollover

- There is little rollover until Year Four of our analysis when 79.1% of our GLA expires. Although there is significant upside income potential associated with these rollovers, there is also risk to the investor that the current major tenant will not renew.



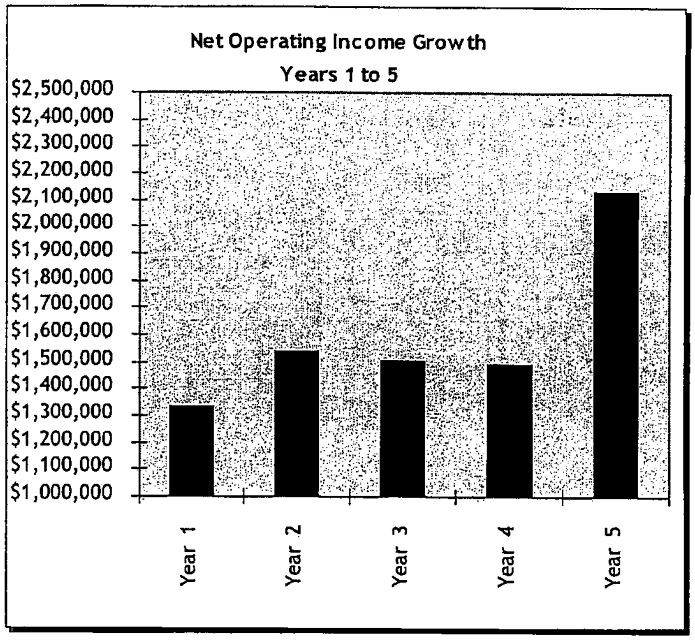
Base Rent vs. Market Rent

- The relationship between the contract and market rent over our five year projection is depicted below. The ratio between market rent and base rent, which is between 49% and 100% over the five-year term, demonstrates that base rents are well below market rents.



Net Operating Income Growth

- The projected five year Net Operating Income Growth displayed in the graph below. Significant income growth occurs in Year Five as the major tenant, SNC Lavalin, expires and the rental rate increases to market levels.



Market Characteristics

- The overall downtown Calgary office market has continued to soften slightly since the second quarter of this year. The vacancy rate for the third quarter of 2008 has risen to 3.49%, up from 3.21% at the end of 2007. An even higher vacancy rate is reported for downtown B and C buildings, with vacancy rates reported at 6.50% and 6.45%, respectively, in September 2008.
- It is expected that Calgary's downtown core will experience reduced levels of overall demand in 2009, relative to the past two or three years.
- Fluctuating commodity prices, new legislation on energy trusts and increased Provincial royalties have dampened downtown Calgary office space demand over the last 12 to 18 months.
- Decreasing oil prices may have a significant effect on downtown office market demand within Calgary.
- After reaching all time highs in November 2007, the Canadian Dollar declined steadily in October 2007, reaching $0.77 USD on October 28, 2008.
- Although the Canadian financial system and major banks have remained relatively strong through the continuing global financial crisis, potential buyers of Canadian real estate remain cautious of the more stringent credit markets and have begun to reduce

bidding activity on properties to preserve cash or are significantly reducing their bidding prices from those witnessed a few months ago.

- Credit spreads over Canadian bond yields continue to be high and can vary significantly depending upon the specific day and the particular lender. In addition, loan-to-value ratios have now declined to levels around 55% to 65%. The above factors contribute to the increasing difficulty of obtaining financing for real estate acquisitions in the current market.

Conclusions

Positive Aspects

- Operating costs and taxes are reflective of typical market levels.
- The property is substantially occupied by one good quality tenant, which reduces the management burden.
- Current rental rates are below market levels and there is therefore the potential for income growth.

Negative Aspects

- Should the major tenancies not renew, substantial non-recoverable costs would be required to re-lease the space to new tenants.
- Development is planned or underway for several new "A"- "AAA" Class Downtown Office developments which will compete with SNC Lavalin Building.
- Events related to the instability of North American financial markets have notably reduced the amount of capital available to finance commercial real estate transactions, which in turn impacts overall real estate return requirements; a continuation of the same is expected throughout the fourth quarter of 2008.
- The property's location in the west end of the downtown core, and the fact that it is not connected to the Plus 15 pedway system may detract potential tenants in comparison to competing properties.

DIRECT CAPITALIZATION

Net Operating Income

On the basis of the lease agreements in place, and our projected results, the Net Operating Income for the next 12 months is projected to be $1,572,756.

Based upon current market characteristics, a capitalization rate between 6.75% and 7.25% is considered appropriate for the subject. Applying the selected rates to the projected Year One net operating income results in the following estimates of value:

SNC Lavalin Building
Value Matrix - Direct Income Capitalization

OCR	NOI	Value(1)	Adj. Value(2)
6.75%	$1,572,756	$23,300,000	$22,040,000
7.00%	$1,572,756	$22,470,000	$21,210,000
7.25%	$1,572,756	$21,690,000	$20,430,000

(1) Rounded to nearest $10,000

(2) Adjusted for holding and lease up costs

Summary

The foregoing analysis indicates an estimated value of between $20,430,000 and $22,040,000 (rounded) as of the effective date of this valuation. It is noted that the initial value estimate was adjusted to deduct the holding and lease-up costs associated with the lease-up of the two vacant floors. These costs are summarized below.

Assumptions

- 25,019 square feet of presently vacant area
- 12 month lease-up period with 6 months lost rent/recoveries
- 0 months free rent period granted at beginning of term
- $30.00 per sq. ft. tenant improvement allowance
- $3.75 per sq. ft. leasing commissions
- $22.00 per sq. ft. market rent

Lost Rental Revenue	
6 months lost rental revenue	$275,209
Lost Tax/Operating Cost Recoveries	
6 months lost tax/operating recoveries	135,600
Free rent	
0 months free rent at beginning of term	0
Tenant Improvement Allowances	
$30.00 per square foot	750,570
Leasing Commissions	
$3.75 per sq. ft. leasing commissions	93,821
Total Holding & Lease Up Costs	$1,255,201

DISCOUNTED CASH FLOW ANALYSIS

Investment Horizon

The property has been analyzed using a five-year holding period from January 1, 2009 to December 31, 2013.

Discount Rate

Based on our investigations and a review of available surveys including the Colliers International Market Survey, Lincoln North Investors Survey and the Insite Altus Survey, properties such as the subject are currently analyzed using discount rates of between 8.00% and 10.00%. Having regard to the subject characteristics including physical condition, location and leasing position, we have elected to use a discount rate of between **9.25% and 9.75%.**

Reversionary Cap Rate

Taking into consideration the subject property's income characteristics, physical location and anticipated future utility, a rate slightly above that used for the Direct Capitalization Approach will be justified. In this regard, the Year Eleven Net Operating Income will be capitalized using rates of between **7.25%** and **7.75%.**

A copy of the full Discounted Cash Flow Analysis, as produced by Argus 14.0 Financial Software, is contained in Appendix "D" and is summarized as follows:

SNC Lavalin Building
Value Matrix - Discounted Cash Flow Analysis

For the Cap Rates	Net Proceeds From Sale	P.V. of Property @ 9.25%	P.V. of Property @ 9.50%	P.V. of Property @ 9.75%
7.25%	$28,315,090	**$21,960,000**	$21,730,000	$21,500,000
7.50%	$27,371,254	$21,350,000	**$21,130,000**	$20,900,000
7.75%	$26,488,310	$20,790,000	$20,570,000	**$20,350,000**

Values rounded to nearest $10,000

Summary

The foregoing analysis indicates an estimated value of between $20,350,000 and $21,960,000 (rounded) as of the effective date of this valuation.

DIRECT COMPARISON APPROACH

The Direct Comparison Approach is based on the Principle of Substitution which maintains that a prudent purchaser would not pay more for a property than what it would cost to purchase a suitable alternative property that exhibits similar physical characteristics, tenancy, location, etc. Within this approach, the property being valued is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the subject property. Typically, a unit of comparison (i.e. sale price per square foot, sale price per acre) is used to facilitate the analysis. In the case of properties similar to the subject, the sale price per square foot of gross leaseable area is the most commonly used unit of comparison.

Given the investment nature of the property, the sale transactions presented within the Income Approach are considered to be reasonable for use under this method of valuation. It is noted that investment producing properties like the subject are most relevantly valued through their income characteristics, and therefore the net operating income per square foot will be given particular consideration within our analysis.

In valuing the subject property, it has been compared to each of the index sales. The basis for comparison included the consideration of the following:

- Property Rights Conveyed
- Financing Terms
- Conditions of Sale
- Market Conditions
- Location
- Physical Characteristics
- Economic Characteristics

Analysis

Property Rights Conveyed
- Rights conveyed relates to the type of ownership transferred. In this case all the sale transactions related to the leased fee estate. For this reason, no adjustments under this category as required.

Financing Terms
- Refers to the financing arrangements made when the property sold. In this regard, financing is not believed to have been a significant motivating factor in any of the sales summarized.

Conditions of Sale
- It is not believed that any of the vendors were unduly motivated to divest the properties and therefore no adjustments are required for motivation.

Market Conditions
- Upward pressure on overall capitalization rates has occurred over the period spanned by the sales, resulting in lower real estate valuations.

Accordingly downward adjustments are warranted to the surveyed sale comparables.

Location

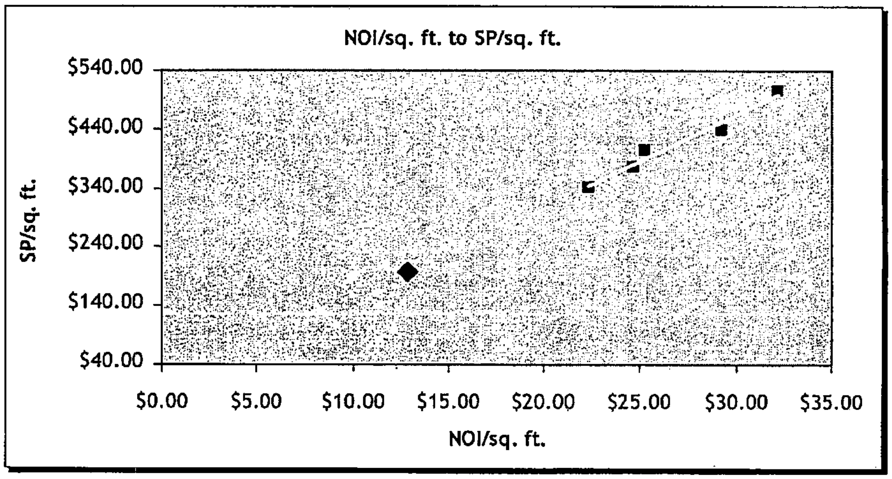
- In our opinion, the locational influences of the assets are generally reflected in the operating performance level of the property.

Physical Characteristics

- As was the case with location, physical characteristics of the assets are generally reflected in the operating performance level of the property. As such, no adjustments for physical characteristics were made.

Operating Performance

- As previously discussed, the net income generated by a property is a meaningful basis of comparison. The income and expenses pertaining to the property were discussed and set out in the Revenue and Expense analysis section. The projected Net Operating Income in Year One, as currently leased has been projected at $1,572,756, or $12.90 per square foot of gross leaseable area.



- Adjustments made under this category are based solely on the relationship between the stabilized operating performances of the indexed properties relative to that of the subject. It is recalled, however, that locational and physical differences between the index properties and the subject may also be implicitly included in this adjustment.
- Based on the relationship between NOI and sale price per square foot of the comparable sales, the projected sale price per square foot for the subject property relative to its forecast NOI per square foot is denoted by the red diamond as shown above.

Adjustment Table

The above adjustments result in values as follows:

Direct Comparison Approach - Adjustment Table	Index No. 1		Index No. 2		Index No. 3		Index No. 4		Index No. 5	
	N/A		Ford Tower 633 - 6th Avenue SW 635 - 6th Avenue SW 833 - 4th Avenue SW		N/A		M.E.G. Place 121 - 10 Avenue SE		N/A	
Address	441 - 5th Avenue SW Calgary, Alberta		521 - 3rd Avenue SW Calgary, Alberta		520 - 5 Avenue SW Calgary, Alberta		1001 - 1 Street SE Calgary, Alberta		444 - 5th Avenue SW Calgary, Alberta	
Sale Price	$24,100,000		$182,600,000		$97,500,000		$25,500,000		$56,500,000	
Sale Date	Aug-08		May-08		Apr-08		Mar-08		Mar-08	
Year Built	1973		1981-1998		1981		1952 & 1987		1972	
GLA (sq. ft.)	54,847		484,744		193,292		62,782		164,825	
Sale Price/sq. ft.	$439.40		$376.69		$504.42		$406.17		$342.79	
NOI/sq. ft.	$29.21		$24.66		$32.20		$25.26		$22.37	
Adjustments										
Rights Conveyed	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Financing	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Conditions of Sale	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Date of Sale	Superior	-5.0%	Superior	-10.0%	Superior	-10.0%	Superior	-10.0%	Superior	-10.0%
Location	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Physical Characteristics	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Operating Performance	Superior	-56.0%	Superior	-48.0%	Superior	-60.0%	Superior	-49.0%	Superior	-42.0%
Overall	Superior	-61.00%	Superior	-58.00%	Superior	-70.00%	Superior	-59.00%	Superior	-52.00%
Adjusted Sale Price/sq. ft.	$171.37		$158.21		$151.33		$166.53		$164.54	

Direct Comparison Approach Conclusion

Based on this analysis, a unit value applicable to the subject property ranges roughly from $175.00 per square foot to $185.00 per square foot. Applying unit values per square foot within this range to the area of the property results in the following estimates of value.

SNC Lavalin Building Value Matrix - Direct Comparison			
GLA (sq. ft.)	$/sq. ft.	Value(1)	Adj. Value(2)
121,958	$175.00	$21,340,000	$20,080,000
121,958	$180.00	$21,950,000	$20,690,000
121,958	$185.00	$22,560,000	$21,300,000

(1) Rounded to nearest $10,000

(2) Adjusted for holding and lease up costs

The foregoing analysis indicates an estimated value of between **$20,080,000** and **$21,300,000** (rounded) as of January 1, 2009. It is noted that the initial value was adjusted to deduct holding and lease-up costs. The indicated value is generally consistent with the results of the Direct Capitalization and Discounted Cash Flow methods.

RECONCILIATION AND FINAL ESTIMATE OF VALUE

The approaches used in this valuation provide the following values:

Cost Approach	Not Applicable
Income Approach	
Direct Capitalization	$20,430,000 to $22,040,000
Discounted Cash Flow	$20,350,000 to $21,960,000
Direct Comparison Approach	$20,080,000 to $21,300,000

For income producing investment properties such as the subject, potential purchasers would place considerable emphasis on the income earning potential of the property. In this regard, the Income Approach would be the favoured method of valuation. In general, the Direct Capitalization method is favored over Discounted Cash Flow Analysis, as it is less subjective. However, when valuing multi-tenant developments with varying rental rates, lease terms, etc. Discounted Cash Flow analysis increases in significance, particularly when the net operating income is projected to change over the life of the investment.

The Direct Comparison Approach, which is primarily used with respect to the valuation of owner occupied building, is based on the price per square foot of similar property transactions. The Direct Comparison Approach, in this case, indicated a value supportive of the indications of value in the Income Approach.

Based on the foregoing, and with most weight applied to the Income Capitalization Method, it is our opinion that the market value of the property, subject to the assumptions set forth herein, and as at January 1, 2009, is:

TWENTY ONE MILLION TWO HUNDRED THOUSAND DOLLARS
$21,200,000

The above value estimate is predicated on an exposure period of three to nine months and assumes a sale on a cash to vendor basis.

APPENDICES

APPENDIX A

CONTINGENT AND LIMITING CONDITIONS

CONTINGENT AND LIMITING CONDITIONS

1. This report has been prepared at the request of **Dave Humeniuk** of **Concrete Equities Inc.** for the purpose of establishing financing. It is not reasonable for any person other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from **Dave Humeniuk** of **Concrete Equities Inc.** and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.

2. This report has been prepared at the request of **Dave Humeniuk** of **Concrete Equities Inc.** and for the exclusive (and confidential) use of, the recipient as named herein and for the specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and **Dave Humeniuk** of **Concrete Equities Inc.** Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.

3. The estimated market value of the real estate which is the object of this appraisal pertains to the value of the **leased fee interest** in the real property. The property rights appraised herein exclude mineral rights, if any.

4. The concept of market value presumes reasonable exposure. The exposure period is the estimated length of time the asset being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of valuation. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The reasonable exposure period is a function not only of time and effort, but will depend on the type of asset being valued, the state of the market at the date of valuation and the level at which the asset is priced. (The estimated length of the exposure period needed to achieve the estimated market value is set forth in the Letter of Transmittal, prefacing this report).

5. The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate.

For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following Contingent and Limiting conditions.

6. The property has been valued on the basis that title to the real estate herein appraised is good and marketable.

7. The author of this report is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government, or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.

8. The legal description of the property and the area of the site were obtained from the **Registry Office**. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.

9. The property has been valued on the basis that the real estate is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described herein.

10. The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.

11. The interpretation of the leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation. Further, the summaries of these contractual agreements are presented for the sole purpose of giving the reader an overview of the salient facts thereof.

12. The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto.

(It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such circumstances have not been accounted for in the appraisal process).

13. Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.

14. The property has been valued on the basis that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate herein appraised.

15. The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.

16. The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the share could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.

17. Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a Co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership. For the purposes of our valuation, we have not made any adjustment for the value of a fractional interest.

18. In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.

19. Unless otherwise noted, the estimated market value of the property referred to herein is predicated upon the condition that it would be sold on a cash basis to the vendor

subject to any contractual agreements and encumbrances as noted in this report as-is and where-is, without any contingent agreements or caveats. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.

20. Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made beforehand, including provisions for additional compensation to permit adequate time for preparation and for any appearances which may be required. However, neither this nor any other of these assumptions and limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice.

21. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as of any other date without subsequent advice of the author of this report.

22. The value expressed herein is in Canadian dollars.

23. This report is only valid if it bears the original signature(s) of the author(s).

24. These Contingent and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.

APPENDIX B

DEFINITIONS

DEFINITIONS

Property Interests

Fee Simple
- Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

Leased Fee Estate
- An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of lessor or the leased fee owner and leased fee are specified by contract terms contained within the lease.

Leasehold Estate
- The right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease.

General Definitions

Adjusted or Stabilized Overall Capitalization Rate is usually derived from transactions with excessive vacancy levels or contract rents over/under market levels. In such cases, net operating income is "normalized" to market levels and the price adjusted to reflect expected costs required to achieve the projected net operating income.

The Cost Approach to value is based upon the economic principle of substitution, which holds that the value of a property should not be more than the amount by which one can obtain, by purchase of a site and construction of a building without undue delay, a property of equal desirability and utility.

Direct or Overall Capitalization refers to the process of converting a single year's income with a rate or factor into an indication of value.

The Direct Comparison Approach examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.

Discount Rate is a yield rate used to convert future payments or receipts into a present value.

Discounted Cash Flow Analysis offers an opportunity to account for the anticipated growth or decline in income over the term of a prescribed holding period. More particularly, the value of the property is equivalent to the discounted value of future benefits. These benefits represent the annual cash flows (positive or negative) over a given period of time, plus the net proceeds from the hypothetical sale at the end of the investment horizon.

Two rates must be selected for an application of the DCF process:

- the internal rate of return or discount rate used to discount the projected receivables;
- an overall capitalization rate used in estimating reversionary value of the asset.

The selection of the discount rate or the internal rate of return is based on comparing the subject to other real estate opportunities as well as other forms of investments. Some of the more common bench marks in the selection of the discount rate are the current yields on long term bonds and mortgage interest rates.

Exposure Time is the property's estimated marketing time prior to a hypothetical sale at market value on the effective date of the appraisal. Reasonable exposure time is a necessary element of a market value definition but is not a prediction of a specific date of sale.

Highest and Best Use - The purpose of a highest and best use analysis is to provide a basis for valuing real property. Highest and best use is defined by the Appraisal Institute of Canada as:

> ***"that use which is most likely to produce the greatest net return over a period of time." The highest and best use must be legally permissible, physically possible, financially feasible and maximally productive.***

The Income Approach to value is utilized to estimate real estate value of income-producing or investment properties.

Internal Rate of Return is the yield rate that is earned or expected over the period of ownership. It applies to all expected benefits including the proceeds of sale at the end of the holding period. The IRR is the Rate of Discount that makes the net present value of an investment equal zero.

Market Value - The Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada define market value as:

> ***"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus."***

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and acting in their own best interests;
- A reasonable time is allowed for exposure in the market; and

- Payment is made in cash in Canadian dollars or in terms of financial arrangements comparable thereto.

The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Net Operating Income is the actual or anticipated net income remaining after all operating expenses are deducted from effective gross income before debt service and depreciation. Net Operating Income is usually calculated for the current fiscal year or the forthcoming year.

Overall Capitalization Rate is an income rate that reflects the relationship between a single year's net operating income expectancy and the total property price. The Overall Capitalization Rate converts net operating income into an indication of a property's overall value.

Reasonable Exposure Time - Exposure time is always presumed to precede the effective date of the appraisal. It may be defined as:

> ***"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based upon an analysis of past events assuming a competitive and open market."***

A Yield Rate is applied to a series of individual incomes to obtain a present value of each.

APPENDIX C

CERTIFICATE OF TITLES

LAND TITLE CERTIFICATE

B

LINC	SHORT LEGAL	TITLE NUMBER
0013 116 124	SA1;26;16	061 312 867 +6

LEGAL DESCRIPTION

PLAN A1
BLOCK 26
LOT 16
EXCEPTING THEREOUT:
(AS TO SURFACE ONLY) THE PORTION FOR STREET WIDENING ON PLAN 8211788

ATS REFERENCE: 5;1;24;16
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 051 358 567 +6

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
061 312 867	03/08/2006	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

CONCRETE ASSOCIATES INVESTMENT CORPORATION.
OF #450, 550 - 1 AVENUE SW
CALGARY
ALBERTA T2R 1M7
(DATA UPDATED BY: CHANGE OF ADDRESS 071369113)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
781 149 127	19/09/1978	CAVEAT CAVEATOR - THE CITY OF CALGARY.

(CONTINUED)

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-------------------------------------------------------------------------------
                    ENCUMBRANCES, LIENS & INTERESTS
                                                         PAGE   2
REGISTRATION                                             # 061 313 867 +6
  NUMBER     DATE (D/M/Y)        PARTICULARS
-------------------------------------------------------------------------------

011 249 979    29/08/2001 CAVEAT
                          RE : LEASE
                          CAVEATOR - ROGERS WIRELESS INC..
                          ONE MOUNT PLEASANT, 11TH FLOOR
                          TORONTO
                          ALBERTA M4Y2Y5
                          AGENT - WINSTON E. GASKIN

051 039 691    31/01/2005 CAVEAT
                          RE : LEASE
                          CAVEATOR - JACOBS CANADA INC..
                          ATTN:CRAIG R HILL
                          1400,350 7 AVE SW
                          CALGARY
                          ALBERTA T2P3N9
                          AGENT - CRAIG R HILL
                               (DATA UPDATED BY: CHANGE OF ADDRESS 051039708)

051 358 568    26/09/2005 MORTGAGE
                          MORTGAGEE - THE STANDARD LIFE ASSURANCE COMPANY OF
                          CANADA.
                          1600, 1245 SHERBROOKE STREET WEST
                          MONTREAL
                          QUEBEC H3G1G3
                          ORIGINAL PRINCIPAL AMOUNT: $9,750,000

051 358 569    26/09/2005 CAVEAT
                          RE : ASSIGNMENT OF RENTS
                          CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY.
                          1500 MANULIFE PLACE, 10180 - 101 STREET
                          EDMONTON
                          ALBERTA T5J4K1
                          AGENT - KEVIN LYNCH

051 358 570    26/09/2005 CAVEAT
                          RE : ASSIGNMENT OF LEASE
                          CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY.
                          1500 MANULIFE PLACE, 10180 - 101 STREET
                          EDMONTON
                          ALBERTA T5J4K1
                          AGENT - KEVIN LYNCH
```

(CONTINUED)

PAGE 3
061 312 867 +6

TOTAL INSTRUMENTS: 006

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 2 DAY OF DECEMBER, 2008 AT 03:08 P.M.

ORDER NUMBER:12869740

CUSTOMER FILE NUMBER: cm 3412-08

END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

LAND TITLE CERTIFICATE

B

LINC	SHORT LEGAL	TITLE NUMBER
0013 071 907	3790P;;A	061 312 867

LEGAL DESCRIPTION

PLAN CALGARY 3790P
LOT A
EXCEPTING THEREOUT: (AS TO SURFACE ONLY)
A PORTION FOR STREET WIDENING ON PLAN 8211788

ATS REFERENCE: 5;1;24;16;NE
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 051 358 567

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
061 312 867	03/08/2006	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

CONCRETE ASSOCIATES INVESTMENT CORPORATION.
OF #450, 550 - 1 AVENUE SW
CALGARY
ALBERTA T2R 1M7
(DATA UPDATED BY: CHANGE OF ADDRESS 071369113)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
781 149 127	19/09/1978	CAVEAT CAVEATOR - THE CITY OF CALGARY.

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
061 312 867

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
051 358 568	26/09/2005	MORTGAGE MORTGAGEE - THE STANDARD LIFE ASSURANCE COMPANY OF CANADA. 1600, 1245 SHERBROOKE STREET WEST MONTREAL QUEBEC H3G1G3 ORIGINAL PRINCIPAL AMOUNT: $9,750,000
051 358 569	26/09/2005	CAVEAT RE : ASSIGNMENT OF RENTS CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY. 1500 MANULIFE PLACE, 10180 - 101 STREET EDMONTON ALBERTA T5J4K1 AGENT - KEVIN LYNCH
051 358 570	26/09/2005	CAVEAT RE : ASSIGNMENT OF LEASE CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY. 1500 MANULIFE PLACE, 10180 - 101 STREET EDMONTON ALBERTA T5J4K1 AGENT - KEVIN LYNCH

TOTAL INSTRUMENTS: 004

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 16 DAY OF DECEMBER, 2008 AT 11:51 A.M.

ORDER NUMBER:12954277

CUSTOMER FILE NUMBER: cm 3412-08

REGISTRAR OF LAND TITLES

END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM

(CONTINUED)

LAND TITLE CERTIFICATE

B

LINC	SHORT LEGAL	TITLE NUMBER
0013 072 426	3790P;;B	061 312 867 +1

LEGAL DESCRIPTION

PLAN CALGARY 3790P
LOT B
EXCEPTING THEREOUT: (AS TO SURFACE ONLY)
A PORTION FOR STREET WIDENING ON PLAN 8211788

ATS REFERENCE: 5;1;24;16;NE
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 051 358 567 +1

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
061 312 867	03/08/2006	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

CONCRETE ASSOCIATES INVESTMENT CORPORATION.
OF #450, 550 - 1 AVENUE SW
CALGARY
ALBERTA T2R 1M7
(DATA UPDATED BY: CHANGE OF ADDRESS 071369113)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
781 149 127	19/09/1978	CAVEAT CAVEATOR - THE CITY OF CALGARY.

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
061 312 867 +1

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
051 358 568	26/09/2005	MORTGAGE MORTGAGEE - THE STANDARD LIFE ASSURANCE COMPANY OF CANADA. 1600, 1245 SHERBROOKE STREET WEST MONTREAL QUEBEC H3G1G3 ORIGINAL PRINCIPAL AMOUNT: $9,750,000
051 358 569	26/09/2005	CAVEAT RE : ASSIGNMENT OF RENTS CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY. 1500 MANULIFE PLACE, 10180 - 101 STREET EDMONTON ALBERTA T5J4K1 AGENT - KEVIN LYNCH
051 358 570	26/09/2005	CAVEAT RE : ASSIGNMENT OF LEASE CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY. 1500 MANULIFE PLACE, 10180 - 101 STREET EDMONTON ALBERTA T5J4K1 AGENT - KEVIN LYNCH
061 312 868	03/08/2006	MORTGAGE MORTGAGEE - P3 HOLDINGS INC.. 1245-200 GRANVILLE ST VANCOUVER BRITISH COLUMBIA V6C1S4 ORIGINAL PRINCIPAL AMOUNT: $5,500,000
061 312 869	03/08/2006	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - P3 HOLDINGS INC.. C/O BISHOP & MCKENZIE 1700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - ARMAND J MOSS

(CONTINUED)

PAGE 3
061 312 867 +1

TOTAL INSTRUMENTS: 006

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 16 DAY OF DECEMBER, 2008 AT 12:12 P.M.

ORDER NUMBER:12954555

CUSTOMER FILE NUMBER: cm 3412-08

END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

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LAND TITLE CERTIFICATE

B

LINC	SHORT LEGAL	TITLE NUMBER
0013 068 408	3790P;;C	061 312 867 +2

LEGAL DESCRIPTION

PLAN 3790P
LOT C
EXCEPTING THEREOUT: (AS TO SURFACE ONLY)
A PORTION FOR STREET WIDENING ON PLAN 8211788

ATS REFERENCE: 5;1;24;16;NE
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 051 358 567 +2

REGISTERED OWNER(S)

REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
061 312 867	03/08/2006	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

CONCRETE ASSOCIATES INVESTMENT CORPORATION.
OF #450, 550 - 1 AVENUE SW
CALGARY
ALBERTA T2R 1M7
(DATA UPDATED BY: CHANGE OF ADDRESS 071369113)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
781 149 127	19/09/1978	CAVEAT CAVEATOR - THE CITY OF CALGARY.

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
\# 061 312 867 +2

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
051 358 568	26/09/2005	MORTGAGE MORTGAGEE - THE STANDARD LIFE ASSURANCE COMPANY OF CANADA. 1600, 1245 SHERBROOKE STREET WEST MONTREAL QUEBEC H3G1G3 ORIGINAL PRINCIPAL AMOUNT: $9,750,000
051 358 569	26/09/2005	CAVEAT RE : ASSIGNMENT OF RENTS CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY. 1500 MANULIFE PLACE, 10180 - 101 STREET EDMONTON ALBERTA T5J4K1 AGENT - KEVIN LYNCH
051 358 570	26/09/2005	CAVEAT RE : ASSIGNMENT OF LEASE CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY. 1500 MANULIFE PLACE, 10180 - 101 STREET EDMONTON ALBERTA T5J4K1 AGENT - KEVIN LYNCH
061 312 868	03/08/2006	MORTGAGE MORTGAGEE - P3 HOLDINGS INC.. 1245-200 GRANVILLE ST VANCOUVER BRITISH COLUMBIA V6C1S4 ORIGINAL PRINCIPAL AMOUNT: $5,500,000
061 312 869	03/08/2006	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - P3 HOLDINGS INC.. C/O BISHOP & MCKENZIE 1700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - ARMAND J MOSS

(CONTINUED)

PAGE 3
061 313 867 +2

TOTAL INSTRUMENTS: 006

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 16 DAY OF DECEMBER, 2008 AT 12:18 P.M.

ORDER NUMBER:12954613

CUSTOMER FILE NUMBER: cm 3412-08

END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

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LAND TITLE CERTIFICATE

B
LINC SHORT LEGAL TITLE NUMBER
0013 068 499 3790P;;D 061 312 867 +3

LEGAL DESCRIPTION

PLAN 3790P
LOT D
EXCEPTING THEREOUT: (AS TO SURFACE ONLY)
A PORTION FOR STREET WIDENING ON PLAN 8211788

ATS REFERENCE: 5;1;24;16;NE
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 051 358 567 +3

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
061 312 867	03/08/2006	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

CONCRETE ASSOCIATES INVESTMENT CORPORATION.
OF #450, 550 - 1 AVENUE SW
CALGARY
ALBERTA T2R 1M7
(DATA UPDATED BY: CHANGE OF ADDRESS 071369113)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
781 149 127	19/09/1978	CAVEAT CAVEATOR - THE CITY OF CALGARY.

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
\# 061 312 867 +3

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
051 358 568	26/09/2005	MORTGAGE MORTGAGEE - THE STANDARD LIFE ASSURANCE COMPANY OF CANADA. 1600, 1245 SHERBROOKE STREET WEST MONTREAL QUEBEC H3G1G3 ORIGINAL PRINCIPAL AMOUNT: $9,750,000
051 358 569	26/09/2005	CAVEAT RE : ASSIGNMENT OF RENTS CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY. 1500 MANULIFE PLACE, 10180 - 101 STREET EDMONTON ALBERTA T5J4K1 AGENT - KEVIN LYNCH
051 358 570	26/09/2005	CAVEAT RE : ASSIGNMENT OF LEASE CAVEATOR - THE STANDARD LIFE ASSURANCE COMPANY. 1500 MANULIFE PLACE, 10180 - 101 STREET EDMONTON ALBERTA T5J4K1 AGENT - KEVIN LYNCH
061 312 868	03/08/2006	MORTGAGE MORTGAGEE - P3 HOLDINGS INC.. 1245-200 GRANVILLE ST VANCOUVER BRITISH COLUMBIA V6C1S4 ORIGINAL PRINCIPAL AMOUNT: $5,500,000
061 312 869	03/08/2006	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - P3 HOLDINGS INC.. C/O BISHOP & MCKENZIE 1700, 530-8 AVE SW CALGARY ALBERTA T2P3S8 AGENT - ARMAND J MOSS

(CONTINUED)

PAGE 3
061 312 867 +3

TOTAL INSTRUMENTS: 006

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 16 DAY OF DECEMBER, 2008 AT 12:20 P.M.

ORDER NUMBER:12954633

CUSTOMER FILE NUMBER: cm 3412-08

END OF CERTIFICATE

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APPENDIX D

ARGUS VERSION 13 OUTPUT

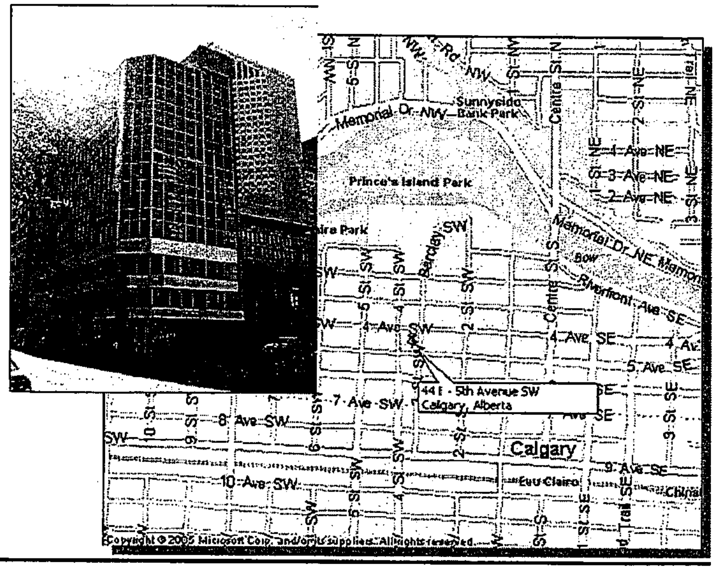
APPENDIX E

COMPARABLE SALES

COLLIERS INTERNATIONAL CIRA

Property & Site Information

Property Name:		
Address:		441 - 5th Avenue SW Calgary, Alberta
Legal:		1 & 4 / 27 / 7414GO
Site Area:	(sq. ft.)	6,782.00
L.U.C.:		CM-2



Sale Information

Sale Price:	$24,100,000
Sale Date:	August 1, 2008
Vendor:	Whiterock REIT (Whiterock 441 5th Avenue SW Calgary Inc.)
Purchaser:	Leben REIT (Leben Building 441 GP Ltd.)
Sale Terms:	Cash & New Financing

Assessment & Realty Tax Information

Total Assessment:	$19,280,000
(per sq. ft.)	$351.52
Total Realty Tax Levy:	$143,004
(per sq. ft.)	$2.61

Property Description

Construction:	Concrete/Steel	Gross Leaseable Area (sq. ft.):	54,847
Condition:	Average	Major Tenant(s):	Benchmark Engineering, Cold Creek Capital, Sizeland Evans
Year Built:	1973	Parking Ratio (stalls per 1,000):	0.00

Income Information & Sale Analysis

Potential Gross Income		$2,413,295	Occupancy at Sale:	100.0%
V & C Allow. @	3.00%	(72,399)		
Effective Gross Income		$2,340,896	Sale Price per sq. ft. GLA:	$439.40
Operating Expenses				
Realty Taxes		$143,004	Realty Taxes per sq. ft.:	$3.98
CAM/Other		572,494	CAM/Other per sq. ft.:	10.44
Contingency @	1.00%	23,409	Total Op. Costs per sq. ft.:	$13.05
Total Operating Costs		$738,907		
Net Operating Income		$1,601,989	Stabilized OCR (1):	6.65%
(NOI per sq. ft.)		$29.21	Actual OCR:	7.04%
			Internal Rate of Return:	NAV

(1) Adjusted for holding/lease-up costs on vacancy if applicable

Comments

10-storey, multi tenant Class B Downtown office building; constructed in 1973; concrete and structural steel superstructure; no parking; building fully occupied at time of sale; major tenants include Benchmark Engineering, Cold Creek Capital, and Sizeland Evans

COLLIERS INTERNATIONAL CIRA

Property & Site Information

Property Name:	Ford Tower Alpine Building Canadian Centre Eua Claire Place II
Address:	633 - 6th Avenue SW 635 - 6th Avenue SW 833 - 4th Avenue SW 521 - 3rd Avenue SW
	Calgary, Alberta
Legal:	A1 / 32 / 1-8 A1 / 19 / 3-8, ptn 9 A1 / 15 / 6-9

Sale Information

Sale Price:	$182,600,000
Sale Price per sq. ft. GLA:	$376.69
Sale Date:	May 15, 2008
Vendor:	PSPIB Re-Direct Inc. (80% Int.) Aspen Properties Ltd. (20% Int.)
Purchaser:	LaSalle Investment Management (Stampede Nominee Inc.)
Sale Terms:	Cash & Assumed
Occupancy at Sale:	97.8%
Stabilized OCR (1):	6.55%
Actual OCR:	6.80%

(1) Adjusted for holding/lease-up costs on vacancy if applicable

Assessment & Realty Tax Information

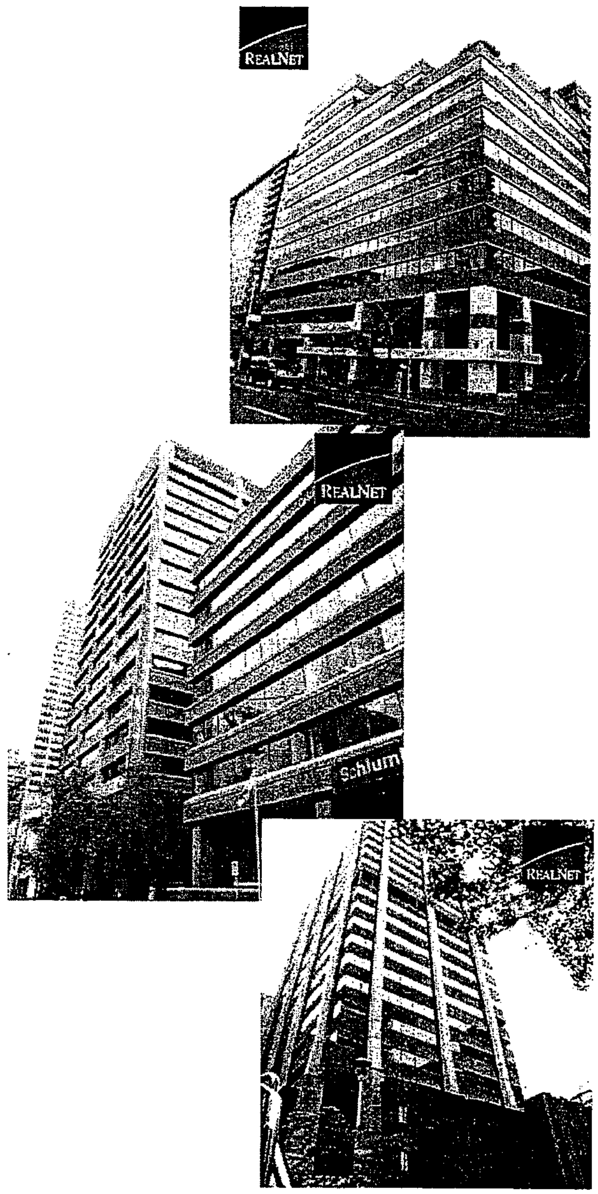
Total Assessment (2008):	$165,950,000
(per sq. ft.)	$342.35

Property Description

Condition:	Good
Year Built:	1981-1998
Gross Leaseable Area (sq. ft.):	484,744
Major Tenant(s):	Response Energy, Newpark Canada, Tundra Engineering, Worley Parsons MEG

Income Information & Sale Analysis

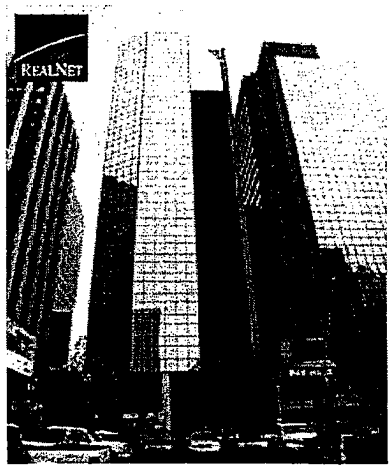
Potential Gross Income			$21,029,395
V & C Allow. @	3.0%		(630,882)
Effective Gross Income			$20,398,513
Operating Expenses		per sq. ft.	
		$17.00	8,240,648
Contingency @	1.0%		203,985
Total Operating Costs		$17.42	$8,444,633
Net Operating Income		$24.66	$11,953,880



COLLIERS INTERNATIONAL CIRA

Property & Site Information

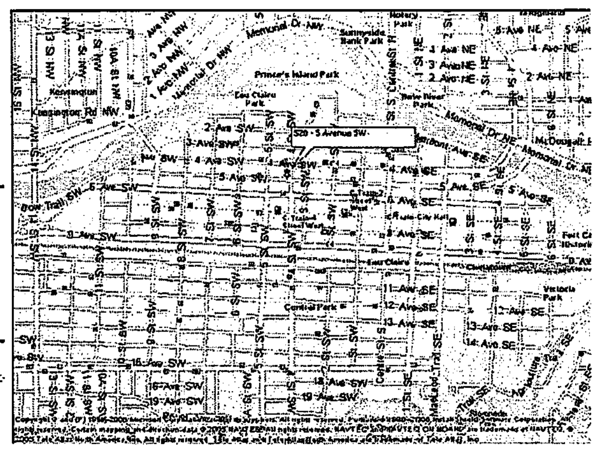
Property Name:	N/A
Address:	520 - 5 Avenue SW Calgary, Alberta
Legal:	23 - 26 / 16 / A1
Site Area (acres.):	0.29
L.U.C.:	CM-2



Sale Information

Sale Price:	$97,500,000
Sale Price per sq. ft. GLA:	$504.42
Sale Date:	April 30, 2008
Vendor:	Public Sector Pension Investment Board (PSB Investments) (PSPIB-Re Direct Inc. (80.0% Int.)) Aspen Properties Ltd. (Consolidated Properties (502 5th Avenue) Ltd. (20.0% Int.)
Purchaser:	IVG Institutional Funds (520 Fifth Avenue Calgary Investment Corp.)
Sale Terms:	Cash & Assumed
Occupancy at Sale:	100.0%
Stabilized OCR (1):	6.38%
Actual OCR:	6.75%
Internal Rate of Return:	NAV

(1) Adjusted for holding/lease-up costs on vacancy if applicable



Assessment & Realty Tax Information

Total Assessment:	$90,360,000
(per sq. ft.)	$467.48
Total Realty Tax Levy:	$1,021,881
(per sq. ft.)	$5.29

Property Description

Construction:	Reinforced concrete frame with a post-tension cable system behind a glazed glass façade
Condition:	Good
Year Built:	1981
Gross Leaseable Area (sq. ft.):	193,292
Major Tenant(s):	IMV Projects Fairmount Energy Inc. Jennings Capital Inc.
Parking Ratio (stalls per 1,000):	0.29

Income Information & Sale Analysis

Potential Gross Income			$8,997,400
V & C Allow. @	3.0%		(269,922)
Effective Gross Income			$8,727,478
Operating Expenses		per sq. ft.	
Realty Taxes		$5.29	$1,021,881
CAM/Other		$7.21	1,394,269
Contingency @	1.0%		87,275
Total Operating Costs		$12.95	$2,503,425
Net Operating Income		$32.20	$6,224,053

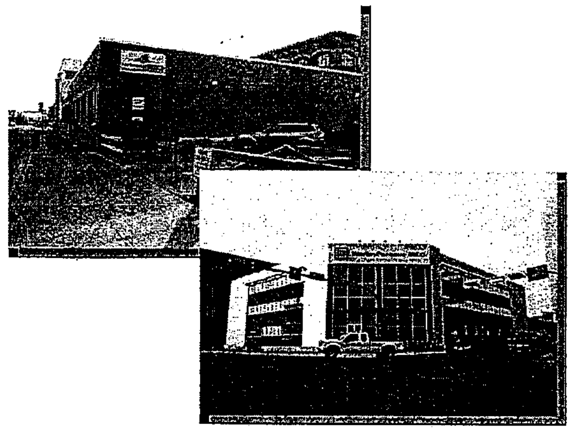
Comments

25 storey multi-tenant office building
57 underground parking stalls
6,470 sq. ft. of retail space on ground floors and Plus15 level
Information acquired from RealNet and assumed to be accurate

COLLIERS INTERNATIONAL CIRA

Property & Site Information

Property Name:	M.E.G. Place
Address:	121 - 10 Avenue SE 1001 - 1 Street SE Calgary, Alberta
Legal:	43 / 70 / 871 1689 8-9 / 70 / A
Site Area (sq. ft.):	39,987
Site Area (Acres):	0.92
L.U.C.:	DC 81Z98



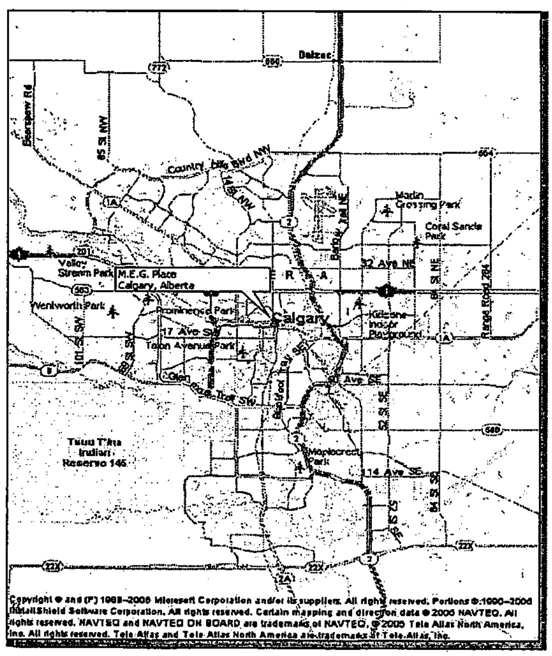
Sale Information

Sale Price:	$25,500,000
Sale Price per sq. ft. GLA:	$406.17
Sale Date:	Pending March-08
Vendor:	TBC
Purchaser:	TBC
Sale Terms:	TBC
Occupancy at Sale:	100.0%
Stabilized OCR (1):	6.22%
Actual OCR:	6.26%

(1) Adjusted for holding/lease-up costs on v

Assessment & Realty Tax Information

Total Assessment:	$138,527
(per sq. ft.)	$2.21
Total Realty Tax Levy:	$136,800
(per sq. ft.)	$2.18



Property Description

Construction:	Concrete
Condition:	Average to Good
Year Built:	1952 & 1987
Gross Leaseable Area (sq. ft.):	62,782
Major Tenant(s):	Confidential
Parking Ratio (stalls per 1,000):	0.99

Income Information & Sale Analysis

Potential Gross Income			$2,295,298
V & C Allow. @	3.00%		(68,859)
Effective Gross Income			$2,226,439
Operating Expenses		per sq. ft.	
Realty Taxes		$2.18	$136,800
CAM/Other		$7.67	481,800
Contingency @	1.00%		22,264
Total Operating Costs		$10.63	$640,864
Net Operating Income		$25.26	$1,585,575

Comments

Two-building multi-tenant beltline office development

Building No. 1 is 47,782 sq. ft. & building No. 2 is 15,000 sq. ft. for a combined GLA of 62,782

COLLIERS INTERNATIONAL CIRA

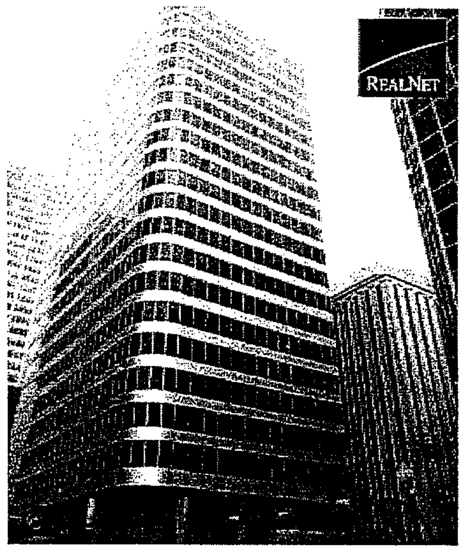
Property & Site Information

Property Name:	Not Applicable
Address:	444 - 5th Avenue SW Calgary, Alberta
Legal:	C / 26 / 17-19
Site Area (sq. ft.):	12,632.40
L.U.C.:	DC 55Z95

Sale Information

Sale Price:	$56,500,000
Sale Price per sq. ft. GLA:	$342.79
Sale Date:	March 12, 2008
Vendor:	Peter Wu & Co. (2744767 Canada Inc.)
Purchaser:	Aspen Properties Ltd. (444 - 5th Ave GP Inc.)
Sale Terms:	Cash & Assumed
Occupancy at Sale:	100.0%
Stabilized OCR (1):	6.53%
Actual OCR:	7.00%
Internal Rate of Return:	NAV

(1) Adjusted for holding/lease-up costs on vacancy if applicable



Assessment & Realty Tax Information

Total Assessment:	$57,750,000
(per sq. ft.)	$350.37

Property Description

Construction:	Structural steel & reinforced concrete
Condition:	Good
Year Built:	1972
Gross Leaseable Area (sq. ft.):	164,825
Major Tenant(s):	Caltech Design Inc., Tucker Wireline Services & Bos Rentals Ltd.

Income Information & Sale Analysis

Potential Gross Income			$6,758,024
V & C Allow. @	3.0%		(202,741)
Effective Gross Income			$6,555,283
Operating Expenses		per sq. ft.	
		$17.00	2,802,025
Contingency @	1.0%		65,553
Total Operating Costs		$17.40	$2,867,578
Net Operating Income		$22.37	$3,687,705

Comments

Fully occupied at the time of sale
Approximately 53% of the leases in place at the time of sal expire within three years following the date of sale
Income information obtained from RealNet and is assumed to be accurate

APPENDIX F

CERTIFICATION

CERTIFICATION

Re: 909 - 5th Avenue SW, Calgary, Alberta

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada.
- Rachel Williamson made a personal inspection of the property that is the subject of the report on December 15, 2008. Chris Marlyn did not inspect the property.
- I have the knowledge and experience to complete the assignment competently.
- No one other than the undersigned provided significant professional assistance to the person signing this report, unless specifically acknowledged within the report.
- The Appraisal Institute of Canada has a Mandatory Recertification Program for designated members. As of the date of this report, Chris M. Marlyn, AACI, P. App., has fulfilled the requirements of the program.
- The value estimate contained in this report applies as at the effective date of valuation as defined within the body of this report.

Final Estimate of Value

Based on my analysis, the market value of the leased fee interest in the subject property, subject to the underlying contingent and limiting conditions outlined herein, as at January 1, 2009, is estimated to be:

TWENTY ONE MILLION TWO HUNDRED THOUSAND DOLLARS
$21,200,000

This value is based on an exposure time of three to nine months.

Chris Marlyn, AACI, P.App.
Senior Vice President, CIRA Canada

Rachel Williamson, B.Comm.
Associate, CIRA Calgary

ACTION NO: 0901-11048

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

BETWEEN:

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, CONSTA KORAAL INVESTMENT CORPORATION, LUNA MORADA INVESTMENT CORPORATION, CONCRETE EQUITIES EXECUTIVE CLUB INC., 1456775 ALBERTA LTD., AND CONCRETE PLACE PROPERTIES LTD.

AFFIDAVIT OF STEVEN BUTT

BILLINGTON BARRISTERS
600 Bow Valley Square II
205 - 5th Avenue SW
Calgary, AB T2P 2V7

Ryan P. Pelletier
Main: (403) 705-3412
Direct: (403) 705-3424
Fax: (403) 705-3418

Solicitors for Lavalin LP Investment Corp. and the Safeguard Real Estate Investment Fund II Limited Partnership

File No. 10047.001