Court No. 25 – 1210846
Estate No. 25 – 1210846

Court No. 25 – 1210841
Estate No. 25 – 1210841

Court No. 25 – 1210851
Estate No. 25 – 1210851

Court No. 25 – 1210850
Estate No. 25 – 1210850

Court No. 25 – 1210849
Estate No. 25 – 1210849

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

IN THE MATTERS OF THE INSOLVENCIES OF:

SAFEGUARD REAL ESTATE INVESTMENT FUND LIMITED PARTNERSHIP and its **GENERAL PARTNER WEALTHCRETE INVESTMENT CORPORATION; SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP** and its **GENERAL PARTNER CONCRETE ASSOCIATES INVESTMENT CORPORATION; SAFEGUARD REAL ESTATE INVESTMENT FUND III LIMITED PARTNERSHIP** and its **GENERAL PARTNER CONCRETE ASSOCIATES II INVESTMENT CORPORATION; SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP** and its **GENERAL PARTNER CONCRETE ASSOCIATES III INVESTMENT CORPORATION; SAFEGUARD REAL ESTATE INVESTMENT FUND V LIMITED PARTNERSHIP** and its **GENERAL PARTNER CONCRETE ASSOCIATES IV INVESTMENT CORPORATION**

AND IN THE MATTER OF S.47.1 OF THE *BANKRUPTCY AND INSOLVENCY ACT,* R.S.C. 1985, C B-3, AS AMENDED AND S.13(2) OF THE *JUDICATURE ACT*, R.S.A. 2000, C. J-2, AS AMENDED.

SECOND REPORT OF ERNST & YOUNG INC. IN ITS CAPACITY JOINTLY AS TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL AND INTERIM RECEIVER

JULY 29, 2009

INTRODUCTION

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

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

3. The purpose of this second report (the "Second Report") of EYI in its capacities as Trustee and Receiver of the Applicants is to provide this Honourable Court with comments and recommendations with respect to:

   a) applications by the general partners of the Safeguard LP's to convert insolvency proceedings commenced by them under the *Bankruptcy and Insolvency Act* ("BIA") to proceedings under the *Companies Creditors' Arrangement Act* ("CCAA") (the "Conversion Applications");

   b) an application by the entities listed in Appendix A for protection pursuant to the CCAA (the "New CCAA Applications") for an 'Initial Order' under the CCAA;

   c) an application to amend, restate and consolidate the Interim Receivership Orders to include the new entities listed on Appendix A and to expand the Receiver's investigative powers to include other related entities (the "Expansion of the Receivership");

d) summary of the 30 Day Cash Flows (defined below);

e) summary of the activities of the Receiver since the first report dated June 23, 2009 (the "First Report"); and

f) the Receiver's recommendations.

4. Capitalized terms not defined in this Second Report are as defined in the Interim Receivership Order.

5. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

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

BACKGROUND

Safeguard LP's

7. A detailed background with respect to the Applicants was provided in the First Report, a brief summary is provided below.

8. The Safeguard LP's are limited partnerships, formed to hold commercial real estate investments and each have separate general partners. The general partners are affiliates of Concrete Equities Inc. Concrete Equities Inc. provides overall management and direction for the investments of the Safeguard LP's.

9. The individual commercial real estate investments owned by each limited partnership are managed by professional real estate management companies pursuant to property management agreements.

10. The following table summarizes the Safeguard LP's in these proceedings:

Safeguard LP	General Partner	Property Manager	Property Address	Type of Property	# of Investors
Safeguard LP I	Wealthcrete Investment Corporation	Kennington Properties Ltd.	13750 Bow Bottom Trail SE, Calgary ("Deer Valley Station") 15 Millrise Boulevard SW, Calgary ("Millrise Plaza")	single story, multi-tenant retail strip plaza	118
Safeguard LP II	Concrete Associates Investment Corporation	969801 Alberta Ltd. (o/a Avenue Commercial)	909, 5th Avenue SW, Calgary ("SNC Lavalin Building")	ten storey professional office building	195
Safeguard LP III	Concrete Associates II Investment Corporation	Kennington Properties Ltd.	55 Castleridge Boulevard NE, Calgary ("Castleridge Plaza")	one-storey, multi-tenant, commercial building, two single tenant restaurant pads and a retail fuel outlet	225
Safeguard LP IV	Concrete Associates III Investment Corporation	New West Enterprise Property Group	396, 11th Avenue SW, Calgary ("Concrete Equities Place")	fourteen storey, multi-tenant office building	395
Safeguard LP V	Concrete Associates IV Investment Corporation	Colliers Macaulay & Nicolls Inc.	1001, 1st Street SE, Calgary ("MEG Place")	three storey, single tenant office building and single-storey, single tenant building office/warehouse	792

THE CONVERSION APPLICATIONS

11. The Conversion Applications seek to convert the BIA proceedings commenced by the general partners of the Safeguard LP's to proceedings under the CCAA. In addition the New CCAA Applications seek CCAA protection of the New Entities (defined below) which effectively would bring the Safeguard LP's and the New Entities under one insolvency proceeding.

12. The Safeguard LP's and the New Entities are collectively referred to as the "Concrete Entities".

13. The Conversion Applications seek a declaration that under the CCAA the general partners qualify for protection including a stay of proceedings (the "Stay") and it further seeks to extend the Stay over the Safeguard LP's.

14. The Conversion Applications also seeks to terminate the BIA proceedings upon the granting of the Initial Order.

15. The Conversion Applications and the New CCAA Applications also seek the appointment of Ernst & Young Inc. as monitor of the Concrete Entities. Ernst & Young Inc. has consented to act as monitor in each case.

NEW CCAA APPLICATIONS

New Entities

16. A detailed background with respect to the additional entities (see Appendix A) that are part of the Concrete Equities Inc. family of companies (the "New Entities") that have applied for relief under the CCAA is provided in the affidavit of Vincenzo De Palma sworn on July 28, 2009 in support of the CCAA Applications. A summary of certain of these New Entities is provided in the paragraphs below.

17. The following table summarizes the majority of the New Entities:

General Partner	Limited Partner	Type of Property
Concrete Associates V Investment Corporation	Safeguard LP VI	Safeguard VI Debentures
El Golfo Investment Corporation ("El Golfo")	Santa Clara Real Estate Investment Fund LP	Deposits on several lots of undeveloped vacation property in Sonora, Mexico
Costa Koraal Investment Corporation	Conchas Chinas Real Estate Investment Fund LP	Undeveloped vacation property in Puerto Vallarta, Mexico
Luna Morada Investment Corporation	Calle Mariposas Limited Partnership	Partially constructed vacation property in Nueva Vallarta, Mexico
Concrete Foundation Fund Ltd.	Concrete Foundation Limited Partnership	Units in an entity that owns the Symcor/Otis and Glenmore Commerce Court and Airways Business Plaza properties, formerly in Safeguard VI LP and Safeguard VII LP

Concrete Equities Inc.

18. As noted above Concrete Equities Inc. ("CEI") provided overall management and direction for the investments of the limited partnerships through employing officers and employees of the general partners who manage the property managers as well as provide bookkeeping and investor relation services. As a result of CEI's role it has incurred significant liabilities which are currently in excess of $8.7 million. CEI is one of the New Entities.

El Golfo

19. The Receiver understands that approximately $24 million from approximately 1,800 investors was raised to purchase undeveloped beachfront property in Sonora, Mexico. The funds were raised through Santa Clara Real Estate Investment Fund Limited Partnership and Santa Clara Registered Corp. From the funds raised, initial deposits were paid on several lots of undeveloped land, but the transactions have not closed as the project does not have sufficient cash on hand due to the Irregularities (described below) to fund the balance of payments due.

20. The Receiver understands that Ben Aguilera of Aguilera International Counsel LLP and David Letourneau of AZ Golfo Investment parties who sourced the land in Sonora, Mexico with respect to the El Golfo project have negotiated extension fees with the vendors of the properties such that US $590,000 is payable by July 31, 2009 to extend the period to close the purchase transaction (the "Extension Fees").

21. If the Extension Fees are paid, the Receiver understands that El Golfo will have until March 2010 to make the final payment, currently estimated at US $14 million (the "Final Payment"), to close the transaction.

22. The Receiver understands that El Golfo does not have sufficient cash on hand to pay these amounts (the Extension Fee and the Final Payment) and as such all of the deposits that have been paid on these lots could be in jeopardy of forfeiture if a further extension is not granted by the vendors. The Receiver further understands that an extension to August 15, 2009 is possible with an additional 10% fee of the amount currently due (i.e. US$59,000).

23. As the deadline of August 15, 2009 is fast-approaching the Receiver will work with management to immediately bring this matter before the Management Committee and ultimately the approximately 1,800 investors in the El Golfo project to determine if they want to fund the extension fees to allow for additional time to close these transactions.

24. Due to the co-mingling of El Golfo funds with other Concrete Entities it may be that all limited partners may be asked if they want to fund the Extension Fees.

25. Due to the shortness of time, the Receiver will not be able to obtain an updated appraisal for the El Golfo lands prior to the deadline to pay the Extension Fees.

Concrete Equities Executive Club

26. Concrete Equities Executive Club ("CEEC") is also one of the New Entities. The purpose of CEEC was to invest in Safeguard Real Estate Investment Fund VII LP. On or around December 1, 2008 CEEC entered into a settlement agreement and undertaking with the Alberta Securities Commission ("ASC") to pay $82,000 in settlement and investigation costs and to make an offer of rescission to the investors. CEEC does not have sufficient funds to pay the amounts owing to the ASC or to those investors who elect the rescission options.

EXPANSION OF THE RECEIVERSHIP

27. The Receivers' mandate will be expanded to extend over the New Entities and will also provide the Receiver with investigative powers to access the books and records of certain other related entities (the "Related Entities"). These Related Entities will not be applicants in the CCAA proceedings, however the Receiver requires access to the books and records (the "Records") of these additional entities to complete its investigation into the financial affairs of the Concrete Entities. Therefore, the applications seek to grant the authority to the Receiver to be provided unfettered access to these Records. A complete listing of all entities involved in these proceedings is attached as Appendix A.

CPP Ltd.

28. Due to the Irregularities as defined in Mr. Vincenzo De Palma's affidavit sworn May 26, 2009 the Receiver understands that Safeguard IV LP funded the condominium fees and property taxes in the approximate amount of $195,000 for the units on the eighth and thirteenth floor of Concrete Equities Place owned by Concrete Place Properties Ltd. ("CPP Ltd.") and its limited partner Concrete Properties Limited Partnership ("CP LP"). The Receiver has not completed its investigation into the accounting records of these entities, however, the Receiver has confirmed with the property manager of Concrete Equities Place that these amounts were paid as noted on the attached Appendix B. CPP Ltd. CP LP will be subject to the Interim Receivership Order and Ernst & Young Inc. will be appointed Receiver over these additional entities.

Management Committee

29. The second meeting of the Management Committee was held on July 27, 2009 at the offices of the Receiver. At the second meeting the Management Committee confirmed its agreement with the Conversion Applications, Expansion of the Receivership and the New CCAA Applications.

ADMINISTRATIVE CONSOLIDATION

30. Ernst & Young Inc. as proposal trustee, Receiver and proposed monitor is of the view that consolidating the Receivership Orders, converting the proceedings under the BIA to the CCAA and granting relief to the New Applicants under the CCAA will be beneficial for all the stakeholders involved, for the following reasons:

    a) To execute on the Receiver's mandate to investigate the financial affairs of the Safeguard LP's as outlined in the Interim Receivership Order the Receiver requires records and information relating to all of the Concrete Entities;

    b) There have been inter-company transactions between the various Concrete Entities including the New Entities and the Related Entities;

    c) There are a number of creditors with claims against various of the Concrete Entities;

    d) There are a number of investors with investments in several of the Safeguard LP's and the New Entities;

    e) Hearings will be held together and pleadings filed in a single location, the legal and administrative proceedings will be simplified and streamlined; and

    f) Reporting to the Court and the stakeholders will be simplified.

31. In addition, the Management Committee construct that applied to the Safeguard LP's will now apply to all Concrete Entities.

CCAA 30 DAY CONSOLIDATED CASH FLOWS

32. Attached at Appendix C is a set of consolidated 30 day cash flows ("30 Day Consolidated Cash Flows") for the Concrete Entities that was prepared by management with the assistance of Ernst & Young Inc. as Receiver and proposed monitor.

33. The 30 Day Consolidated Cash Flows include separate cash flows for the 5 original filing entities (based on the NOI cash flows updated with actual results) and one consolidated cash flow for the New Entities as these entities are non-operating entities.

34. The 30 Day Consolidated Cash Flows do not include payment of the Extension Fees required with respect to the El Golfo project, as El Golfo does not have sufficient cash on hand to pay these extension fees at this time nor has a source for this cash been identified.

35. On a consolidated basis the Concrete Entities do not require borrowings for the period in question, however it is important to note that separate cash flows are maintained for each entity and as such individual entities will require funding during the initial stay period.

36. The Receiver also notes that the Concrete Entities have delayed certain repair and maintenance expenditures that need to be completed in the summer/early fall. The 30 Day Consolidated Cash Flows assume that certain repair and maintenance expenditures are completed during this period, but additional expenditures will be required outside the forecast period and financing will be required to pay for these additional expenditures.

37. The Concrete Entities do not have financing in place at this time and to date the Receiver has not been successful in securing financing for the Receiver's Certificates authorized as part of the Interim Receivership Orders. The Receiver understands that Strategic Group is prepared to fund the required borrowings, in the event that an alternative lender is not found (including the possibility of back-stopping a rights offering to the limited partners in the various projects, should the individual limited partners be afforded an opportunity to participate in this lending opportunity).

38. The Initial Order includes a provision to allow for inter-company lending to facilitate borrowings (with certain priority features) between the entities evidenced by promissory notes, such that overhead, restructuring expenses and other non-recoverable expenses as maybe allocated to all entities benefiting from these insolvency proceedings.

ACTIVITIES OF THE INTERIM RECEIVER SINCE THE FIRST REPORT

39. A summary of the activities of the Receiver since the First Report is as follows:

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

(ii) Dealing with various operational issues;

(iii) First meeting of the management committee was held on July 7, 2009. A copy of the minutes from this meeting are posted on the Receiver's web-site: www.ey.com/ca/safeguard;

(iv) Second meeting of management committee was held on July 27, 2009. A copy of the minutes will be posted on the Receiver's web-site when they are available;

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

(vi) In accordance with the Interim Receivership Order a notice was sent to the limited partners and the creditors of the Safeguard LP's via e-mail or ordinary mail as applicable with a copy of the Interim Receivership Order;

(vii) Posted various documents to the Receiver's web-site including the First Report, copies of Court Orders, copies of all notices to creditors and limited partners;

(viii) Created a link between the Receiver's web-site and the Concrete Equities web-site;

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

(x) Prepared a frequently asked questions document which is posted on the Receiver's web-site;

(xi) Discussions with all of the mortgage holders of the Safeguard LP's to provide an update on the proceedings;

(xii) Retained a leasing agent for Castleridge Plaza - CB Richard Ellis Alberta Limited;

(xiii) Continued its investigation of the financial affairs of the Safeguard LP's and related entities;

(xiv) Discussions with and providing assistance to management and counsel to the Applicants' with respect to the Conversion Applications and the New CCAA Applications; and

(xv) Discussions with Alberta Environment with respect to the replacement of the chiller unit in the SNC Lavalin Building.

SNC Lavalin Building – Safeguard II LP

40. The Receiver understands that in July 2008 Johnson Controls was called in to service the chiller unit at the SNC Lavalin Building. The Receiver further understands from various discussions with Avenue Commercial (the property manager engaged by Concrete Associates Investment Corporation to manage this property) and Alberta Environment that, while Alberta Environment has not issued an order requiring the replacement of the chiller unit, within one year of the service performed by Johnson Controls in accordance with subsection 2(9) of the ozone-depleting substances and halocarbons regulation there is a requirement that the chiller unit not be operated beyond July 31, 2009.

41. Avenue Commercial advises the Receiver that the chiller is currently running at between 15-20% capacity due to the fact that the property has several vacant floors.

42. The Receiver further understands that Avenue Commercial sent a letter to Alberta Environment requesting an extension of the period of time to replace the chiller to October 2009 to allow for the replacement period to occur outside of the summer months, as this process will take approximately three weeks. Safeguard II LP does not have sufficient cash on hand to fund the replacement of the chiller unit and it is unlikely based on discussions to date that Safeguard II LP will have sufficient funds by October 2009. In any event, the Receiver is advised that the chiller may be able to go non-operational as early as September, 2009.

43. The Receiver has discussed this matter with Alberta Environment. Alberta Environment has indicated a willingness to assist the Receiver, but advises that the current legislation does not specifically permit an extension to the period of time. The Initial Order includes a paragraph seeking specific relief with respect to this matter.

Town hall meeting for the limited partners

44. At the second Management Committee meeting held of July 27, 2009 the committee discussed scheduling a town hall meeting for the limited partners. A tentative date of August 24, 2009 was set for this town hall meeting. More details with respect to confirmation of the date, time, location and agenda for this meeting will follow in a subsequent report.

RECOMMENDATION

45. The Trustee and Receiver recommend approval of the proposed:

(i) Conversion Applications;

(ii) Amended and Restated Receivership Orders; and

(iii) The Initial Order.

All of which is respectfully submitted this 29th day of July 2009.

ERNST & YOUNG INC.
Jointly in its capacity as Trustee under the
Notice of Intention to Make a Proposal and as Interim Receiver of
the Safeguard LP's

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

Michelle Grant, CIRP
Vice-President

Appendix A

Conversion Application Entities

Wealthcrete Investment Corporation
Safeguard Real Estate Investment Fund LP
Concrete Associates Investment Corporation
Safeguard Real Estate Investment Fund II LP
Concrete Associates II Investment Corporation
Safeguard Real Estate Investment Fund III LP
Concrete Associates III Investment Corporation
Safeguard Real Estate Investment Fund IV LP
Concrete Associates IV Investment Corporation
Safeguard Real Estate Investment Fund V LP

New Application Entities

Concrete Equities Inc.
Safeguard Real Estate Investment Fund VI LP
El Golfo Investment Corporation
Santa Clara Real Estate Investment Fund LP
Costa Koraal Investment Corporation
Conchas Chinas Real Estate Investment Fund LP
Luna Morada Investment Corporation
Calle Mariposa Limited Partnership
Concrete Associates V Investment Corporation
Concrete Equities Executive Club Inc.
1456775 Alberta Ltd.

Receivership Only Entities

Concrete Place Properties Ltd.
Concrete Place Limited Partnership

Related Entities

Concrete Registered Investments Inc.
Concrete RRSP Holdings Inc.
Concrete Place Registered Corp.
Safeguard Real Estate Investment Fund VII LP
First and Tenth RRSP Corp.
Glenway Registered Capital Corp.
A.G. Registered Investments Corp.
Eleventh and Tenth Registered Capital Corp.
Symot Registered Investments Corp.
Santa Clara Registered Corp.
Concrete Associates IX Corp.
Concrete Equities Management Inc.
Concrete Foundation Fund Ltd.
Concrete Foundation Fund Limited Partnership
Glenair Registered Corp.
Urban Registered Corp.
Concor Pacific Inc.
1209063 Alberta Ltd.
Concrete Associates VI Investment Corporation
Concrete Associates VIII Corp.
Safeguard Real Estate Investment Fund VIII LP

Notes:

1. The first group of entities (Conversion Application Entities) were part of the original BIA proceedings.
2. The second group of entities (New CCAA Application Entities) are applicants to the CCAA proceedings or in the case of the limited partnerships, the Initial Order seeks to extend the stay over these entities.
3. The third group of entities are part of the Receivership Orders, but were not included in the original BIA proceedings and they are not applicants in the CCAA proceedings.
4. The fourth group of entities (Related Entities) are companies that the Receiver's investigative powers will be extended over to assist the Receiver in executing its mandate.

Appendix B
Schedule of payments made by Safeguard IV LP for the benefit of Concrete Place Properties Ltd. and Concrete Place Limited Partnership

Condo Fees

	8th Floor	Unit 1310	Subtotal	GST	Total
Apr-08	0.00	0.00	0.00	0.00	0.00
May-08	7,573.24	2,706.05	10,279.29	513.96	10,793.25
Jun-08	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Jul-08	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Aug-08	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Sep-08	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Oct-08	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Nov-08	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Dec-08	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Jan-09	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Feb-09	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Mar-09	9,239.35	3,301.38	12,540.73	627.04	13,167.77
Apr-09	9,246.18	3,303.82	12,550.00	627.50	13,177.50
May-09	9,246.18	3,303.82	12,550.00	627.50	13,177.50
Total	**118,459.10**	**42,327.49**	**160,786.59**	**8,039.33**	**168,825.92**

Property Taxes

	8th Floor	Unit 1310	Total
Dec-08	3,246.00	1,101.00	4,347.00
Jan-09	3,246.00	1,101.00	4,347.00
Feb-09	3,246.00	1,101.00	4,347.00
Mar-09	3,246.00	1,101.00	4,347.00
Apr-09	3,246.00	1,101.00	4,347.00
May-09	3,246.00	1,101.00	4,347.00
Total	**19,476.00**	**6,606.00**	**26,082.00**

Condo Fees	168,825.92
Property Taxes	26,082.00
Total	**194,907.92**

APPENDIX C

CONCRETE EQUITIES CONSOLIDATED
PROJECTED 6 WEEK CASH FLOW
($ CAD)

	Week 1 **31-Jul-09**	Week 2 **07-Aug-09**	Week 3 **14-Aug-09**	Week 4 **21-Aug-09**	Week 5 **28-Aug-09**	Week 6 **04-Sep-09**	**TOTAL**
NET OPERATING INCOME	$ (347,259)	$ 678,701	$ -	$ -	$ -	$ 528,701	$ 860,143
NON-RECOVERABLE EXPENSES							
MORTGAGE PAYMENTS	-	356,269	-	-	-	356,269	712,538
CAPITAL & LEASING COSTS	36,210	36,210	36,210	36,210	36,210	15,088	196,138
REPAIRS & MAINTENANCE	5,000	56,160	56,160	56,160	56,160	56,160	285,798
RESTRUCTURING EXPENSES	66,667	66,667	66,667	66,667	66,667	66,667	400,000
OTHER OPERATING EXPENSES	6,525	56,822	4,135	2,930	16,000	8,912	95,324
CONTINGENCY	10,000	10,000	10,000	10,000	10,000	10,000	60,000
	124,402	582,127	173,171	171,966	185,036	513,096	1,749,798
EXCESS (SHORTFALL)	(471,661)	96,574	(173,171)	(171,966)	(185,036)	15,606	(889,655)
CHANGE IN CASH	(471,661)	96,574	(173,171)	(171,966)	(185,036)	15,606	(889,655)
OPENING CASH	1,029,392	557,731	654,305	481,134	309,168	124,131	1,029,392
CLOSING CASH	$ 557,731	$ 654,305	$ 481,134	$ 309,168	$ 124,131	$ 139,737	$ 139,737

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

SAFEGUARD REAL ESTATE INVESTMENT FUND LIMITED PARTNERSHIP ("Safeguard LP")
PROJECTED 6 WEEK CASH FLOW
($ CAD)

SEE ACCOMPANYING NOTES

	Week 1 **31-Jul-09**	Week 2 **07-Aug-09**	Week 3 **14-Aug-09**	Week 4 **21-Aug-09**	Week 5 **28-Aug-09**	Week 6 **04-Sep-09**	**TOTAL**
NET OPERATING INCOME	$ (55,996)	$ 48,957	$ -	$ -	$ -	$ 48,957	$ 41,918
NON-RECOVERABLE EXPENSES							
MORTGAGE PAYMENTS	-	31,285	-	-	-	31,285	62,570
CAPITAL & LEASING COSTS	4,322	4,322	4,322	4,322	4,322	1,801	23,413
REPAIRS & MAINTENANCE	-	8,833	8,833	8,833	8,833	8,833	44,165
RESTRUCTURING EXPENSES	13,333	13,333	13,333	13,333	13,333	13,333	80,000
OTHER OPERATING EXPENSES	659	5,742	418	296	1,617	901	9,632
CONTINGENCY	2,000	2,000	2,000	2,000	2,000	2,000	12,000
	20,315	65,516	28,907	28,785	30,106	58,153	231,780
EXCESS (SHORTFALL)	(76,311)	(16,559)	(28,907)	(28,785)	(30,106)	(9,196)	(189,862)
CHANGE IN CASH	(76,311)	(16,559)	(28,907)	(28,785)	(30,106)	(9,196)	(189,862)
OPENING CASH	177,122	100,811	84,252	55,346	26,561	(3,545)	177,122
CLOSING CASH	$ 100,811	$ 84,252	$ 55,346	$ 26,561	$ (3,545)	$ (12,741)	$ (12,741)

SAFEGUARD REAL ESTATE INVESTMENT FUND LIMITED PARTNERSHIP
SIGNIFICANT CASH FLOW ASSUMPTIONS

Notes:

1. Safeguard LP filed a Notice of Intention to file a Proposal ("NOI") on May 26, 2009. In accordance with s. 50.4(2) of the *Bankruptcy and Insolvency Act*, cash flows were previously filed for the period ending August 28, 2009. The cash flow presented above is largely based on the NOI cash flows updated for actual results to July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009.

2. Net operating income is projected on a tenant by tenant basis by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month.

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

4. Capital and leasing costs relate to operating costs that are incurred as a result of tenant vacancies resulting in unallocated operating costs. These amounts are forecast at 2009 operating budget levels.

5. Repairs and maintenance are forecast to reflect a reasonable level of sustainable capital expenditures as obtained from a Preliminary Building Condition Assessment completed by Pinchin Environmental Ltd. in April 2009. As the timing of the expenditures is uncertain approximately 1/3 of required expenditures for the remainder of 2009 are assumed to occur evenly throughout the last 5 weeks of the forecast period.

6. Restructuring expenses are forecast to include an estimate of the costs of the legal proceedings involving the Applicants, the costs of the transactional investigation and forensic analysis as well as the overall costs of administering the CCAA proceedings and the Interim Receivership, and are forecast to occur uniformly throughout the forecast period.

7. Other operating costs relate to overhead costs incurred by Concrete Equities Inc. (the corporate brand and marketing vehicle) for the benefit of the Applicants. Other operating expenses include office occupancy, executive compensation, payroll and other operating costs. Certain operating costs have not yet been approved by the Management Committee and as such are subject to change.

8. Opening cash is estimated based on the actual bank balance as at July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009. The variance between the actual and forecast cash balance should not be material to the forecast. The opening cash balance includes funds on hand in the Receiver's accounts as well as funds on hand in the property managers accounts (the majority of funds are held in the Receiver's accounts).

9. The Interim Receivership Order dated June 9, 2009 with respect to Safeguard LP grants the Receiver authorization to borrow $100,000. The Receiver has been in discussions with several parties with respect to financing.

SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP ("Safeguard II LP")
PROJECTED 6 WEEK CASH FLOW
($ CAD)

SEE ACCOMPANYING NOTES

	Week 1 **31-Jul-09**	Week 2 **07-Aug-09**	Week 3 **14-Aug-09**	Week 4 **21-Aug-09**	Week 5 **28-Aug-09**	Week 6 **04-Sep-09**	**TOTAL**
NET OPERATING INCOME	$ (70,061)	$ 88,252	$ -	$ -	$ -	$ 88,252	$ 106,443
NON-RECOVERABLE EXPENSES							
MORTGAGE PAYMENTS	-	77,311	-	-	-	77,311	154,622
CAPITAL & LEASING COSTS	14,022	14,022	14,022	14,022	14,022	5,843	75,953
REPAIRS & MAINTENANCE	-	8,133	8,133	8,133	8,133	8,133	40,665
RESTRUCTURING EXPENSES	13,333	13,333	13,333	13,333	13,333	13,333	80,000
OTHER OPERATING EXPENSES	1,226	10,677	777	551	3,006	1,675	17,911
CONTINGENCY	2,000	2,000	2,000	2,000	2,000	2,000	12,000
	30,581	125,476	38,265	38,039	40,495	108,295	381,151
EXCESS (SHORTFALL)	(100,642)	(37,224)	(38,265)	(38,039)	(40,495)	(20,043)	(274,708)
CHANGE IN CASH	(100,642)	(37,224)	(38,265)	(38,039)	(40,495)	(20,043)	(274,708)
OPENING CASH	104,452	3,809	(33,415)	(71,680)	(109,719)	(150,214)	104,452
CLOSING CASH	$ 3,809	$ (33,415)	$ (71,680)	$ (109,719)	$ (150,214)	$ (170,256)	$ (170,256)

SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP
SIGNIFICANT CASH FLOW ASSUMPTIONS

Notes:

1. Safeguard II LP filed a Notice of Intention to file a Proposal ("NOI") on May 26, 2009. In accordance with s. 50.4(2) of the *Bankruptcy and Insolvency Act,* cash flows were previously filed for the period ending August 28, 2009. The cash flow presented above is largely based on the NOI cash flows updated for actual results to July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009.

2. Net operating income is projected on a tenant by tenant basis by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month.

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

4. Capital and leasing costs relate to operating costs that are incurred as a result of tenant vacancies resulting in unallocated operating costs. These amounts are forecast at 2009 operating budget levels.

5. Repairs and maintenance are forecast to reflect a reasonable level of sustainable capital expenditures as obtained from a Preliminary Building Condition Assessment completed by Pinchin Environmental Ltd. in April 2009. As the timing of the expenditures is uncertain approximately 1/3 of required expenditures for the remainder of 2009 are assumed to occur evenly throughout the last 5 weeks of the forecast period.

Prior to the filing of the NOI's, management was looking into the replacement of the chiller unit in the property owned by Safeguard II LP. The property management company has been in discussions with a party to finance the installation of the new unit. Based on discussions to date it is unlikely that a leasing and/or financing arrangement can be put into place. The property management company and the Receiver have inquired of Alberta Environment as to the ability to extend the period of time to replace the chiller. The Initial Order contemplates a stay of the requirement to replace the chiller. In the event that Safeguard II LP is unable to secure a leasing and/or financing arrangement and the stay is lifted the chiller unit would need to be purchased and installed at a cost of approximately $320,000.

6. Restructuring expenses are forecast to include an estimate of the costs of the legal proceedings involving the Applicants, the costs of the transactional investigation and forensic analysis as well as the overall costs of administering the CCAA proceedings and the Interim Receivership, and are forecast to occur uniformly throughout the forecast period.

7. Other operating costs relate to overhead costs incurred by Concrete Equities Inc. (the corporate brand and marketing vehicle) for the benefit of the Applicants. Other operating expenses include office occupancy, executive compensation, payroll and other operating costs. Certain operating costs have not yet been approved by the Management Committee and as such are subject to change.

8. Opening cash is estimated based on the actual bank balance as at July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009. The variance between the actual and forecast cash balance should not be material to the forecast. The opening cash balance includes funds on hand in the Receiver's accounts as well as funds on hand in the property managers accounts (the majority of funds are held in the Receiver's accounts).

9. The Interim Receivership Order dated June 9, 2009 with respect to Safeguard II LP grants the Receiver authorization to borrow $450,000. The Receiver has been in discussions with several parties with respect to financing.

SAFEGUARD REAL ESTATE INVESTMENT FUND III LIMITED PARTNERSHIP ("Safeguard III LP")
PROJECTED 6 WEEK CASH FLOW
($ CAD)

SEE ACCOMPANYING NOTES

	Week 1 **31-Jul-09**	Week 2 **07-Aug-09**	Week 3 **14-Aug-09**	Week 4 **21-Aug-09**	Week 5 **28-Aug-09**	Week 6 **04-Sep-09**	**TOTAL**
NET OPERATING INCOME	$ (34,008)	$ 91,176	$ -	$ -	$ -	$ 91,176	$ 148,344
NON-RECOVERABLE EXPENSES							
MORTGAGE PAYMENTS	-	62,899	-	-	-	62,899	125,798
CAPITAL & LEASING COSTS	11,702	11,702	11,702	11,702	11,702	4,876	63,388
REPAIRS & MAINTENANCE	-	11,867	11,867	11,867	11,867	11,867	59,333
CAPITAL DISBURSEMENTS	-	-	-	-	-	-	-
RESTRUCTURING EXPENSES	13,333	13,333	13,333	13,333	13,333	13,333	80,000
OTHER OPERATING EXPENSES	1,319	11,484	836	592	3,234	1,801	19,265
CONTINGENCY	2,000	2,000	2,000	2,000	2,000	2,000	12,000
	28,354	113,285	39,738	39,495	42,136	96,776	359,784
EXCESS (SHORTFALL)	(62,362)	(22,109)	(39,738)	(39,495)	(42,136)	(5,600)	(211,440)
CHANGE IN CASH	(62,362)	(22,109)	(39,738)	(39,495)	(42,136)	(5,600)	(211,440)
OPENING CASH	160,425	98,062	75,953	36,215	(3,279)	(45,415)	160,425
CLOSING CASH	$ 98,062	$ 75,953	$ 36,215	$ (3,279)	$ (45,415)	$ (51,016)	$ (51,016)

SAFEGUARD REAL ESTATE INVESTMENT FUND III LIMITED PARTNERSHIP
SIGNIFICANT CASH FLOW ASSUMPTIONS

Notes:

1. Safeguard III LP filed a Notice of Intention to file a Proposal ("NOI") on May 26, 2009. In accordance with s. 50.4(2) of the *Bankruptcy and Insolvency Act,* cash flows were previously filed for the period ending August 28, 2009. The cash flow presented above is largely based on the NOI cash flows updated for actual results to July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009.

2. Net operating income is projected on a tenant by tenant basis by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month.

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

4. Capital and leasing costs relate to operating costs that are incurred as a result of tenant vacancies resulting in unallocated operating costs. These amounts are forecast at 2009 operating budget levels.

5. Repairs and maintenance are forecast to reflect a reasonable level of sustainable capital expenditures as obtained from a Preliminary Building Condition Assessment completed by Pinchin Environmental Ltd. in April 2009. As the timing of the expenditures is uncertain approximately 1/3 of required expenditures for the remainder of 2009 are assumed to occur evenly throughout the last 5 weeks of the forecast period.

6. Restructuring expenses are forecast to include an estimate of the costs of the legal proceedings involving the Applicants, the costs of the transactional investigation and forensic analysis as well as the overall costs of administering the CCAA proceedings and the Interim Receivership, and are forecast to occur uniformly throughout the forecast period.

7. Other operating costs relate to overhead costs incurred by Concrete Equities Inc. (the corporate brand and marketing vehicle) for the benefit of the Applicants. Other operating expenses include office occupancy, executive compensation, payroll and other operating costs. Certain operating costs have not yet been approved by the Management Committee and as such are subject to change.

8. Opening cash is estimated based on the actual bank balance as at July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009. The variance between the actual and forecast cash balance should not be material to the forecast. The opening cash balance includes funds on hand in the Receiver's accounts as well as funds on hand in the property managers accounts (the majority of funds are held in the Receiver's accounts).

9. The Interim Receivership Order dated June 9, 2009 with respect to Safeguard III LP grants the Receiver authorization to borrow $100,000. The Receiver has been in discussions with several parties with respect to financing.

SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP ("Safeguard IV LP")
PROJECTED 6 WEEK CASH FLOW
($ CAD)

SEE ACCOMPANYING NOTES

	Week 1 **31-Jul-09**	Week 2 **07-Aug-09**	Week 3 **14-Aug-09**	Week 4 **21-Aug-09**	Week 5 **28-Aug-09**	Week 6 **04-Sep-09**	**TOTAL**
NET OPERATING INCOME	$ (55,348)	$ 171,660	$ -	$ -	$ -	$ 171,660	$ 287,972
NON-RECOVERABLE EXPENSES							
MORTGAGE PAYMENTS	-	109,902	-	-	-	109,902	219,804
CAPITAL & LEASING COSTS	6,163	6,163	6,163	6,163	6,163	2,568	33,384
REPAIRS & MAINTENANCE	-	4,614	4,614	4,614	4,614	4,614	23,068
CAPITAL DISBURSEMENTS	-	-	-	-	-	-	-
RESTRUCTURING EXPENSES	13,333	13,333	13,333	13,333	13,333	13,333	80,000
OTHER OPERATING EXPENSES	1,853	16,139	1,174	832	4,544	2,531	27,075
CONTINGENCY	2,000	2,000	2,000	2,000	2,000	2,000	12,000
	23,350	152,151	27,285	26,942	30,655	134,948	395,331
EXCESS (SHORTFALL)	(78,698)	19,509	(27,285)	(26,942)	(30,655)	36,712	(107,358)
CHANGE IN CASH	(78,698)	19,509	(27,285)	(26,942)	(30,655)	36,712	(107,358)
OPENING CASH	239,745	161,047	180,556	153,272	126,329	95,675	239,745
CLOSING CASH	$ 161,047	$ 180,556	$ 153,272	$ 126,329	$ 95,675	$ 132,387	$ 132,387

SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP
SIGNIFICANT CASH FLOW ASSUMPTIONS

Notes:

1. Safeguard IV LP filed a Notice of Intention to file a Proposal ("NOI") on May 26, 2009. In accordance with s. 50.4(2) of the *Bankruptcy and Insolvency Act,* cash flows were previously filed for the period ending August 28, 2009. The cash flow presented above is largely based on the NOI cash flows updated for actual results to July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009.

2. Net operating income is projected on a tenant by tenant basis by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month.

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

4. Capital and leasing costs relate to operating costs that are incurred as a result of tenant vacancies resulting in unallocated operating costs. These amounts are forecast at 2009 operating budget levels.

5. Repairs and maintenance are forecast to reflect a reasonable level of sustainable capital expenditures as obtained from a Preliminary Building Condition Assessment completed by Pinchin Environmental Ltd. in April 2009. As the timing of the expenditures is uncertain approximately 1/3 of required expenditures for the remainder of 2009 are assumed to occur evenly throughout the last 5 weeks of the forecast period.

6. Restructuring expenses are forecast to include an estimate of the costs of the legal proceedings involving the Applicants, the costs of the transactional investigation and forensic analysis as well as the overall costs of administering the CCAA proceedings and the Interim Receivership, and are forecast to occur uniformly throughout the forecast period.

7. Other operating costs relate to overhead costs incurred by Concrete Equities Inc. (the corporate brand and marketing vehicle) for the benefit of the Applicants. Other operating expenses include office occupancy, executive compensation, payroll and other operating costs. Certain operating costs have not yet been approved by the Management Committee and as such are subject to change.

8. Opening cash is estimated based on the actual bank balance as at July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009. The variance between the actual and forecast cash balance should not be material to the forecast. The opening cash balance includes funds on hand in the Receiver's accounts as well as funds on hand in the property managers accounts (the majority of funds are held in the Receiver's accounts).

9. The Interim Receivership Order dated June 9, 2009 with respect to Safeguard IV LP grants the Receiver authorization to borrow $100,000. The Receiver has been in discussions with several parties with respect to financing.

SAFEGUARD REAL ESTATE INVESTMENT FUND V LIMITED PARTNERSHIP ("Safeguard V LP")
PROJECTED 6 WEEK CASH FLOW
($ CAD)

SEE ACCOMPANYING NOTES

	Week 1 **31-Jul-09**	Week 2 **07-Aug-09**	Week 3 **14-Aug-09**	Week 4 **21-Aug-09**	Week 5 **28-Aug-09**	Week 6 **04-Sep-09**	**TOTAL**
NET OPERATING INCOME	$ (131,846)	$ 278,656	-	-	-	$ 128,656	$ 275,466
NON-RECOVERABLE EXPENSES							
MORTGAGE PAYMENTS	-	74,872	-	-	-	74,872	149,744
CAPITAL & LEASING COSTS	-	-	-	-	-	-	-
REPAIRS & MAINTENANCE	5,000	22,713	22,713	22,713	22,713	22,713	118,567
CAPITAL DISBURSEMENTS	-	-	-	-	-		-
RESTRUCTURING EXPENSES	13,333	13,333	13,333	13,333	13,333	13,333	80,000
OTHER OPERATING EXPENSES	1,468	12,781	930	659	3,599	2,005	21,441
CONTINGENCY	2,000	2,000	2,000	2,000	2,000	2,000	12,000
	21,801	125,700	38,977	38,706	41,646	114,923	381,752
EXCESS (SHORTFALL)	(153,647)	152,956	(38,977)	(38,706)	(41,646)	13,733	(106,286)
CHANGE IN CASH	(153,647)	152,956	(38,977)	(38,706)	(41,646)	13,733	(106,286)
OPENING CASH	331,781	178,134	331,091	292,114	253,408	211,763	331,781
CLOSING CASH	$ 178,134	$ 331,091	$ 292,114	$ 253,408	$ 211,763	$ 225,496	$ 225,496

SAFEGUARD REAL ESTATE INVESTMENT FUND V LIMITED PARTNERSHIP
SIGNIFICANT CASH FLOW ASSUMPTIONS

Notes:

1. Safeguard V LP filed a Notice of Intention to file a Proposal ("NOI") on May 26, 2009. In accordance with s. 50.4(2) of the *Bankruptcy and Insolvency Act*, cash flows were previously filed for the period ending August 28, 2009. The cash flow presented above is largely based on the NOI cash flows updated for actual results to July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009.

2. Net operating income is projected on a tenant by tenant basis by the property managers based on current rent rolls for the lease term in the forecast period less operating expenses and is assumed to be collected in the first week of each month. Net operating income also includes the collection of a receivable in the approximate amount of $150,000 during week 2 of the forecast period.

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

4. Capital and leasing costs relate to operating costs that are incurred as a result of tenant vacancies resulting in unallocated operating costs. These amounts are forecast at 2009 operating budget levels.

5. Repairs and maintenance are forecast to reflect a reasonable level of sustainable capital expenditures as obtained from a Preliminary Building Condition Assessment completed by Pinchin Environmental Ltd. in April 2009. As the timing of the expenditures is uncertain approximately 1/3 of required expenditures for the remainder of 2009 are assumed to occur evenly throughout the last 5 weeks of the forecast period.

6. Restructuring expenses are forecast to include an estimate of the costs of the legal proceedings involving the Applicants, the costs of the transactional investigation and forensic analysis as well as the overall costs of administering the CCAA proceedings and the Interim Receivership, and are forecast to occur uniformly throughout the forecast period.

7. Other operating costs relate to overhead costs incurred by Concrete Equities Inc. (the corporate brand and marketing vehicle) for the benefit of the Applicants. Other operating expenses include office occupancy, executive compensation, payroll and other operating costs. Certain operating costs have not yet been approved by the Management Committee and as such are subject to change.

8. Opening cash is estimated based on the actual bank balance as at July 17, 2009 adjusted to reflect estimated and known transactions for the period ending July 24, 2009. The variance between the actual and forecast cash balance should not be material to the forecast. The opening cash balance includes funds on hand in the Receiver's accounts as well as funds on hand in the property managers accounts (the majority of funds are held in the Receiver's accounts).

9. The Interim Receivership Order dated June 9, 2009 with respect to Safeguard V LP grants the Receiver authorization to borrow $100,000. The Receiver has been in discussions with several parties with respect to financing.

CONSOLIDATED CASH FLOWS FOR THE NEW CCAA APPLICANTS
PROJECTED 6 WEEK CASH FLOW
($ CAD)

SEE ACCOMPANYING NOTES

	Week 1 31-Jul-09	Week 2 07-Aug-09	Week 3 14-Aug-09	Week 4 21-Aug-09	Week 5 28-Aug-09	Week 6 04-Sep-09	TOTAL
NET OPERATING INCOME	$ 6,525	$ 56,822	$ 4,135	$ 2,930	$ 16,000	$ 8,912	$ 95,324
NON-RECOVERABLE EXPENSES							
MORTGAGE PAYMENTS	-	-	-	-	-	-	
CAPITAL & LEASING COSTS	-	-	-	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-	-	-
CAPITAL EXPENSE	-	-	-	-	-	-	-
RESTRUCTURING EXPENSES	-	-	-	-	-	-	-
OTHER OPERATING EXPENSES	6,525	56,822	4,135	2,930	16,000	8,912	95,324
CONTINGENCY	-	-	-	-	-	-	-
	6,525	56,822	4,135	2,930	16,000	8,912	95,324
EXCESS (SHORTFALL)	-	-	-	-	-	-	-
CHANGE IN CASH	-	-	-	-	-	-	-
OPENING CASH	4,615	4,615	4,615	4,615	4,615	4,615	4,615
CLOSING CASH	$ 4,615	$ 4,615	$ 4,615	$ 4,615	$ 4,615	$ 4,615	$ 4,615

CONSOLIDATED CASH FLOWS FOR THE NEW CCAA APPLICANTS
SIGNIFICANT CASH FLOW ASSUMPTIONS

Notes:

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

2. Concrete Equities Inc. which is the corporate brand and marketing vehicle for the Concrete projects incurs costs for the benefit of the Applicants. These costs have been allocated amongst the five limited partnerships that previously filed NOI's. The non-operating entities who also benefit from Concrete Equities Inc.'s management will be allocated a portion of these cost , the Initial Order includes a provision to allow for intercompany lending.

3. El Golfo Investment Corporation ("El Golfo") is one of the New CCAA Applicants. El Golfo was formed for the purpose of acquiring land in Mexico for development. There are approximately 1,300 investors in the El Golfo project. On July 31, 2009 extension fees in the amount of USD$590,000 are due with respect to lot #1, 2 and 7A of undeveloped land in Sonora, Mexico. El Golfo does not currently have sufficient funds on hand to pay these extension fees or to close the transaction.

4. Opening cash is estimated based on the balance per bank statements as at July 17, 2009 less outstanding transactions.

Action Nos. 0901-07666/0901-07667/07668/07669 and 07953
Court Nos. 25-1210846, 25-1210841, 25-1210851, 25-1210850 and 25-1210849

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

IN THE MATTERS OF THE INSOLVENCIES OF:

SAFEGUARD REAL ESTATE INVESTMENT FUND LIMITED PARTNERSHIP AND ITS GENERAL PARTNER WEALTHCRETE INVESTMENT CORPORATION; SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP AND ITS GENERAL PARTNER CONCRETE ASSOCIATES INVESTMENT CORPORATION; SAFEGUARD REAL ESTATE INVESTMENT FUND III LIMITED PARTNERSHIP AND ITS GENERAL PARTNER CONCRETE ASSOCIATES II INVESTMENT CORPORATION; SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP AND ITS GENERAL PARTNER CONCRETE ASSOCIATES III INVESTMENT CORPORATION; SAFEGUARD REAL ESTATE INVESTMENT FUND V LIMITED PARTNERSHIP AND ITS GENERAL PARTNER CONCRETE ASSOCIATES IV INVESTMENT CORPORATION

AND IN THE MATTER OF S.471.1 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDEDAND S.13(2) OF THE *JUDICATURE ACT*, R.S.A. 2000, C. J-2, AS AMENDED

SECOND REPORT OF ERNST & YOUNG INC. IN ITS CAPACITY JOINTLY AS TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL AND INTERIM RECEIVER

McCARTHY TÉTRAULT LLP
Barristers & Solicitors
Suite 3300, 421 – 7th Avenue S.W.
Calgary, Alberta
T2P 4K9

Sean F. Collins
Phone: (403) 260-3531
Fax: (403) 260-3501
File No.: 125264-414327

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