SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP (SNC LAVALIN)
PROJECTED 13 WEEK CASH FLOW
($ CAD)

SEE ACCOMPANYING NOTES

	Notes	Week 1 05-Jun-09	Week 2 12-Jun-09	Week 3 19-Jun-09	Week 4 26-Jun-09	Week 5 03-Jul-09	Week 6 10-Jul-09	Week 7 17-Jul-09	Week 8 24-Jul-09	Week 9 31-Jul-09	Week 10 07-Aug-09	Week 11 14-Aug-09	Week 12 21-Aug-09	Week 13 28-Aug-09	TOTAL
NET OPERATING INCOME	1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NON-RECOVERABLE EXPENSES															
MORTGAGE PAYMENTS	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPITAL & LEASING COSTS	2	5,843	5,843	5,843	5,843	4,674	4,674	4,674	4,674	4,674	5,843	5,843	5,843	5,843	70,110
REPAIRS & MAINTENANCE	3	10,167	10,167	10,167	10,167	308,133	8,133	8,133	8,133	8,133	10,167	10,167	10,167	10,167	422,000
RESTRUCTURING EXPENSES	4	8,333	8,333	8,333	8,333	6,667	6,667	6,667	6,667	6,667	8,333	8,333	8,333	8,333	100,000
OTHER OPERATING EXPENSES	5	3,012	3,012	3,012	3,012	2,410	2,410	2,410	2,410	2,410	3,012	3,012	3,012	3,012	36,144
		27,355	27,355	27,355	27,355	321,884	21,884	21,884	21,884	21,884	27,355	27,355	27,355	27,355	628,254
EXCESS (SHORTFALL)		(27,355)	(27,355)	(27,355)	(27,355)	(321,884)	(21,884)	(21,884)	(21,884)	(21,884)	(27,355)	(27,355)	(27,355)	(27,355)	(628,254)
CHANGE IN CASH		(27,355)	(27,355)	(27,355)	(27,355)	(321,884)	(21,884)	(21,884)	(21,884)	(21,884)	(27,355)	(27,355)	(27,355)	(27,355)	(628,254)
OPENING CASH	6	3,886	(23,469)	(50,823)	(78,178)	(105,532)	(427,416)	(449,299)	(471,183)	(493,067)	(514,950)	(542,305)	(569,659)	(597,014)	3,886
CLOSING CASH		$ (23,469)	$ (50,823)	$ (78,178)	$ (105,532)	$ (427,416)	$ (449,299)	$ (471,183)	$ (493,067)	$ (514,950)	$ (542,305)	$(569,659)	$ (597,014)	$ (624,368)	$ (624,368)

Dated the 3rd day of June, 2009.

Vinny Aurora
Safeguard Real Estate Investment Fund II Limited Partnership by its General Partner, Concrete Associates Investment Corporation

This statement of projected cash-flow of Safeguard Real Estate Investment Fund II Limited Partnership prepared in accordance with s.s 50.4 (2) of the *Bankruptcy and Insolvency Act* should be read in conjunction with the Trustee's Report on Cash-flow Statement dated the 3rd day of June 2009.

H. Neil Narfason, Trustee
Ernst & Young Inc.

SAFEGUARD REAL ESTATE INVESTMENT FUND II LIMITED PARTNERSHIP (SNC LAVALIN)
SIGNIFICANT CASH FLOW ASSUMPTIONS

Notes

Purpose: The cash flow forecast is prepared solely for the creditors of the above noted entity and assumes that operations continue on a going concern basis.

1 Net Operating Income , Mortgage Payments

Net operating income and mortgage payments have not been forecast as SNC Lavalin is in Receivership proceedings pursuant to a foreclosure action initiated by Standard Life. As a result, all rents are seized by the receiver resulting in no net operating income to the Limited Partnership.

2 Capital and Leasing Costs

Capital and leasing costs relate to operating cost burden that is incurred as a result of tenant vacancies resulting in unallocated operating costs and is forecast at 2009 operating budget levels.

3 Repairs and Maintenance

Repairs and maintenance are continued to be 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. Significant costs include the costs of replacing a cooling chiller at an expected cost of $300,000 as this cooler uses R-11 refrigerant and must be replaced by July 2009. With the exception of the cooling chiller, as the timing of the expenditures is forecast to occur in Week 5, repairs and maintenance expenditures are assumed to occur evenly throughout the forecast period.

Operational Expenses

4 Restructuring expenses are forecast to include an estimate of the costs of the legal proceedings involving the Limited Partnership and General Partnership, the costs of the transactional investigation and forensic analysis as well as the overall costs of administering the Notice of Intention and Proposal proceedings and are forecast to occur uniformly throughout the forecast period.

5 Other operating costs are allocated costs which are forecast to allocate the cost of the Safeguard Real Estate Investment Fund's head office occupancy, personnel and other operating costs amongst the five individual Limited Partnerships as they are incurred to the benefit of all Limited Partnerships.

6 Opening cash

Opening cash is estimated based on balance per bank statement at May 26, 2009 less outstanding transactions.

The cash flow forecast assumes the availability of and court approval of debtor in possession financing. The Limited Partnership has commenced discussions with a potential party for the provision of this financing.

The cash flows are for a 13 week period and therefore assume that the necessary extensions for the time for filing a Proposal are granted by the Court.