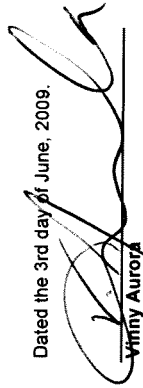


SAFEGUARD REAL ESTATE INVESTMENT FUND III LIMITED PARTNERSHIP (CASTLERIDGE PLAZA)
PROJECTED 13 WEEK CASH FLOW
(\$ CAD)

SEE ACCOMPANYING 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
Notes														
1	\$ 88,707	\$ -	\$ -	\$ -	\$ 88,707	\$ -	\$ -	\$ -	\$ -	\$ 88,707	\$ -	\$ -	\$ -	\$ 266,121
2	62,899	4,876	4,876	4,876	62,899	3,901	3,901	3,901	3,901	62,899	4,876	4,876	4,876	188,697
3	4,876	14,833	14,833	14,833	11,867	11,867	11,867	11,867	11,867	14,833	14,833	14,833	14,833	58,509
4	14,833	8,333	8,333	8,333	6,667	6,667	6,667	6,667	6,667	8,333	8,333	8,333	8,333	178,000
5	8,333	1,250	1,250	1,250	1,000	1,000	1,000	1,000	1,000	1,250	1,250	1,250	1,250	100,000
6	1,250	29,292	29,292	29,292	86,333	23,434	23,434	23,434	23,434	92,191	29,292	29,292	29,292	540,206
	(3,485)	(29,292)	(29,292)	(29,292)	2,374	(23,434)	(23,434)	(23,434)	(23,434)	(3,485)	(29,292)	(29,292)	(29,292)	(274,085)
CHANGE IN CASH	(3,485)	(29,292)	(29,292)	(29,292)	2,374	(23,434)	(23,434)	(23,434)	(23,434)	(3,485)	(29,292)	(29,292)	(29,292)	(274,085)
OPENING CASH	82,721	79,236	49,944	20,651	(8,641)	(6,267)	(29,701)	(53,135)	(76,569)	(100,003)	(103,488)	(132,780)	(162,072)	82,721
CLOSING CASH	\$ 79,236	\$ 49,944	\$ 20,651	\$ (8,641)	\$ (6,267)	\$ (29,701)	\$ (53,135)	\$ (76,569)	\$ (100,003)	\$ (103,488)	\$ (132,780)	\$ (162,072)	\$ (191,365)	\$ (191,365)

Dated the 3rd day of June, 2009.


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

This statement of projected cash-flow of Safeguard Real Estate Investment Fund III 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 III LIMITED PARTNERSHIP (CASTLERIDGE PLAZA)
SIGNIFICANT CASH FLOW ASSUMPTIONS**

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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

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

2 Mortgage Payments

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

3 Capital and Leasing Costs

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.

4 Repairs and Maintenance

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. Significant costs include the costs estimated at \$144,000 to repair historical roof leakage and drainage issues. As the timing of the expenditures is uncertain, repairs and maintenance expenditures are assumed to occur evenly throughout the forecast period.

Operational Expenses

5 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.

6 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.

7 Opening cash

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