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**

MINUTES OF THE SECOND MEETING OF THE MANAGEMENT COMMITTEE

Held at Ernst & Young Inc., Ernst & Young Tower
1000, 440 2nd Avenue S.W., Calgary, Alberta
on Monday, July 27, 2009 at
the hour of 3:00 in the afternoon

Attendance

Name	Company	Representing
Neil Narfason	Ernst & Young Inc.	Receiver, acting as Chairperson
Michelle Grant	Ernst & Young Inc.	Receiver
Alex Corbett	Ernst & Young Inc.	Receiver
Sean F. Collins	McCarthy Tetrault LLP	Counsel to the Receiver
Dean Hutchison	McCarthy Tetrault LLP	Counsel to the Receiver
Steven Butt	Avenue Commercial	LP Investors
Brian Newman		LP Investors
Dave Bulloch	Strategic Group	
Vincenzo De Palma	Concrete Equities Inc.	
R. Ernst, CSR		Court Reporter

Call to Order

Mr. Narfason called the meeting to order at 3:24 p.m.

A copy of the agenda for the meeting is attached as Appendix "A".

1. Follow-up on action items for the first meeting

We discussed the action items that were outstanding from the first meeting including:

- A link from the "unofficial" investor web-site to the Receiver's web-site;
    - Mr. Butt to follow-up on this.
- Outstanding lease renewals (will be touched on in item # 3);
- Present RBC proposal re: Receiver's certificates
    - RBC declined to provide the Receiver with a proposal given the structure of the borrowing ($50,000 ahead of the first mortgage and $50,000 subordinate to the first mortgage);
- LP's position re: proposed payments to Mr. Aurora and Mr. De Palma (discussed in item # 5);
- 8th and 13th floors – can we get a charge in favour of Safeguard IV LP?
    - Concern from the committee was getting a charge as the property is for sale at this time.
    - Can Mr. Jones, Mr. De Palma and Mr. Aurora consent to a charge on the property?
    - Include Concrete Place Properties Ltd. in the new application to prevent the sale of the properties at this time.

We also discussed the Deerfoot Professional development and the prospect that limited partner funds were moved to this project. The property is owned by Mr. Milton Kielbauch a businessman who was also involved with some of the projects in Mexico. We discussed adding the joint venture companies to the list of companies that the Receiver needs investigative powers over to allow the Receiver to understand if funds flowed from other Concrete Equities projects to the Deerfoot Professional development. We discussed adding Corridor Pacific and Deerfoot Professional to the list of related entities.

Action items – 1. Mr. Butt to provide information to link Receiver's web-site to "unofficial web-site". 2. Mr. De Palma to follow-up with Davis LLP re: including

Concrete Place Properties Ltd. in the new applications. 3. Mr. De Palma to follow-up with Davis LLP re: adding additional companies to the related entities schedule.

2. Affiliated Entities, CCAA and Expansion of the Receivership

General Process

We discussed generally the process of converting the Notice of Intention to Make Proposal ("NOI's") proceedings to proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"). We discussed the extension of the Receivership to include investigative powers with respect to certain related entities (Schedule "A" to the Receivership Order) and the expansion of the Management Committee over the new entities that would be in the CCAA and the Receivership.

There was a discussion with respect to the timing of the investigation and how the Steering Committee was concerned that this process was going to drag on for several years as more entities are included in the process. Mr. Narfason noted that the Receiver understands the investors concerns with respect to costs and timing. Mr. Narfason explained that the purpose of the expansion is to preserve value; we need to get everything organized into one proceeding so that the Receiver can complete its investigation. Mr. Butt added that if we don't include all of the entities, the results of the investigation could be incomplete.

Mr. Narfason requested that the Management Committee vote on a resolution to support the conversion of the NOI's to the CCAA process, to expand the Receivership over the remaining Concrete Entities and to include the additional entities in the CCAA proceedings.

The Management Committee voted unanimously in favour of the resolution noted above.

Cash Flow for Initial Application

We also discussed the cash flows that are required to be filed with the initial CCAA application.

El Golfo cash needs

We discussed the extension fees in the amount of US$590,000 payable by July 31, 2009 with respect to the El Golfo project. These fees were not incorporated into the cash flow as there is not sufficient cash on hand to pay these fees. The payment of these fees by July 31, 2009 provides further time to close the transaction, if the extension fees are not paid the deposits paid on the land could be in jeopardy of forfeiture.

If the extension fees are paid the timing to close the transaction is pushed out until March 2010 when the final payments are required. The final payments are currently estimated at US $14,000,000 if all the lots are acquired. The final payments can be substantially less if we only wish to acquire certain lots. Since there isn't a current valuation of the project, in the short-term the issue is whether or not the project is worth US $14,000,000.

There was a further discussion of the issues surrounding the co-mingling of funds and the use of funds that were raised in the El Golfo project as allegedly some of those funds went to other projects. If the El Golfo lands are lost there is a huge complex issue as to what happens to the investors in El Golfo to the extent that some of their monies were used by other projects.

Mr. Newman noted that the original proposal to raise funds with respect to the El Golfo project involved purchasing fewer lots. Mr. Newman asked if the original package could be pared back so that the investors could take ownership of a smaller section of land now. Mr. De Palma has followed up on this and the families who own the land have indicated that they are not interested.

A discussion with respect to the funds raised in the El Golfo project (approximately $24 million) brought to light the fact that there were entities in Arizona that were accepting funds related to the El Golfo project and these entities need to be included in the application as a related entity to allow the Receiver investigative powers with respect to the books and records.

Mr. Narfason also suggested that we needed to immediately have a discussion with Mr. Letourneau and Mr. Aguliera the parties who have been assisting with the El Golfo project to determine if we can get a further extension beyond July 31, 2009. We discussed the need to extend the timing of the deposit to October, to allow the Receiver to investigate the flow of funds from the El Golfo project.

Mr. De Palma indicated that he would phone Mr. Letourneau and Mr. Aguliera tonight to discuss the extension. Mr. Narfason indicated that the Receiver should participate in this discussion to determine if we can get an extension to October 31 and if we need to sit-down with the families that own the land in Mexico directly.

Action item – Mr. De Palma to set-up a conference call with Mr. Aguliera and Mr. Letourneau to discuss the El Golfo project.

3. Building Issues/Leasing Update

The Receiver provided a copy of the June property management reports to each committee member, along with a summary of the issues contained in each report.

Deer Valley

- Discussion with respect to lease that is expiring September 30, 2009.
    - How does the committee want to respond?

Millrise Plaza

- Two lease renewals, do we want to execute these?
- Counter-offer re: one lease that is expired, how does the committee want to respond?
- Comments on offer from current tenant with a lease expiring in October 2009. How does the committee want to respond?

SNC Lavalin Building

- We need the committee's feedback on the two proposals for vacant space on the eighth floor.
- We discussed Standard Life's concerns with respect to the vacancies in the building and the fact that the SNC Lavalin lease expires in three years.
- The Receiver has discussed the possibility of an extension with SNC Lavalin, they are open to the idea, but want a really good deal.
    - Mr. Butt indicated that he thought that SNC Lavalin would be willing to extend out a year or two, they have been in the building for 22 plus years, but the rent will have to remain low.
    - The committee has to decide what they want to propose to SNC in terms of time and a rate.

- We discussed the chiller and the extension request to Alberta Environment. The issue with an extension from Alberta Environment is that there is no provision in the provincial legislation to grant the extension even though Alberta Environment has indicated that they want to assist. A potential solution to this issue is incorporating something into the CCAA Initial Order. The Receiver also advised that a discussion took place with Priority Leasing and Convergent with respect to leasing a chiller, but a deposit would be required to move forward with this option.

Castleridge Plaza

- Need committee's feedback on the marketing materials prepared by CBRE.
- Need committee's feedback on proposed marketing strategy of CBRE in light of cash flow issues
- Need committee's feedback on video store offer.

Concrete Equities Place

- Discussed Starbucks request for a rent reduction.
  - Need to review the lease and then we will determine strategy to deal with proposal from Starbucks.
- Discussed the property tax arrears.
  - This is an issue for Citizen's Bank as the first mortgage on the property.
  - The Receiver has been in discussions with the City of Calgary to work out a payment plan, but they have not been receptive.
- The Receiver is meeting with Citizen Bank on Thursday.

MEG Place

- Discussed Worley's Parsons leasing agents request re: sourcing a new tenant.
- Noted that a $150,000 receivable was coming in from Worley Parsons for 2008 op cost adjustments and this needed to be reflected in the CCAA cash flows.

Mr. Bulloch indicated that we should ask the leasing agents or the property management companies to produce rent rolls for us and market data so that we can assess offers.

Action Items – 1. Management Committee to respond to the matters outlining the building report summaries by Thursday, July 30, 2009. 2. The Receiver will request market data from the leasing agents and provide the committee with rent roll information for each property.

4. Receiver Certificates

We had a general discussion about the parties that the Receiver has approached to fund the Receiver's Certificates. RBC and Century Services declined to provide a proposal to the Receiver. The Receiver has also approached Echo Merchant Capital; they are still reviewing the material.

The Receiver noted that it is running into an issue with the structure of the borrowing (i.e. $50,000 ahead of the first mortgage and $50,000 subordinate).

- RBC and Century Services said that they would be prepared to look at the opportunity again if they were in first place for the full amount.

The Receiver is running out of time, as funds are required for repair and maintenance expenditures that need to occur in the summer/early fall. The Receiver is still working through the numbers, but without the El Golfo deposit it could be in the $500,000 to $750,000 range with the new entities (assuming that the Receiver does not have to purchase a new chiller).

Mr. Butt mentioned some additional parties that the Receiver could approach, he was going to call them first and then pass their information on to the Receiver. The Receiver has several other parties that they can approach, but based on current feedback, the Receiver didn't want to go chasing other parties without discussing first with the committee.

Mr. Narfason indicated that the Receiver would undertake to go back to the five first mortgage holders and request that they allow the full amount of the borrowing to rank ahead of their security.

Mr. Narfason also mentioned that the Receiver could ask the limited partners if they want to provide the funding at a rate of say 5% to 10%. The issue is that the process is quite administrative, it would be like a rights offering where you offer everybody a right to participate. Mr. Narfason asked if Strategic Group would still be interested in backstopping a rights offering. Mr. Bulloch confirmed that Strategic would still be there. Mr. Bulloch further advised that the last financing that Strategic did was at 2% per month with a 10% fee. Mr. Narfason mentioned that it would be important to let the limited partners know that if they financed at 8% that would be a much better deal for them then a third party at say 20% to 34%. Mr. Narfason also mentioned that lenders like Century and Echo would not lend below 20% and whoever we are looking at now as a potential lender (other than the limited partners) will be more than 20%.

The Receiver will determine which path to go down and if we have to go to the limited partners by August 10, 2009.

Action Items – 1. Mr. Butt to get back to the Receiver with names of parties interested in funding the Receiver's certificate. 2. The Receiver will send an e-mail to the five first mortgage holders to determine if they would consider authorizing the total borrowing ahead of their position.

5. Cash Flow Update

We discussed the amounts for overhead and management fees included in the draft CCAA cash flows. The draft cash flows include fees of $15,000 per month for June, July and August to pay Mr. Aurora and Mr. De Palma's management fees (i.e $7,500 per person per month). The cash flows also include payments to Jackie and Barb (which were discussed at the previous meeting) and other amounts for overhead.

Mr. De Palma indicated that he wanted to have an open discussion about the issues. Mr. Narfason reiterated that the original proposal was $20,000 per month for each of Mr. Aurora and Mr. De Palma. Mr. Butt took that proposal back to the Steering Committee and sent Mr. Narfason an e-mail indicating that the proposal was not met with a positive response and in fact they thought no money should be paid. Mr. Narfason indicated that the Receiver was of the view that there was a benefit to cooperation and getting information and that perhaps the Steering Committee could "stomach" a rate of $5,000 to $6,000 per person per month. Mr. Narfason took the comments back to Mr. De Palma who was disappointed. Mr. Narfason discussed the issues with Mr. De Palma and the Receiver has now proposed $7,500 per person per month, plus a consulting arrangement for services rendered beyond August.
Mr. De Palma noted that he was the fund-raising individual in the organization and that he is trying to solidify, rectify and protect the investors and they will see this as we continue through the process.

Mr. Butt noted that the LP shareholders are pretty disgusted at what's happened. They are wondering why they have to pay anything when Mr. Aurora and Mr. De Palma are under a Court Order to provide documents. The other side is that there's a lot more information that you might still have pertaining to a lot of the other investments that aren't related to the original Court Order which have a benefit to everybody to bring out. At the end of the day Mr. Butt noted that the shareholders came to an agreement where an amount per month would be palatable, on a limited time basis.

Mr. Butt asked if he could take the cash flows and the Receiver's proposal re: overhead and management fees back to the Steering Committee. Mr. Butt advised that he would be back to the committee with a response within 24 to 48 hours.

The Receiver noted that certain entities included in the CCAA cash flows are not operating and therefore they have no cash flows. Mr. Narfason noted that Safeguard VI LP and Safeguard VII LP were supposed to have a distribution July 1, we have not included anything in the cash flow for this amount.

Action Item – 1. The Receiver will circulate revised cash flows. 2. Mr. Butt and Mr. Newman to advise the committee of the Steering Committee's position with respect to the Receiver's proposal for payment of overhead and management fees incorporated into the CCAA cash flows.

6. Appraisals, Clark Valuation and Pinchin Reports

Mr. Bulloch indicated that Strategic has incurred $212,000 of expenses related to the appraisals on the five LP buildings, the work done by Clark Valuations and the Pinchin reports. This amount is accounted for in Strategic's grid note, so it is already a charge in these proceedings. Mr. Bulloch further noted that the reports are valuable to the receivership process and Strategic would like to get the amounts for whatever is required by the Receiver into Receiver's Certificates and off-set the grid note.

Mr. Narfason noted that a lender will require current appraisals as support for the Receiver's Certificates, so the appraisals have value if they are refreshed to a June date.

Mr. Bulloch advised that the appraisals were $27,000, the Clark Valuation was $101,000 and the environmental/building condition reports were $83,000. Mr.

Narfason noted that the cash flows do not include payments for any of these amounts.

Mr. Narfason noted that the Receiver would not support payment for the Clark Valuation.

Mr. Narfason noted that the building condition reports would have value, the lenders may want to see them and we are using the reports to guide us in terms of cash flow. Mr. Bulloch noted that there could also be some value to the reports if this goes through a sales process.

Action Items – 1. Mr. Bulloch will provide the committee with a breakdown of the cost by building. 2. Mr. Butt indicated he would take this request back to the Steering Committee.

7. Investor Communications

Mr. De Palma noted that the Concrete Equities web-site is no longer operational. The web-site just has a link to the Receiver's web-site, the contact information for Concrete Equities and the toll-free number.

Mr. De Palma noted that Concrete Equities is getting calls from investors regarding communications from the Steering Committee re: request for cash for legal fees. Mr. De Palma noted that the investors are stating that they will recover their contributions when they get the real estate back. Mr. Narfason noted a concern if investors think that the funds paid for legal fees have a priority. The funds may be a priority to the investors, but they would rank similar to the original investment.

Mr. Narfason noted that the Receiver is getting calls from investors who thought that after reading the minutes from the first meeting that all communication was to come through the committee or through web-sites and that the Steering Committee would not be communicating. Some investors find it offensive that the Steering Committee is continuing to communicate.

Mr. Narfason suggested that communications come from the Management Committee to ensure that the message is consistent, correct and factual.

8. Town hall meeting for the limited partners

Mr. Narfason indicated that the Receiver wants to call a town hall meeting for the limited partners. We discussed potential dates and venues.

We set a tentative date of August 24, 2009 at 7:00 p.m.

A preliminary agenda was discussed:

- Appraisals;
- Cash flows;
- Update on the accounting investigation; and
- Restructuring options

Action Item – 1. Receiver to investigate holding the meeting at the Sheraton Eau Claire.

Adjournment

Mr. Narfason asked if there was anything else to be discussed at this meeting. The meeting was adjourned at 6:20 p.m.

Respectfully submitted,

Neil Narfason, Chairman

Michelle Grant, Secretary

August 5, 2009
Date