IN THE MATTER OF THE INSOLVENCIES OF:

CONCRETE EQUITIES INC. et. al.

MINUTES OF THE THIRD MEETING OF THE MANAGEMENT COMMITTEE

Held at Ernst & Young Inc., Ernst & Young Tower
1000, 440 2nd Avenue S.W., Calgary, Alberta
on Wednesday, August 5, 2009 at
the hour of 3:00 in the afternoon

Attendance

Name	Company	Representing
Neil Narfason	Ernst & Young Inc.	Receiver, acting as Chairperson
Alex Corbett	Ernst & Young Inc.	Receiver
Dean Hutchinson	McCarthy Tetrault LLP	Counsel to the Receiver
Steven Butt	Avenue Commercial	LP Investors
Dave Bulloch	Strategic Group	Applicants
Vincenzo De Palma	Concrete Equities Inc.	Applicants
Brian Newman		LP Investors

Call to Order

Mr. Narfason called the meeting to order at 3:05 p.m.

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

1. Cash call to the limited partners

El Golfo

We discussed the upcoming obligations for the El Golfo Project. The investment is currently comprised of deposits and other payments related to the purchase of land, however, none of the transactions have closed.

The Receiver understands that the immediate cash requirements of the project are comprised of the following:

- Extension fees in the total amount of US$590,000 which were due July 31, 2009;
- Late penalties on the July 31, 2009 extension fees of US$59,000 due August 15, 2009; and

- Brokering commissions in the amount of US$500,000 due September 15, 2009 (collectively, the "Immediate Cost")

In addition to the Immediate Costs, the Receiver is advised that approximately US$14 million is required in March 2010 to close the transactions. The Receiver noted that there are insufficient funds to make these payments as a result of:

- Payments made to purchase additional lands that were not originally included in the Offering Memorandum; and
- Funds that may have been advanced to other projects.

Mr. Butt asked how much money was advanced to other projects and how much went towards the purchase of the lands. Based on the investigation completed to date, the Receiver could not confirm these amounts.

With respect to the Immediate Costs, the Receiver suggested the following options:

1. Abandon the land purchases and possibly any payments made towards the acquisition of the lands;
2. Raise the funds required for the immediate costs; and
3. Attempt to negotiate a further extension (options 2 and 3 are not mutually exclusive).

The Receiver does not have in its possession an appraisal of the lands which can be used to assist the Management Committee and the investors in making a decision to fund the payments. Based on discussions with the parties that assisted with these transactions (the "Real Estate Brokers"), the Receiver understands that the cost to conduct an appraisal is approximately US$50,000, and there is insufficient time to commission the appraisal prior to August 15, 2009. The Management Committee decided that an appraisal should be commissioned prior to closing on the land purchase.

Based on discussions with the Real Estate Brokers, the Receiver understands that this is the third extension which was negotiated with respect to these transactions and no further extensions are likely to be considered by the land owners. If the August 15, 2009 deadline is not met, the Real Estate Brokers have advised the Receiver that any payments made to date would be forfeited. The Receiver has not yet obtained a copy of the agreements, as such, this cannot be confirmed.

The Receiver advised the Management Committee that it is unlikely to find any third party to fund the Immediate Costs given the following factors:

1. Uncertainty with respect the existence of any realizable assets in the El Golfo project which could be used as security to fund borrowings;

2. The absence of an appraisal on the land; and
3. The short time period.

The Management Committee decided that the investors should be given the option to fund the Immediate Costs. The Receiver identified two options:

1. Canvas all investors; and
2. Canvas the El Golfo investors.

We discussed that investors in other projects would be unlikely to participate as a result of the following factors:

- Funds advanced are not guaranteed, and it is unknown whether there are any assets to realize upon to repay participating investors; and
- Other investors do not have an initial investment at risk.

We discussed the possibility of borrowing against the assets of the other projects to fund the Immediate Costs since some of these other project may have received advances from El Golfo entities. Mr. Narfason noted that in order for the Courts to grant the Receiver the ability to do this, substantial proof as to where funds were ultimately transferred would be required and this documentation is not available at this time.

The Management Committee discussed raising the funds for the Immediate Costs from the El Golfo investors. We discussed raising sufficient funds to pay for the extension fees, and if needed, cash calling the investors again to fund the brokering fees due in mid September. However, given that the two payments were only a month a part, the Management Committee decided that two cash calls did not make sense.

We estimated that in order to fund the Immediate Costs and the appraisal approximately CAD$1.3 million would be required. Based on the known number of units outstanding (2,237), and if all unit-holders participated, this would represent approximately CAD$580 per unit.

A participation rate of 100% is unrealistic given the timeline. We asked Mr. De Palma about historical participation rates for cash calls to the limited partners, and Mr. De Palma advised that Concrete Equities Inc. had never done a cash call. In the absence of historical data, the Management Committee concluded that a participation rate of approximately 75% would be reasonable.

We discussed the terms that would be offered to participating investors. Interest rates between 5% and 20% were discussed. The Management Committee agreed on a rate of 8% based on the following factors:

- The interest rate must be sufficiently high to be attractive to participants; and
- The interest rate cannot be too high since investors who do not have the liquidity to participate will be frustrated.

The Management Committee went on to discuss other terms to be offered to participating investors:

- The interest will accrue on the funds advanced, and not paid out until the funds are repaid; and
- The Receiver will apply to the Courts to obtain a priority charge for funds advanced with respect to the El Golfo project against the assets of El Golfo and their General Partner.

To mitigate the risks associated with the payment of the Immediate Costs, the Management Committee decided that due diligence should be done by the Receiver prior to making any payments with respect to the Immediate Costs.

Mr. Butt questioned the structure of the El Golfo project, including the US based Joint Venture through which payments with respect to the lands occurred. Mr. De Palmas indicated that the flow of funds to the US should have gone through a trust account. The Receiver agreed to request the documentation with respect to the US trust account.

The Management Committee discussed the assignment fees. The total assignment fees for the transactions appear to be approximately US$7 million, of which US$2 million has already been paid.

Action item – The Receiver will draft a letter to El Golfo investors with respect to the cash call and circulate the same to the Management Committee. Once approved, the Receiver will send the letter via email to the addresses on Concrete's file. It was decided that an August 12, 2009 deadline will be implemented for the receipt of funds.

2. <u>Receivership Certificates</u>

Two options for financing were suggested by Mr. Narfason:

1. Cash call the limited partners of the entities; and
2. Continue to seek a DIP Lender

The Receiver indicated the ability to borrow in accordance with the Court Orders for the individual Safeguard Entities is as follows:

$100,00 Safeguard I
$450,00 Safeguard II
$100,00 Safeguard III
$100,00 Safeguard IV
$100,00 Safeguard V

The Receiver discussed the results of its efforts to find a DIP Lender and explained that because of the structure of the borrowing charge, it has been difficult to find a willing DIP lender. However, the Receiver has found an interested lender, through a contact of Mr. De Palma. The draft terms proposed by the DIP lender are as follows:

- Term of 1 year;
- Principal borrowing of up to $850,000;
- Interest rate of 20%, and 4% on unused portion; and
- Monthly interest payments.

The Management Committee discussed the difficulties involved in cash calling the investors to fund the Receiver Certificates and the draft DIP lending terms. The Management Committee resolved that the Receiver should pursue the offer of the DIP lender.

Action Items – The Receiver will pursue the DIP financing offer from the DIP lender.

3. Building Reports

The Receiver tabled the outstanding property action items from the Second Management Committee Meeting. Mr. Butt informed the Management Committee that he was awaiting comments from the Steering Committee prior to taking a position on the outstanding action items. Mr. Butt advised that he had a meeting scheduled with the Steering Committee this evening and would provide comments to the Receiver by the end of the week.

The Committee agreed to defer the discussion of property action items until Mr. Butt is ready to discuss.

The Management Committee went on to discuss general issues with respect to the buildings including:

- Negotiating a lease extension with SNC Lavalin;
- Cash call to the investors to fund tenant inducements for a “good” tenant; and
- Deferring certain building repairs and maintenance that are not required.

Action Items – Mr. Butt to provide comments to the Management Committee with respect to the outstanding action items.

4. Management Fees and Overhead

The Receiver explained that prior to the CCAA filing, a garnishment order was issued against Concrete Equities Inc. shortly after the Receiver reimbursed Concrete Equities Inc. for its employees' payroll. The funds in Concrete Equities Inc.'s bank account were garnished before one of the employee's pay cheques cleared and as a result the employee's pay cheque bounced.

The Management Committee discussed the fact that the employee assisted the Receiver during the payroll period and that the employee's pay cheque was approximately $2,000. The Management Committee agreed to fund the employee's payroll cheque.

5. Building Appraisal and Condition Assessments

The Management Committee discussed the option to purchase the building and land appraisals, and the building condition assessments commissioned by Strategic.

Mr. Narfason discussed the necessity of the building appraisals to secure DIP financing, as well as any refinancing that may be required after the Receivership. As the original appraisals were dated March 1, 2009, a discussion also occurred about the need to have these appraisals updated to July 31, 2009. Mr. Bulloch agreed to lead the negotiations for an update with the appraiser.

Mr. Butt expressed concerns with respect to a possible bias in the fair market value appraisals as they were commissioned by a purchaser. In order to provide comfort with respect to the fairness of the appraisal, the Receiver suggested confirming that the proper definition of fair market value is used in the appraisals. The Receiver also offered to discuss with the appraiser the need for unbiased appraisals and to make the appraiser aware that the appraisals will presented to the Court.

The Management Committee agreed to purchase the appraisals from Strategic once the Receiver has discussed with the appraiser and is comfortable with the fairness of the appraisals.

The Management Committee questioned the usefulness of the building condition assessments at this time. The Management Committee agreed to postpone discussion with respect to these assessments until further information is acquired.

Action Items – Mr. Bulloch will negotiate with the appraiser to have the appraisals updated to July 31, 2009. The Receiver will discuss the fairness of the appraisals with the appraiser.

6. Limited Partner Town Hall Meeting

Mr Corbett explained that there were only two suitable venues for the town hall meeting downtown. Estimates of 1,000 or more attendees could be accommodated by the Telus Convention Centre and the Hyatt.

Different options of venues where discussed, including the Victory Church properties.

The possibility of deferring the meeting until mid-September was discussed. Committee decided that moving the meeting from August 24, 2009 to mid September will be better suited to investors that may be on vacation in the summer.

Action Items – The Receiver will investigate other venues for the town hall meeting and determine a date for the meeting.

7. Other Matters

Concrete Equities Place Emergency AGM

The Concrete Equities Place Condominium Association has announced an Emergency Annual General Meeting where up to two directors may be elected. The association manages condominium properties owned by Concrete Place Properties Ltd. and Safeguard IV.

The Receiver advised of the receipt of a letter to Concrete Place Properties from the Concrete Equities Place Condominium Association with respect the condo fees in arrears for the 8^{th} and 13^{th} floor. As a result of these arrears, in accordance with the condominium bylaws, Concrete Place Properties is not eligible to vote at the Annual General Meeting.

Safeguard IV owns approximately 50% of the building and is current on its condo fees. As such, the Receiver has the opportunity to have two members sit on the condo board.

Mr. Narfason presented the following questions about representation on the Condo board.

- Who will participate in the condo board?
- Will having representation on the condo board be cost effective?
- How will the directors report to the Management Committee?

Mr. Narfason discussed the fact that it is not cost effective to have the Receiver sit on the board of directors.

Mr. Butt agreed to take back the suggestion to the Safeguard IV Steering Committee lead to determine if participation will be available.

Action Items – Mr. Butt to determine if the Steering Committee is interested in participating on the board of directors of the Concrete Equities Place Condominium Association.

Concrete Equities Inc.

In accordance with the Initial Order, Concrete Equities Inc. repudiated its real property lease. Concrete Equities Inc. also provided approximately one month working notice to its employees. Mr. Corbett advised that the Concrete Equities computers and servers will be retained at the Receiver's office.

The Management Committee discussed additional obligations owed to the employees. Mr. Corbett advised that based on discussions with Concrete, the accrued vacation obligation of Concrete is estimated to be a maximum of $2,500.

Deerfoot 17 Mutual Fund Trust

Mr. De Palma explained that funds were raised for Deerfoot 17 Mutual Fund Trust in the amount of approximately $120,000 will be returned to the investors. The balance in the RRSP account has yet to be determined. Mr. Corbett stated that Deerfoot 17 Mutual Fund Trust is not in Receivership. At this time the Receiver cannot comment on the amounts raised and the balances held, as the Receiver has not completed is investigation into this entity.

Receivership Fees

The Receiver provided the Management Committee with an invoice for services rendered by the Receiver to July 31 and invoices for services rendered by McCarthy Tetrault LLP to June 30. Mr. Narfason explained that the EYI invoice includes a courtesy discount with respect to time related to the accounting investigation. Mr. Collins stated that an invoice to July 31 will be provided to the Receiver.

The Receiver requested that the Management Committee review and approve the Receiver's invoice for payment.

Action Items – McCarthy LLP will provide the Receiver with an invoice for services rendered in July. The Management Committee will review the invoices.

Adjournment

The meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Neil Narfason, Chairman

Alex Corbett, Secretary

September 11, 2009

Date

APPENDIX A

Safeguard Limited Partnerships Management Committee
Third Meeting
August 5, 2009 at 3:00 p.m.
at the Offices of Ernst & Young Inc., Calgary, Alberta

AGENDA

1. Cash call to the limited partners
    - El Golfo Project
    - Receiver's Certificates

2. Receiver certificates
    - Based on latest cash flows, how much is required?
    - Proposals

3. Action Items from previous meeting
    - Building Reports
    - Management Fees and Overhead (payment to Jackie)
    - Appraisals and Pinchin Reports – payment to Strategic?

4. Town hall meeting
    - Sheraton can only accommodate up to 600 people.
    - Other venue options?

5. Other building matters
    - LP 4 – Emergency AGM

6. Other matters