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July 13, 2009

To the creditors of:

Safeguard Real Estate Investment Fund Limited Partnership
Safeguard Real Estate Investment Fund II Limited Partnership
Safeguard Real Estate Investment Fund III Limited Partnership
Safeguard Real Estate Investment Fund IV Limited Partnership
Safeguard Real Estate Investment Fund V Limited Partnership

(collectively the “Entities” or the “Limited Partnerships”)

As you are aware on May 26, 2009 Ernst & Young Inc. was named as Trustee under the Notice of Intention to Make a Proposal of the Entities. By Orders of the Court of Queen’s Bench of Alberta dated June 9, 2009 (the “IR Orders”) Ernst & Young Inc. was appointed Interim Receiver of the Limited Partnerships (the “Receiver”).

It is important to note that at this time only the entities identified above are subject to these proceedings.

The following properties are impacted by these proceedings:

Deervalley Station – 13750 Bow Bottom Trail SE
Millrise Plaza – 15 Millrise Boulevard SW
SNC Lavalin Building – 909 – 5th Avenue SW
Castleridge Plaza – 55 Castleridge Boulevard NE
Concrete Equities Place – 396 – 11th Avenue SW
MEG Place – 1001 – 1st Street SE

In accordance with paragraph 33 of the IR Orders, please find attached a copy of the applicable IR Order.

As noted in the Receivers statement dated June 19, 2009, the Receiver’s intended action plan is to maintain the Limited Partnerships in collaboration with the Management Committee (established pursuant to the IR Orders) pending the Notice of Intention to Make a Proposal Proceedings and carry out an investigation into the financial affairs of the Limited Partnerships.

The Receiver established a web-site to keep stakeholders in these proceedings informed. The Receiver’s web-site is the official web-site with respect to these proceedings. The Receiver will post copies of notices, Court Reports, Court Orders and other relevant material to these proceedings on its web-site.

The web-site address is:

www.ey.com/ca/safeguard



The Receiver also established a hotline for stakeholders to call with specific questions for the Receiver. The hotline telephone number is (403)-206-5241.

The Receiver will post further communications with respect to these proceedings on its web-site.

Sincerely,

ERNST & YOUNG INC.

In its capacity as Receiver of Safeguard Real Estate Investment Fund Limited Partnership
Safeguard Real Estate Investment Fund II Limited Partnership
Safeguard Real Estate Investment Fund III Limited Partnership
Safeguard Real Estate Investment Fund IV Limited Partnership
Safeguard Real Estate Investment Fund V Limited Partnership

Attachment