

SAFEGUARD REAL ESTATE INVESTMENT FUND III LIMITED PARTNERSHIP
NOTICE AND STATEMENT OF RECEIVER
(Subsections 245(1) and 246(1) of the Act)

In the Matter of the Court Appointed Interim Receivership of the Property of
Safeguard Real Estate Investment Fund III Limited Partnership (the “Limited Partnership”)

1. Please be advised that on Tuesday, June 9, 2009 Ernst & Young Inc. was named Court Appointed Interim Receiver (the “Receiver”) in respect of the property of the Limited Partnership, insolvent person, that is described below:

	<u>Net Book Value</u> <u>As at June 9, 2009</u>
Cash	\$82,721
Accounts receivable	\$88,249
Related party receivable	Unknown
Prepaid expenses	\$15,991
Building	\$24,200,000
Total	<u>\$24,386,961</u>

2. Ernst & Young Inc. became Receiver in respect of the property described above pursuant to an Order of the Court of Queen’s Bench of Alberta dated June 9th, 2009.
3. The Receiver took possession and control of the property described above on June 9th, 2009.
4. The following information relates to the receivership:

- a) Principal address of the insolvent person: Suite # 450, 550 11 Avenue S.W.
Calgary, AB T2R 1M7
- b) Principal line of business: Commercial Real Estate
- c) Location of the business : 13760 Bow Bottom Trail SE
Calgary, AB T2J 6T5
- d) Amounts owed by the Limited Partnership are as follows;

<u>Name</u>	<u>Claim Amount</u>
Secured creditors – see attached	\$19,731,090
Statutory/Preferred creditors	Unknown
Unsecured creditors – see attached	\$29,265
Total	<u>\$19,760,355</u>

- e) The intended action plan of the Receiver is to maintain the Limited Partnership in collaboration with a Management Committee pending the Notice of Intention to Make a Proposal Proceedings and carry out an investigation into the financial affairs of the Limited Partnership.
- f) The Receiver contact is:

Ernst & Young Inc.
1000 Ernst & Young Tower
440 - 2nd Avenue SW
Calgary, AB T2P 5E9

Attention: Mr. Alex Corbett
Telephone: (403) 206-5001
Facsimile: (403) 206-5075

Dated at Calgary, Alberta this 19th day of June, 2009

ERNST & YOUNG INC.
Court Appointed Interim Receiver of
Safeguard Real Estate Investment Fund III Limited Partnership

A handwritten signature in black ink, appearing to read 'Neil Narfason', with a long horizontal line extending to the right.

Neil Narfason, CA•CIRP, CBV
Senior Vice President

Safeguard Real Estate Investment Fund III Limited Partnership
Creditors Listing
as at June 9, 2009

Secured Creditors	Amount (\$ CDN)
Computershare Trust Company of Canada	Unknown
Midland Loan Services	10,180,237
934608 Alberta Ltd	5,500,000
Strategic Financial Corporation	3,300,000
Concrete Associates II	490,853
Dave Aurora	260,000
Total Secured Creditors	\$ 19,731,090
Unsecured Creditors	Amount (\$ CDN)
City of Calgary Taxes	19,791
Kennington Properties	6,063
L. Bower Enterprises	1,838
Enmax	1,574
Other related party payables	unknown
Total Unsecured Creditors	\$ 29,265
Total Creditors	\$ 19,760,355

Note - Creditors listing as prepared by Limited Partnership for purposes of the Notice of Intention to Make a Proposal Filing as filed on May 26, 2009 adjusted for the addition of 934608 Alberta Ltd. which was subsequently identified.