

November 2, 2010

**To the known investors of:**

Santa Clara Real Estate Investment Fund Limited Partnership (the “SC LP”); and  
Santa Clara Registered Corp.

**(collectively “El Golfo”)**

As you are aware on July 29, 2009 the Court of Queen’s Bench of Alberta granted an order (the “Receivership Order”) appointing Ernst & Young Inc. as the Court-Appointed Receiver of El Golfo Investment Corporation and Santa Clara Real Estate Investment Limited Partnership (the “Receiver”). The Receivership Order also appointed Ernst & Young Inc. as receiver of various other entities in the Concrete Equities Inc. family of companies (the “Concrete Entities”).

Ernst & Young Inc. was discharged in June/July 2010 as receiver and monitor of all of the other Concrete Entities. We continue to act as receiver of El Golfo Investment Corporation and SC LP.

Wealthcrete Investment Corporation, Concrete Associates Investment Corporation, Concrete Associates II Investment Corporation, Concrete Associates III Investment Corporation and Concrete Associates IV Investment Corporation emerged from Receivership and CCAA Proceedings in June/July 2010. A new general partner is responsible for the projects relating to these entities as of July 2010.

The Receiver continues to maintain a web-site with respect to the Concrete proceedings:  
[www.ey.com/ca/concrete](http://www.ey.com/ca/concrete).

Throughout these proceedings the Receiver has been in contact with several individual limited partners in the El Golfo project. The Receiver determined that it would be appropriate to provide a general update to all of the known individual limited partners in the El Golfo project. The following is a brief update with respect to the potential recoveries to the creditors and individual limited partners in the El Golfo project.

Condo in Mexico

- In August 2009 the Receiver commenced an action against Mr. David Humenuik with respect to a condo in Mexico. In August 2009 the Court granted an order (the “Condo Order”) prohibiting Mr. Humenuik and his wife from selling, transferring, assigning, mortgaging, hypothecating, pledging or granting a security interest in the condo in Mexico. The effect of the Condo Order was to prevent the Humenuik’s from selling the condo in Mexico.
- A receiving order was made on September 15, 2009 against David Humenuik and a trustee in bankruptcy was appointed over his estate. Hardie & Kelly Inc. are the trustee’s of Mr. Humenuik’s estate (the “Trustee”). The bankruptcy placed control of David Humenuik’s assets with the Trustee. Mr. Humeuik’s assets included the condo in Mexico, which the Receiver will be asserting a trust claim over. As the Receiver and its counsel were of the view that the Trustee’s powers under the *Bankruptcy and Insolvency Act* (the “BIA”) provided it with a greater opportunity to realize on the condo in Mexico, the Receiver discussed this

matter with the Trustee and it was determined that the trustee would take responsibility for realization efforts relating to the condo in Mexico.

- In March 2010 the Trustee wrote to the creditors of the estate of David Humeniuk to advise that a creditor of the estate had put the Trustee on notice, asking the Trustee to take immediate steps to pursue the transfer and sale of the condo in Mexico. The Trustee advised the creditors that it was unable to pursue the recovery of the condo, as there were insufficient funds available in the estate at that time and there was uncertainty surrounding the recovery, given the location of the asset and the Receiver's claim.
- On April 20, 2010 a creditor in David Humeniuk's estate was granted an Order pursuant to section 38 of the BIA authorizing it to take steps as necessary to recover and liquidate the condo in Mexico. The Receiver understands that due to the complexities surrounding the realization of an asset located in Mexico, minimal progress has been made with respect to recovery of this asset.
- The condo in Mexico was purchased for approximately \$1 million in October 2007. The Receiver does not have a current appraisal for this property, but it is reasonable to expect that after allocating costs incurred to recover this asset that the net proceeds available will be significantly less than \$1 million.

#### Inter-entity Lending

- As discussed in the town hall meeting and updated further in the Receiver's third report dated December 2, 2009 (the "Investigation Report"), the Receiver is aware of certain transactions whereby funds flowed from the El Golfo project bank accounts to other Concrete projects and entity bank accounts. Transactions of this nature are referred to as inter-entity lending. A summary of the inter-entity transactions for the El Golfo project as presented in the Investigation Report is provided in the table below:

<b>Project</b>	<b>Cash In</b>	<b>Cash out</b>	<b>Net</b>	<b>Notes</b>
Castleridge	\$ -	\$ (268,502)	\$ (268,502)	1
CE Place	299,765	(2,007,277)	(1,707,512)	2
CE Place 8 & 13	-	(670,390)	(670,390)	3
Concrete Equities	206,137	(2,910,877)	(2,704,740)	4
Concrete Executive Club	-	(70,800)	(70,800)	5
Diversified	124,715	-	124,715	6
DV Millrise	21,137	(144,452)	(123,315)	7
Glenmore Airways	1,731,160	(1,074,557)	656,603	8
Luna Morada, Conchas Chinas & Concor Pacific Inc.	1,261,250	(7,101,153)	(5,839,903)	9
MEG Place	1,301,255	(1,260,260)	40,995	10
SNC Lavalin	10,000	(34,975)	(24,975)	11
Symcor Otis	152,000	(305,411)	(153,411)	12
<b>Total</b>	<b>\$ 5,107,418</b>	<b>\$ (15,848,654)</b>	<b>\$ (10,741,236)</b>	

**Notes:**

1. In settlement of this debt, new limited partnership units were issued to SC LP. This is discussed further below.
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  3. These funds were used to purchase units in CE Place which were owned by a company called Concrete Place Properties Ltd. The first mortgage holder, Trumpet Capital Corporation foreclosed on these properties and the Receiver anticipates that Trumpet will not be repaid in full. The Receiver does not anticipate a recovery to the creditors or investors in the El Golfo project relating to these funds.
  4. As Concrete Equities Inc. does not have any assets the Receiver does not anticipate that the creditors or investors in the El Golfo project will recover any of these funds.
  5. The Receiver does not anticipate that the creditors or investors in the El Golfo project will recover any of these funds.
  6. The El Golfo project owes money to the Diversified project.
  7. In settlement of this debt, new limited partnership units were issued to SC LP. This is discussed further below.
  8. The El Golfo project owed money to the Glenmore Airways project, this amount was incorporated into the inter-entity lending settlement discussed below.
  9. As the Luna Morada and Conchas Chinas projects do not have any assets the Receiver does not anticipate that the creditors or investors in the El Golfo project will recover any of these funds.
  10. The El Golfo project owed money to the MEG Place project, this amount was incorporated into the inter-entity lending settlement discussed below.
  11. In settlement of this debt, new limited partnership units were issued to SC LP. This is discussed further below.
  12. The Symcor Otis project received new limited partnership units from other projects as part of the inter-entity lending settlement; therefore it is possible that creditors and investors in the El Golfo project will recover some of these funds. The amount that will be recovered (if any) and the timing of this recovery is not known at this time.
- As part of the restructuring of Wealthcrete Investment Corporation, Concrete Associates Investment Corporation, Concrete Associates II Investment Corporation, Concrete Associates III Investment Corporation and Concrete Associates IV Investment Corporation the Court granted Orders on June 2, 2010<sup>1</sup> authorizing the settlement of inter-entity debts through the issuance of new limited partnership units. The new limited partnership units were issued after allocating a portion of the costs of the proceedings to the other entities based on the estimated realizable value of the assets in each entity. The Monitor's seventh report dated May 3, 2010 (the "Seventh Report") discusses this settlement in detail.

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<sup>1</sup> Certain Orders were further amended on June 29, 2010.

- As a result of the inter-entity debt settlements, SC LP holds the following limited partnership units:

<b>Issuer</b>	<b># of units</b>
DV Millrise	4.765898
SNC Lavalin	1.447214
Castleridge	6.262078
CE Place	174.558645

#### Deposits on lots

- The individual limited partners who attended the town hall meeting in September 2009 voted overwhelmingly in favour of abandoning the deposits paid on the lots in Sonora, Mexico. As a result, the Receiver did not pursue the purchase of the lands in Sonora, Mexico. The Receiver is not pursuing the recovery of these deposits, as the Receiver is of the view that the costs to pursue the deposits outweigh any potential recoveries.
- For those investors who were not able to attend the town hall meeting in September 2009, a copy of the presentation is available on our web-site: [www.ey.com/ca/concrete](http://www.ey.com/ca/concrete) under the El Golfo Project section.

#### Potential Recovery to the Individual Limited Partners

- The proven unsecured creditor claims against El Golfo Investment Corporation and SC LP in aggregate total approximately \$1.7 million.
- As noted above, the Receiver anticipates that the net proceeds available from the condo in Mexico will be significantly less than \$1 million.
- At this time the Receiver is not certain what the value of the limited partnership units will be once they are realized upon.
- In the Receiver's view it is highly likely that the recovery to the individual limited partners in the El Golfo project will be \$nil. Unfortunately at this time the Receiver is not able to confirm this to investors, as the recoveries are still not known.

The Receiver will provide a further update once the recovery on the condo in Mexico has been confirmed. The Receiver will post this update directly on the Receiver's web-site: [www.ey.com/ca/concrete](http://www.ey.com/ca/concrete) click on the El Golfo Project section.



If you have any questions with respect to this letter and the funds required, please do not hesitate to contact the Receiver at 403-206-5241.

Sincerely,

**ERNST & YOUNG INC.**

In its capacity as Receiver El Golfo Investment Corporation and  
Santa Clara Real Estate Investment Fund Limited Partnership

A handwritten signature in black ink, appearing to read 'Neil Narfason', written over a horizontal line.

Neil Narfason, CA-CIRP, CBV  
Senior Vice President