COURT FILE NUMBER	1201-10691
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9 AND IN THE MATTER OF LIBERTY CROSSING LIMITED PARTNERSHIP AND LIBERTY CORSSING GENERAL PARTNER INC.
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MacPherson Leslie & Tyerman LLP Lawyers 1600, 520 - 3rd Ave SW Calgary, Alberta T2P 0R3 Phone: 403.693.4300 Fax: 403.508.4349 Attention: Dean A. Hutchison / Abram B. Averbach

AFFIDAVIT OF Bruce Duckworth

Sworn (or Affirmed) on November 8, 2013

I, Bruce Duckworth, of Alberta, SWEAR/AFFIRM AND SAY THAT:

1. I am a unit holder of Liberty Crossing Limited Partnership ("**Liberty LP**") and a member of the Liberty LP Investor Advisor Group (the "**IAG**"). I hold 10 Liberty LP partnership units. As such, I have personal knowledge of the matters and facts deposed to herein, except where stated to be based on information and belief, and where so stated I believe the same to be true.

2. Liberty LP, and its General Partner, Liberty Crossing General Partner Inc. (collectively, "**Liberty Crossing**"), sought and obtained creditor protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an initial order dated August 24,

2012 (the "**Initial Order**"). The stay of proceedings originally granted has been extended such that it currently expires on December 31, 2013.

3. Following the granting of the Initial Order, the IAG was formed to represent the interests of all unit holders of Liberty LP. The IAG is comprised of nine individuals, all of whom are significant investors of Liberty LP. I am a member of the IAG and have regularly advised, as a member of the IAG, the unit holders of Liberty LP.

4. Liberty Crossing is the owner of certain lands located in Red Deer, Alberta, having the legal description:

   Plan: 8121555

   Block: 7

   Lot: 10

   Excepting Thereout all Mines and Minerals

   Area: 1.91 hectares (4.72 acres) More or Less

   (the "**Liberty Lands**").

5. The Liberty Lands are fully serviced and house a retail shopping centre. Shortly following Liberty Crossing's purchase of the Liberty Lands, two of the three major tenants in the retail shopping centre defaulted on their lease obligations and vacated the Liberty Lands shortly thereafter. As a result, the income available to Liberty Crossing was significantly reduced.

6. As a result of these vacancies, Liberty Crossing was unable to meet its debt obligations with respect to two inter-corporate loans. It has also been unable to meet its monthly distribution obligations to its unit holders. Accordingly, Liberty Crossing sought creditor protection under the CCAA in an effort to restructure its business affairs and debt obligations in order to maximize the value of its assets for all stakeholders.

7. Subsequent to the commencement of the CCAA proceedings, the vacancies in the retail shopping centre were filled. As a result, the revenue generated by the shopping centre located on the Liberty Lands is presently more in accordance with the expectations of the Liberty LP unit holders at the time Liberty LP purchased the Liberty Lands.

8. Although Liberty Crossing sought creditor protection under the CCAA, none of the creditors of Liberty Crossing had commenced any foreclosure or security realization proceedings against the Liberty Lands.

9. The Liberty Lands, including the retail shopping centre, were purchased by Liberty LP for the amount of $14,200,000.

10. I have reviewed the Affidavit of Gary Bentham, Chief Restructuring Officer of Liberty Crossing, sworn November 6, 2013 (the "**Bentham Affidavit**") and I understand from reading paragraph 19 of such Affidavit that an independent appraisal conducted by Cushman & Wakefield Ltd. estimated the current fair market value of the Liberty Lands, based on a market exposure of six to twelve months, to be $14,200,000, which is equal to the purchase price Liberty LP initially paid for the Liberty Lands. I am further informed by the Bentham Affidavit that CB Richard Ellis conducted an appraisal in early 2013 that estimated the fair market value of the Liberty Lands to be in the range of $15,200,000 to $16,400,000.

11. At paragraph 12 of the Bentham Affidavit, Mr. Bentham correctly indicates that the IAG advised him in September 2013 that it, and by extension the other unit holders of Liberty LP, were not interested in providing an additional equity financing of $1,000,000-$1,500,000.

12. Following the refusal of the IAG to agree to an additional equity financing of Liberty LP, I understand that Mr. Bentham determined that the sale of the Liberty Lands was in the best interests of the Liberty LP stakeholders.

13. I am unaware of any further efforts by Mr. Bentham to obtain additional equity financing from any non-Liberty LP unit holder.

14. Pursuant to an Agreement of Purchase and Sale made September 5, 2013, between Liberty Crossing General Partner in its Capacity as General Partner of Liberty Crossing Limited Partnership, as Vendor, and Melcor Developments Ltd. ("**Melcor**"), or its nominee, as Purchaser, Liberty Crossing agreed to sell to Melcor the Liberty Lands subject to certain terms and conditions (the "**Melcor Agreement**").

15. Pursuant to the Melcor Agreement, Melcor will purchase the Liberty Lands for the amount of $13,250,000. Accordingly, and even upon the more conservative appraisal conducted by Cushman & Wakefield Ltd., the Melcor Agreement results in a sale of the Liberty Lands for below the estimated fair market value of the Liberty Lands, and below the purchase price initially paid by Liberty LP.

16. The IAG has never been in favour of the Melcor Agreement on the basis that it results in a significant loss to the unit holders of Liberty LP. Once the creditors receive payment for their claims, and based on the information provided in paragraph 22 of Mr. Bentham's November 6 Affidavit, the amounts left to be shared *pro rata* among the 222 Liberty LP unit holders only represents roughly $0.40 for every dollar initially invested by the unit holders in Liberty LP.

17. On September 30, 2013, I wrote to Mr. Bentham, on behalf of the IAG and all Liberty LP unit holders, to voice my concerns regarding the Melcor Agreement. A copy of my email correspondence to Mr. Bentham in this regard is attached to this Affidavit as **Exhibit "A"**.

18. On or about October 30, 2013, I, on behalf of the IAG, approached Simmons Financial Holdings Corporation ("**SFHC**") and requested that SFHC make an alternate proposal to the Melcor Agreement.

19. SFHC proposed an alternative arrangement that would result in the preservation of Liberty LP through investment and ongoing management (the "**SFHC Proposal**"). The fundamental terms of the SFHC Proposal are set out in a letter dated November 7, 2013 addressed to Mr. Bentham, a copy of which is attached to this Affidavit as **Exhibit "B"**.

20. As I understand from a review of both the SFHC Proposal and the Melcor Agreement, the claims of all proven creditors of Liberty Crossing will be paid in full.

21. The reason that the SFHC proposal was not made until after the conclusion of the court approved Sales Process was because neither the IAG or any of the Liberty LP unit holders contacted SFHC until after this process was concluded.

22. The IAG, on behalf of all Liberty LP unit holders, is in favour of the SFHC Proposal for the primary reason that the SFHC Proposal would allow Liberty Crossing to emerge from CCAA protection with its ownership of the Liberty Lands intact, which will permit the 222 unit holders of Liberty LP to achieve a more favourable return on their investments.

23. To the contrary, the Melcor Agreement results in an immediate disposition of the Liberty Lands below their appraised fair market value, with the corresponding result of substantial losses to the limited partners.

24. Attached as **Exhibit "C"** to this Affidavit is a resolution of the IAG, executed by all members of the IAG, that among other things communicates not only the IAG's favour of the SFHC Proposal, but also that the IAG does not support the Melcor Agreement and does not believe that it is the best current alternative for unit holders.

25. The IAG, on behalf of all of the unit holders of Liberty LP, seeks an adjournment of the application brought by Mr. Bentham, in his capacity as Chief Restructuring Officer of Liberty Crossing, so as to permit the unit holders of Liberty LP sufficient time to consider the SFHC Proposal.

26. Given that both the Melcor Agreement and the SFHC Proposal fully satisfy the claims of all proven creditors of Liberty Crossing, any adjournment does not materially prejudice such creditors.

27. However, if the adjournment is not granted, the unit holders of Liberty LP will be deprived of an adequate opportunity to consider the SFHC Proposal, with the corresponding result being the sale of the Liberty Lands, in which case the unit holders will all experience a significant loss on their investment in Liberty LP.

SWORN BEFORE ME at Calgary, Alberta, this 8th day of November, 2013,	
A Commissioner for Oaths in and for the Province of Alberta ABRAM AVERBACH Barrister & Solicitor	BRUCE DUCKWORTH

Abram B. Averbach

From:	bruce@hunterduckworth.com
Sent:	Friday, November 08, 2013 2:53 PM
To:	Abram B. Averbach
Subject:	FW: RE: Liberting Crossing Update
Importance:	High

THIS IS EXHIBIT "A" referred to in the Affidavit of BRUCE DUCKWORTH sworn before me at the City of CALGARY in the Province of Alberta this 8 day of November 2013

A COMMISSIONER FOR OATHS in and for the Province of Alberta. ABRAM AVERBACH Barrister & Solicitor
My Commission expires OR - BEING A SOLICITOR

-----Original Message-----
From: bruce@hunterduckworth.com
Sent: Monday, September 30, 2013 12:17pm
To: "Gary Bentham" <gbentham@btmadvisory.com>
Cc: "'Robert Sproule'" <invest4site@yahoo.ca>, oduret@shaw.ca, ojorge@telus.net, wilson_henry63@yahoo.ca, "'Elaine Ogston'" <elaine.ogston@theharvestgroup.ca>, robp@wheelhousesupport.ca
Subject: RE: Liberting Crossing Update

Dear All,

As you all know I was in favour of putting the property back onto the market and seeing if we could draw a better offer. I also suggested we hold for one year and go back out to the market at that point.

Having said that I'm having a hard time with an evaluation of $15.2mm to $16.4mm from experts that do this for a living everyday.

Then we have another expert come along CBRE, keep in mind they have the listing. Through their process of marketing they bring an offer to the table of $13mm to $13.25mm. This ranges in the area of an offer 15% below the lowest appraisal and 20% below the highest appraisal amount. So in dollars that equates to $2,200,000.00 less or $3,400,000.00 less that the highest appraised value. Wow that is a lot of money to be off as an expert in your field. We by the way the investors take this right out of our pockets.

If we hold the property for one year we have a positive cash flow of around $350,000.00 plus we pay down the mortgage around another $300,000.00. Which means effectively we are ahead around $650,000.00 this time next year. Assuming we get a postponement on the funds owed to Aitkens/Holdco.

Above are a few of the facts.My numbers are not exact however they are close.

Now back to CBRE they have the listing and it pays a healthy commission some where between 3% and 5% maybe more I don't have that information. I know their job is to sell and I know they have a commission cheque coming anywhere from @ 3% - $390,000.00 up to $397,500.00 or @ 5% - $650,000.00 up to $662,500.00. Those commission dollars look awfully enticing to make a deal happen!!
I have been around the real estate business and its agents for the past 25 years so I do have some knowledge in this area of how things operate.

Please take the time to review my comments.

Kind regards,

Bruce Duckworth

-----Original Message-----

From: "Gary Bentham" <gbentham@btmadvisory.com>
Sent: Monday, September 30, 2013 6:47am
To: "'Robert Sproule'" <invest4site@yahoo.ca>, bruce@hunterduckworth.com, oduret@shaw.ca, ojorge@telus.net, wilson_henry63@yahoo.ca
Cc: "'Elaine Ogston'" <Elaine.Ogston@theharvestgroup.ca>, robp@wheelhousesupport.ca
Subject: Liberting Crossing Update

Good morning to all. I have attached the minutes from our conference call of September 19th.

As discussed in our conference call, I met last week with CBRE and with the Monitor to discuss the offers at hand and the discrepancy between the values discussed with CBRE in the early spring of this year (i.e. $15.2 m - $16.4 m) and the offers being presented (i.e $13 m - $13.25m). We had some concern that the sale process may have been tainted by the CCAA proceedings.

CBRE doesn't believe the sale process has been tainted by CCAA, and that the marketing process has garnered in their view significant interest from credible buyers which they would expect in any sale process. They were approached early in the process by buyers looking to take advantage of the CCAA process and those buyers were talking offers in the $11 million level. All but one of those parties went away except for one of the six who put in formal offers – and that was a $11 million offer. The other buyers that they have met with were in their view, looking at the shopping center from a normal commercial perspective and that they were being driven more by market considerations and not by the CCAA proceedings.

CBRE advises that the lower offers are reflective of first, a trend upward in the cap rates (the rate of return that buyers expect) and secondly, perceived higher risk in our tenant base. CBRE advises that they have seen a trending upwards in the cap rates in 2013 throughout Alberta and that the trend upward is largely due to higher interest rates for borrowing (both real and expected) which force down the value of the property, and to the absence in the market of the pubic Real Estate Investment Trusts. The REITs in the past have had very low costs of borrowing thus were able to raise money almost at will to invest in property and due to their very active acquisition role in the market, were driving commercial real estate prices higher. In 2013 the REITS have largely left the acquisition market due to their higher borrowing costs and unwillingness to raise new capital and lower equity prices. As a result, it is primarily private buyers now in the market and they are seeking higher returns. In the case of Liberty Crossing, five of the six offers were from private buyers and one was from a REIT – Melcor REIT which has just became public in 2013. Whereas we were expecting cap rates of 6.5% to 7.0%, which would have produced values of $16.4 million and $15.2 million respectively, the offers of $13m - $13.25m we have received are reflecting a higher 8% cap rate.

In regard to our tenant base, although the Liberty Crossing shopping centre is now fully leased, CBRE advises that they have had some push back on the higher risk of renewal of certain tenants, and Ashley Furniture in particular. All but one of our leases comes up for renewal in 2017 or 2018 and if the current tenants don't renew, it is expected that significant leasing and tenant improvement costs, and possibly demising costs in the case of Ashley Furniture will have to be incurred, to attract new tenants. We have no reason to believe at this point that all of our tenants won't renew, however they are retailers and subject to the normal risks of the retail business and it is not likely that all tenants will renew. Only Ashley Furniture is a "national" tenant and some of our buyers have feedback that the Ashley store in Liberty Crossing is considered one of their poorer performing stores.

We discussed with CBRE rejecting the offers at hand and seeking an additional 120 days to market the property. CBRE could not predict if there would be better offers as they believe that the marketing process has been fulsome and quality buyers have come forth as a result. Only some type of short term reversal in interest rates or the larger REITS coming back in to the market might produce a higher offer however there are no market indicators indicating that may happen. At this point, CBRE is of the view that the trend to higher cap rates will continue and they have provided us with examples in Edmonton and Calgary that would support that continuing trend. After discussion with the Monitor, I have concluded that we stand a greater risk of losing the current offers and generating lower offers, and therefore even lower returns for the limited partners, if we attempt to keep the sale process open. Accordingly, we have decided to negotiate and complete one of offers at hand. It is my expectation that we will be able to complete the Melcor offer in the $13m - $13.25m level.

This is clearly a less favourable outcome than any of us expected. I would be pleased to discuss the foregoing and our decision to proceed to a sale with you. Please call me at any time.

Gary

Gary L. Bentham, CA
BTM Advisory
Ph. (403) 561-7341
gbentham@btmadvisory.com

This is Exhibit "3" referred to in the Affidavit of BRUCE DUCKWORTH sworn before me at the City of CALGARY in the Province of Alberta this ______ day of NOVEMBER 2013

A COMMISSIONER FOR OATHS in and for the Province of Alberta.
My Commission expires. ABRAM AVERBACH
OR - BEING A SOLICITOR Barrister & Solicitor

[Simmons Financial Holdings Corporation]

November 7, 2013

Gary Bentham
Chief Restructuring Officer, Liberty Crossing Limited Partnership
and Liberty Crossing General Partner Inc.
c/o BTM Advisory Services Inc.

BY EMAIL: *gbentham@btmadvisory.com*

Dear Mr. Bentham:

Re: Proposal for Preservation of Liberty Crossing Limited Partnership through Investment and the Ongoing Management

---

This letter agreement is to confirm the intentions of Simmons Financial Holdings Corporation ("**Simmons**") and Liberty Crossing Limited Partnership ("**Liberty LP**") in respect of a proposal by Simmons, i) to make an investment in Liberty LP, ii) to arrange mortgage financing for Liberty LP and provide the required guarantee in support of the financing, and iii) to manage the ongoing operations of Liberty LP through a replacement general partner.

The essential aspect of the Simmons proposal is that it presents an alternative to the immediate CCAA disposition of Liberty LP's assets and the crystallization of substantial losses to the limited partners. The Simmons proposal, instead, involves the preservation of Liberty LP and its assets in order to allow for a reasonable prospect of recovered value. Account has been taken in this regard of the location and other positive attributes of Liberty LP's properties and of projections, reasonably calculated, of the rental income that the properties will generate as well as projections of the value of the properties themselves.

Schedule "A" to this letter agreement is the financial analysis of Simmons, incorporating the terms of the proposal and drawing the conclusions from the analysis that Simmons believes to be commercially reasonable in all of the present circumstances. The analysis demonstrates that an attainable result to Liberty LP in three years is an increase in net equity value from approximately $2.8 million to approximately $7.5 million. (Note that the net equity value of

$2.8 million is derived from the value of the competing proposal to immediately dispose of Liberty LP's assets, being the price offered less current liabilities.)

1. Simmons Financial Commitment to Liberty LP

It is the objective of Simmons to closely align its financial interests with the financial interests the limited partners and then to apply the professional capacities of the Simmons staff to the task of optimizing the value of the Liberty LP properties. This alignment of financial interests will be accomplished primarily through the purchase by Simmons of units in Liberty LP, but will be reinforced by the guarantee by Simmons of Liberty LP's mortgage obligations.

(a) Purchase of Partnership Units

Simmons and its financial partners will purchase $700,000 in Liberty LP units. Calculated on the basis of a current net equity value of $2.8 million, derived as described above, this purchase will result in Simmons owning [25%] of Liberty LP and the existing unit holders owning [75%].

(b) Bank Financing

Simmons will source bank financing in the form of a replacement mortgage to the First Calgary Financing Savings and Credit Union mortgages. The terms of the replacement mortgage by RBC are included in Schedule "A" as the base of the Simmons financial analysis.

(c) Loan Guarantees

Simmons will provide the loan guarantee necessary to support the replacement mortgage. The fee payable by Liberty LP for the guarantee will be capped at 1.5% of the first $5 million of guarantee exposure to Simmons.

2. Simmons Management of Liberty LP

(a) Replacement General Partner

With the required approval of the limited partners of Liberty GP, the general partner will be replaced by a general partner controlled by Simmons (the "New Liberty GP"). The New Liberty GP will thereafter manage the Liberty LP and will assume each the responsibilities of the general partner to operate the Liberty LP's business in the best interest of all limited partners. In addition to the general duties of a general partner, the New Liberty GP will report regularly

to limited partners, perform accounting functions, including relating to tax matters, and coordinate financial audits.

(b) Compensation of New Liberty GP

Liberty LP will pay New Liberty GP an annual management fee of $40,000. (Note that this is separate from the fee payable by the tenants of Liberty Crossing that covers the property management aspects of the New Liberty's GP's responsibilities.)

3. Carried Interest

As described above, the commitment of capital and other financial support by Simmons is intended to closely align the financial interests of Simmons and the financial interests of existing limited partners of Liberty LP. It is the objective of Simmons to increase to value of its units in the Liberty LP alongside increasing the value of the units of all existing limited partners. As a supplemental incentive, Simmons will receive 15% of the appreciation of the net equity value of the Liberty LP achieved after the date on which this proposal is implemented. Schedule "B" to this letter agreement sets out a sample calculation of the carried interest.

Please confirm your acceptance of the foregoing by signing where indicated below and returning to the undersigned.

Sincerely,
SIMMON FINANCIAL HOLDINGS CORPORATION

____

Jay Simmons, President & CEO

Accepted this __ day of November, 2013
LIBERTY CROSSING LIMITED PARTNERSHIP

____

Gary Bentham, Chief Restructuring Officer

[Simmons Financial Holdings Corporation]

November 7, 2013

Gary Bentham
Chief Restructuring Officer, Liberty Crossing Limited Partnership
and Liberty Crossing General Partner Inc.
c/o BTM Advisory Services Inc.

BY EMAIL: *gbentham@btmadvisory.com*

Dear Mr. Bentham:

Re: Proposal for Preservation of Liberty Crossing Limited Partnership through Investment and the Ongoing Management

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The essential aspect of the Simmons proposal is that it presents an alternative to the immediate CCAA disposition of Liberty LP's assets and the crystallization of substantial losses to the limited partners. The Simmons proposal, instead, involves the preservation of Liberty LP and its assets in order to allow for a reasonable prospect of recovered value. Account has been taken in this regard of the location and other positive attributes of Liberty LP's properties and of projections, reasonably calculated, of the rental income that the properties will generate as well as projections of the value of the properties themselves.

Schedule "A" to this letter agreement is the financial analysis of Simmons, incorporating the terms of the proposal and drawing the conclusions from the analysis that Simmons believes to be commercially reasonable in all of the present circumstances. The analysis demonstrates that an attainable result to Liberty LP in three years is an increase in net equity value from approximately $2.8 million to approximately $7.5 million. (Note that the net equity value of

$2.8 million is derived from the value of the competing proposal to immediately dispose of Liberty LP's assets, being the price offered less current liabilities.)

1. Simmons Financial Commitment to Liberty LP

It is the objective of Simmons to closely align its financial interests with the financial interests the limited partners and then to apply the professional capacities of the Simmons staff to the task of optimizing the value of the Liberty LP properties. This alignment of financial interests will be accomplished primarily through the purchase by Simmons of units in Liberty LP, but will be reinforced by the guarantee by Simmons of Liberty LP's mortgage obligations.

(a) Purchase of Partnership Units

Simmons and its financial partners will purchase $700,000 in Liberty LP units. Calculated on the basis of a current net equity value of $2.8 million, derived as described above, this purchase will result in Simmons owning [25%] of Liberty LP and the existing unit holders owning [75%].

(b) Bank Financing

Simmons will source bank financing in the form of a replacement mortgage to the First Calgary Financing Savings and Credit Union mortgages. The terms of the replacement mortgage by RBC are included in Schedule "A" as the base of the Simmons financial analysis.

(c) Loan Guarantees

Simmons will provide the loan guarantee necessary to support the replacement mortgage. The fee payable by Liberty LP for the guarantee will be capped at 1.5% of the first $5 million of guarantee exposure to Simmons.

2. Simmons Management of Liberty LP

(a) Replacement General Partner

With the required approval of the limited partners of Liberty GP, the general partner will be replaced by a general partner controlled by Simmons (the "New Liberty GP"). The New Liberty GP will thereafter manage the Liberty LP and will assume each the responsibilities of the general partner to operate the Liberty LP's business in the best interest of all limited partners. In addition to the general duties of a general partner, the New Liberty GP will report regularly

to limited partners, perform accounting functions, including relating to tax matters, and coordinate financial audits.

(b) Compensation of New Liberty GP

Liberty LP will pay New Liberty GP an annual management fee of $40,000. (Note that this is separate from the fee payable by the tenants of Liberty Crossing that covers the property management aspects of the New Liberty's GP's responsibilities.)

3. Carried Interest

As described above, the commitment of capital and other financial support by Simmons is intended to closely align the financial interests of Simmons and the financial interests of existing limited partners of Liberty LP. It is the objective of Simmons to increase to value of its units in the Liberty LP alongside increasing the value of the units of all existing limited partners. As a supplemental incentive, Simmons will receive 15% of the appreciation of the net equity value of the Liberty LP achieved after the date on which this proposal is implemented. Schedule "B" to this letter agreement sets out a sample calculation of the carried interest.

Please confirm your acceptance of the foregoing by signing where indicated below and returning to the undersigned.

Sincerely,
SIMMON FINANCIAL HOLDINGS CORPORATION

____

Jay Simmons, President & CEO

Accepted this __ day of November, 2013
LIBERTY CROSSING LIMITED PARTNERSHIP

____

Gary Bentham, Chief Restructuring Officer

[Simmons Financial Holdings Corporation]

November 7, 2013

Gary Bentham
Chief Restructuring Officer, Liberty Crossing Limited Partnership
and Liberty Crossing General Partner Inc.
c/o BTM Advisory Services Inc.

BY EMAIL: *gbentham@btmadvisory.com*

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Re: Proposal for Preservation of Liberty Crossing Limited Partnership through Investment and the Ongoing Management

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The essential aspect of the Simmons proposal is that it presents an alternative to the immediate CCAA disposition of Liberty LP's assets and the crystallization of substantial losses to the limited partners. The Simmons proposal, instead, involves the preservation of Liberty LP and its assets in order to allow for a reasonable prospect of recovered value. Account has been taken in this regard of the location and other positive attributes of Liberty LP's properties and of projections, reasonably calculated, of the rental income that the properties will generate as well as projections of the value of the properties themselves.

Schedule "A" to this letter agreement is the financial analysis of Simmons, incorporating the terms of the proposal and drawing the conclusions from the analysis that Simmons believes to be commercially reasonable in all of the present circumstances. The analysis demonstrates that an attainable result to Liberty LP in three years is an increase in net equity value from approximately $2.8 million to approximately $7.5 million. (Note that the net equity value of

$2.8 million is derived from the value of the competing proposal to immediately dispose of Liberty LP's assets, being the price offered less current liabilities.)

1. **Simmons Financial Commitment to Liberty LP**

It is the objective of Simmons to closely align its financial interests with the financial interests the limited partners and then to apply the professional capacities of the Simmons staff to the task of optimizing the value of the Liberty LP properties. This alignment of financial interests will be accomplished primarily through the purchase by Simmons of units in Liberty LP, but will be reinforced by the guarantee by Simmons of Liberty LP's mortgage obligations.

(a) Purchase of Partnership Units

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2. **Simmons Management of Liberty LP**

(a) Replacement General Partner

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to limited partners, perform accounting functions, including relating to tax matters, and coordinate financial audits.

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Liberty LP will pay New Liberty GP an annual management fee of $40,000. (Note that this is separate from the fee payable by the tenants of Liberty Crossing that covers the property management aspects of the New Liberty's GP's responsibilities.)

3. Carried Interest

As described above, the commitment of capital and other financial support by Simmons is intended to closely align the financial interests of Simmons and the financial interests of existing limited partners of Liberty LP. It is the objective of Simmons to increase to value of its units in the Liberty LP alongside increasing the value of the units of all existing limited partners. As a supplemental incentive, Simmons will receive 15% of the appreciation of the net equity value of the Liberty LP achieved after the date on which this proposal is implemented. Schedule "B" to this letter agreement sets out a sample calculation of the carried interest.

Please confirm your acceptance of the foregoing by signing where indicated below and returning to the undersigned.

Sincerely,
SIMMON FINANCIAL HOLDINGS CORPORATION

____

Jay Simmons, President & CEO

Accepted this __ day of November, 2013
LIBERTY CROSSING LIMITED PARTNERSHIP

____

Gary Bentham, Chief Restructuring Officer

THIS IS EXHIBIT "C" referred to in the Affidavit of BRUCE DUCKWORTH sworn before me at the City of CALGARY in the Province of Alberta this 8 day of NOVEMBER 20 13

A COMMISSIONER FOR OATHS in and for the Province of Alberta. ABRAM AVERBACH
My Commission expires. Barrister & Solicitor
OR BEING A SOLICITOR

LIBERTY CROSSING LIMITED PARTERSHIP
("Liberty LP")

RESOLUTION OF THE INVESTOR ADVISORY GROUP DATED NOVEMBER 7, 2013

WHEREAS upon the appointment by the Alberta Court of Queen's Bench of the Chief Restructuring Officer, the Liberty LP Investor Advisory Group (the "IAG") was formed to represent the interests of the unit holders of the Liberty LP in the CCAA process;

WHEREAS the IAG does not support the sale of the Liberty LP lands (Plan 8121555, Block 7, Lot 10) (the "Liberty Lands") to Melcore Developments Ltd. (the "Melcore Offer") and does not believe that it is the best current alternative for the unit holders;

WHEREAS the IAG has obtained a proposal from Simmons Financial Holdings Corporation ("SFHC") for the preservation of the Liberty LP through the re-financing of current debt, the injection of capital, and the management of the Liberty LP (the "SFHC Offer");

WHEREAS the SFCH Offer is addressed to both the Chief Restructuring Officer and to the IAG;

WHEREAS the SFHC Offer, if accepted, would, in the view of the IAG, preserve the investment of the unit holders and allow it to appreciate over the medium term;

WHEREAS the Melcore Offer, if approved by the Court, would result in a substantial loss to the unit holders;

WHEREAS the Chief Restructuring Officer has brought a court application returnable on November 12, 2013 in the Court of Queen's Bench (Calgary) for the approval of the Melcore Offer (the "CRO's Application");

BE IT RESOLVED THAT:

1. The IAG will retain the services of Sean Fairhurst of McPherson, Leslie, Tyerman LLP as counsel to represent the unit holders in an application to adjourn the CRO's Application in order to allow the Court the opportunity to review the SFHC Offer;

2. The IAG supports the SFHC Offer;

3. The IAG believes that the Court and the unit holders must be afforded the opportunity to review the SFHC Offer in order to determine the best course for the unit holders; and

4. The IAG understands that Sean Fairhurst also represents SFHC and is prepared, for economic reasons, to retain Mr. Fairhurst notwithstanding that there is a potential conflict.

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Claude Duret

Kerri and Ken Dakin

Wilson Henry

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