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	**APPLICATION**
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

NOTICE TO RESPONDENT(S):

This application is made against you. You are the respondent(s).

You have the right to state your side of this matter before the Judge.

To do so, you must be in Court when the application is heard as shown below:

Date:	Tuesday, November 12, 2013
Time:	11:00 a.m.
Where:	Calgary Courts Centre, 601 – 5 Street S.W., Calgary, Alberta
Before Whom:	The Honourable Mister Justice R.G. Stevens In Chambers (booked on the Commercial List)

Go to the end of this document to see what else you can do and when you must do it.

Remedy Claimed or Sought:

1. An Order deeming service of this notice of Application and materials in support thereof good, valid, timely and sufficient.

2. An Order abridging the time for service of the notice of this application.

3. An Order adjourning the application of Liberty Crossing Limited Partnership and Liberty Crossing General Partner Inc. (collectively, "**Liberty Crossing**") from Tuesday, November 12, 2013 to Tuesday, November 19, 2013 or such later date as this Honourable Court deems appropriate.

4. An Order granting such other and further relief as the circumstances may require and as this Honourable Court deems appropriate.

Grounds For Making This Application:

(a) By a notice of Application filed on behalf of Liberty Crossing on Wednesday, November 6, 2013, returnable Tuesday, November 12, 2013, (the "**Sale Approval and Vesting Order Application**") Liberty Crossing seeks an Order, *inter alia*:

(i) approving the Agreement of Purchase and Sale entered into between Liberty Crossing as Vendor, and Melcor Developments Ltd. or its nominee as Purchaser (the "**Purchaser**"), dated October 5, 2013 (the "**Purchase Agreement**");

(ii) vesting to the Purchaser the right, title and interest in and to the Lands, as defined in the Purchase Agreement and in accordance with the terms of the Purchase Agreement; and

(iii) authorizing and directing the distributions of the sale proceeds to the Creditors, including the unsecured creditors, in accordance with the claims approved in the Claim Process and in accordance with the inter-company claim approved in the Order of the Honourable Madam Justice B.E.C. Romaine dated August 16, 2013.

Feasible Financing Solution Now Available to Liberty LP

(b) The Sale Approval and Vesting Order Application has been brought on the basis that a feasible refinancing solution for Liberty Crossing was not available and therefore a marketing and sale of the assets of Liberty Crossing, namely the lands legally described as Plan 812155, Block 7, Lot 10 (the "**Liberty Lands**") was necessary.

(c) On or about October 30, 2013, Bruce Duckworth, a members of the Investor Advisory Group (the "**IAG**"), which consists of nine of the larger investors / limited partners of Liberty Crossing Limited Partnership ("**Liberty LP**"), approached Jay Simmons, the President of Simmons Financial Holdings Corp. ("**SFHC**"), and the Chairman and CEO of Durum Properties Inc., about the possibility of developing a proposal which enable Liberty Crossing to refinance.

(d) By letter dated November 7, 2013, from SFHC to Gary Bentham, the Chief Restructuring Officer of Liberty Crossing (the "**CRO**"), SFHC set out the basic terms of a draft proposal. The proposal has been subsequently finalized (the "**SFHC Proposal Letter**") and proposes:

  (i) SFHC would make an investment in Liberty LP by providing $900,000 in exchange for limited partnership units in Liberty LP (the "**Equity Injection**");

  (ii) SFHC would source bank financing in the form of a mortgage (the "**Replacement Mortgage**") to replace the mortgage First Calgary Financing Savings & Credit Union Ltd. currently has registered against the Liberty Lands;

  (iii) SFHC will provide the loan guarantees necessary to support and obtain the Replacement Mortgage; and

(iv) With the required approval of the limited partners of Liberty LP, the general partner would be replaced by a new general partner controlled by SFHC.

(e) In furtherance of the SFHC Proposal, SFHC has contacted a chartered bank, Royal Bank of Canada ("**RBC**") concerning the Replacement Mortgage. By a Discussion Paper dated November 1, 2013 (the "**Discussion Paper**"), RBC set out the terms upon which RBC is prepared to consider providing a Replacement Mortgage in the amount of $9,100,000 to SFHC.

(f) By e-mail dated November 7, 2013 from Deborah Mooers, Senior Manager, RBC Commercial Mortgages, to Jay Simmons, RBC advised that the financing described in the Discussion Paper meets all of RBC's guidelines for a Replacement Mortgage and is subject only to credit approval by RBC's risk management group. The e-mail further indicates that Ms. Mooers expects to be able to convert the financing proposed in the Discussion Paper to a commitment to finance by Monday, November 18, 2013.

(g) In addition to the $900,000 Equity Injection described in the SFHC Proposal Letter, SFHC is prepared to provide additional equity financing as required so that the equity financing, coupled with the Replacement Mortgage, would provide Liberty Crossing with sufficient funds to pay the approved claim of its Creditors, including the unsecured creditors, in accordance with the claims approved in the Claim Process and in accordance with the inter-company claim approved in the Order of the Honourable Madam Justice B.E.C. Romaine dated August 16, 2013.

<u>The IAG Resolution</u>

(h) By a resolution made November 7, 2013 (the "**IAG Resolution**"), the IAG resolved to retain the services of MacPherson Leslie & Tyerman LLP to represent the unit holders of Liberty LP for the purposes of applying to the Court to adjourn the Sale Approval and Vesting Order Application to allow the Court the opportunity to review the SFHC Proposal. The IAG Resolution further provides that the IAG supports the SFHC Proposal.

SFHC Proposal Provides a Better Potential Outcome to Stakeholders

(i) The approval of the Purchase Agreement will cause Liberty Crossing's assets to be liquidated and sold at a value that is below their appraised fair market value.

(j) The approval of the Purchase Agreement will cause Liberty Crossing to cease operations and will cause a significant stakeholder, namely the limited partners of Liberty LP, to suffer a substantial loss on their investment.

(k) The SFHC Proposal provides Liberty Crossing with the ability to refinance, enabling it to restructure and continue as a going concern.

(l) The SFHC Proposal further provides Liberty Crossing with ability to address the proven claims of its creditors in full, while preserving value to key stakeholders, the limited partners of Liberty LP.

(m) The limited partners of Liberty Crossing, as represented by the IAG, support the SFHC Proposal.

(n) There is no material prejudice to the stakeholders of Liberty Crossing if the Sale Approval and Vesting Order Application is adjourned for a short period of time to provide SFHC time to secure a Replacement Mortgage and to formally put forward a finalized proposal for consideration by Liberty Crossing's stakeholders and this Honourable Court.

(o) Conversely, there is substantial material prejudice to a key stakeholder of Liberty Crossing, namely the limited partners of Liberty LP, if the Sale Approval and Vesting Order Application proceeds on November 12, 2013.

(p) It is fair, reasonable and appropriate in the circumstances that the Sale Approval and Vesting Order Application be adjourned.

Material or Evidence To Be Relied Upon:

(a) This notice of Application, filed;

(b) The Affidavit of Jay Simmons, sworn November 8, 2013, filed;

(c) The Affidavit of Bruce Duckworth, to be filed;

(d) The notice of Application of Liberty Crossing Limited Partnership and Liberty Crossing General Partner Inc., filed November 6, 2013;

(e) The Affidavit of Gary L. Bentham, sworn November 6, 2013, filed;

(f) The Ninth Report of the Monitor dated November 7, 2013, filed; and

(g) Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

(a) Rules 1.3, 1.4(2)(h), 11.27 and 13.5 of the Alberta *Rules of Court*.

Applicable Acts and Regulations:

(a) The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, in particular section 36(3).

How the Application is Proposed to be Heard or Considered:

(a) In person before the Honourable Mister Justice R.G. Stevens (booked on the Commercial List), in chambers.

WARNING TO THE RESPONDENT(S):

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.