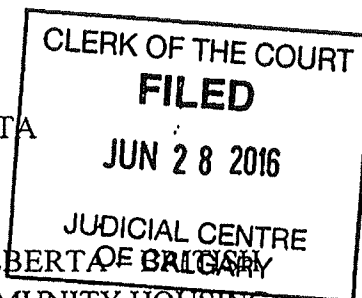


COURT FILE NUMBER: 1501-00955  
COURT: COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE: CALGARY  
APPLICANTS: LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.



DOCUMENT: AFFIDAVIT

ADDRESS FOR SERVICE Sugden, McFee & Roos LLP  
AND CONTACT Barristers & Solicitors  
INFORMATION OF PARTY #700 – 375 Water Street  
FILING THIS DOCUMENT Vancouver, B.C. V6B 5C6

Attention: Errin A. Poyner

Telephone: 604-687-7700

Fax: 604-687-5596

File No. K-5820(1)

**AFFIDAVIT OF ELVIRA THEODORA KROEGER**  
**Sworn on June 23, 2016**

I, ELVIRA KROEGER, of Delta, British Columbia, SWEAR AND SAY THAT:

1. I am a depositor to both the Lutheran Church – Alberta British Columbia District's ("ABC District") Church Extension Fund and the Lutheran Church – Alberta British Columbia District Investments Ltd. ("DIL") and as such have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based on information and belief and where so stated I verily believe the same to be true.

2. I have reviewed the Monitor's First Report to the Creditors of ABC District dated March 28, 2016, including the Third Amended Plan of Compromise and Arrangement dated March 21, 2016 (the "District Plan") and I am familiar with its contents.
3. I am opposed to the District Plan, for the following reasons:
  - a. I feel the Convenience Payment is unfair to CEF Depositors like myself with claims in excess of \$5,000.00. ABC District always stated that those who deposited more money into the Church Extension Fund would receive more benefits. The Convenience Payment, however, rewards depositors with smaller claims with 100% compensation, at the expense of depositors with larger claims. I believe that all cash available for distribution should be distributed on a *pro rata* basis, without regard to the size of a depositor's claim.
  - b. I do not wish to own shares in NewCo. At para. 40.4 of its First Report, the Monitor states that "issuance of NewCo Shares...allows District Depositors to benefit from the ability to liquidate the Prince of Peace Properties at a time when market conditions are more favourable or the ability to benefit from other potential upside opportunities that may be available such as through the further expansion of the Harbour and Manor senior's care facilities, through a joint venture to further develop the Prince of Peace Properties, or through other options". I do not believe that any development of the Prince of Peace Properties is likely to yield profits in the foreseeable future (if at all), and there is no guarantee that the Alberta real estate market will rebound in the next several years. It may decline further. I am very uncomfortable with the real estate market and business risks which the Monitor identifies in para. 42 of its First Report as having the potential to cause me to lose "all or part of [my] investment in NewCo."
  - c. I am also concerned that I may not be able to sell my NewCo Shares within the near future. According to the Monitor's First Report at para. 41.1, the NewCo Shares will likely have "limited liquidity" immediately upon being issued, and there will be legal limitations upon who can ultimately purchase them. I need money in the short term to pay for my living expenses. I am 87 years old and in relatively good health, but in the event that I must enter some form of supported residential care, my living expenses will increase substantially. Accordingly, I would much prefer that the Prince of Peace Properties be liquidated immediately, and the proceeds of sale be distributed to the Depositors on a *pro rata* basis. I could then use some of that cash to pay for my living expenses, and reinvest the

balance in an investment that I am confident in, which is more readily liquidated, and which suits my own financial objectives and risk tolerance.

d. I oppose the Representative Action provisions of the District Plan. I do not wish to assign all of my rights to commence legal actions against the District and others who have caused my losses to a Subcommittee of the District Creditors' Committee that has endorsed this Plan. I have retained counsel, Ms. Errin Poyner of the law firm of Sugden McFee and Roos LLP, to commence a class proceeding in respect of these matters in British Columbia, and she has done so. I am prepared to act as a Representative Plaintiff on behalf of the CEF and DIL Depositors that I represent, and I have no interests in conflict with the interests of any other CEF and DIL Depositors. I look forward to advancing this litigation in the event that the stay of proceedings ordered by this Court on March 9, 2016 is lifted.

4. I make this affidavit in opposition to the ABC District's application for judicial sanction of the District Plan, and for no other or improper purpose.

SWORN BEFORE ME at the )  
City of Vancouver, in the )  
Province of British Columbia, this )  
23<sup>rd</sup> day of June, 2016. )  
)  
)  
~~Erin A. Poyner~~ )  
A Commissioner for taking )  
Affidavits within the Province of )  
British Columbia. )

  
**ELVIRA THEODORA KROEGER**