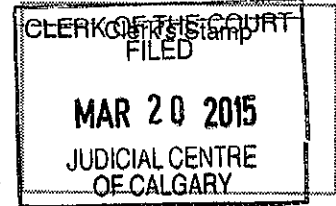


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as amended

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 **APPLICATION BY THE APPLICANTS**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Bishop & McKenzie LLP
Barristers & Solicitors
1700-530-8th Avenue SW
Calgary, Alberta T2P 3S8

Attention: Francis N.J. Taman /Ksena J. Court

Telephone: 403-237-5550
Fax: 403-263-3423

File: 103,007-003

NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

The Applicants wish to apply for an order restricting access to court proceedings or records.

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: FRIDAY, MARCH 27, 2015 – Commercial List
Time: 2:00 PM
Where: Calgary Courts Centre, 601 - 5th Street SW, Calgary, Alberta
Before Whom: The Honourable Justice K.D. Yamauchi in Chambers

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 declaring service of notice of this application and the supporting materials to be good and sufficient, and shortening the time for service, if necessary;
2. An Order, substantially in the form attached as Schedule "A":
 - (a) granting an extension to the Stay Period in these proceedings under the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("*CCAA*") from the current expiry date of March 27, 2015 to June 26, 2015;
 - (b) appointing Kluane Partners as the Chief Restructuring Officer (the "CRO") for Lutheran Church – Canada, the Alberta – British Columbia District (the "District") and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. ("DIL"), approving the terms of engagement of the CRO and extending the directors' and officers' indemnification, the Directors' and Officers' Charge and the Administration Charge granted by the Honourable Justice K.D. Yamauchi in the Initial Order granted on January 23, 2015 (the "Initial Order") to the CRO;
 - (c) authorizing the District to make payment of a portion of Mission Remittances received since the month of January 2015 and ongoing monthly payments of a portion of Mission Remittances to Lutheran Church - Canada ("LCC") and setting the terms of such payments;
 - (d) authorizing the future sales of lands owned by Encharis Community Housing and Services ("ECHS") that are subject to life leases in the event that a life lease respecting such lands is terminated or surrendered;
 - (e) confirming that legal costs incurred by the Applicants in dealing with the Alberta Securities Commission and the British Columbia Securities Commission are included as part of the Administration Charge granted by the Initial Order;
 - (f) authorizing the District to apply funds in the Mileage Reserve Fund to loans owed to the District by a pastor or church worker, who is a participant in the Mileage Reserve Fund;
 - (g) sealing the Confidential Affidavit of Kurtis Robinson sworn March 19, 2015;

3. An Order approving the sale of the following lands:
 - (a) Meridian 4 Range 28 Township 24
Section 2
Portion of South West Quarter
Lying South of Right of Way RY331
Containing 40.9 Hectares (101 acres) more or less
Excepting thereout all mines and minerals

(the "Chestermere Lands");
 - (b) Plan 9423702
Lot C
Excepting thereout all mines and minerals
Area: 9.12 Hectares (22.54 acres) more or less

(the "St. Albert Lands");
 - (c) Plan 4592NY
Block 6
Lot 6
Excepting thereout all mines and minerals
Area: 1.63 hectares (4.03 acres) more or less

(the "Faith School Lands");
 - (d) Condominium Plan 9812469
Unit 25
And 71 undivided one ten thousandth shares in the common property
Excepting thereout all mines and minerals

("223 Dayspring Bay");
4. such further and other relief as this Honourable Court may allow.

Grounds for making this application:

5. The Initial Order granted, among other things, a stay of all proceedings against the Applicants during the Stay Period in order to permit the Applicants to take certain steps in furtherance of its restructuring. The stay of proceedings was extended to March 27, 2015 by the Order granted by Justice Jones on February 20, 2015 (the "February 2015 Order").
6. Since the Initial Order, the Applicants have moved as quickly as circumstances have permitted to stabilize their operations, communicate with their stakeholders, and further develop a viable plan of action in order to proceed to develop a restructuring plan to enable the Applicants to emerge from these proceedings.

7. The engagement of the CRO was approved in the February 2015 Order. The District and DIL sought out candidates for the CRO position through a Request for Qualifications process and conducted interviews of the candidates who responded. The District and DIL are proposing that Kluane Partners be appointed as the CRO.
8. The engagement of the CRO is necessary to assist the District and DIL in their continued restructuring efforts, and will assist in restoring the confidence of the stakeholders in District's and DIL's management and operations, and add credibility to any restructuring plan that is developed.
9. The proposed general powers and duties of the CRO are, in the view of the District and DIL, fair and reasonable in the circumstances. It is reasonable for the Directors' and Officers' indemnity and charge and the Administration Charge granted by the Initial Order to extend to the CRO.
10. The mission remittances received by the District are donated by the congregations and individuals on the basis that a portion of those funds are traditionally passed along to LCC. The proposed payments of 35% of mission remittances to LCC support the intentions of the people who make mission remittances and are necessary in order for the District to continue to receive such mission remittances in the normal course of its business. There has been a marked drop in Mission Remittances to the District since the proposed payments to the LCC were halted.
11. The proposed payments to LCC are reasonable in the circumstances.
12. Prior to the Initial Order, the District had entered into sale agreements respecting the St. Albert Lands and the Faith School Lands.
13. ECHS has entered into a sale agreement respecting the Chestermere Lands and 223 Dayspring Bay.
14. The sales prices in the sales agreements are reasonable. It is proposed that the net sale proceeds from the sale of these properties would be held in trust and their distribution would form part of the Plan of Arrangement proposed by the Applicants.
15. The legal costs incurred by the Applicants with respect to their dealings with the Alberta Securities Commission and the British Columbia Securities Commission are being incurred in the normal course of the business of the Applicants, and it is reasonable for these costs to form part of the Administration Charge granted by the Initial Order.

16. The Mileage Reserve Fund was established to provide assistance to pastors and church workers to purchase vehicles. The District has been administering the Mileage Reserve Fund. The monies in the Mileage Reserve Fund have been received from pastors and church workers. The District has received a request for funds in the Mileage Reserve Fund to be off-set against a pastor's car loan.
17. An extension of the Stay Period to June 26, 2015 is necessary to implement the relief sought above and allow the Applicants to continue to stabilize their operations, communicate with their stakeholders, and further develop a viable plan to enable the Applicants to emerge from these proceedings for the benefit of all stakeholders.
18. The Applicants continue to work closely with the Monitor and the Monitor approves of the proposed relief and supports this application.
19. The Applicants are working in good faith and with due diligence in these proceedings and believe it is within the best interest of the Applicants and all stakeholders to continue in these proceedings as outlined above.

Material or evidence to be relied on:

20. Affidavit of Kurtis Robinson sworn March 19, 2015;
21. Confidential Affidavit of Kurtis Robinson sworn March 19, 2015;
22. Monitor's Second Report;
23. Management's Report on Cash Flow;
24. the pleadings and other materials filed herein; and
25. such other and further material as counsel may advise and this Honourable Court may permit.

Applicable rules:

Part 6 Division 1, Rule 13.5, Part 6 Division 4

Applicable Acts and regulations:

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended

Any irregularity complained of or objection relied on:

None

How the application is proposed to be heard or considered:

In person

WARNING

The information that is the subject of this application must not be published before the application is heard without the Court's permission.

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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

A person may make an application for an order restricting publication only if a judge has authority to make such an order under an enactment or at common law.

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA

IN BANKRUPTCY AND
INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE
COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C.
1985, c. C-36, as amended

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 SERVICE LIST

SERVICE RECIPIENT	EMAIL ADDRESS	PHONE/FAX	RECIPIENT STATUS
Deloitte Restructuring Inc. Attn: Jeff Keeble 700-850-2 nd Street SW Calgary, AB T2P 3K4	jkeeble@deloitte.ca	PH: 403-267-1777 FX: 403-718-3681	Monitor
Gowling LaFleur Henderson LLP Attn: Jeffrey Oliver 1400-700-2 nd Street SW Calgary, AB T2P 0B6	Jeffrey.oliver@gowlings.com	PH: 403-298-1000 FX: 403-263-9193	Counsel to Monitor
LCC Worker Benefits (pension plan) Janice Whiltshire 3074 Portage Ave. Winnipeg, MB R3K 0Y2	wbpinfojan@lutheranchurch.ca	PH: 1-800-588-4226	Creditor

<p>McMillan Binch</p> <p>Attn: Adam Maerov 1700-421-7 Ave SW Calgary, AB T2P 4K9</p>	<p>adam.maerov@mcmillan.ca</p>	<p>PH: 403-215-2752 FX: 403-531-4720</p>	<p>Counsel for Lutheran Church - Canada</p>
<p>Concentra Trust</p> <p>Attn: Mardell Twamley</p>	<p>mardell.twamley@concentrafinancial.ca</p>	<p>PH: 306-956-1855</p>	<p>Secured Creditor</p>
<p>Alberta Health Services</p> <p>Attn: Jill Curtis 10301 Southport Road SW Calgary, AB T2W 1S7</p>	<p>jill.curtis@albertahealthservices.ca</p>		<p>Counsel for Alberta Health Services who is a contingent creditor</p>
<p>CEF Depositors</p> <p>Notice of Monitor's website address mailed by regular mail to last known address January 26, 2015 per Affidavit of Mailing filed February 4, 2015</p>			<p>Creditors of the District</p>
<p>Office of the Public Trustee</p> <p>Attn: Janice Elmquist Suite 900 444-7 Avenue SW Calgary, AB T2P 0X8</p>	<p>Janice.elmquist@gov.ab.ca</p>	<p>PH: 403-297-6541 FX: 403-297-2823</p>	<p>Representative of Minor CEF depositors – NOTE NOT SERVED WITH APPLICATION PER REQUEST OF OFFICE OF PUBLIC TRUSTEE</p>
<p>Borden Ladner Gervais LLP</p> <p>Attn: Robyn Gurofsky 1900-520-3rd Ave SW Calgary, AB T2P 0R3</p>	<p>rgurofsky@blg.com</p>	<p>PH: 403-232-9774 FX: 403-266-1395</p>	<p>Counsel for Vic Fisher and Elfie Fisher</p>
<p>DIL Depositors</p> <p>Notice of Monitor's website address mailed by regular mail to last known address January 26, 2015 per Affidavit of Mailing filed February 4, 2015</p>			<p>Account holders in DIL</p>

Life Lease Residents Notice of Monitor's website address sent to condominium unit address February 10, 2015			Contingent Creditors
Felker-Dunbar & McGovern Law Office Attn: Shirley Felker-Dunbar 201-2230-68 Street NE Calgary, AB T1Y 0A2	Shirley@felker-dunbarlaw.ca	PH: 403-280-2152 FX: 403-280-2531	Counsel for the Estate of Eileen Burton (former Village resident)
Bank of Montreal 10199-101 Street, Edmonton, Alberta T5J 3Y4			Secured creditor at PPR against ECHS, EMSS, and District
IOS Financial Services 2300 Meadowvale Blvd, Suite 200, Mississauga, ON L5N 5P9			Secured creditor at PPR against ECHS
Xerox Canada Ltd. 33 Bloor St. E. 3 rd Floor, Toronto, ON M4W 3H1			Secured creditor at PPR against EMSS
National Leasing Group Inc. 1525 Buffalo Place, Winnipeg, MB R3T 1L9			Secured creditor at PPR against EMSS
Proposed purchaser of the Chestermere Lands			Proposed purchaser
Proposed purchaser of the St. Albert Lands			Proposed purchaser
Proposed purchaser of the Faith School Lands			Proposed purchaser
Proposed purchaser of 223 Dayspring Bay			Proposed purchaser
Listing realtor for the Chestermere Lands			Listing realtor for sale of Chestermere Lands

Schedule "A"

COURT FILE NUMBER

1501-00955

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH
OF ALBERTA

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as amended

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

ORDER
(Extend Stay, Authorize CRO, Approve
Payments)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Bishop & McKenzie LLP
Barristers & Solicitors
1700, 530 - 8th Avenue SW
Calgary, Alberta T2P 3S8

Attention: Francis N. J. Taman / Ksena J. Court

Telephone: 403-237-5550

Fax: 403-243-3623

File No.: 103,007-003

DATE ON WHICH ORDER WAS PRONOUNCED:

FRIDAY, MARCH 27, 2015

LOCATION WHERE ORDER WAS PRONOUNCED:

CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER:

JUSTICE K. D. YAMAUCHI

UPON THE APPLICATION of Lutheran Church – Canada, the Alberta – British Columbia District (the “District”), Encharis Community Housing and Services (“ECHS”), EnCharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“DIL”) (collectively the “Applicants”); **AND UPON HAVING READ** the Application, the Affidavits of Kurtis Robinson; **AND UPON READING** the Reports of the Monitor; **AND UPON HEARING** counsel for the Applicants, counsel for the Monitor, and other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of the application for this Order, and all supporting materials, as set out in the Affidavit of Charlene Everett respecting the Application filed March 20, 2015 is good and sufficient, and the time for notice hereof is shortened to the time actually given.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted by the Honourable Justice K.D. Yamauchi in this Action dated January 23, 2015 (the “Initial Order”).

EXTENSION OF STAY

3. The Stay Period as defined in the Initial Order is hereby extended up to and including June 26, 2015.

CHIEF RESTRUCTURING OFFICER

4. Kluane Partners is hereby appointed as the chief restructuring officer (“CRO”) of the District and DIL having the powers and obligations set out in the Order granted by Justice C. M. Jones on February 20, 2015, and on the terms provided for in the engagement agreement attached as Exhibit “_____” to the Affidavit of Kurtis Robinson sworn March ____, 2015.
5. The Applicants and their officers, directors, employees, agents, and representatives shall cooperate fully with the CRO in the exercise of its powers and discharge of its duties and obligations, including, but not limited to, providing the CRO with access to the Applicants books, records, assets and premises as the CRO requires.

6. No director, officer, employee, agent, or representative of the Applicants, nor any party related to the business of the Applicants, shall interfere with the CRO's management of the business and affairs of the District or DIL and the Restructuring and the exercise of the CRO's powers, duties, rights and obligations in connection therewith.

7. The CRO shall not incur any liability or obligation as a result of the fulfillment of its duties, and no action or other proceedings may be commenced against the CRO relating to its appointment or its conduct as CRO except with the prior leave of this Court obtained on at least seven days notice to the Applicants, the CRO and the Monitor. In addition, all of the protections granted to the directors and officers of the Applicants in the Initial Order shall apply *mutatis mutandis* for the benefit of the CRO and the CRO shall be entitled to the benefit of the Directors' Charge and the Administration Charge granted in the Initial Order.

PAYMENTS TO LUTHERAN CHURCH – CANADA (“LCC”)

8. Commencing January 1, 2015 and continuing until further Order of this Honourable Court, the District is hereby authorized to make monthly payments to LCC in the amount of 35% of funds that the District receives as donations for Mission Remittances, as this term is defined in the Affidavit of Kurtis Robinson sworn February 13, 2015, unless otherwise instructed by the donor, or advised by the donor they have already forwarded funds to LCC directly. For greater clarity but without limiting the generality of the foregoing, the District shall be entitled to forward 35% of all Mission Remittances received prior to the date of the Initial Order.

LIFE LEASE CONDOMINIUMS

9. Subject to the approval of the Monitor, upon the surrender or termination of a Life Lease (as defined in the Affidavit of Kurtis Robinson filed January 22, 2015), ECHS is hereby authorized to sell the condominium which was subject to the surrendered or terminated Life Lease (the “Condo”) so long as the sales price is not less than the fair market appraised value of the appraisal that ECHS has obtained pursuant to the terms of the Life Lease.

10. Upon receiving an offer to purchase the Condo that ECHS wishes to accept, ECHS shall advise the Monitor of its intention to accept the offer, and provide a copy of the offer and the appraisal that it obtained for the Condo or shall be adjusted between the vendor and purchaser as appropriate.

11. All reasonable and ordinary closing costs, including without limitation goods and services and other applicable taxes, property taxes, and applicable condominium fees, shall be deducted from the sale proceeds of the Condo.

12. The Surrender Fee (as defined in the Affidavit of Kurtis Robinson filed February 23, 2015) shall also be deducted from the sale proceeds of the Condo. From the amount of the Surrender Fee, commissions, and legal fees and disbursements respecting the sale of the Condo shall be deducted. Any remaining balance of the Surrender Fee shall be held in trust by Bishop & McKenzie LLP pending further Order of this Honourable Court.

13. Upon the closing of the sale of the Condo, ECHS shall advise the Monitor that the sale has closed, and shall provide copies of the statement of adjustments, the statement of funds received and disbursed, and confirmation that any remaining balance of the Surrender Fee is being held in trust.

14. Upon the Monitor delivering a certificate (the "Monitor's Certificate"), in the form attached as Schedule "A" to this Order, certifying that the sale of the Condo has closed substantially in accordance with the terms of the purchase and sale agreement for the Condo and any remaining balance of the Surrender Fee is being held in trust, Concentra Trust shall provide to ECHS a registrable discharge of any mortgage or other encumbrance registered against the title to the Condo.

15. It is confirmed that any legal fees and disbursements for counsel in Alberta or British Columbia respecting any dealings with the Alberta Securities Commission or the British Columbia Securities Commission incurred by the Applicants shall form part of the Administration Charge granted in the Initial Order.

16. Subject to the approval of the Creditors' Committee for the CEF Depositors, upon receiving a request from a pastor or church worker, the District is authorized to set off funds respecting that pastor or church worker in the Mileage Reserve Fund (as defined in the Affidavit of Kurtis Robinson sworn March 19, 2015) against the car loan owed by that pastor or church worker to the District.

SEALING OF AFFIDAVIT

17. The Clerk of the Court is hereby directed to seal the Confidential Affidavit of Kurtis Robinson sworn March 19, 2015. The said Confidential Affidavit shall remain sealed and the

contents of the Confidential Affidavit shall not be disclosed until further Order of this Honourable Court. Notwithstanding the foregoing, the Applicants and the Monitor may provide Affidavit evidence or reports to the Court respecting each sale once it has closed.

Justice of the Court of Queen's Bench of Alberta

Schedule "A" – Monitor's Certificate

COURT FILE NUMBER 1501-00955

Clerk's Stamp

COURT COURT OF QUEEN'S BENCH
OF ALBERTA

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES'*
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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 **MONITOR'S CERTIFICATE**
(Life Lease Lands)ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECITALS

- A. Pursuant to an Order of the Honourable Justice K.D. Yamauchi of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated January 23, 2015, Deloitte Restructuring Inc. was appointed as the Monitor of the Applicants.
- B. Pursuant to an Order of the Court dated March 27, 2015 (the "Order"), the Court approved the purchase and sale of the Condos, which are subject to Life Leases as those terms are defined in the Order, subject to the conditions contained in the Order.
- C. Pursuant to the Order, any mortgage or other encumbrance registered against the Condos by Concentra Trust is to be discharged upon the Monitor providing a certificate certifying that the sale of the Condo has closed substantially in accordance with the

terms of the purchase and sale agreement for the Condo and any remaining balance of the Surrender Fee is being held in trust.

THE MONITOR CERTIFIES THE FOLLOWING:

1. The sale of the Condo municipally known as _____, and legally described as:

has closed substantially in accordance with the terms of the purchase and sale agreement for the Condo;

2. The sale of the Lands has been completed to the satisfaction of the Monitor;
3. The remaining balance of the Surrender Fee, in the amount of \$_____, is being held in trust; and
4. This Certificate was delivered by the Monitor at _____ on _____.

Deloitte Restructuring Inc.,
 In its capacity as Court-appointed Monitor of
 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.

Jeff Keeble CA, CIRP, CBV
 Senior Vice-President