

March 16, 2015

Notice to Depositors to the Lutheran Church – Canada, the Alberta – British District (“District”), including the Church Extension Fund (“CEF”) regarding the Creditors’ Committee Selection Process

As you are aware, the District commenced proceedings under the *Companies’ Creditors Arrangement Act* (the “CCAA”) on January 23, 2015. Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings (the “Monitor”).

On February 20, 2015, an Order (the “Committee Order”) was approved, which provided a process (the “Committee Process”) for the establishment of two creditors’ committees, one for District and one for DIL (the “Committees”). A copy of the Committee Order is available for viewing on the Monitor’s website (the “Monitor’s Website”) at the following link:

http://www.insolvencies.deloitte.ca/en-ca/Pages/lutheran_church_canada_the_alberta_british_columbia_district_et_al.aspx

As set out in the Committee Order, on February 26, 2015, The Monitor sent, by regular mail, notice of the Committee Process to all known creditors of both the District and DIL.

Pursuant to the Committee Process, the Monitor was to fill three of the five positions on the creditors’ committee for the District (the “District Committee”) with those depositors who had three of the ten largest known claims against the District (the “Reserved Positions”) and who were willing to serve on the District Committee. The Monitor notes that the Reserved Positions on the District Committee were filled with two members from Alberta and one from British Columbia. Only two of the members were drawn from those depositors with the ten largest known claims in order to achieve geographic representation within the District Committee.

For the District, the Reserved Positions have been filled by the following individuals:

1. Sandra Jory (put forward by St. Peter’s Evangelical Lutheran Church);
2. Phil Lemke (put forward by Foothills Lutheran Church); and
3. Dieter Steinruck.

Subsequent to the Committee Order being granted, the Monitor became aware that many of those depositors who were eligible to serve in Reserved Positions had significant investments in both the District’s church extension fund and in DIL. Should any of those depositors serve on one of the Committees, they would have an inherent conflict of interest in deciding issues where the interests of the District and DIL were divergent. In order to avoid a situation where many of the members of the Committees may have to recuse themselves from voting on key issues, the Monitor determined that those depositors chosen to fill the Reserved Positions would be restricted to those who had individual deposits and deposits of family members living within the same household only in one of the two funds. The remaining two positions that will be voted on (the “Vacant Positions”) were left open to all applicants, subject to the restrictions set out in the Committee Order

As set out in the Committee Order, information on the Vacant Positions will be posted on the Monitor's website on or before March 31, 2015.

Should you have additional questions, please contact the undersigned at 403-298-5955.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as the 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. and not in its personal or corporate capacity



Per: Vanessa Allen, B. Comm, CIRP
Vice-President