

November 10, 2015

Notice to the creditors of Encharis Community Housing Services (“ECHS”) and Encharis Management and Support Service (“EMSS”)

As you are aware, ECHS and EMSS obtained an Initial order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “CCAA”) on January 23, 2015. Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings (the “Monitor”).

At a hearing on November 5, 2015, the Court granted an Order for each of ECHS and EMSS (the “Meeting Orders”) including the following relief:

1. Authorizing ECHS and EMSS to file the Amended Plans of Compromise and Arrangement for each of ECHS and EMSS (respectively, the “Amended ECHS Plan” and the “Amended EMSS Plan”), to present the Amended ECHS and EMSS Plans to the creditors of ECHS and EMSS who are affected for their consideration in accordance with the Meeting Orders and to seek approval of the Amended ECHS and EMSS Plans in the manner set forth in the Meeting Orders; and
2. Authorizing ECHS and EMSS to further amend, modify or supplement the Amended ECHS and EMSS Plan by way of a supplementary or further amended and restated plan or plans of compromise and arrangement.

Attached, please find the Monitor’s First Report to the Creditors, which includes information on the Amended ECHS and EMSS Plans, the time and place for each of the meetings scheduled for the creditors of ECHS and EMSS to consider the Amended ECHS and EMSS Plans (respectively the “ECHS Meeting” and the “EMSS Meeting”) and the Monitor’s recommendations. It also includes the following documents:

1. Copies of the Amended ECHS and EMSS Plans;
2. Copies of the Notices for the ECHS Meeting and the EMSS Meeting;
3. Copies of the Meeting Orders; and
4. A form of proxy.

What you need to do:

1. Upon receipt of this information package, please review the information contained herein and if you have any questions, please contact Joseph Sithole at 1-587-293-3202 or contact the undersigned.
2. As noted herein, you can vote in person by attending the ECHS Meeting or the EMSS Meeting or you can appoint someone as your proxy to attend the ECHS or EMSS Meeting and vote on your behalf. Please note that if a creditor is not an individual, they may only attend and vote at the ECHS or EMSS Creditors' Meeting if a proxyholder has been appointed to act on their behalf.

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



Vanessa Allen, B. Comm, CIRP
Vice-President



COURT FILE NUMBER	1501-00955
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
DOCUMENT	FIRST REPORT TO THE CREDITORS OF ENCHARIS COMMUNITY HOUSING AND SERVICES AND ENCHARIS MANAGEMENT AND SUPPORT SERVICES

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF LUTHERAN CHURCH – CANADA, THE
ALBERTA – BRITISH COLUMBIA DISTRICT, LUTHERAN
CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA
DISTRICT INVESTMENTS LTD., ENCHARIS COMMUNITY
HOUSING AND SERVICES AND ENCHARIS MANAGEMENT
AND SUPPORT SERVICES**

DATED NOVEMBER 10, 2015

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SCHEDULES

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Schedule 2	Amended EMSS Plan or Compromise and Arrangement
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Schedule 9	Form of Proxy

Introduction and Notice to Reader

Introduction

1. On January 23, 2015, Lutheran Church – Canada, the Alberta – British Columbia District (the “District”), Encharis Community Housing and Services (“ECHS”), Encharis Management and Support Services (“EMSS”) and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“DIL”, collectively the “Applicants” or the “District Group”) obtained an Initial Order (the “Initial Order”) from the Court of Queen’s Bench of Alberta (the “Court”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”). Deloitte Restructuring Inc. (“Deloitte”) was appointed as Monitor (the “Monitor”) in the CCAA proceedings.
2. For clarity, the District includes the Church Extension Fund (“CEF”), which was originally created to allow District members to loan their money and earn interest in faith-based developments. CEF was operated under the purview of the District’s Department of Stewardship and Financial Ministries and was not created as a separate legal entity. As such, depositors to CEF are creditors of the District (the “District Depositors”). Depositors to DIL will be referred to as the “DIL Depositors”. The District Depositors and the DIL Depositors will collectively be referred to as the “Depositors”.
3. The Initial Order provided for an initial stay of proceedings (the “Stay”) until February 20, 2015. The Court has now granted five extensions of the Stay. The most recent Order was granted at an application on October 23, 2015 (the “October 23 Hearing”) and extended the Stay until January 29, 2016.
4. Information on the CCAA proceedings, including all of the Monitor’s reports (the “Monitor’s Reports”), can be accessed on Deloitte’s website at www.insolvencies.deloitte.ca under the link entitled “Lutheran Church – Canada, the Alberta – British Columbia District et. al.” (the “Monitor’s Website”). Both the Seventh Report of the Monitor dated October 20, 2015 and the Eighth Report of the Monitor dated October 30, 2015 contain information about the Amended Plans of Compromise and Arrangement filed by ECHS and EMSS dated October 30, 2015 and filed on November 2, 2015 (respectively, the “Amended ECHS Plan” and the “Amended EMSS Plan”, collectively, the “Amended Encharis Plans”). The Amended Encharis Plans are attached hereto as “Schedules 1 and 2”.
5. This report constitutes the Monitor’s First Report to the Creditors of ECHS and EMSS (the “Creditor’s Report”). The Creditors’ Report is being provided to provide information on the following:
 - 5.1. The Encharis Plans; and
 - 5.2. The Monitor’s recommendations.

Notice to Reader

6. In preparing this Creditor's Report, the Monitor has relied on unaudited financial information, the books and records of the Applicants and discussions with the Applicant's employees, the Applicant's Chief Restructuring Officer, interested parties and stakeholders. The Monitor has not performed an independent review or audit of the information provided.
7. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this Creditor's Report.
8. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Monitor's Reports.
9. All amounts included herein are in Canadian dollars unless otherwise stated.

Court Applications

10. At a hearing on November 5, 2015, the Court granted an Order for each of ECHS and EMSS (the “Meeting Orders”) including the following relief:
 - 10.1. Authorizing ECHS and EMSS to file the Amended Encharis Plans, to present the Amended Encharis Plans to the creditors of ECHS and EMSS who are affected by the Amended Encharis Plans (respectively the “ECHS Creditors” and the “EMSS Creditors”) for their consideration in accordance with the Meeting Orders and to seek approval of the Amended Encharis Plans in the manner set forth in the Meeting Orders; and
 - 10.2. Authorizing ECHS and EMSS to further amend, modify or supplement the Amended Encharis Plans by way of a supplementary or further amended and restated plan or plans of compromise and arrangement.
11. Notices of the creditors’ meetings for ECHS and EMSS are attached as “Schedules 3 and 4” hereto. The Meeting Orders are attached as “Schedules 5 and 6” hereto.

The Amended Encharis Plans

The Amended ECHS Plan

Treatment of Affected Creditors

12. The Amended ECHS Plan divides creditors into two classes with the first class consisting of ECHS' trade creditors (the "ECHS Trades") and the second class consisting of residents (the "Life Lease Residents") of condominiums within the Prince of Peace Village (the "Village Condos"), which are owned by ECHS but are subject to life leases (the "Resident Class"). Attached as "Schedule 7" is a Summary of the ECHS Trades.
13. The ECHS Trades would be paid in full immediately following the Amended ECHS Plan taking effect.
14. The Life Lease Residents would only be affected by the Amended ECHS Plan if the Amended ECHS Plan is approved by the Resident Class. Pursuant to the Amended ECHS Plan, and assuming it is approved by the Resident Class, members of the Resident Class will be treated as follows:
 - 14.1. Each Life Lease Residents' leasehold interest in the corresponding Village Condo will be converted from a leasehold interest to a fee simple interest. These conversions will be initiated and paid for by the Life Lease Residents. Upon the receipt by ECHS of a \$3,000 surrender fee per Village Condo, ECHS will execute all necessary documents to enable the conversion of each Life Lease Resident's leasehold interest into fee simple and Concentra Trust, who acts as the bare trustee for DIL, will discharge any mortgage registrations for DIL on the Village Condos. All amounts collected from Life Lease Residents will be payable to DIL.
 - 14.2. The treatment of the Resident Class under the Amended ECHS Plan has been negotiated between the Applicants and the Life Lease Equity Protection Group, which represents the majority of the Life Lease Residents, with the assistance of the Monitor. The Monitor notes that the Life Lease Equity Protection Group previously filed a dispute notice in the claims process approved by the Court on February 20, 2015 (the "Dispute Notice"). The Monitor understands that the Dispute Notice may be withdrawn pursuant to any Order that is granted sanctioning the Amended ECHS Plan.

Treatment of Unaffected Creditors

15. Those claims that would be unaffected by the Amended ECHS Plan include Crown claims, post-filing claims, the Government of Alberta, claims with respect to reasonable fees and disbursements of the Monitor, the Monitor's legal counsel and the Applicants' legal counsel, selected claims of current

employees, directors and officers, critical suppliers (as set out in the Initial Order), claims against directors that are not released by the CCAA, claims related to leases that have not been disclaimed or resiliated, the claims of related parties (the “ECHS Related Claims”) and claims by the Life Lease Residents, only in the event that the Resident Class does not approve the Amended ECHS Plan.

16. Pursuant to the Amended ECHS Plan, the following ECHS Related Claims would be unaffected:
 - 16.1. The claim of the District for approximately \$82.1 million (the “District Claim”) for which the District has a mortgage for \$45.0 million, plus accrued interest, registered against the following lands (the remainder of the District Claim is unsecured):
 - 16.1.1. The Harbour and Manor senior’s care facilities, which sit on land located within the development known as the Prince of Peace (the “Prince of Peace Development”);
 - 16.1.2. Undeveloped expansion and development lands surrounding the Harbour and Manor senior’s care facilities within the Prince of Peace Development, on a small portion of which is currently housed the Prince of Peace Lutheran Church and School (the real properties in 16.1.1 and 16.1.2 will collectively be referred to as the “Core Assets”); and
 - 16.1.3. The proceeds from the sale of land in Chestermere, Alberta (the “Chestermere Lands”), the sale of which was approved by the Court on May 19, 2015.
 - 16.2. Two claims of DIL totalling approximately \$7.7 million for which DIL holds the mortgages (the “DIL - ECHS Mortgages”) registered against the Core Assets, the Chestermere Lands, a residential lot located within the Prince of Peace Development (the “Residential Lot”) and selected Village Condos.
17. Although the ECHS Related Claims are unaffected by the Amended ECHS Plan, a portion of the District Claim will be deemed paid pursuant to the Amended ECHS Plan and the District’s plan of compromise and arrangement (the “District Plan”). This deemed payment results from the transfer of the Core Assets to a new company (“NewCo”) from which shares will be issued to District Depositors.

Key Elements of the Amended ECHS Plan

18. The key elements of the Amended ECHS Plan are as follows:
 - 18.1. The Amended ECHS Plan would only become effective at such time as Sanction Orders have been granted in respect of all of the Applicant’s Plans;
 - 18.2. The ECHS Trades would be paid in full as set out above;
 - 18.3. The Life Lease Residents would have their leasehold interests in the Village Condos converted to a fee simple interest as set out above;
 - 18.4. NewCo would be formed under the *Alberta Business Corporations Act*;

- 18.5. The Core Assets would be transferred to NewCo free and clear of any encumbrances, charges, security interests or claims except for those contractual obligations which are to be assumed by NewCo;
- 18.6. Outside of the Core Assets, ECHS also holds working capital, computer hardware, equipment, furniture and fixtures and a water treatment plant (collectively the “ECHS Equipment”). The ECHS Equipment would also be transferred to NewCo to use in its ongoing operations and to ensure the viability of NewCo;
- 18.7. ECHS also owns the Residential Lot, which is secured by the DIL – ECHS Mortgages. The Residential Lot would be disposed of for the benefit of DIL for inclusion in DIL’s plan of compromise and arrangement;
- 18.8. NewCo would assume the obligations of ECHS under the Rural Affordable Supportive Living Program Grant Funding Agreement and the Affordable Supportive Living Initiative Grant Funding Agreement with the Government of Alberta which provide ongoing funding to the Harbour and the Manor seniors’ care facilities and their residents;
- 18.9. All employees of ECHS would be terminated upon the effective date of the Amended ECHS Plan and will be rehired under the substantially the same terms and with the same seniority by NewCo;
- 18.10. The transfer of the Core Assets to NewCo would be subject to various holdbacks to pay reasonable fees and disbursements of the Monitor, the Monitor’s legal counsel, and the Applicant’s legal counsel and to allow ECHS to pay required post-filing claims and complete its duties under the Amended ECHS Plan; and
- 18.11. ECHS would cease to operate.

The Amended EMSS Plan

Treatment of Affected Creditors

19. The Amended EMSS Plan only has one class of creditors, who consist of trade creditors (the “EMSS Trades”). Attached as “Schedule 8” is a Summary of the EMSS Trades, who would be paid in full immediately following the Amended EMSS Plan taking effect.

Treatment of Unaffected Creditors

20. Those claims that would be unaffected by the Amended EMSS Plan include Crown claims, post-filing claims, claims with respect to reasonable fees and disbursements of the Monitor, the Monitor’s legal counsel and the Applicants’ legal counsel, selected claims of current employees, directors and officers, critical suppliers (as set out in the Initial Order), trade creditors who have contracts that NewCo elects to assume as part of its acquisition of the assets held within EMSS, claims of related parties (the “EMSS Related Claim(s)”) and claims against directors that are not released by the CCAA.

21. The only EMSS Related Claim was filed by ECHS against EMSS in the amount of approximately \$2.1 million. Pursuant to the Amended EMSS Plan, the EMSS Related Claim would be unaffected.

Key Elements of the Amended EMSS Plan

22. The key elements of the Amended EMSS Plan are as follows:
 - 22.1. The Amended EMSS Plan would only become effective at such time as Sanction Orders have been granted in respect of all of the Applicant's Plans;
 - 22.2. The EMSS Trades would be paid in full as set out above;
 - 22.3. NewCo would be formed, as set out above;
 - 22.4. All of the assets held by EMSS, consisting of working capital, furniture and fixtures, computer equipment, medical equipment, a vehicle and all contracts, which EMSS has the benefit of (the "EMSS Contracts"), would be transferred to NewCo free and clear of any encumbrances, charges, security interests or claims except for those contractual obligations which are to be assumed by NewCo. The EMSS Contracts include the Facility Services Agreement between Alberta Health Services and EMSS related to the operation of the Harbour and the Manor seniors' care facilities;
 - 22.5. All employees of EMSS would be terminated upon the effective date of the Amended EMSS Plan and will be rehired under the substantially the same terms and with the same seniority by NewCo;
 - 22.6. The transfer of the EMSS Assets to NewCo would be subject to various holdbacks to pay reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, and the Applicant's legal counsel and to allow EMSS to pay required post-filing claims and complete its duties under the Amended EMSS Plan; and
 - 22.7. EMSS would cease to operate.

Other Considerations

23. The Amended Encharis Plans meet the criteria outlined in Section 6 of the CCAA in respect of restrictions on the payment of Crown claims, employees and former employees of ECHS and EMSS and prescribed pension plans.
24. The Monitor is required to provide its opinion as to the reasonableness of the decision of the Applicants to provide in the Amended Encharis Plans that Section 36.1 of the CCAA and Sections 38 and 95 to 101 of the *Bankruptcy and Insolvency Act* (the "Excluded Sections") would not apply. In the opinion of the Monitor, since the Amended Encharis Plans provides for payment in full of the ECHS Trades and EMSS Trades, it appears reasonable to exclude the Excluded Sections since upon completion of

the payments set forth in the Amended Encharis Plans, neither the ECHS Trades or the EMSS Trades would have a basis to pursue any claims under the Excluded Sections.

25. Article 7 of each of the Amended Encharis Plans provide for releases to the Monitor, the Monitor's legal counsel, the Applicant's legal counsel, the CRO, ECHS and EMSS, the directors, officers and employees of ECHS and EMSS and any independent contractors of ECHS and EMSS, who were employed three days or more a week on a regular basis (the "Releases"). The Monitor notes that, pursuant to Section 5.1(2) of the CCAA, claims against directors may not be compromised that relate to contractual rights of one or more creditors or are based on allegations or misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors (the "Section 5.1(2) Claims").
26. The Releases do not include co-obligators, any person who is not specifically released by the Releases, joint obligators, or any person who is jointly or severally liable with a released party (collectively the "Non-Released Parties") and those creditors who are affected by the Encharis Plans retain the right to sue the Non-Released Parties.
27. The Releases also do not include any claims advanced pursuant to a legal action or actions undertaken in respect of claims by the Depositors that may be advanced as a class proceeding for those Depositors who elect to participate (the "Representative Action"). The Amended Encharis Plans further state that, to the extent that they are not released, any claims of the Depositors against the past and present directors of ECHS and EMSS, which may arise by virtue of a derivative action, shall be advanced pursuant to the Representative Action.
28. For greater clarity, the Releases specifically carve out the following claims:
 - 28.1. The Section 5.1(2) Claims;
 - 28.2. Claims prosecuted by the Alberta Securities Commission or the British Columbia Securities Commission arising from compliance requirements of the *Securities Act of Alberta* and the *Financial Institutions Act of British Columbia*;
 - 28.3. Claims made by the Superintendent of Financial Institutions arising from compliance requirements of the *Loan and Trust Corporations Acts of Alberta and British Columbia*; and
 - 28.4. Any claims that are advanced as part of the Representative Action.
29. The implementation of the Amended Encharis Plans is conditional upon the sanction of the Depositor Plans which are nearing completion.

Meetings to Consider the Amended Encharis Plans

30. The meeting to consider the Amended ECHS Plan will be held at the following time and place (the "ECHS Meeting"):
 - 30.1. Time: Friday, December 11, 2015 at 11:00 a.m.
 - 30.2. Location: Gowlings Lafleur Henderson LLP, 1600 – 421 7th Avenue SW, Calgary.

31. The meeting to consider the Amended EMSS Plan will be held at the following time and place (the “EMSS Meeting”):
 - 31.1. Time: Friday, December 11, 2015 at 10:00 a.m.
 - 31.2. Location: Gowlings Lafleur Henderson LLP, 1600 – 421 7th Avenue SW, Calgary.
32. The ECHS Meeting and the EMSS Meeting will collectively be referred to as the “Encharis Meetings”.
33. A representative of the Monitor shall preside as the chair of the Encharis Meetings with those individuals entitled to attend the Encharis Meetings including affected creditors for each of ECHS and EMSS or their respective proxy-holders, directors of ECHS and EMSS, the Monitor, the CRO, the Applicant’s legal counsel, the Monitor’s legal counsel, members of the creditors’ committees established for the District and DIL (the “Committees”), legal counsel for the Committees, the meeting chair, scrutineers and the meeting secretary.

Voting

34. Creditors who are affected by the Amended Encharis Plans and have either proven claims or disputed claims that have not yet been settled or adjudicated (the “Eligible Affected Creditors”) can vote in person or via proxy on the approval of the Amended ECHS Plan and the Amended EMSS Plan, as well as on any other items that may be considered at the ECHS Meeting and the EMSS Meeting.
35. Eligible Affected Creditors may vote in person at the ECHS Meeting or the EMSS Meeting, which votes shall be done by a show of hands or by a confidential written ballot, at the discretion of the meeting chair. Eligible Affected Creditors may also vote by proxy (the “Proxy”), which must be submitted, in the form attached hereto as “Schedule 9”, to the Monitor by 5:00 p.m. on the last business day preceding the date set for ECHS Meeting or the EMSS Meeting or any adjournments thereof. The Proxy can also be hand delivered to the chair prior to the commencement of the ECHS Meeting or the EMSS Meeting but will not be accepted thereafter.
36. The person named in the Proxy shall vote the relevant claim in accordance with the direction of the Eligible Affected Creditor who appointed them. The Proxy confers a discretionary authority upon the person named therein with respect to amendments or variations of the matters being tabled for consideration.

Approval of Plans

37. In order for the Amended ECHS Plan and the Amended EMSS Plan to be considered approved, each of the Amended Encharis Plans must be approved by two-thirds in value and a majority in number of all Eligible Affected Creditors of ECHS and EMSS, respectively. As reported above, should the Resident Class not vote to approve the Amended ECHS Plan, the Amended ECHS Plan can still be approved with the Resident Class becoming unaffected by the Amended ECHS Plan.

Conclusion

Monitor's Recommendations on the Amended ECHS Plan

38. The Monitor is supportive of the Amended ECHS Plan and is of the opinion that the Amended ECHS Plan is fair and reasonable and appears to be in the general best interest of all parties as follows:

- 38.1. The ECHS Trades will be paid in full pursuant to the ECHS Plan. In the absence of the ECHS Plan, any funds available for distribution to ECHS' unsecured creditors would be shared between the ECHS Trades and those creditors who are currently unaffected by virtue of the operations of ECHS being transitioned to NewCo. As such, the ECHS Trades would receive a lesser distribution;
- 38.2. As negotiated between the Applicants and the Life Lease Equity Protection Group, each Life Lease Resident will have their leasehold interest in the Village Condos converted to fee simple interests; thereby avoiding a situation where the Life Lease Residents hold leasehold interests in property owned by a non-operational insolvent entity; and
- 38.3. The ECHS Plan provides a mechanism for the Core Assets and the ECHS Equipment to be transferred to NewCo for the benefit of the District Depositors, who hold registered security over the Core Assets and who, pursuant to the District Plan, would become shareholders of NewCo. In the absence of the ECHS Plan and the District Plan, the District would likely commence foreclosure proceedings in respect of the Core Assets, which would likely result in increased costs, an extended time frame to realize on the Core Assets and could potentially jeopardize the operations of the Harbour and the Manor seniors' care facilities to be managed by NewCo.

Monitor's Recommendations on the Amended EMSS Plan


39. The Monitor supports the Amended EMSS Plan and is of the opinion that the Amended EMSS Plan is fair and reasonable and appears to be in the general best interests of all parties as follows:

- 39.1. The EMSS Trades will be paid in full pursuant to the Amended EMSS Plan. In the absence of the Amended EMSS Plan, any funds available for distribution to EMSS' unsecured creditors would be shared between the claims of the EMSS Trades and the Related Claim which is currently unaffected by virtue of the operations of EMSS being transitioned to NewCo. As such, the EMSS Trades would receive a lesser distribution; and
- 39.2. The Amended EMSS Plan provides a mechanism for the EMSS Equipment to be transferred to NewCo for the benefit of the District Depositors who, pursuant to the District Plan, would

become shareholders of NewCo. In the absence of the Amended EMSS Plan and the District Plan, the Depositors would not have access to the EMSS Equipment, which could jeopardize the operations of the Harbour and the Manor seniors' care facilities to be managed by NewCo.

DELOITTE RESTRUCTURING INC.,

In its capacity as Court-appointed Monitor of The Lutheran Church – Canada, The Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services and The Lutheran Church – Canada, The Alberta – British Columbia District Investments Ltd. and not in its personal or corporate capacity



Jeff Keeble, CA, CIRP, CBV
Senior Vice-President

Schedules

Schedule 1

COURT FILE NUMBER

1501-00955

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

DOCUMENT

**AMENDED PLAN OF COMPROMISE AND ARRANGEMENT
OF ENCHARIS COMMUNITY HOUSING AND SERVICES**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT 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.,**

DATED October 30, 2015

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT**

**Bishop & McKenzie LLP
1700-530-8th Avenue SW
Calgary, Alberta T2P 3S8
403-237-5550 (phone)
403-243-3623 (fax)**

**Attention: Francis N. J. Taman/Ksena J. Court
File No.: 103007-003**

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WHEREAS:

- I. Lutheran Church – Canada, the Alberta British Columbia District (defined herein as the “District”), Encharis Community Housing and Services (defined herein as “ECHS”), Encharis Management and Support Services (defined herein as “EMSS”) and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (defined herein as “District Investments” or “DIL”, collectively, the “Applicants” or the “District Group”) are debtor companies under the *Companies’ Creditors’ Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) pursuant to the Initial Order (the “Initial Order”) granted by the Honourable Justice K. D. Yamauchi of the Court of Queen’s Bench of Alberta (the “Court”) on January 23, 2015 (defined herein as the “Filing Date”).
- II. Pursuant to the Initial Order, Deloitte Restructuring Inc. was appointed as Monitor (defined herein as the “Monitor”) of the Applicants.
- III. Pursuant to an Order granted on February 20, 2015, the Court approved a process to select creditors’ committees for each of the District and District Investments (respectively defined herein as the “District Committee” and the “DIL Committee”). The District Committee was fully formed on April 22, 2015. The DIL Committee was fully formed on April 20, 2015. Subsequently, pursuant to an Order granted on March 27, 2015, Kluane Financial Services Inc. was appointed as the Chief Restructuring Officer (defined herein as the “CRO”) of the Applicants.
- IV. Under the supervision of the Monitor and the Court, and in consultation with the CRO, the Applicants have formulated a plan of arrangement (defined herein as the “Plan”) for Affected Creditors (as defined below) of ECHS.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated or unless subject matter of context otherwise requires, the following terms are defined as follows:

A

"Administration Charge" means the charge granted pursuant to the Initial Order, and subsequently amended in the Order granted on June 26, 2016, in favour of the Monitor, counsel to the Monitor, the Applicant's Counsel and legal counsel for the District Committee and the DIL Committee as security for the professional fees and disbursements incurred both before and after the granting of the Initial Order, which charge shall not exceed an aggregate amount of \$300,000.

"Affected Claims" means the Claim(s) of Affected Creditors.

"Affected Creditors" means the Trade Creditors and the Life Lease Residents.

"Applicants" or "District Group" means the District, ECHS, EMSS and District Investments.

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law relating or applicable to such Person, property, transacting event or other matter. Applicable Law also includes, where appropriate, any interpretation of the law (or any part) by any Person having jurisdiction over it or charged with its administration or interpretation.

"Applicants' Counsel" means Bishop & McKenzie LLP, and such other solicitors as Bishop & McKenzie LLP may directly engage to assist in the CCAA Proceedings.

"Assumed Trade Creditor Contracts" means all contracts with Trade Creditors that NewCo will assume as part of its acquisition of the Core Assets.

B

"BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

"Business Day" means a day on which banks are generally open for the transaction of commercial business in Calgary, Alberta, but does not in any event include a Saturday, Sunday or a bank holiday under Applicable Law.

C

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

"**CCAA Proceedings**" mean the proceedings commenced by the Applicants under the CCAA in the Court as Action No. 1501-00955.

"**CEF**" means the Church Extension Fund, a fund that was created and administered by the District for the purpose of allowing Persons to loan money to the District and earn interest in support of faith-based developments.

"**Chair**" means the chair of the Creditors' Meeting.

"**Charge**" means a valid and enforceable security interest (including a lease which creates a security interest as contemplated by the *Personal Property Security Act*, R.S.A. 2000 c. P-7), as amended), lien, charge, pledge, encumbrance, mortgage, hypothec, adverse claim, title retention agreement or trust agreement of any nature or kind (but excluding any statutory deemed or implied charge, condition, claim, trust or lien for or with respect to any taxes or levies), on any assets, property or proceeds of sale of ECHS.

"**Claim(s)**" means any right or claim of any Person that may be asserted or made in whole or in part against ECHS at the Claims Bar Date, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), including without limitation any claim based on adverse possession, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts or events which exist prior to or at the Filing Date, together with any other rights or claims of any kind that, is a debt provable within the meaning of Section 2 of the BIA.

"**Claims Bar Date**" means 4:00 p.m. Mountain Time on April 20, 2015, or such later date on which a Proof of Claim may be accepted for filing by the Applicants and the Monitor or the Court prior to the granting of the Sanction Order.

"Claims Process" means the process for determining the Claims of the Affected Creditors as at the Filing Date, as established in the Claims Process Order.

"Claims Process Order" means the Order of the Court, granted on February 20, 2015, as may be subsequently amended, establishing the Claims Process.

"Completion Date" means the date on which all of the actions required to satisfy the obligations under this Plan have been completed and the Monitor delivers to ECHS a certificate confirming the same.

"Concentra" means Concentra Trust.

"Core Assets" means the real and personal property within the Prince of Peace Development that is described in Schedule "A" that is owned by ECHS, ~~and over which the District and Concentra have registered security.~~

"Court" means the Court of Queen's Bench of Alberta.

"Creditor Classes" means the following two classes into which Affected Creditors will be divided for voting and distribution purposes:

- a. The Trade Creditors; and
- b. The Life Lease Residents.

"Creditors' Meeting" means the meeting of the Eligible Affected Creditors with voting Claims to be held on Friday, December 11, 2015 at 11:00 A.M. Mountain Time 1600-421-7th Avenue S.W., Calgary, Alberta, as set out in the Meeting Order for the purpose of considering and voting upon this Plan, and includes any adjournment of such meeting.

"Creditors' Meeting Order" or **"Meeting Order"** means the Order in the CCAA Proceedings which, among other things, approves the filing of the Plan and establishes the date, time and location of the Creditors' Meeting, prescribing the process by which Eligible Affected Creditors shall be notified of the Creditors' Meeting and the conduct of such Creditors' Meeting.

"Critical Supplier Charge" means a Charge of up to a maximum of \$100,000 to secure the goods, services and professional fees and disbursements incurred before and after the Filing Date for those Parties designated as critical suppliers under the Initial Order or any subsequent Orders.

"CRO" means the Chief Restructuring Officer, Kluane Financial Services Inc.

"Crown Claims" means Claims of Her Majesty in right of Canada or a province, for all amounts that were outstanding at the Effective Date and are of a kind that could be subject to a demand under:

- a. Subsection 224(1.2) of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended.
- b. Any provision of the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended or of the *Employment Insurance Act*, S.C. 1996, c. 23, as amended, that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada*

Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts.

- c. Any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum has been withheld or deducted by a Person from a payment to another Person and is:
 - i. In respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*.
 - ii. Of the same nature as a contribution under the *Canada Pension Plan*, if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

D

"DIL Committee" means the creditors' committee established for DIL Depositors.

"DIL Depositor(s)" means those Persons having accounts in the Registered Plans.

"Director(s)" means the past and present directors of ECHS.

"Directors' Charge" means the provision of the Initial Order providing for a Charge up to a maximum of \$5.0 million for the purpose of indemnifying the Directors of the Applicants against obligations and liabilities that they may incur as Directors of the Applicants after the commencement of the CCAA Proceedings except to the extent that, with respect to any Director, the obligation was incurred as a result of the Director's gross negligence or wilful misconduct.

"Disputed Claim" means the Claim of an Affected Creditor that is subject to a Dispute Notice and is not yet a Proven Claim.

"Disputed Claim Reserve" means funds held by the Monitor in a designated trust account in an amount sufficient to pay those Affected Creditors whose Claims are still subject to a Dispute Notice which has not yet been settled or fully adjudicated.

"Dispute Notice" means a written notice delivered to the Monitor by a Trade Creditor or a Related Creditor who has received a Notice of Revision or Disallowance and who intends to dispute such Notice of Revision or Disallowance.

"District" means Lutheran Church – Canada, the Alberta – British Columbia District.

"District Committee" means the creditors' committee established for the District Depositors.

"District Depositor(s)" mean depositors who have made loans to District through CEF.

“District Investments” or “DIL” means Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd.

“D&O Claim” means (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more of the D&O Parties that relates to a Claim which such D&O Party(ies) is by law liable to pay in such capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty and including, for greater certainty, any right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise)), and whether or not any indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such D&O Party(ies) or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, or (B) relates to a time period prior to the Filing Date. For clarity, the Directors’ Charge shall not be used to pay any D&O Claims.

“D&O Insurance” means that policy of insurance issued by the D&O Insurers, namely policy number NP-428530, as extended from time to time, by Encon Group Inc., and policy number CBC 1928469 04, as extended from time to time, by Northridge Financial Corporation.

“D&O Insured Claim” means all or that portion of any D&O Claim against any D&O Party that is insured by the D&O Insurer(s) pursuant to the D&O Insurance.

“D&O Insurer(s)” means Encon Group Inc. and Northridge Financial Corporation.

“D&O Party(ies)” means current or former Directors, officers, trustees, employees, volunteers of ECHS, or members of any duly constituted committee of ECHS.

E

“ECHS” means Encharis Community Housing Services.

“Effective Date” subject to the satisfaction of the conditions precedent outlined in Article 6.2 means the date the Plan takes effect and shall be the day following the expiry of the appeal period of all Sanction

Orders granted in the CCAA Proceedings or such other date as may be agreed upon in writing between the Monitor and ECHS.

“Eligible Affected Creditors” means Affected Creditors with Proven Claims, and Affected Creditors with Disputed Claims which have not been settled or adjudicated.

“EMSS” means Encharis Management and Support Services.

“EMSS Assets” means all of EMSS’ personal property, including, for greater clarity, all contracts which EMSS has the benefit of including, that are to be transferred to NewCo pursuant to the plan of compromise and arrangement of EMSS.

F

“Filing Date” means January 23, 2015, the date on which the Initial Order was granted.

G

“Grant Agreements” means the Rural Affordable Supportive Living Program Grant Funding Agreement and the Affordable Supportive Living Initiative Grant Funding Agreement between ECHS and the Government of Alberta with respect to the Core Assets.

“Government of Alberta” means Her Majesty the Queen in Right of Alberta as represented by her Minister of Seniors or such successor ministry as may be appointed by Her Majesty’s government from time to time.

I

“Initial Order” means the Initial Order granted by the Court in the CCAA Proceedings on January 23, 2015.

L

“Leases” means obligations, agreements or leases to which ECHS is a Party.

“Life Leases” means those leases with respect to the Life Lease Condominiums.

“Life Lease Condominiums” means those condominium units within the Prince of Peace Village as further described in Schedule “B”.

“Life Lease Pool” means the total funds paid by the Life Lease Residents pursuant to this Plan.

“Life Lease Residents” means Persons who are lessees under the Life Leases.

M

"Monitor" means Deloitte Restructuring Inc., the Court-appointed Monitor.

"Monitor's Legal Counsel" means Gowling Lafleur Henderson LLP.

N

"NewCo" means the new corporation established pursuant to the terms of the District's plan of compromise and arrangement, incorporated under the *Alberta Business Corporations Act*.

"Notice of Revision or Disallowance" means the notice referenced in paragraph 19 of the Claims Process Order advising an Affected Creditor that the Monitor disputes the amount of their Claim as set out in a Proof of Claim.

O

"Operational Reserve" means that sum of money set by the Monitor to provide ECHS with sufficient funds to satisfy its Post-Filing Claims until such time as it has completed its duties under this Plan, at which time ECHS' operations will cease.

"Order" means any order of the Court in the CCAA Proceedings.

P

"Person(s)" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, and an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

"Plan(s)" means this plan of arrangement and any other plans of arrangement filed by ECHS pursuant to the CCAA Proceedings.

"Plan Payments" means those payments to be made by the Monitor pursuant to this Plan.

"Post-Filing Claim(s)" means any Claim(s) that may be asserted or made in whole or in part against ECHS in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the Filing Date, other than the Restructuring Claims, and any interest thereon, including any obligations of ECHS towards Persons, who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to ECHS on or after the Filing Date.

"Prince of Peace Development" means the properties located in Rocky View County, Alberta as further described in Schedule "A" to this Plan.

"Proven Claim(s)" means a Claim of an Affected Creditor proven in accordance with the Claims Process Order, which is not the subject of a Dispute Notice or a Notice of Revision or Disallowance, or was the subject of a Dispute Notice or a Notice of Revision or Disallowance, which has been resolved, either before or after the Sanction Order, in accordance with the terms of the Claims Process Order, the Meeting Order and this Plan.

"Proxy" means the form attached hereto as Schedule "C" authorizing a Person to vote on behalf an Eligible Affected Creditor.

R

"Registered Plans" means those Registered Retirement Savings Plans, Registered Retirement Income Funds and Tax Free Savings Accounts (as those terms are defined in the *Income Tax Act* (Canada)) which were administered by DIL on behalf of Concentra.

"Related Creditor(s)" means Persons who meet the definition of Related Person(s) set out in Section 4(2) of the BIA.

"Related Creditor Claims" means the Proven Claims filed by the other Applicants against ECHS pursuant to the Claims Process, which include the following:

- a. The secured and unsecured claims of the District for \$82,095,702.57 dollars plus accrued interest related to a mortgage against various real properties within the Prince of Peace Development and for District's unsecured deficiency claim;
- b. The claim of DIL for \$3,981,261.70 related to a mortgage against various real properties within the Prince of Peace Development;
- c. The claim of DIL for \$3,740,739.29 related to a mortgage against various real properties within the Prince of Peace Development; and
- d. The claim of ECHS against EMSS in the amount of \$2,113,869.97.

"Released Parties" means the Monitor, the Monitor's Counsel, the Applicants' Counsel, the CRO, ECHS, and the Directors of ECHS, officers, volunteers, and employees of ECHS, and any independent contractors of ECHS who are individuals and who were employed three days or more a week on a regular basis.

"Representative Action" means that legal action or actions undertaken in respect of the Representative Action Claims, as that term is defined in the plans of compromise and arrangement for the District and DIL, which action may be advanced as a class proceeding for those Depositors, who elect to participate in accordance with the terms of the plans of compromise and arrangement for the District and DIL.

"Required Majority" means an affirmative vote of two-thirds in value and a majority in number of all Proven Claim(s) of Eligible Affected Creditors, who voted in accordance with the voting procedures established under the Meeting Order (whether in person or by Proxy at the Creditors' Meeting).

"Residential Lot" means the lot owned by ECHS which is legally described as Condominium Plan 9812469, Unit 39 and 1 undivided one ten thousandth shares in the common property, excepting thereout all mines and minerals.

"Restructuring Claim(s)" means any claims with respect to reasonable fees and disbursements of the Monitor, the Monitor's Counsel or the Applicants' Counsel.

"Restructuring Holdback" means the amount to be held by ECHS in an amount sufficient to satisfy the Restructuring Claims.

S

"Sanction Order" means an order or orders of the Court which, among other things, shall approve and sanction this Plan and the plans of compromise and arrangement filed by the other Applicants under the CCAA and shall include provisions as may be necessary or appropriate to give effect to this Plan and the plans of compromise and arrangement filed by the other Applicants, including provisions in substance similar to those set out in Article 8.

T

"Trade Creditor(s)" means suppliers who have Claim(s) as a result of providing ECHS with goods and services prior to the Filing Date.

"Trade Creditor Pool" means the amount to be held by the Applicants' Counsel equal to the sum of all of the Proven Claims of the Trade Creditors.

U

"Unaffected Creditor(s)" includes Persons with the following Claims:

- a. Crown Claims;
- b. Post- Filing Claims;
- c. Government of Alberta;
- d. Restructuring Claims;
- e. The Related Creditor Claims;
- f. All Claims of current employees, officers and directors of ECHS for all amounts owing to them in their capacity as such, by statute or otherwise for, or in connection with accrued salary, accrued wages, accrued bonuses, accrued retention payments, fees and expenses, reimbursement obligations, accrued vacation leave and accrued vacation pay, as applicable, which obligations

are prescribed by the *Employment Standards Code*, R.S.A. 2000, c. E-9, and any similar provincial or federal legislation;

- g. Amounts due to Person(s) classified as critical suppliers in the Initial Order or any subsequent Orders;
- h. Claims against Directors excluded from being compromised pursuant to section 5.1(2) of the CCAA; and
- i. Claims related to Leases that have not been disclaimed or resiliated by ECHS pursuant to this Plan.
- j. Claims by the Life Lease Residents, in the event that a Required Majority in that Creditor Class does not vote for the acceptance of the Plan.

1.2 Article and Section Reference

The terms "this Plan", "hereof" and "hereunder", "herein" and similar expressions refer to this Plan, amendments to this Plan and not to any particular article, section, subsection, paragraph or clause of this Plan and include any instrument supplemental hereto. In this Plan, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, paragraph or clause of this Plan.

1.3 Extended Meanings

In this Plan, where the context so requires, any word importing the singular number shall include the plural and vice-versa; and any word or words importing gender shall include all genders.

1.4 Interpretation Not Affected by Headings

The division of this Plan into articles, sections, subsections, paragraphs and clauses and the insertion of a table of contents and headings are for convenience of reference and shall not affect the construction or interpretation of the Plan.

1.5 Date of any Action

In the event that any date on which any action is required to be taken hereunder by any Person is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 Currency

Unless otherwise stated herein, all references to currency in this Plan are to Canadian currency. For the purposes of voting or distribution(s) pursuant to this Plan, a Claim shall be denominated in Canadian Dollars. Any Claim in a currency other than Canadian Dollars must be converted to Canadian Dollars, and such amount shall be regarded as having been converted at the exchange rate quoted by the Bank of Canada for exchanging such currency to Canadian dollars at noon on the Filing Date.

1.7 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.8 Successors and Assigns

This Plan shall be binding upon and shall ensure to the benefit of the heirs, administrators, executors, legal and personal representatives, successors and assigns, as the case may be, of any Person named or referred to in this Plan.

1.9 Governing Law

This Plan shall be governed by, and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its revisions shall be subject to the exclusive jurisdiction of the Court.

ARTICLE 2 PURPOSE OF THE PLAN

2.1 Purpose

The purpose of this Plan is to affect a compromise and settlement of Affected Claims in order to enable the District Group to restructure its affairs for the benefit of all stakeholders and to maximize the recovery to the Affected Creditors. The successful implementation of the Applicants' Plans will provide greater benefits to all Persons with an economic interest in the District Group than would result from the bankruptcy of some or all of the District Group or the immediate forced liquidation of all of the District Group's assets, including the Core Assets. Affected Creditors should review this Plan and the Seventh Report of the Monitor before voting to accept or reject the Plan. The transactions contemplated by the Plan are to be implemented pursuant to the CCAA Proceedings.

2.2 Affected Creditors

This Plan provides for the compromise and settlement of the Claims of the Affected Creditors. If this Plan is accepted by the Eligible Affected Creditors and approved by the Court, and the transactions set out in this Plan occur, this Plan shall be binding upon each Affected Creditor and its heirs, executors, administrators, legal representatives, successors and assigns. If this Plan is accepted by the Eligible Trade Creditors but not by the Life Lease Residents and approved by the Court, and the transactions set out in this Plan occur, this Plan shall be binding upon each Trade Creditor and their respective heirs, executors, administrators, legal representatives, successors and assigns but the Life Lease Residents shall thereafter be deemed to be Unaffected Creditors for all other purposes under this Plan.

2.3 Unaffected Creditors

This Plan does not compromise the Claims of Unaffected Creditors.

ARTICLE 3 CLASSIFICATION OF AFFECTED CREDITORS

3.1 Classes of Affected Creditors

For the purpose of considering and voting upon the Plan, Affected Creditors with Proven Claims will be divided into the Creditor Classes.

ARTICLE 4 STRUCTURE OF THE PLAN

4.1 Overview

The Applicants' Plans contemplate the following:

- a. The transfer of the Core Assets and the EMSS Assets to NewCo pursuant to the Applicants' plans of compromise and arrangement;
- b. NewCo's management of the ongoing operations of the Manor and the Harbour as going concerns, thereby protecting the interests of the residents of the Manor and the Harbour and permitting the Harbour and the Manor to continue to provide care for the aged and those struggling with dementia;
- c. The Residential Lot being sold or exchanged for other lands which could be included as part of the Core Assets. The net sale proceeds from the sale of the Residential Lot shall be paid to DIL and dealt with in the DIL plan of compromise and arrangement or, in the case of a land exchange, otherwise settled between the District Committee and the DIL Committee;
- d. ECHS' operations being discontinued upon
 - i. the transfer of the Core Assets and the Life Lease Condominiums; and
 - ii. the Residential Lot being sold;
- e. All employees of ECHS being terminated by ECHS on the Effective Date. All current employees, officers and directors of ECHS are Unaffected Creditors for the purpose of this Plan.
- f. The Claims of the Affected Creditors being compromised as follows:
 - i. The Trade Creditors will be paid in full upon the Effective Date of the ECHS Plan; and
 - ii. Provided that the Required Majority is obtained in the Life Lease Residents' Creditor Class, the Life Lease Residents' leasehold interest in the Life Lease Condominiums will be converted from a leasehold interest to a fee simple interest as set out herein.

- g. The A tax planned transaction will see, as its end result, a portion of the Related Creditor Claims of the District being deemed paid upon the transfer of the Core Assets to NewCo and shares in NewCo being issued to the District Depositors.
- h. The Affected Creditors of the Applicants receiving an improved recovery compared to what would result from the bankruptcy of ECHS or the immediate forced liquidation of the Core Assets, the Residential Lot, and the EMSS Assets.

4.2 Treatment of Affected Creditors

Affected Creditors shall receive distributions as set forth below only to the extent that such Claims are Proven Claims and have not been paid, released or otherwise satisfied prior to the Effective Date. Each Affected Creditor will have their Proven Claim compromised as follows:

- a. Upon the Effective Date, each Trade Creditor will receive payment of 100% of their Proven Claim from the Trade Creditor Pool;
- b. The Post-Filing Claims relating to the Assumed Trade Creditor Contracts will be assumed by NewCo upon the transfer of the Assumed Trade Creditor Contracts to NewCo;
- c. The A tax planned transaction will see, as its end result, a portion of the Related Creditor Claims of the District being deemed paid upon the transfer of the Core Assets to NewCo and shares in NewCo being issued to the District Depositors;
- d. With respect to the claims of Life Lease Residents:
 - i. The Life Lease Residents' leasehold interest in the Life Lease Condominiums shall be converted from a leasehold interest to a fee simple interest as follows. Upon the Effective Date, the Life Lease Residents shall pay \$3,000.00 per Life Lease Condominium to DIL into the Life Lease Pool for the benefit of the DIL Depositors. Until such time as the said payment is made, the Life Lease for the said Life Lease Condominium shall be in full force and effect;
 - ii. Upon the receipt by DIL of the \$3,000.00 payment referenced in subparagraph (i) above in relation to a particular Life Lease Condominium, ECHS shall forthwith execute all necessary documents to enable the conversion of each Life Lease Resident's leasehold interest to fee simple and the discharge of any mortgage or caveat registration held by any of the Applicants or Concentra against the said Life Lease Condominium. All such documents shall be prepared, and all related registrations and discharges shall be administered by counsel to the Life Lease Residents, at the sole cost and expense of the Life Lease Residents;
 - iii. The Life Lease Pool shall be paid to DIL;
- ~~e. NewCo will assume the obligations of ECHS under the Grant Agreements following which ECHS will be released from the claims by the Government of Alberta under the Grant Agreements.~~

4.3 Interest

No interest or penalties shall accrue or be paid on the Proven Claims of Affected Creditors from and after the Filing Date but shall be released in accordance with the Plan.

ARTICLE 5

PROCEDURAL MATTERS

5.1 Creditors' Meeting

The following procedure will be followed at the Creditors' Meeting:

- a. Following the filing of the Plan with the Court, ECHS will seek the Creditors' Meeting Order authorizing ECHS to hold the Creditors' Meeting on the date set by the Creditors' Meeting Order at which Eligible Affected Creditors shall consider and vote upon the Plan. The Creditors' Meeting shall be held in accordance with this Plan, the Creditors' Meeting Order and any other applicable Order in respect of the process governing the Creditors' Meeting.
- b. The Monitor or its designee shall preside as the Chair of the Creditors' Meeting and shall decide all matters related to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are Eligible Affected Creditors (including the holders of Proxies), their legal counsel and financial advisors, the Directors, the Applicants' Counsel, the Monitor's Counsel and legal counsel for the District Committee and the DIL Committee. Any other Person may be admitted on invitation of the Chair.
- c. The quorum required at any Creditors' Meeting or any adjournment thereof shall be two Eligible Affected Creditors present in person or by Proxy. If the requisite quorum is not present at the Creditors' Meeting or if the Chair determines that the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Chair to such date, time and place as determined by the Chair.
- d. The Monitor may designate Person(s) of their choosing to supervise and tabulate attendance and votes cast at the Creditors' Meeting or to act as the secretary of the Creditors' Meeting.
- e. The entitlement of an Affected Creditor who's Claim is not a Proven Claim to vote at the Creditors' Meeting shall not be construed as an admission that its Claim is a Proven Claim.
- f. The Monitor shall have the right to seek the assistance of the Court in valuing any Claim for voting purposes in accordance with the Plan and the Meeting Order, if required, and to ascertain the result of any vote on the Plan.

5.2 Voting Procedures

Each Eligible Affected Creditor may vote their Claim in person by attending the Creditors' Meeting or by Proxy by submitting their duly completed Proxy in accordance with the provisions included herein and in

the Creditors' Meeting Order. Each Eligible Affected Creditor is entitled to one vote, which vote shall have the value of such Eligible Affected Creditors' Proven Claim as determined in accordance with the Claims Process Order or this Plan. The results of any and all votes conducted at the Creditors' Meeting shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present or voting at the Creditors' Meeting.

5.3 Appointment and Revocation of Proxies

An Eligible Affected Creditor may vote in person by attending the Creditors' Meeting. Eligible Affected Creditors may also vote by indicating such Person's name in the blank space provided in the form of Proxy, attached hereto as Schedule "C", which must be delivered to the Monitor at the address set out in Article 10.8 below. A Proxy must be delivered to the Monitor by email, mail, facsimile transmission or courier on or before 5:00 p.m. (Calgary time) on the last Business Day prior to the date of the Creditors' Meeting or any adjournment thereof, or by hand to the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof.

Failure to sign and deliver the Proxy as set out herein shall result in the invalidation of such Proxy.

An Eligible Affected Creditor who has a Proxy may revoke it (as to any matter on which a vote has not already been cast pursuant to its authority) by an instrument in writing executed by such Eligible Affected Creditor or by its legal counsel, duly authorized in writing, or if an Eligible Affected Creditor is not an individual, by a director, officer or legal counsel thereof duly authorized, and deposited either at the offices of the Monitor above mentioned on or before the last Business Day preceding the date of the meeting or any adjournment thereof, or with the Chair of the Creditors' Meeting prior to the time of commencement of the Creditors' Meeting, or any adjournment thereof. Failure to complete and deliver a revocation of Proxy and provide evidence of qualification and authority as set out herein shall result in the invalidation of such revocation of Proxy.

5.4 Signature on Proxy

The Proxy must be executed by an Eligible Affected Creditor or their duly authorized legal counsel. If the Eligible Affected Creditor is not an individual, the Proxy must be signed in its name by an authorized officer or director whose title should be indicated. If a Person is acting in a representative capacity for the Eligible Affected Creditor, the Proxy must be accompanied by the appropriate instrument evidencing qualification and authority to act unless such instrument had previously been filed with the Monitor. Failure to sign the Proxy in accordance with this Article shall invalidate such Proxy.

5.5 Voting of Proxy

The Person named in the Proxy shall vote on the Claim(s) of the Eligible Affected Creditor(s) in accordance with the direction of the Eligible Affected Creditor appointing them on any ballot that may be called for and where the Eligible Affected Creditor giving the Proxy specifies a choice with respect to any matter to be voted upon, the Claim shall be voted in accordance with the direction of the Eligible Affected

~~Creditor. In the absence of any such direction, the Claim(s) of the Eligible Affected Creditors will be voted in the affirmative.~~

5.6 Exercise and Discretion of Proxy

The Proxy confers a discretionary authority upon the Persons named therein with respect to amendments or variations of the matters that are identified at the Creditors' Meeting and in this Plan and with respect to any other matters that may properly come before the Creditors' Meeting.

5.7 Disputed Claims

The Monitor shall keep separate records and tabulations of votes cast in respect of: (i) Proven Claims, and (ii) Disputed Claims. If approval or non-approval of this Plan by the Eligible Affected Creditors in any class shall prove to be determined by the votes cast in respect of Disputed Claims, such result shall be reported to the Court as soon as reasonably possible with a request to the Court for directions regarding an expedited determination of any material Disputed Claims and an appropriate deferral of the application for the Sanction Order and any other applicable dates. The fact that a Claim is allowed for voting purposes shall not preclude the Monitor from disputing the Claim for distribution purposes. The Disputed Claims Reserve will be held pending settlement or final determination of the Disputed Claim. To the extent that a final determination or settlement is made in respect of a Disputed Claim in an amount less than the Disputed Claims Reserve, such surplus funds shall be returned to NewCo.

5.8 Acceptance of Plan

Votes cast by Eligible Affected Creditors with Proven Claims or with Disputed Claims which are eventually allowed as Proven Claims shall be binding upon the Affected Creditors and shall be recorded at the time of the Creditors' Meeting. The Eligible Affected Creditors will vote as part of their Creditor Class. If the Required Majority is achieved in the Creditor Class for the Trade Creditors, this Plan shall be approved and shall be, subject to Court approval, deemed to have been agreed to, accepted and approved by the Affected Creditors. If the Required Majority is not achieved in the Creditor Class for the Life Lease Residents, the Life Lease Residents will be unaffected by this Plan.

5.9 Confirmation of Plan

In the event that this Plan is agreed to, accepted and approved by the Required Majority at the Creditor's Meeting pursuant to the terms of the Plan, ECHS shall, within a reasonable period of time, apply to the Court for the Sanction Order.

Subject to the Sanction Order being granted and the satisfaction or waiver of those conditions of this Plan set forth in Article 6.2, this Plan will be implemented in accordance with the terms hereof.

In the event that the Plan is not agreed to, accepted and approved as set out herein, the Sanction Order is not granted or the conditions set forth in Article 6.2 are not satisfied or waived in accordance with the

terms of this Plan, this Plan shall automatically terminate and in which case ECHS shall not be under any further obligation to implement this Plan.

5.10 Court Assistance

ECHS reserves the right to seek the assistance and/or direction of the Court regarding any matters arising from or under the Plan.

ARTICLE 6

CONDITIONS PRECEDENT AND PLAN IMPLEMENTATION

6.1 Sequence of Events

Following the Effective Date, the following events will occur in the following sequence:

- a. All of the Applicants' plans of compromise and arrangement will have been sanctioned by the Court and all appeal periods of the Orders sanctioning the Applicants' plans of compromise and arrangement shall have expired.
- b. NewCo shall be incorporated under the *Alberta Business Corporations Act*.
- c. ~~The Core Assets shall be transferred from ECHS to NewCo free and clear of any encumbrances, charges, security interests or Claims except for those contractual obligations which this Plan contemplates NewCo assuming as part of the implementation of the Plan and the Registrar of the Alberta Land Titles Office will be directed to cancel the existing certificates of title to the Core Assets and issue a new certificate of title in the name of NewCo~~A tax planned transaction will see, as its end result, a portion of the Related Creditor Claims of District being deemed paid upon the transfer of the Core Assets to NewCo and shares in NewCo being issued to the District Depositors.
- d. NewCo shall assume the obligations of ECHS under the Grant Agreements following which ECHS will be released from the claims by the Government of Alberta under the Grant Agreements.
- e. NewCo shall assume the Assumed Trade Creditor Contracts.
- f. If the Required Majority of the Life Lease Residents' Creditor Class is obtained, then ECHS shall transfer its fee simple interest of the Life Lease Condominiums to the Life Lease Residents upon payment being made by the Life Lease Residents in accordance with Article 4.2.
- g. If not already sold by the time that the Plan is approved, upon ECHS, acting reasonably, determines it is appropriate to do so, ECHS shall sell the Residential Lot or exchange it for other lands which could be included as part of the Core Assets. The net sale proceeds from the sale of the Residential Lot shall be paid to DIL and dealt with in the DIL plan of compromise and arrangement or, in the case of a land exchange, otherwise settled between the District Committee and the DIL Committee.

- i. ECHS shall cease doing business unless the Plan is not approved by the Required Majority of the Life Lease Residents' Creditor Class or the Residential Lot has not been sold.
- j. The Monitor will pay any cash in excess of the amounts of the Disputed Claim Reserve, the Operational Reserve and the Restructuring Holdback to NewCo.

6.2 Conditions to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions on or prior to the Completion Date, as the case may be:

- a. All applicable governmental, regulatory and judicial consents, orders and any and all filings with all governmental and regulatory authorities having jurisdiction, in each case to the effect deemed necessary or desirable for the completion of the transactions contemplated by the Plan or any aspect thereof shall have been obtained.
- b. The Restructuring Holdback shall have been funded in an amount sufficient to satisfy the Restructuring Costs.
- c. Arrangements for payment of the Unaffected Creditors, excluding any claims against Directors which are excluded from being compromised pursuant to section 5.1(2) of the CCAA, shall have been made in a manner satisfactory, to the Courts.
- d. ECHS shall have taken all necessary corporate actions and proceedings to approve this Plan to enable ECHS to execute, deliver and perform its obligations under this Plan and any agreements, indentures, documents and other instruments to be executed or delivered pursuant to, or required to give effect to, the terms of this Plan.
- e. Any requisite consents to the assumption of any of the Assumed Trade Creditors' Contracts have been obtained or NewCo has amended its election to exclude from the list of Assumed Trade Creditors' Contracts those contracts for which such requisite consents have not been obtained.
- f. The Government of Alberta has provided written consent to the assumption of the Grant Agreements.
- g. This Plan shall have been approved by the Required Majority in the Creditor Class for the Trade Creditors.
- h. The Sanction Order, in form and substance satisfactory to ECHS and the Monitor, acting reasonably, and the sanction orders for the other Applicants shall have been granted by the Court and all such sanction orders as at the Completion Date shall be in full force and effect, not stayed or amended.
- i. The stay of proceedings under the Initial Order shall have been extended to at least the Completion Date and the Initial Order shall, as at the Completion Date, be in full force and effect, not stayed or amended after the date hereof (except with the consent of ECHS and the Monitor acting reasonably).

6.3 Certificate

Immediately following the satisfaction of the conditions set out in Article 6.2 and the occurrence of the events set out in Article 6.1, the Monitor shall deliver to ECHS a certificate stating that the Completion Date has occurred. Following the Completion Date, the Monitor shall file such certificate with the Court.

ARTICLE 7 RELEASES

7.1 General Releases

Subject to Section 7.2 below, on the Completion Date the Released Parties (and only the Released Parties) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor or other Person may be entitled to assert (other than for any Unaffected Creditors), including any and all Claims in respect of any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place prior to the Completion Date in any way relating to, arising out of or in connection with the Claims, the arrangement and restructuring provided for herein or otherwise, the business and affairs of ECHS (whenever and however conducted) and in connection with the arrangement and restructuring provided for herein, the administration and /or management of this Plan, the CCAA Proceedings, any Claim that has been barred or extinguished by the Claims Procedure Order and all Claims arising out of such actions or omissions shall be forever waived and released, all to the full extent permitted by law. For greater clarity, but without otherwise limiting the generality of the foregoing, the release set out in this Section 7.1 is not intended to release and shall not have the effect of releasing any co-obligator or any Person who is not a Released Party and specifically shall not release any joint obligator or any Person who is jointly or jointly and severally liable with a Released Party (a "Non-Released Person") and the Affected Creditor or other Person bound by this release (a "Releasing Person") shall retain the right to sue such Non-Released Person for any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which the Releasing Person may have had against a Released Party but for this Section 7.1 PROVIDED ALWAYS that this Section 7.1 may be relied upon and raised or pled by a Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought by a Non-Released Person respecting any action relating the Claims released by this Section 7.1.

7.2 Limitations on Releases

Notwithstanding Article 7.1 of this Plan, the following Claims are not released by this Plan:

- a. Claims against the Directors set out in Section 5.1(2) of the CCAA;
- b. Claims prosecuted by the Alberta Securities Commission or the British Columbia Securities Commission arising from compliance requirements of the *Securities Act of Alberta* and the *Financial Institutions Act of British Columbia*;
- c. Claims made by the Superintendent of Financial Institutions arising from compliance requirements of the *Loan and Trust Corporations Acts* of Alberta and British Columbia; and
- d. Any Claims that are advanced solely as part of the Representative Action provided that with respect to any D&O Insured Claims:
 - i. nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any such insurer in respect of the D&O Insurance; and
 - ii. ECHS and the D&O Party(ies) shall make all reasonable efforts to meet all obligations under the D&O Insurance. The D&O Insurers shall be obliged to pay any loss payable pursuant to the terms and conditions of the D&O Insurance notwithstanding the releases granted to the Released Parties (including ECHS and the D&O Party(ies)) under this Plan, and the D&O Insurers shall not rely on any provisions of the D&O Insurance to argue, or otherwise assert, that such releases excuse them from, or relieve them of, the obligation to pay any loss that otherwise would be payable under the terms of the D&O Insurance.

Notwithstanding the foregoing and for greater certainty, to the extent that they are not released, any Claims of the District Depositors and the DIL Depositors respecting the Directors shall be advanced pursuant to the Representative Action as specifically set out in the District's plan of compromise and arrangement and DIL's plan of compromise and arrangement.

7.3 Sections That Do Not Apply

Pursuant to section 36.1 of the CCAA, sections 38 and 95 to 101 of the BIA shall not apply to ECHS.

ARTICLE 8

PLAN SANCTION ORDER

If the Required Majority of Trade Creditors approves the Plan, ECHS shall apply for the Plan Sanction Order. The Plan Sanction Order shall, among other things:

- a. Declare that the Plan is fair and reasonable.
- b. Declare that as of the Effective Date, the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected thereby are

approved, binding and effective as herein set out upon ECHS, all Affected Creditors and all other Persons affected by the Plan.

- c. Declare that the steps to be taken and the compromises and releases to be effected prior to the Completion Date are deemed to occur and be affected in the sequential order contemplated by Article 6.1 of the Plan on the Effective Date.
- d. Declare that, as of the Completion Date, the releases referred to in Article 7 and the other provisions of this Plan shall become effective in accordance with the Plan.
- e. Terminate and discharge the Administration Charge, the Critical Supplier Charge and the Directors' Charge on the Completion Date.
- f. Declare that as of the Completion Date ECHS has been discharged and released from any and all Affected Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against ECHS in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims.
- g. Discharge and extinguish all liens, mortgages, charges, security interests and other encumbrances including all security registrations against ECHS, in favour of any Affected Creditor in respect of an Affected Claim.
- h. Discharge and extinguish all liens, including all security registrations against ECHS, in favour of any Affected Creditor in respect of a Disputed Claim.
- i. Declare that any Affected Claims, in respect of which a proof of claim has not been filed by the Claims Bar Date shall be forever barred and extinguished.
- j. Declare that the stay of proceedings under the Initial Order is extended in respect of ECHS to and including the Completion Date.
- k. Authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan.
- l. Declare that, subject to the performance by ECHS of its obligations under the Plan, all obligations, agreements or leases to which ECHS is a party shall be and remain in full force and effect, unamended, as at the Effective Date, unless repudiated or deemed to be repudiated by ECHS pursuant to the Initial Order, and no party to any such obligation or agreement shall on or following the Completion Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or to otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:
 - i. Of any event which occurred prior to, and not continuing after, the Effective Date or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies.

- ii. That ECHS has sought or obtained relief or have taken steps as part of the Plan or under the CCAA.
 - iii. Of any default or event of default arising as a result of the financial condition or insolvency of ECHS.
 - iv. Of the effect upon ECHS of the completion of any of the transactions contemplated under the Plan.
 - v. Of any compromises, settlements, restructurings or reorganizations effected pursuant to the Plan.
- m. Declare that upon completion by the Monitor of its duties in respect of ECHS pursuant to the CCAA and the Orders, including, without limitation, the Monitor's duties in respect of the Claims Process and the distributions made by the Monitor in accordance with this Plan, the Monitor may file with the Court following the Completion Date a certificate of Plan termination stating that all of its duties in respect of ECHS have been completed and thereupon the Monitor shall be deemed to be discharged from its duties as Monitor of ECHS.
- n. Declare that ECHS and the Monitor may apply to the Court for advice and direction in respect of any matter arising from or under the Plan.

ARTICLE 9

PROCEDURE FOR RESOLVING DISTRIBUTIONS TO AFFECTED CREDITORS WITH DISPUTED CLAIMS

9.1 No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and to the extent it has become a Proven Claim.

9.2 Disputed Claims Reserve

On the Effective Date, ECHS will pay to the Monitor those funds required to establish the Disputed Claims Reserve, which funds will be held by the Monitor until the Disputed Claims have either been admitted or finally disallowed.

9.3 Distributions After Disputed Claims Resolved

Affected Creditors with Disputed Claims shall attend the Creditors' Meeting and vote in person or by Proxy, and upon resolution of the Disputed Claims, the Monitor, shall make distributions from the Disputed Claim Reserve to each holder of a Disputed Claim which has become a Proven Claim in accordance with the provisions of the Plan. ECHS shall not be required, however, to make distributions more frequently than as required under the terms of this Plan.

9.4 Balance of Reserves and Holdbacks

Any balance of the following will be paid to NewCo:

- a. Disputed Claims Reserve after the resolution of the Disputed Claims;
- b. Restructuring Holdback after payment of the Restructuring Claims; and
- c. Operational Reserve after ECHS ceases operations.

ARTICLE 10 GENERAL PROVISIONS

10.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan may be deemed to occur without any additional act of formality other than as may be expressly set out herein, each of the Persons affected hereto shall make, do, execute or cause to be made, all such further acts, deeds, agreements, assignments, transfers, conveyances, discharges, discontinuances of any suit or proceeding, assurances, instruments, documents, elections, consents or filings as may be reasonably required by ECHS to implement the Plan.

10.2 Paramountcy

Without limiting any other provision hereof, from and after the Effective Date, in the event of any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Affected Creditor or other Persons affected by the Plan, and ECHS as at the Effective Date, the terms, conditions and provisions of this Plan shall govern and take precedence and priority.

10.3 Waiver of Defaults

From and after the Effective Date, all Persons shall be deemed to have waived any and all defaults by ECHS arising on or prior to the Effective Date in respect of any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in every contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral (except any defaults comprising or related to the unreleased claims described in Article 7.2 of this Plan). Any and all notices of default, acceleration of payments and demands for payment under any instrument, or notices given under the CCAA, including without limitation, any notices of intention to proceed to enforce security, shall be deemed to have been rescinded and withdrawn.

10.4 Binding Effect

On the Effective Date, this Plan will become effective and be binding on and enure to the benefit of ECHS, all Affected Creditors, the Directors and all other Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns. Each Affected Creditor will be deemed to have consented and agreed to all of the provisions of this Plan, in its entirety.

10.5 Compromise Effective for all Purposes

The payment, compromise or satisfaction of any Claim under this Plan, if sanctioned and approved by the Court, shall be binding upon the Affected Creditors and each of their heirs, executors, administrators, legal and personal representatives, successors and assigns, as the case may be, for all purposes.

10.6 Payment of Taxes

Notwithstanding any provisions of this Plan, each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental authority, including, without limitation of the foregoing, income, withholding and other tax obligations, on account of such distribution.

10.7 Modification of the Plan

Subject to the consent of the Monitor, ECHS reserves the right to file any modification of or amendment to this Plan by way of a supplementary plan or plans of compromise or arrangement, or both, filed with the Court at any time or from time to time prior to the Creditors' Meeting, in which case any such supplementary plan or plans of compromise or arrangement, or both, shall, for all purposes, be and be deemed to be a part of and incorporated into this Plan provided no such amendment or modification that materially and adversely affects the rights or treatment hereunder of the Affected Creditors shall be so filed without first obtaining the approval of the Court. ECHS shall give notice by publication on the Monitor's website, or otherwise, to all Affected Creditors with details of any modifications or amendments prior to the vote being taken to approve this Plan, as modified or amended. Subject to the foregoing proviso, ECHS may propose an alteration or modification to the Plan at the Creditors' Meeting. After the Creditors' Meeting, ECHS may at any time and from time to time vary, amend, modify or supplement the Plan if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature that would not be materially prejudicial to the interest of any of the Affected Creditors and is necessary in order to give effect to the substance of the Plan or the Sanction Order.

10.8 Notices

Any notice of other communication to be delivered hereunder must be in writing and reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail, facsimile or email addressed to the respective parties as follows:

a. If to ECHS:

Bishop & McKenzie LLP
1700, 530 8th Avenue SW
Calgary, AB T2P 3S8
Attention: Francis Taman/Ksena Court
Fax: 403-263-3423
Email: Francis Taman FTaman@bmlp.ca
Ksena Court KCourt@bmlp.ca

b. If to an Affected Creditor, to the last known address (including fax number or email address) for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor, or in the absence of such Proof of Claim, or such other address as the Affected Creditor may from time to time provide to the Monitor in accordance with this section.

c. If to the Monitor:

Deloitte Restructuring Inc.
700 Bankers Court
850 2nd Street SW
Calgary, AB T2P 0R8
Attention: Vanessa Allen
Fax: 403-718-3681
Email:vanallen@deloitte.ca

Copy to:

Gowling Lafleur Henderson LLP
1600 421 7th Avenue SW
Calgary, AB T2P 4K9
Attention: Jeffrey Oliver
Fax: 403-695-3558
Email: jeffrey.oliver@gowlings.com

or to such other address as any party may from time to time notify the others in accordance with this Article. All such notices and communications which are delivered will be deemed to have been received on the date of delivery. All such notices and communications which are faxed or emailed will be deemed to be received on the date faxed or emailed if sent before 5:00 p.m. Calgary time on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such fax or email was sent. Any notice of other communication sent by mail will be deemed to have been received on the third Business Day after the date of mailing.

10.9 Severability of Plan Provisions

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. In the event that any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, then at the election of ECHS, notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.10 Non-Consummation

If the Sanction Order is not issued in respect of this Plan or the plans of arrangement filed by the other Applicants, this Plan shall be null and void in all respects, including (i) any settlement or compromise embodied in the Plan including the fixing or limiting of an amount and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (ii) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (a) constitute or be deemed to constitute a waiver or release of any Claims by or against ECHS or any other Person; (b) prejudice in any manner the rights of ECHS in any further proceedings involving ECHS, including without limitation the right to assert any facts or defences it might otherwise have; or (c) constitute an admission of any sort by ECHS or any other Person.

10.11 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless their Claims overlap or are otherwise duplicative.

**ARTICLE 11
EXECUTION**

11.1 Execution

This Plan has been executed by ECHS in the City of Calgary in the Province of Alberta on October 30, 2015 and is binding and effective on ECHS.

Rev. Dr. Glenn E. Schaeffer

Legal representative of ECHS

District President - ABC District

Name and title of legal representative of ECHS

**Schedule "A" – Legal Description of Prince of Peace Development to be transferred to NewCo as
Core Assets**

Development, Harbour and Expansion Lands

PLAN 9712096

BLOCK 1

CONTAINING 22.29 HECTARES (55.08 ACRES) MORE OR LESS

EXCEPTING THEREOUT: SUBDIVISION 0311251
 AREA: 1.90 HECTARES (4.70 ACRES)

EXCEPTING THEREOUT ALL MINES AND MINERALS

Manor

PLAN 0311251

BLOCK 4

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.9 HECTARES (4.7 ACRES) MORE OF LESS

Lake and Green Space

PLAN 9712096

BLOCK 2

EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 12.88 HECTARES (31.83 ACRES) MORE OR LESS

Schedule "B" – Legal Description of the Life Lease Condominiums

CONDOMINIUM PLAN 9812469

UNITS 3, 5, 7, 9, 11, 12, 15, 17, 18, 19, 20, 21, 23, 28, 29, 30, 33, 35

CONDOMINIUM PLAN 0011410

UNITS 41, 43, 47, 48, 49, 50, 51, 52, 54, 55, 56, 58

CONDOMINIUM PLAN 0013287

UNITS 64, 68, 69, 70, 74, 77, 78, 79, 80

CONDOMINIUM PLAN 0111629

UNITS 87, 88, 89, 92, 93, 99, 100, 102, 103, 104

CONDOMINIUM PLAN 0113520

UNITS 109, 117, 121, 122, 126, 127, 135, 143, 148,

CONDOMINIUM PLAN 0310076

UNITS 163, 183

Schedule "C" – Form of Proxy

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT PROXY
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.

I, _____ of _____, a creditor in the above matter, hereby appoint _____ of _____, (person you want to appoint) to be my proxyholder in the above matter, except as to the receipt of any distributions pursuant to this Plan (with or without) power to appoint another proxyholder in his or her place.

The above named proxyholder shall attend on behalf of and act for me at the Creditors' Meeting to be held in connection with the ECHS Plan and at any and all adjournments, postponements or other rescheduling of the Creditors' Meeting, and vote the amount of my Claim(s) as follows:

1. (mark one only):

- Vote **FOR** approval of the resolution to accept the Plan; or
 Vote **AGAINST** approval of the resolution to accept the Plan.

IF A BOX IS NOT MARKED AS A VOTE FOR OR AGAINST APPROVAL OF THE PLAN, THEN THE PROXYHOLDER SHALL VOTE AT HIS/HER DISCRETION.

and

2. Vote at his/her discretion and otherwise act for and on behalf of me with respect to any amendments or variations to the matters identified in the notice of the Creditors' Meeting and in this Plan, and with respect to other matters that may properly come before the Creditors' Meeting.

THIS PROXY, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE MONITOR BY EMAIL, MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR BY NO LATER THAN 5:00 P.M. (CALGARY TIME) ON _____, 2015 OR SUCH LATER DATE AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE CREDITORS' MEETING HAS BEEN ADJOURNED TO, OR DELIVERED BY HAND TO THE CHAIR OF THE CREDITORS' MEETING PRIOR THE COMMENCEMENT OF THE CREDITORS' MEETING. AFTER COMMENCEMENT OF

THE CREDITORS' MEETING (OR ANY ADJOURNMENT THEREOF), NO PROXIES CAN BE ACCEPTED BY THE MONITOR.

Dated at _____ this _____ day of _____, 2015.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:
Deloitte Restructuring Inc., Monitor
700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Phone: (403) 267-1777 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca

Schedule 2

COURT FILE NUMBER

1501-00955

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

DOCUMENT

**AMENDED PLAN OF COMPROMISE AND ARRANGEMENT
OF ENCHARIS MANAGEMENT AND SUPPORT SERVICES**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT 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.**

DATED October 30, 2015

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT**

**Bishop & McKenzie LLP
1700-530-8th Avenue SW
Calgary, Alberta T2P 3S8
403-237-5550 (phone)
403-243-3623 (fax)
Attention: Francis N. J. Taman/Ksena J. Court
File No.: 103007-003**

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WHEREAS:

- I. Lutheran Church – Canada, the Alberta British Columbia District (defined herein as the “District”), Encharis Community Housing and Services (defined herein as “ECHS”), Encharis Management and Support Services (defined herein as “EMSS”) and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (defined herein as “District Investments” or “DIL”, collectively, the “Applicants” or the “District Group”) are debtor companies under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (defined herein as the “CCAA”) pursuant to the Initial Order (the “Initial Order”) granted by the Honourable Justice K. D. Yamauchi of the Court of Queen’s Bench of Alberta (the “Court”) on January 23, 2015 (defined herein as the “Filing Date”).
- II. Pursuant to the Initial Order, Deloitte Restructuring Inc. was appointed as Monitor (defined herein as the “Monitor”) of the Applicants.
- III. Subsequently, pursuant to an Order granted on March 27, 2015, Kluane Financial Services Inc. was appointed as the Chief Restructuring Officer (defined herein as the “CRO”) of the Applicants.
- IV. Under the supervision of the Monitor and the Court, and in consultation with the CRO, the Applicants have formulated a plan of arrangement (defined herein as the “Plan”) for Affected Creditors (as defined below) of EMSS.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated or unless the subject matter of the context otherwise requires, the following terms are defined as follows:

A

"Administration Charge" means the charge granted pursuant to the Initial Order and subsequently amended in the Order granted on June 26, 2015, in favour of the Monitor, counsel to the Monitor, the Applicants' Counsel and legal counsel for the creditors' committees of the District and DIL as security for the professional fees and disbursements incurred both before and after the granting of the Initial Order, which charge shall not exceed an aggregate amount of \$300,000.

"Affected Claims" means the Claim(s) of Affected Creditors.

"Affected Creditors" means the Trade Creditors.

"AHS" means Alberta Health Services, both in its own right and as a successor in interest to the Calgary Health Region.

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law relating or applicable to such Person, property, transacting event or other matter. Applicable Law also includes, where appropriate, any interpretation of the law (or any part) by any Person having jurisdiction over it or charged with its administration or interpretation.

"Applicants" means the District, ECHS, EMSS and District Investments.

"Applicants' Counsel" means Bishop & McKenzie LLP, and such other solicitors as Bishop & McKenzie LLP may directly engage to assist in the CCAA proceedings.

"Assumed Trade Creditor Contracts" means those contracts with Trade Creditors that NewCo elects to assume as part of its acquisition of the ECHS Assets and the EMSS Assets.

B

"BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

"Business Day" means a day on which banks are generally open for the transaction of commercial business in Calgary, Alberta, but does not in any event include a Saturday, Sunday or a bank holiday under Applicable Law.

C

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

"CCAA Proceedings" mean the proceedings commenced by the Applicants under the CCAA in the Court as Action No. 1501-00955.

"CEF" means the Church Extension Fund, a fund that was created and administered by the District for the purpose of allowing Persons to loan money to the District and earn interest in support of faith-based developments.

"Chair" means the chair of the Creditors' Meeting.

"Charge" means a valid and enforceable security interest (including a lease which creates a security interest as contemplated by the *Personal Property Security Act*, R.S.A. 2000 c. P-7 (as amended), lien, charge, pledge, encumbrance, mortgage, hypothec, adverse claim, title retention agreement or trust agreement of any nature or kind (but excluding any statutory deemed or implied charge, condition, claim, trust or lien for or with respect to any taxes or levies), on any assets, property or proceeds of sale of EMSS.

"Claim(s)" means any right or claim of any Person that may be asserted or made in whole or in part against EMSS at the Claims Bar Date, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), including without limitation any claim based on adverse possession, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts or events which exist prior to or at the Filing Date, together with any other rights or claims of any kind that, is a debt provable within the meaning of Section 2 of the BIA.

"Claims Bar Date" means 4:00 p.m. Mountain Time on April 20, 2015, or such later date on which a Proof of Claim may be accepted for filing by the Applicants and the Monitor or the Court prior to the granting of the Sanction Order.

"Claims Process" means the process for determining the Claims of the Affected Creditors as at the Filing Date, as established in the Claims Process Order.

"Claims Process Order" means the Order of the Court, granted on February 20, 2015, as may be subsequently amended, establishing the Claims Process.

"Completion Date" means the date on which all of the actions required to satisfy the obligations under this Plan have been completed and the Monitor delivers to EMSS a certificate confirming the same.

"Court" means the Court of Queen's Bench of Alberta.

"Creditors' Meeting" means the meeting of the Eligible Affected Creditors with voting Claims to be held on Friday, December 11, 2015 at 10:00 A.M. Mountain Time at 1600-421-7th Avenue S.W., Calgary, Alberta, as set out in the Meeting Order for the purpose of considering and voting upon this Plan, and includes any adjournment of such meeting.

"Creditors' Meeting Order" or **"Meeting Order"** means the Order in the CCAA Proceedings which, among other things, approves the filing of the Plan and establishes the date, time and location of the Creditors' Meeting, prescribing the process by which Eligible Affected Creditors shall be notified of the Creditors' Meetings and the conduct of such Creditors' Meetings.

"Critical Supplier Charge" means a Charge of up to a maximum of \$100,000 to secure the goods, services and professional fees and disbursements incurred before and after the Filing Date for those Persons designated as critical suppliers under the Initial Order or any subsequent Orders.

"CRO" means the Chief Restructuring Officer, Kluane Financial Services Inc.

"Crown Claims" means Claims of Her Majesty in right of Canada or a province, for all amounts that were outstanding at the Effective Date and are of a kind that could be subject to a demand under:

- a. Subsection 224(1.2) of the *Income Tax Act*, RSC 1985, c. 1 (5th Supp), as amended.
- b. Any provision of the *Canada Pension Plan*, RSC 1985, c. C-8, as amended or of the *Employment Insurance Act*, S.C. 1996, c. 23, as amended that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts.
- c. Any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum has been withheld or deducted by a Person from a payment to another Person and is:

- i. In respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*.
- ii. Of the same nature as a contribution under the *Canada Pension Plan*, if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

D

"Depositor(s)" means those Persons having loans in CEF and investments in DIL.

"Director(s)" means the past and present directors of EMSS.

"Directors' Charge" means the provision of the Initial Order providing for a Charge up to a maximum of \$5.0 million to indemnifying the Directors of the Applicants against obligations and liabilities that they may incur as Directors of the Applicants after the commencement of the CCAA Proceedings except to the extent that, with respect to any Director of an Applicant, the obligation was incurred as a result of that Director's gross negligence or wilful misconduct.

"Disputed Claim" means the Claim of an Affected Creditor that is subject to a Dispute Notice and is not yet a Proven Claim.

"Disputed Claim Reserve" means funds held by the Monitor in a designated trust account in an amount sufficient to pay those Affected Creditors who's Claims are still subject to a Dispute Notice which has not yet been settled or fully adjudicated.

"Dispute Notice" means a written notice delivered to the Monitor by an Affected Creditor who has received a Notice of Revision or Disallowance and who intends to dispute such Notice of Revision or Disallowance.

"District" means Lutheran Church – Canada, the Alberta – British Columbia District.

"District Investments" or "DIL" means Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd.

"D&O Claim" means (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more of the D&O Parties that relates to a Claim which such D&O Party(ies) is by law liable to pay in such capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty and including, for greater certainty, any right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise)), and whether or not any

indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such D&O Party(ies) or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, or (B) relates to a time period prior to the Filing Date. For clarity, the Directors' Charge shall not be used to pay any D&O Claims.

"D&O Insurance" means that policy of insurance issued by the D&O Insurers, namely policy number NP-428530, as extended from time to time, by Encon Group Inc., and policy number CBC 1928469 04, as extended from time to time, by Northridge Financial Corporation.

"D&O Insured Claim" means all or that portion of any D&O Claim against any D&O Party that is insured by the D&O Insurer(s) pursuant to the D&O Insurance.

"D&O Insurer(s)" means Encon Group Inc. and Northridge Financial Corporation.

"D&O Party(ies)" means current or former Directors, officers, trustees, employees, volunteers of EMSS, or members of any duly constituted committee of EMSS.

"Diversicare" means Diversicare Canada Management Services Co., Inc.

E

"ECHS" means Encharis Community Housing Services.

"ECHS Assets" means all of ECHS' real and personal property, including, for greater clarity, all contracts which EMSS has the benefit of, within or with respect to the Prince of Peace Development including, without limitation, the contracts with Diversicare and AHS (as further set out in the ECHS Plan), but excluding any condominium units that are owned by ECHS and are subject to life leases, and the condominium unit legally described as Condominium Plan 9812469, Unit 39, and 1 undivided one ten thousandth shares in the common property, excepting thereout all mines and minerals.

"Effective Date" subject to the satisfaction of the conditions precedent outlined in Article 6.2 means the date the Plan takes effect and shall be the day following the expiry of the appeal period of all Sanction Orders granted in the CCAA Proceedings or such other date as may be agreed upon in writing between the Monitor and EMSS.

“Eligible Affected Creditors” means Affected Creditors with Proven Claims and Affected Creditors with Disputed Claims which have not yet been settled or adjudicated.

“EMSS” means Encharis Management and Support Services.

“EMSS Assets” means all of EMSS’ personal property, including, for greater clarity, all contracts which EMSS has the benefit of including, without limitation, the FSA and the contracts with the Trade Creditors who hold the Assumed Trade Creditor Contracts.

F

“FSA” means the Facility Services Agreement between AHS and EMSS, dated March 1, 2008, as amended, and for great certainty, includes any current annual services expectation letters which may be in force.

“Filing Date” means January 23, 2015, the date on which the Initial Order was granted.

H

“Harbour” means that dementia care facility located on a portion of the lands that comprise the Prince of Peace Development, as shown cross-hatched on the aerial view included as Schedule “A”.

I

“Initial Order” means the Initial Order granted by the Court in the CCAA Proceedings on January 23, 2015.

L

“Leases” means obligations, agreements or leases to which the EMSS is a party.

M

“Manor” means the seniors’ care facility located on a portion of the lands that comprise the Prince of Peace Development, as further described in Schedule “B”.

“Monitor” means Deloitte Restructuring Inc., the Court-appointed Monitor.

“Monitor’s Legal Counsel” means Gowling Lafleur Henderson LLP.

N

“NewCo” means the new corporation established pursuant to the terms of the District’s plan of arrangement, incorporated under the *Alberta Business Corporations’ Act*.

"Notice of Revision or Disallowance" means the notice referenced in paragraph 19 of the Claims Process Order advising an Affected Creditor that the Monitor disputes the amount of their Claim as set out in a Proof of Claim.

O

"Operational Reserve" means that sum of money set by the Monitor to provide EMSS with sufficient funds to satisfy its Post-Filing Claims and complete its duties under this Plan, at which time EMSS' operations will cease.

"Order" means any order of the Court in the CCAA Proceedings.

P

"Person(s)" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, and an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

"Plan(s)" means this plan of arrangement and any other plans of arrangement filed by EMSS pursuant to the CCAA Proceedings.

"Plan Payments" means those payments to be made by the Monitor pursuant to this Plan.

"Plan Pool" means the sum of all of the Proven Claims of the Trade Creditors.

"Post-Filing Claim(s)" means any Claim(s) that may be asserted or made in whole or in part against EMSS in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the Filing Date, other than the Restructuring Claims, and any interest thereon, including any obligations of EMSS towards Persons, who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to EMSS on or after the Filing Date.

"Prince of Peace Development" means the properties located in Rocky View County, Alberta upon which the Manor and the Harbour are situated.

"Proven Claim(s)" means a Claim of an Affected Creditor proven in accordance with the Claims Process Order, which is not the subject of a Dispute Notice or a Notice of Revision or Disallowance, or was the subject of a Dispute Notice or a Notice of Revision or Disallowance, which has been resolved, either before or after the Sanction Order, in accordance with the terms of the Claims Process Order, the Meeting Order and this Plan.

"Proxy" means the form attached hereto as Schedule "C" authorizing a Person to vote on behalf an Eligible Affected Creditor.

R

“Related Creditor(s)” means Persons who meet the definition of Related Person(s) set out in Section 4(2) of the BIA.

“Related Creditor Claim” means the Proven Claim filed by ECHS against EMSS pursuant to the Claims Process in the amount of \$2,113,869.97.

“Released Parties” means the Monitor, the Monitor’s Counsel, the Applicants’ Counsel, the CRO, EMSS, the Directors, officers, volunteers, and employees of EMSS and any independent contractors of EMSS who are individuals and who were employed three days or more a week on a regular basis.

“Representative Action” means that legal action or actions undertaken in respect of the Representative Action Claims, as that term is defined in the plans of compromise and arrangement for the District and DIL, which action may be advanced as a class proceeding for those Depositors, who elect to participate in accordance with the terms of the plans of compromise and arrangement for the District and DIL.

“Required Majority” means an affirmative vote of two-thirds in value and a majority in number of all Proven Claim(s) of Eligible Affected Creditors, who voted in accordance with the voting procedures established under the Meeting Order (whether in person or by Proxy at the Creditors’ Meeting).

“Restructuring Claim(s)” means any claims with respect to reasonable fees and disbursements of the Monitor, the Monitor’s Counsel or the Applicants’ Counsel.

“Restructuring Holdback” means the amount to be held by EMSS in an amount sufficient to satisfy the Restructuring Claims.

S

“Sanction Order” means an order or orders of the Court which, among other things, shall approve and sanction this Plan and the plans of compromise and arrangement filed by the other Applicants under the CCAA and shall include provisions as may be necessary or appropriate to give effect to this Plan and the plans of compromise and arrangement filed by the other Applicants, including provisions in substance similar to those set out in Article 8.

T

"Trade Creditor(s)" means suppliers who have Claim(s) as a result of providing EMSS with goods and services prior to the Filing Date.

"Transfer Payment" means that payment made by EMSS to the Monitor to fund the Plan Pool.

U

"Unaffected Creditor(s)" includes Persons with the following Claims:

- a. Crown Claims;
- b. Post- Filing Claims;
- c. Restructuring Claims;
- d. The Related Creditor Claim, ~~which will be withdrawn upon the Effective Date;~~
- e. Claims related to the Assumed Trade Creditor Contracts;
- f. All Claims of current employees, officers and directors of EMSS for all amounts owing to them in their capacity as such, by statute or otherwise for, or in connection with accrued salary, accrued wages, accrued bonuses, accrued retention payments, fees and expenses, reimbursement obligations, accrued vacation leave and accrued vacation pay, as applicable, which obligations are prescribed by the *Employment Standards Code*, R.S.A. 2000, c. E-9, and any similar provincial or federal legislation;
- g. Amounts due to Person(s) classified as critical suppliers in the Initial Order or any subsequent Orders; and
- h. Claims against Directors excluded from being compromised pursuant to section 5.1(2) of the CCAA.

1.2 Article and Section Reference

The terms "this Plan", "hereof", "hereunder", "herein" and similar expressions refer to this Plan, amendments to this Plan and not to any particular article, section, subsection, paragraph or clause of this Plan and include any instrument supplemental hereto. In this Plan, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, paragraph or clause of this Plan.

1.3 Extended Meanings

In this Plan, where the context so requires, any word importing the singular number shall include the plural and vice-versa; and any word or words importing gender shall include all genders.

1.4 Interpretation Not Affected by Headings

The division of this Plan into articles, sections, subsections, paragraphs and clauses and the insertion of a table of contents and headings are for convenience of reference and shall not affect the construction or interpretation of the Plan.

1.5 Date of any Action

In the event that any date on which any action is required to be taken hereunder by any Person is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 Currency

Unless otherwise stated herein, all references to currency in this Plan are to Canadian currency. For the purposes of voting or distribution(s) pursuant to this Plan, a Claim shall be denominated in Canadian Dollars. Any Claim in a currency other than Canadian Dollars must be converted to Canadian Dollars, and such amount shall be regarded as having been converted at the exchange rate quoted by the Bank of Canada for exchanging such currency to Canadian dollars at noon on the Filing Date.

1.7 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.8 Successors and Assigns

This Plan shall be binding upon and shall ensure to the benefit of the heirs, administrators, executors, legal and personal representatives, successors and assigns, as the case may be, of any Person named or referred to in this Plan.

1.9 Governing Law

This Plan shall be governed by, and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its revisions shall be subject to the exclusive jurisdiction of the Court.

ARTICLE 2 PURPOSE OF THE PLAN

2.1 Purpose

The purpose of this Plan is to affect a compromise and settlement of Affected Claims in order to enable the Applicants to restructure their affairs for the benefit of all stakeholders and to maximize the recovery

to the Affected Creditors. The successful implementation of the Applicants' Plans will provide a greater benefit to all Persons with an economic interest in the Applicants than would result from the bankruptcy of one or more of the Applicants or the immediate forced liquidation of all of the Applicants' assets, including the ECHS Assets and the EMSS Assets. Affected Creditors should review this Plan and the **Seventh** Report of the Monitor before voting to accept or reject the Plan. The transactions contemplated by the Plan are to be implemented pursuant to the CCAA Proceedings.

2.2 Affected Creditors

This Plan provides for the compromise and settlement of the Claims of the Affected Creditors. If this Plan is accepted by the Eligible Affected Creditors and approved by the Court, and the transactions set out in this Plan occur, this Plan shall be binding upon each Affected Creditor and its heirs, executors, administrators, legal representatives, successors and assigns.

2.3 Unaffected Creditors

This Plan does not compromise the Claims of Unaffected Creditors, including the Related Party Claim, which will be withdrawn by ECHS on the Effective Date.

ARTICLE 3

CLASSIFICATION OF AFFECTED CREDITORS

3.1 Classes of Affected Creditors

For the purpose of considering and voting upon the Plan, Eligible Affected Creditors with Proven Claims shall constitute a single class.

ARTICLE 4

STRUCTURE OF THE PLAN

4.1 Overview

This Applicants' plans of compromise and arrangement contemplate the following:

- a. The transfer of the ECHS Assets and the EMSS Assets to NewCo pursuant to the Applicants' plans of compromise and arrangement;
- b. NewCo's management of the ongoing operations of the Manor and the Harbour as going concerns, thereby protecting the interests of the residents of the Manor and the Harbour and permitting the Manor and the Harbour to continue to provide care for the aged and those struggling with dementia.
- c. EMSS' operations being discontinued upon the transfer of the EMSS Assets.

- d. All employees of EMSS being terminated by EMSS on the Effective Date and then rehired by NewCo on the same terms pursuant to which they were employed by EMSS. All current employees, officers and directors of EMSS are Unaffected Creditors for the purpose of this Plan.
- e. The Affected Creditors of EMSS being paid in full upon the Effective Date of the EMSS Plan,
- f. The Affected Creditors of the Applicants receiving an improved recovery compared to what would result from the bankruptcy of EMSS or the immediate forced liquidation of the ECHS Assets and the EMSS Assets.

4.2 Treatment of Affected Creditors

Affected Creditors shall receive distributions as set forth below only to the extent that such Claims are Proven Claims and have not been paid, released or otherwise satisfied prior to the Effective Date. Each Affected Creditor will have their Proven Claim compromised as follows:

- a. Upon the Effective Date, each Trade Creditor will receive payment in the amount of 100% of their Proven Claim from the Plan Pool; and
- b. The Post-Filing Claims relating to the Assumed Trade Creditor Contracts shall be assumed by NewCo upon the transfer of the Assumed Trade Creditor Contracts to NewCo.

4.3 Interest

No interest or penalties shall accrue or be paid on the Proven Claims of Affected Creditors from and after the Filing Date but shall be released in accordance with the Plan.

ARTICLE 5

PROCEDURAL MATTERS

5.1 Creditors' Meeting

The following procedure will be followed at the Creditors' Meeting:

- a. Following the filing of the Plan with the Court, EMSS will seek the Creditors' Meeting Order authorizing EMSS to hold the Creditors' Meeting on the date set by the Creditors' Meeting Order at which Eligible Affected Creditors shall consider and vote upon the Plan. The Creditors' Meeting shall be held in accordance with this Plan, the Creditors' Meeting Order and any other applicable Order in respect of the process governing the Creditors' Meeting.
- b. The Monitor or its designee shall preside as the Chair of the Creditors' Meeting and shall decide all matters related to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are Eligible Affected Creditors (including the holders of Proxies), their legal counsel and financial advisors, the Directors, the Applicants' Legal Counsel, the Monitor's Legal

Counsel and legal counsel for the creditors' committees formed for the District and DIL. Any other Person may be admitted on invitation of the Chair.

- c. The quorum required at any Creditors' Meeting or any adjournment thereof shall be two Eligible Affected Creditors present in person or by Proxy. If the requisite quorum is not present at the Creditors' Meeting or if the Chair determines that the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Chair to such date, time and place as determined by the Chair.
- d. The Monitor may designate Person(s) of their choosing to supervise and tabulate attendance and votes cast at the Creditors' Meeting or to act as the secretary of the Creditors' Meeting.
- e. The entitlement of an Affected Creditor with a Disputed Claim to vote at the Creditors' Meeting shall not be construed as an admission that its Claim is a Proven Claim.
- f. The Monitor shall have the right to seek the assistance of the Court in valuing any Claim for voting purposes in accordance with the Plan and the Meeting Order, if required, and to ascertain the result of any vote on the Plan.

5.2 Voting Procedures

Each Eligible Affected Creditor may vote their Claim in person by attending the Creditors' Meeting, or by Proxy by submitting their duly completed Proxy in accordance with the provisions included herein and in the Creditors' Meeting Order. Each Eligible Affected Creditor is entitled to one vote, which vote shall have the value of such Eligible Affected Creditors' Proven Claim as determined in accordance with the Claims Process Order or this Plan. The results of any and all votes conducted at the Creditors' Meeting shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present or voting at the Creditors' Meeting.

5.3 Appointment and Revocation of Proxies

An Eligible Affected Creditor may vote in person by attending the Creditors' Meeting. Eligible Affected Creditors may also vote by indicating such Person's name in the blank space provided in the form of Proxy, attached hereto as Schedule "C", which must be delivered to the Monitor at the address set out in Article 10.8 below.

A Proxy must be delivered to the Monitor by email, mail, facsimile transmission or courier on or before 5:00 p.m. (Calgary time) on the last Business Day prior to the date of the Creditors' Meeting or any adjournment thereof, or by hand to the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof.

Failure to sign and deliver the Proxy as set out herein shall result in the invalidation of such Proxy.

An Eligible Affected Creditor who has signed and delivered a Proxy may revoke it (as to any matter on which a vote has not already been cast pursuant to its authority) by an instrument in writing executed by such Eligible Affected Creditor or by its legal counsel, duly authorized in writing, or if an Eligible Affected

Creditor is not an individual, by a director, officer or legal counsel thereof duly authorized, and deposited either at the offices of the Monitor above mentioned on or before the last Business Day preceding the date of the meeting or any adjournment thereof, or with the Chair of the Creditors' Meeting prior to the time of commencement of the Creditors' Meeting, or any adjournment thereof. Failure to complete and deliver a revocation of Proxy and provide evidence of qualification and authority as set out herein shall result in the invalidation of such revocation of Proxy.

5.4 Signature on Proxy

The Proxy must be executed by an Eligible Affected Creditor or their duly authorized legal counsel. If the Eligible Affected Creditor is not an individual, the Proxy must be signed in its name by an authorized officer or director whose title should be indicated. If a Person is acting in a representative capacity for the Eligible Affected Creditor, the Proxy must be accompanied by the appropriate instrument evidencing qualification and authority to act unless such instrument had previously been filed with the Monitor. Failure to sign the Proxy in accordance with this Article shall invalidate such Proxy.

5.5 Voting of Proxy

The Person named in the Proxy shall vote on the Claim(s) of the Eligible Affected Creditor(s) in accordance with the direction of the Eligible Affected Creditor appointing them on any ballot that may be called for and where the Eligible Affected Creditor giving the Proxy specifies a choice with respect to any matter to be voted upon, the Claim shall be voted in accordance with the direction of the Eligible Affected Creditor. ~~In the absence of any such direction, the Claim(s) of the Eligible Affected Creditors will be voted in the affirmative.~~

5.6 Exercise and Discretion of Proxy

The Proxy confers a discretionary authority upon the Persons named therein with respect to amendments or variations of the matters that are identified at the Creditors' Meeting and in this Plan and with respect to any other matters that may properly come before the Creditors' Meeting.

5.7 Disputed Claims

The Monitor shall keep separate records and tabulations of votes cast in respect of: (i) Proven Claims, and (ii) Disputed Claims. If approval or non-approval of this Plan by the Eligible Affected Creditors shall prove to be determined by the votes cast in respect of Disputed Claims, such result shall be reported to the Court as soon as reasonably possible with a request to the Court for directions regarding an expedited determination of any material Disputed Claims and an appropriate deferral of the application for the Sanction Order and any other applicable dates. The fact that a Claim is allowed for voting purposes shall not preclude the Monitor from disputing the Claim for distribution purposes. The Disputed Claims Reserve will be held pending settlement or final determination of the Disputed Claim. To the extent that a final determination or settlement is made in respect of a Disputed Claim in an amount less than the Disputed Claims Reserve, such surplus funds shall be returned to NewCo.

5.8 Acceptance of Plan

Votes cast by Eligible Affected Creditors with Proven Claims or with Disputed Claims which are eventually allowed as Proven Claims shall be binding upon the Affected Creditors and shall be recorded at the time of the Creditors' Meeting. If the Required Majority is achieved, this Plan shall be approved and shall be, subject to Court approval, deemed to have been agreed to, accepted and approved by the Affected Creditors.

5.9 Confirmation of Plan

In the event that this Plan is agreed to, accepted and approved by the Required Majority at the Creditor's Meeting pursuant to the terms of the Plan, EMSS shall, within a reasonable period of time, apply to the Court for the Sanction Order.

Subject to the Sanction Order being granted and the satisfaction or waiver of those conditions of this Plan set forth in Article 6.2, this Plan will be implemented in accordance with the terms hereof.

In the event that the Plan is not agreed to, accepted and approved as set out herein, the Sanction Order is not granted or the conditions set forth in Article 6.2 are not satisfied or waived in accordance with the terms of this Plan, this Plan shall automatically terminate and in which case EMSS shall not be under any further obligation to implement this Plan.

5.10 Court Assistance

EMSS reserves the right to seek the assistance and/or direction of the Court regarding any matters arising from or under the Plan.

ARTICLE 6

CONDITIONS PRECEDENT AND PLAN IMPLEMENTATION

6.1 Sequence of Events

Following the Effective Date, the following events will occur in the following sequence:

- a. All of the Applicants' plans of compromise and arrangement shall have been sanctioned by the Court and all appeal periods of the Orders sanctioning the Applicants' plans of compromise and arrangement shall have expired.
- b. The sequence of events set out in the plan of compromise and arrangement for the District will have been fully completed including the ECHS Assets having been transferred from ECHS to NewCo free and clear of any encumbrances, charges, security interests or Claims except for those contractual obligations which this Plan contemplates NewCo assuming as part of the implementation of the Plan.

- c. The EMSS Assets will be transferred from EMSS to NewCo free and clear of any encumbrances, charges, security interests or Claims except for those contractual obligations which this Plan contemplates NewCo assuming as part of the implementation of the Plan.
- d. EMSS' operations will be transitioned to NewCo with all employees of EMSS being terminated and then rehired by NewCo on the same terms pursuant to which they were employed by EMSS with NewCo assuming all Claims of current employees, officers and directors pursuant to which they are Unaffected Creditors.
- e. NewCo shall assume the Assumed Trade Creditor Contracts.
- f. NewCo shall assume the FSA.
- g. The Monitor will make distributions from the Plan Pool in accordance with Section 4.2.
- h. EMSS shall cease operations.
- i. The Monitor will pay any cash in excess of the amounts of the Disputed Claim Reserve, the Operational Reserve and the Restructuring Holdback to NewCo.

6.2 Conditions to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions on or prior to the Completion Date, as the case may be:

- a. All applicable governmental, regulatory and judicial consents, orders and any and all filings with all governmental and regulatory authorities having jurisdiction, in each case to the effect deemed necessary or desirable for the completion of the transactions contemplated by the Plan or any aspect thereof shall have been obtained.
- b. The Restructuring Holdback shall have been funded in an amount sufficient to satisfy the Restructuring Costs.
- c. The Plan Pool shall have been fully funded.
- d. The Related Claim will have been withdrawn.
- e. Arrangements for payment of the Unaffected Creditors, excluding any claims against Directors which are excluded from being compromised pursuant to section 5.1(2) of the CCAA, shall have been made in a manner satisfactory to the Courts.
- f. EMSS shall have taken all necessary corporate actions and proceedings to approve this Plan to enable EMSS to execute, deliver and perform its obligations under this Plan and any agreements, indentures, documents and other instruments to be executed or delivered pursuant to, or required to give effect to, the terms of this Plan.
- g. Any requisite consents to the assumption of any of the Assumed Trade Creditors' Contracts have been obtained or NewCo has amended its election to exclude from the list of Assumed Trade Creditors' Contracts those contracts for which such requisite consents have not been obtained.
- h. AHS has provided written consent to the assumption of the FSA.
- i. This Plan shall have been approved by the Required Majority.

- j. The Sanction Order, in form and substance satisfactory to EMSS and the Monitor, acting reasonably, and the sanction orders for the other Applicants shall have been granted by the Court all such sanction orders as at the Completion Date shall be in full force and effect, not stayed or amended.
- k. The stay of proceedings under the Initial Order shall have been extended to at least the Completion Date and the Initial Order shall, as at the Completion Date, be in full force and effect, not stayed or amended after the date hereof (except with the consent of EMSS and the Monitor acting reasonably).

6.3 Certificate

Immediately following the satisfaction of the conditions set out in Article 6.2 and the occurrence of the events set out in Article 6.1, the Monitor shall deliver to EMSS a certificate stating that the Completion Date has occurred. Following the Completion Date, the Monitor shall file such certificate with the Court.

ARTICLE 7 RELEASES

7.1 General Releases

Subject to Section 7.2 below, on the Completion Date the Released Parties (and only the Released Parties) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor or other Person may be entitled to assert (other than for any Unaffected Creditors), including any and all Claims in respect of any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place prior to the Completion Date in any way relating to, arising out of or in connection with the Claims, the arrangement and restructuring provided for herein or otherwise, the business and affairs of EMSS (whenever and however conducted) and in connection with the arrangement and restructuring provided for herein, the administration and/or management of this Plan, the CCAA Proceedings, any Claim that has been barred or extinguished by the Claims Procedure Order and all Claims arising out of such actions or omissions shall be forever waived and released, all to the full extent permitted by Law. For greater clarity, but without otherwise limiting the generality of the foregoing, the release set out in this Section 7.1 is not intended to release and shall not have the effect of releasing any co-obligator or any Person who is not a Released Party and specifically shall not release any joint obligator or any Person who is jointly or jointly and severally liable with a Released Party (a "Non-Released Person") and the Affected Creditor or other Person bound by this release (a "Releasing

Person") shall retain the right to sue such Non-Released Person for any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which the Releasing Person may have had against a Released Party but for this Section 7.1 PROVIDED ALWAYS that this Section 7.1 may be relied upon and raised or pled by a Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought by a Non-Released Person respecting any action relating the Claims released by this Section 7.1.

7.2 Limitations on Releases

Notwithstanding Article 7.1 of this Plan, the following Claims are not released by this Plan:

- a. Claims against the Directors set out in Section 5.1(2) of the CCAA;
- b. Claims prosecuted by the Alberta Securities Commission or the British Columbia Securities Commission arising from compliance requirements of the *Securities Act of Alberta* and the *Financial Institutions Act of British Columbia*;
- c. Claims made by the Superintendent of Financial Institutions arising from compliance requirements of the *Loan and Trust Corporations Acts* of Alberta and British Columbia; and
- d. Any Claims that are advanced solely as part of the Representative Action provided that with respect to any D&O Insured Claims:
 - i. nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any such insurer in respect of the D&O Insurance; and
 - ii. EMSS and the D&O Party(ies) shall make all reasonable efforts to meet all obligations under the D&O Insurance. The D&O Insurers shall be obliged to pay any loss payable pursuant to the terms and conditions of the D&O Insurance notwithstanding the releases granted to the Released Parties (including EMSS and the D&O Party(ies)) under this Plan, and the D&O Insurers shall not rely on any provisions of the D&O Insurance to argue, or otherwise assert, that such releases excuse them from, or relieve them of, the obligation to pay any loss that otherwise would be payable under the terms of the D&O Insurance..

Notwithstanding the foregoing and for greater certainty, to the extent that they are not released, any Claims of Depositors respecting the Directors shall be advanced pursuant to the Representative Action as specifically set out in the District's plan of compromise and arrangement and DIL's plan of compromise and arrangement.

7.3 Sections That Do Not Apply

Pursuant to section 36.1 of the CCAA, sections 38 and 95 to 101 of the BIA shall not apply to EMSS.

ARTICLE 8
PLAN SANCTION ORDER

If the Required Majority approves the Plan, EMSS shall apply for the Plan Sanction Order. The Plan Sanction Order shall, among other things:

- a. Declare that the Plan is fair and reasonable.
- b. Declare that as of the Effective Date, the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected thereby are approved, binding and effective as herein set out upon EMSS, all Affected Creditors and all other Persons affected by the Plan.
- c. Declare that the steps to be taken and the compromises and releases to be effected prior to the Completion Date are deemed to occur and be affected in the sequential order contemplated by Article 6.1 of the Plan on the Effective Date.
- d. Declare that, as of the Completion Date, the releases referred to in Article 7 and the other provisions of this Plan shall become effective in accordance with the Plan.
- e. Terminate and discharge the Administration Charge, the Critical Supplier Charge and the Directors' Charge on the Completion Date.
- f. Declare that as of the Completion Date EMSS has been discharged and released from any and all Affected Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against EMSS in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims.
- g. Discharge and extinguish all liens, mortgages, charges, security interests and other encumbrances including all security registrations against EMSS, in favour of any Affected Creditor in respect of an Affected Claim.
- h. Discharge and extinguish all liens, including all security registrations against EMSS, in favour of any Affected Creditor in respect of a Disputed Claim.
- i. Declare that any Affected Claims, in respect of which a proof of claim has not been filed by the Claims Bar Date shall be forever barred and extinguished.
- j. Declare that the stay of proceedings under the Initial Order is extended in respect of EMSS to and including the Completion Date.
- k. Authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan.
- l. Declare that, subject to the performance by EMSS of its obligations under the Plan, all obligations, agreements or leases to which EMSS is a party shall be and remain in full force and effect, unamended, as at the Effective Date, unless repudiated or deemed to be repudiated by EMSS pursuant to the Initial Order, and no party to any such obligation or agreement shall on or

following the Completion Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or to otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

- i. Of any event which occurred prior to, and not continuing after, the Effective Date or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies.
 - ii. That EMSS has sought or obtained relief or have taken steps as part of the Plan or under the CCAA.
 - iii. Of any default or event of default arising as a result of the financial condition or insolvency of EMSS.
 - iv. Of the effect upon EMSS of the completion of any of the transactions contemplated under the Plan.
 - v. Of any compromises, settlements, restructurings or reorganizations effected pursuant to the Plan.
- m. Declare that upon completion by the Monitor of its duties in respect of EMSS pursuant to the CCAA and the Orders, including, without limitation, the Monitor's duties in respect of the Claims Process and the distributions made by the Monitor in accordance with this Plan, the Monitor may file with the Court following the Completion Date a certificate of Plan termination stating that all of its duties in respect of EMSS have been completed and thereupon the Monitor shall be deemed to be discharged from its duties as Monitor of EMSS.
- n. Declare that EMSS and the Monitor may apply to the Court for advice and direction in respect of any matter arising from or under the Plan.

ARTICLE 9

PROCEDURE FOR RESOLVING DISTRIBUTIONS TO AFFECTED CREDITORS WITH DISPUTED CLAIMS

9.1 No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and to the extent it has become a Proven Claim.

9.2 Disputed Claims Reserve

On the Effective Date, EMSS will pay to the Monitor those funds required to establish the Disputed Claim Reserve, which funds will be held by the Monitor until the Disputed Claims have either been admitted or finally disallowed.

9.3 Distributions After Disputed Claims Resolved

Affected Creditors with Disputed Claims shall attend the Creditors' Meeting and vote in person or by Proxy, and upon resolution of the Disputed Claims, the Monitor, shall make distributions from the Disputed Claim Reserve to each holder of a Disputed Claim which has become a Proven Claim in accordance with the provisions of the Plan. EMSS shall not be required, however, to make distributions more frequently than as required under the terms of this Plan.

9.4 Balance of Disputed Claims Reserve

Any balance of the following will be paid to NewCo:

- a. Disputed Claims Reserve after the resolution of the Disputed Claims;
- b. Restructuring Holdback after payment of the Restructuring Claims; and
- c. Operational Reserve after EMSS ceases operations.

ARTICLE 10 GENERAL PROVISIONS

10.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan may be deemed to occur without any additional act of formality other than as may be expressly set out herein, each of the Persons affected hereto shall make, do, execute or cause to be made, all such further acts, deeds, agreements, assignments, transfers, conveyances, discharges, discontinuances of any suit or proceeding, assurances, instruments, documents, elections, consents or filings as may be reasonably required by EMSS to implement the Plan.

10.2 Paramountcy

Without limiting any other provision hereof, from and after the Effective Date, in the event of any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Affected Creditor or other Persons affected by the Plan, and EMSS as at the Effective Date, the terms, conditions and provisions of this Plan shall govern and take precedence and priority.

10.3 Waiver of Defaults

From and after the Effective Date, all Persons shall be deemed to have waived any and all defaults by EMSS arising on or prior to the Effective Date in respect of any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in every contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or

other agreement, written or oral (except any defaults comprising or related to the unreleased claims described in Article 7.2 of this Plan). Any and all notices of default, acceleration of payments and demands for payment under any instrument, or notices given under the CCAA, including without limitation, any notices of intention to proceed to enforce security, shall be deemed to have been rescinded and withdrawn.

10.4 Binding Effect

On the Effective Date, this Plan will become effective and be binding on and enure to the benefit of EMSS, all Affected Creditors, the Directors and all other Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns. Each Affected Creditor will be deemed to have consented and agreed to all of the provisions of this Plan, in its entirety.

10.5 Compromise Effective for all Purposes

The payment, compromise or satisfaction of any Claim under this Plan, if sanctioned and approved by the Court, shall be binding upon the Affected Creditors and each of their heirs, executors, administrators, legal personal representatives, successors and assigns, as the case may be, for all purposes.

10.6 Payment of Taxes

Notwithstanding any provisions of this Plan, each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental authority, including, without limitation of the foregoing, income, withholding and other tax obligations, on account of such distribution.

10.7 Modification of the Plan

Subject to the consent of the Monitor, EMSS reserves the right to file any modification of or amendment to this Plan by way of a supplementary plan or plans of compromise or arrangement, or both, filed with the Court at any time or from time to time prior to the Creditors' Meeting, in which case any such supplementary plan or plans of compromise or arrangement, or both, shall, for all purposes, be and be deemed to be a part of and incorporated into this Plan provided no such amendment or modification that materially and adversely affects the rights or treatment hereunder of the Affected Creditors shall be so filed without first obtaining the approval of the Court. EMSS shall give notice by publication on the Monitor's website, or otherwise, to all Affected Creditors with details of any modifications or amendments prior to the vote being taken to approve this Plan, as modified or amended. Subject to the foregoing proviso, EMSS may propose an alteration or modification to the Plan at the Creditors' Meeting. After the Creditors' Meeting, EMSS may at any time and from time to time vary, amend, modify or supplement the Plan if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature that would not be materially prejudicial to the interest of any of the Affected Creditors and is necessary in order to give effect to the substance of the Plan or the Sanction Order.

10.8 Notices

Any notice of other communication to be delivered hereunder must be in writing and reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail, facsimile or email addressed to the respective parties as follows:

a. If to EMSS:

Bishop & McKenzie LLP
1700, 530 8th Avenue SW
Calgary, AB T2P 3S8
Attention: Francis Taman/Ksena Court
Fax: 403.263.3423
Email: Francis Taman FTaman@bmlp.ca
Ksena Court KCourt@bmlp.ca

b. If to an Affected Creditor, to the last known address (including fax number or email address) for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor, or such other address as the Affected Creditor may from time to time provide to the Monitor in accordance with this section.

c. If to the Monitor:

Deloitte Restructuring Inc.
700 Bankers Court
850 2nd Street SW
Calgary, AB T2P 0R8
Attention: Vanessa Allen
Fax: 403-718-3681
Email: vanallen@deloitte.ca

Copy to:

Gowling Lafleur Henderson LLP
1600 421 7th Avenue SW
Calgary, AB T2P 4K9
Attention: Jeffrey Oliver
Fax: 403-695-3558
Email: jeffrey.oliver@gowlings.com

or to such other address as any party may from time to time notify the others in accordance with this Article. All such notices and communications which are delivered will be deemed to have been received on the date of delivery. All such notices and communications which are faxed or emailed will be deemed

to be received on the date faxed or emailed if sent before 5:00 p.m. Calgary time on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such fax or email was sent. Any notice or other communication sent by mail will be deemed to have been received on the third Business Day after the date of mailing.

10.9 Severability of Plan Provisions

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. In the event that any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, then at the election of EMSS, notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.10 Non-Consummation

If the Sanction Order is not issued in respect of this Plan or the plans of arrangement filed by the other Applicants, this Plan shall be null and void in all respects, including (i) any settlement or compromise embodied in the Plan including the fixing or limiting of an amount and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (ii) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (a) constitute or be deemed to constitute a waiver or release of any Claims by or against EMSS or any other Person; (b) prejudice in any manner the rights of EMSS in any further proceedings involving EMSS, including without limitation the right to assert any facts or defences it might otherwise have; or (c) constitute an admission of any sort by EMSS or any other Person.

10.11 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless their Claims overlap or are otherwise duplicative.

**ARTICLE 11
EXECUTION**

11.1 Execution

This Plan has been executed by EMSS in the City of Calgary in the Province of Alberta on October 30, 2015 and is binding and effective on EMSS.

Rw. Dr. Glenn E. Schaeffer

Legal representative of EMSS

President - Alberta-British Columbia District

Name and title of legal representative of EMSS

Schedule "A" – Plot Plan Showing Location of Harbour within Plan 9712096, Block 1



Schedule "B" – Legal Description of Manor

Plan 0311251

Block 4

Lot 1

Excepting thereout all mines and minerals

Area: 1.9 hectares (4.7 acres) more or less

Schedule "C" – Form of Proxy

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT PROXY
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.

I, _____ of _____, a creditor in the above matter, hereby appoint
_____ of _____, (person you want to appoint) to be my proxyholder
in the above matter, except as to the receipt of any distributions pursuant to this Plan (with or without)
power to appoint another proxyholder in his or her place.

The above named proxyholder shall attend on behalf of and act for me at the Creditors' Meeting to be
held in connection with the EMSS Plan and at any and all adjournments, postponements or other
rescheduling of the Creditors' Meeting, and vote the amount of my Claim(s) as follows:

1. (mark one only):

Vote **FOR** approval of the resolution to accept the Plan; or

Vote **AGAINST** approval of the resolution to accept the Plan.

**IF A BOX IS NOT MARKED AS A VOTE FOR OR AGAINST APPROVAL OF THE PLAN,
THEN THE PROXYHOLDER SHALL VOTE AT HIS/HER DISCRETION.**

2. Vote at his/her discretion and otherwise act for and on behalf of me with respect to any
amendments or variations to the matters identified in the notice of the Creditors' Meeting and in
this Plan, and with respect to other matters that may properly come before the Creditors' Meeting.

**THIS PROXY, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE MONITOR
BY EMAIL, MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR
BY NO LATER THAN 5:00 P.M. (CALGARY TIME) ON _____, 2015 OR SUCH LATER DATE
AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE CREDITORS' MEETING HAS
BEEN ADJOURNED TO, OR DELIVERED BY HAND TO THE CHAIR OF THE CREDITORS' MEETING
PRIOR THE COMMENCEMENT OF THE CREDITORS' MEETING. AFTER COMMENCEMENT OF**

THE CREDITORS' MEETING (OR ANY ADJOURNMENT THEREOF), NO PROXIES CAN BE ACCEPTED BY THE MONITOR.

Dated at _____ this _____ day of _____, 2015.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:
Deloitte Restructuring Inc., Monitor
700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Phone: (403) 267-1777 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca

Schedule 3

NOTICE OF ECHS CREDITORS' MEETING

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 **NOTICE OF ECHS CREDITORS' MEETING**

Capitalized terms used and not otherwise defined in this Notice are as defined in the ECHS Meeting Order dated November 5, 2015 and the Amended Plan of Compromise and Arrangement of ECHS, as may be amended from time to time (the "Amended ECHS Plan") dated October 30, 2015.

NOTICE IS HEREBY GIVEN THAT:

1. The Amended ECHS Plan was filed pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Alberta Court of Queen's Bench (the "Court") on November 2, 2015. The Amended ECHS Plan contemplates the compromise of the rights and claims of ECHS' Affected Creditors (as defined in the Amended ECHS Plan).
2. Important documents which you should review in consideration of the Amended ECHS Plan are enclosed with this Notice and include the Amended ECHS Plan, the ECHS Meeting Order, the Monitor's First Report to the Creditors dated November 10, 2015 (the "Creditors' Report"), and the form of Proxy (the "Information Package") and are also available from the website of the Monitor, Deloitte Restructuring Inc. (the "Monitor") (www.insolvencies.deloitte.ca). If you are unable to access this website, you may obtain a copy of the Information Package by contacting the Monitor by email at josithole@deloitte.ca or by telephone at 1-587-293-3203. Details of the Amended ECHS Plan and the distributions to be made thereunder to creditors are more fully described in

the Creditors' Report enclosed in the Information Package. You should review the Information Package carefully.

3. ECHS may vary, modify, amend, or supplement the Amended ECHS Plan in accordance with the provisions described in the Amended ECHS Plan and the ECHS Meeting Order.
4. The Order of the Court dated November 5, 2015 (the "ECHS Meeting Order") established the procedures for ECHS to call, hold and conduct a meeting of its creditors (the "ECHS Creditors' Meeting") to consider and vote on the Amended ECHS Plan. For the purpose of considering and voting on the Amended ECHS Plan, and receiving distributions thereunder, the Affected Claims of the ECHS Affected Creditors shall be grouped into two classes under the Amended ECHS Plan: (1) Trade Creditors, and (2) Life Lease Residents.
5. The ECHS Creditors' Meeting will be held at the following date, time and location:

Date: Friday, December 11, 2015
Time: 11:00 a.m. (Calgary time)
Location: Gowlings Lafleur Henderson LLP
1600-421-7th Avenue S.W.
Calgary, Alberta

6. Only those creditors with an Eligible Affected Claim, as defined under the Amended ECHS Plan (or their respective proxyholders), ECHS directors, the Monitor, the Applicants' legal counsel, the Monitor's legal counsel, members of the Creditors' Committees, and the legal counsel for the Creditors' Committees will be eligible to attend the ECHS Creditors' Meeting and vote on the Amended ECHS Plan. Holders of an Unaffected Claim (as defined in the Amended ECHS Plan) will not be entitled to attend and vote at the ECHS Creditors' Meeting.

Any Eligible Affected Creditor who is unable to attend the ECHS Creditors' Meeting may vote by Proxy. Further, any Eligible Affected Creditor who is not an individual may only attend and vote at the ECHS Creditors' Meeting if a proxyholder has been appointed to act on its behalf at the ECHS Creditors' Meeting.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the ECHS Creditors' Meeting or any adjournment thereof. Proxies may also be delivered by hand to the Chair prior to the commencement of the ECHS Creditors' Meeting. After commencement of the ECHS Creditors' Meeting, no Proxies can be accepted by the Monitor.

7. If the Amended ECHS Plan achieves the Required Majority (as defined below) of the Trade Creditors at the ECHS Creditors' Meeting, ECHS shall seek approval of the Amended ECHS Plan by the Court at an application for the Sanction Order, which application shall be set after the creditors' meetings of all the Applicants have been completed (the "Sanction Hearing"). Any person wishing to oppose the application for the Sanction Order must serve upon the lawyers for both ECHS and the Monitor as well as those parties listed on the service list, which was attached to the ECHS Meeting Order, as posted on the Monitor's website, by not later than 12:00 p.m. (noon) (Calgary time) one week before the

Sanction Hearing, a copy of the materials to be used to oppose the motion for approval of the Amended ECHS Plan, setting out the basis for such opposition.

8. In order for the Amended ECHS Plan to become effective:
 - (a) the Amended ECHS Plan must be approved at the ECHS Creditors' Meeting by the affirmative vote of a majority in number, representing not less than two-thirds in value of the voting claims of the Trade Creditors, in person or by Proxy (this constituting the "Required Majority");
 - (b) the Amended ECHS Plan must be sanctioned by the Court;
 - (c) the plans of compromise and arrangement of the other Applicants must be sanctioned by the Court; and
 - (d) the conditions to the implementation of the Amended ECHS Plan as set out in the Amended ECHS Plan must be satisfied or waived.

DATED at Calgary, Alberta on November 10, 2015.

Schedule 4

NOTICE OF EMSS CREDITORS' MEETING

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 **NOTICE OF EMSS CREDITORS' MEETING**

Capitalized terms used and not otherwise defined in this Notice are as defined in the EMSS Meeting Order dated November 5, 2015 and the Amended Plan of Compromise and Arrangement of EMSS dated October 30, 2015, as may be further amended from time to time (the "Amended EMSS Plan").

NOTICE IS HEREBY GIVEN THAT:

1. The Amended EMSS Plan was filed pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Alberta Court of Queen's Bench (the "Court") on November 2, 2015. The Amended EMSS Plan contemplates the compromise of the rights and claims of EMSS' Affected Creditors (as defined in the Amended EMSS Plan).
2. Important documents which you should review in consideration of the Amended EMSS Plan are enclosed with this Notice and include the Amended EMSS Plan, the EMSS Meeting Order, the Monitor's First Report to the Creditors dated November 10, 2015 (the "Creditors' Report"), and the form of Proxy (the "Information Package") and are also available from the website of the Monitor, Deloitte Restructuring Inc (the "Monitor") (www.insolvencies.deloitte.ca). If you are unable to access this website, you may obtain a copy of the Information Package by contacting the Monitor by email at josithole@deloitte.ca or by telephone at 1-587-293-3203. Details of the Amended EMSS Plan and the distributions to be made thereunder to creditors are more fully described in

the Creditors' Report enclosed in the Information Package. You should review the Information Package carefully.

3. EMSS may vary, modify, amend, or supplement the Amended EMSS Plan in accordance with the provisions described in the Amended EMSS Plan and the EMSS Meeting Order.
4. The Order of the Court dated November 5, 2015 (the "EMSS Meeting Order") established the procedures for EMSS to call, hold and conduct a meeting of its creditors (the "EMSS Creditors' Meeting") to consider and vote on the Amended EMSS Plan. For the purpose of considering and voting on the Amended EMSS Plan, and receiving distributions thereunder, the Affected Claims of the EMSS Affected Creditors shall be grouped into a single class under the Amended EMSS Plan.
5. The EMSS Creditors' Meeting will be held at the following date, time and location:

Date: Friday, December 11, 2015
Time: 10:00 a.m. (Calgary time)
Location: Gowlings Lafleur Henderson LLP
1600-421-7th Avenue S.W.
Calgary, Alberta
6. Only those creditors with an Eligible Affected Claim, as defined under the Amended EMSS Plan (or their respective proxyholders), EMSS directors, the Monitor, the Applicants' legal counsel, the Monitor's legal counsel, members of the Creditors' Committees, and the legal counsel for the Creditors' Committees will be eligible to attend the EMSS Creditors' Meeting and vote on the Amended EMSS Plan. Holders of an Unaffected Claim (as defined in the Amended EMSS Plan) will not be entitled to attend and vote at the EMSS Creditors' Meeting.

Any Eligible Affected Creditor who is unable to attend the EMSS Creditors' Meeting may vote by Proxy. Further, any Eligible Affected Creditor who is not an individual may only attend and vote at the EMSS Creditors' Meeting if a proxyholder has been appointed to act on its behalf at the EMSS Creditors' Meeting.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the EMSS Creditors' Meeting or any adjournment thereof. Proxies may also be delivered by hand to the Chair prior to the commencement of the EMSS Creditors' Meeting. After commencement of the EMSS Creditors' Meeting, no Proxies can be accepted by the Monitor.

7. If the Amended EMSS Plan achieves the Required Majority (as defined below) at the EMSS Creditors' Meeting, EMSS shall seek approval of the Amended EMSS Plan by the Court at an application for the Sanction Order, which application shall be set after the creditors' meetings of all the Applicants have been completed (the "Sanction Hearing"). Any person wishing to oppose the application for the Sanction Order must serve upon the lawyers for both EMSS and the Monitor as well as those parties listed on the service list, which was attached to EMSS Meeting Order, as posted on the Monitor's website, by not later than 12:00 p.m. (noon) (Calgary time) one week before the Sanction Hearing, a copy

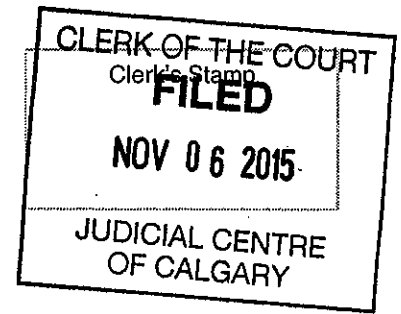
of the materials to be used to oppose the motion for approval of the Amended EMSS Plan, setting out the basis for such opposition.

8. In order for the Amended EMSS Plan to become effective:
 - (a) the Amended EMSS Plan must be approved at the EMSS Creditors' Meeting by the affirmative vote of a majority in number, representing not less than two-thirds in value of the voting claims of Eligible Affected Creditors, in person or by Proxy (this constituting the "Required Majority");
 - (b) the Amended EMSS Plan must be sanctioned by the Court;
 - (c) the plans of compromise and arrangement of the other Applicants must be sanctioned by the Court; and
 - (d) the conditions to the implementation of the Amended EMSS Plan as set out in the Amended EMSS Plan must be satisfied or waived.

DATED at Calgary, Alberta on November 10, 2015.

Schedule 5

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 **ORDER**
(ECHS Creditor's Meeting)

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: THURSDAY, NOVEMBER 5, 2015
LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE G.A. CAMPBELL

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 ("EMSS"), 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 Cameron Sherban; **AND UPON READING** the Reports of the Monitor; **AND UPON HAVING READ** the terms and provision of the Plan of Compromise and Arrangement, dated October 8, 2015, as attached as Exhibit "A" to the Affidavit of Kurtis Robinson sworn October 9, 2015 (the "ECHS Plan") and the Amended Plan of Compromise and Arrangement, dated October 30, 2015, as attached as Exhibit "A" to the Affidavit of Cameron Sherban sworn October 30, 2015 (the "Amended ECHS Plan"); **AND UPON HEARING** counsel for the Applicants, counsel for the Monitor, counsel for the CEF Creditors' Committee, counsel for the DIL Creditors' Committee, 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 Applications filed October 13, 2015 and the Order granted October 23, 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") or in the Amended ECHS Plan. If a term appears in this Order which is defined in both the Initial Order and the Amended ECHS Plan, the definition in the Amended ECHS Plan shall govern.

FILING OF THE PLAN

3. ECHS is hereby authorized and directed to file the Amended ECHS Plan, to present the Amended ECHS Plan to the Eligible Affected Creditors (the "ECHS Eligible Affected Creditors") for their consideration in accordance with the terms of this Order (the "ECHS Meeting Order") and to seek approval of the Amended ECHS Plan in the manner set forth herein.

4. ECHS is hereby authorized, with the consent of the Monitor or as otherwise ordered by the Court, to vary, amend, modify or supplement the Amended ECHS Plan by way of a supplementary or amended and restated plan or plans of compromise or arrangement (an "Amended Plan"):

- (a) at any time prior to the meeting of the ECHS Eligible Affected Creditors (the "ECHS Creditors' Meeting"), provided that ECHS or the Monitor, as applicable, (i)

files the Amended Plan with this Court, (ii) posts the Amended Plan on the Monitor's website, and (iii) serves the Amended Plan on the Service List attached to this Order;

- (b) at any time during the ECHS Creditors' Meeting, provided that oral notice of any such variation, amendment, modification or supplement is given to all ECHS Eligible Affected Creditors present in person or by Proxy (and in such case, notice given to the ECHS Eligible Affected Creditor's proxyholder shall be sufficient) at the ECHS Creditors' Meeting prior to the vote being taken at the ECHS Creditors' Meeting, in which case any such variation, amendment, modification or supplement shall be deemed to be part of and incorporated into the Amended ECHS Plan, and such Amended Plan shall be promptly posted on the Monitor's website and filed with the Court as soon as practicable following the ECHS Creditors' Meeting; and
- (c) at any time and from time to time after the Creditors' Meeting (both prior to and subsequent to the Sanction Order, if granted), with approval of this Court and any ECHS Eligible Affected Creditors adversely affected by such amendment,

provided that, however, any such amendment, modification or supplement may be made unilaterally by ECHS, before or after the Sanction Order, with the approval of the Monitor, if such amendment, modification or supplement is of an administrative nature that is not adverse to the financial or economic interests of any of the ECHS Affected Creditors under the Amended ECHS Plan and is necessary in order to give better effect to the substance or implementation of the Amended ECHS Plan or the Sanction Order.

CLASSIFICATION OF CREDITORS

5. For the purposes of considering and voting on the Amended ECHS Plan and receiving distributions thereunder, the ECHS Eligible Affected Creditors shall be divided into two classes for voting and distribution purposes:

- (a) the Trade Creditors; and
- (b) the Life Lease Residents.

NOTICE OF CREDITORS' MEETING AND INFORMATION PACKAGE

6. The form of notice to Creditors of the ECHS Creditors' Meeting (the "ECHS Notice of Creditors' Meeting") and the form of Proxy to be used by Eligible Affected Creditors (the "Proxy") in substantially the forms attached to this ECHS Meeting Order as **Schedule "1" and "2"**, respectively, are hereby approved.

7. The ECHS Notice of Creditors' Meeting shall include a specification of the website address where each ECHS Eligible Affected Creditor will be able to access and retrieve copies of the following documents (collectively, the "Information Package"):

- (a) the Amended ECHS Plan;
- (b) this ECHS Meeting Order;
- (c) a copy of the Monitor's Report;
- (d) the ECHS Notice of Creditors' Meeting; and
- (e) the Proxy.

8. The Monitor shall send a copy of the Information Package as soon as practicable, and in any event not later than November 19, 2015, to each ECHS Eligible Affected Creditor by regular mail, facsimile, courier or email to the last known address (including the last known fax number or email address) for such ECHS Eligible Affected Creditor specified by such ECHS Eligible Affected Creditor in their proof of claim or otherwise provide to the Monitor.

9. The Chair (as defined in paragraph 14 of this ECHS Meeting Order) be and is hereby authorized to accept and rely upon Proxies substantially in the form attached as **Schedule "2"** hereto. Notwithstanding paragraphs 6 to 8 hereof, the Monitor may from time to time, make such minor changes to the Information Package as the Monitor, in consultation with ECHS, considers necessary or desirable to conform the content thereof to the terms of the Amended ECHS Plan or this ECHS Meeting Order, or to describe the Amended ECHS Plan.

10. The Monitor shall cause a copy of the Information Package to be posted on the Monitor's website at www.insolvencies.deloitte.ca no later than November 10, 2015 and in the case of any amendments made thereto in accordance with paragraphs 4 or 9 hereof, as soon as practicable after such amendments are made.

11. The Monitor shall send by regular mail, facsimile, courier or email as soon as practicable following a request therefore, a copy of the Information Package to each ECHS Eligible Affected Creditor who, no later than two business days prior the ECHS Creditors' Meeting (or any adjournment thereof), makes a written request for it.

PUBLICATION OF NEWSPAPER NOTICE

12. As soon as practicable and no later than November 14, 2015, a newspaper notice of the ECHS Creditors' Meeting, in substantially the form attached as **Schedule "3"** to this ECHS Meeting Order (the "Newspaper Notice"), shall be published once by the Monitor in the Globe and Mail National Edition.

NOTICE SUFFICIENT

13. The publication of the Newspaper Notice, the sending of the Information Package to ECHS Eligible Affected Creditors and the posting of the Information Package on the Monitor's website, in the manner set out in paragraphs 6 through 12, as applicable, shall constitute good and sufficient service of this ECHS Meeting Order, the Amended ECHS Plan and the ECHS Notice of Creditors' Meeting on all persons who are entitled to receive notice thereof in these proceedings, or who wish to be present in person or by Proxy at the ECHS Creditors' Meeting or in these proceedings, and no other form of notice or service need be made on such persons and no other document or material need be served on such persons in respect of the ECHS Creditors' Meeting or these proceedings. Service shall be effective, in the case of regular mailing, three Business Days after the date of mailing, in the case of service by courier, on the day after the courier was sent, and in the case of service by fax or email, on the day after the fax or email was transmitted, unless such day is not a Business Day, or the fax or email transmission was made after 5:00 p.m. (Calgary time), in which case, service shall be deemed effective on the next Business Day.

CREDITORS' MEETING

14. A representative of the Monitor shall preside as the chair of the ECHS Creditors' Meeting (the "Chair") and shall decide all matters relating to the rules and procedures at, and the conduct of, the ECHS Creditors' Meeting in accordance with the terms of the Amended ECHS Plan, this ECHS Creditors' Meeting Order and further Orders of this Court. The Chair may adjourn the ECHS Creditors' Meeting at his/her discretion.

15. ECHS shall call, hold and conduct the ECHS Creditors' Meeting on Friday, December 11, 2015 at 1600-421-7th Avenue S.W., Calgary, Alberta at 11:00 a.m. (Calgary time)

(the "Meeting Date"), or as adjourned to such places and times as the Chair may determine, for the purposes of the ECHS Eligible Affected Creditors considering and voting on the Amended ECHS Plan and transacting such other business as may be properly brought before the ECHS Creditors' Meeting.

ATTENDANCE AT CREDITORS' MEETING

16. The only persons entitled to notice of, attend or speak at the ECHS Creditors' Meeting are the ECHS Eligible Affected Creditors (or their representative proxyholders), ECHS directors, the Monitor, the Applicants' legal counsel, the Monitor's legal counsel, members of the Creditors' Committees, the legal counsel for the Creditors' Committees, the Chair, Scrutineers and the Secretary (as defined below). Any other person may be admitted to the ECHS Creditors' Meeting only by invitation of the Chair.

17. An ECHS Eligible Affected Creditor that is not an individual may only attend and vote at the ECHS Creditors' Meeting if it has appointed a proxyholder to attend and act on its behalf at the ECHS Creditors' Meeting.

VOTING AT THE CREDITORS' MEETING

18. Any creditor holding a claim that has not been filed or asserted in accordance with the Claims Process Order granted by this Court on February 20, 2015 (the "Claims Process Order"), or that has filed a claim that has been disallowed and for which the appeal period has expired with no appeal, will not be entitled to vote on the Amended ECHS Plan at the ECHS Creditors' Meeting in respect of its claim.

19. No person shall be entitled to vote on the Amended ECHS Plan in respect of a claim that is an Unaffected Claim, as that term is defined in the Amended ECHS Plan.

20. The only persons entitled to vote at the ECHS Creditors' Meeting in person or by Proxy, are the ECHS Eligible Affected Creditors.

21. For the purposes of voting on the Amended ECHS Plan, all ECHS Eligible Affected Creditors shall be entitled to vote on the proof of claim (as may have been amended) filed in respect of their Affected Claim pursuant to the Claims Process Order, but for the purposes of receiving distributions under the Amended ECHS Plan, any claim that is not yet a Proven Claim shall remain subject to further review and final acceptance by the Monitor, and may be determined, in whole or in part, to be a Disputed Claim.

22. The quorum required at the ECHS Creditors' Meeting shall be any two ECHS Eligible Affected Creditors present in person or by Proxy at the ECHS Creditors' Meeting.

23. If:

- (a) the requisite quorum is not present at the ECHS Creditors' Meeting;
- (b) the ECHS Creditors' Meeting is postponed by a vote of the majority in value of the claims of the ECHS Eligible Affected Creditors present in person or by Proxy;
or
- (c) the Chair otherwise decides to adjourn the ECHS Creditors' Meeting

then the ECHS Creditors' Meeting shall be adjourned to such date, time and place as may be designated by the Chair. The announcement of the adjournment by the Chair, the posting of notice of such adjournment on the Monitor's website and written notice thereof to the ECHS Eligible Affected Creditors shall constitute sufficient notice of the adjournment and ECHS and the Monitor shall have no obligation to give further notice to any person of the adjourned ECHS Creditors' Meeting.

24. Every question submitted to the ECHS Creditors' Meeting, except to approve the Amended ECHS Plan resolution, any amendment to or in respect of the Amended ECHS Plan or an adjournment of the ECHS Creditors' Meeting, will be decided by a majority of votes given on a show of hands or, if by confidential written ballot at the discretion of the Chair, by a simple majority in number of the ECHS Eligible Affected Creditors.

25. The Chair shall direct a vote by the ECHS Eligible Affected Creditors on the resolution substantially in the form attached hereto as **Schedule "4"** to approve the Amended ECHS Plan (the "Resolution") (i) by way of written ballot, or (ii) if the Chair deems it appropriate, by a show of hands.

26. If the Resolution is approved in accordance with the terms of this ECHS Meeting Order, and the plans of compromise and arrangement of the other Applicants are also approved at the creditors' meetings to be held with respect to the other Applicants, the Resolution shall be ratified and given full force and effect in accordance with the provisions of this ECHS Meeting Order, the CCAA, the Information Package and any further Order of this Court, notwithstanding the provisions of any agreement or other instrument to the contrary.

27. The Monitor may appoint scrutineers (the "Scrutineers") for the supervision and tabulations of the attendance, quorum, and votes cast at the ECHS Creditors' Meeting. A person or persons designated by the Monitor shall act as secretary (the "Secretary") at the ECHS Creditors' Meeting and shall tabulate all votes made at the ECHS Creditors' Meeting.

28. The result of any vote conducted at the ECHS Creditors' Meeting shall be binding upon each and every Affected Creditor, whether or not such Affected Creditor was present or voted at the ECHS Creditors' Meeting, without prejudice to such Affected Creditor's ability to oppose the Amended ECHS Plan at the Sanction Hearing.

29. Following the vote at the ECHS Creditors' Meeting, the Monitor shall tally the votes cast and determine whether the Amended ECHS Plan has achieved the Required Majority.

30. The Monitor shall file its report to this Court by no later than 3 business days after the day the ECHS Creditors' Meeting occurs with respect to whether the Amended ECHS Plan has achieved the Required Majority.

VOTING BY PROXY

31. All Proxies submitted in respect of the ECHS Creditors' Meeting (or any adjournment thereof) shall be in substantially the form attached to this Order as **Schedule "2"** or in such other form as is acceptable to the Monitor or the Chair.

32. An ECHS Eligible Affected Creditor wishing to appoint a Proxy to represent such ECHS Eligible Affected Creditor at the ECHS Creditors' Meeting (or any adjournment thereof) may do so by inserting such person's name in the blank space provided on the form of Proxy and sending the completed form to the Monitor by email to vanallen@deloitte.ca, or if the completed form cannot be sent by email, it shall be sent by regular mail, facsimile or courier to:

Deloitte Restructuring Inc.
700 Bankers Court
850-2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: Vanessa Allen
Fax: 403-718-3681

33. A Proxy must be received by the Monitor by 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the ECHS Creditors' Meeting or any adjournment thereof, or delivered by hand to the Chair prior to the commencement of the ECHS Creditors' Meeting (or commencement of an adjourned ECHS Creditors' Meeting in case of adjournment).

After commencement of the ECHS Creditors' Meeting (or commencement of an adjourned ECHS Creditors' Meeting in case of adjournment), no Proxies shall be accepted by the Monitor.

34. The following shall govern the submission of Proxies and any deficiencies in respect of the form or substance of Proxies filed with the Monitor:

- (a) an ECHS Eligible Affected Creditor who has given a Proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority, by an instrument in writing executed by such ECHS Eligible Affected Creditor or by its attorney, duly authorized in writing, or if an ECHS Eligible Affected Creditor is not an individual, by an officer or legal counsel thereof duly authorized, and deposited with the Monitor as provided in paragraph 33;
- (b) if the Proxy is not dated in the space provided, it shall be deemed to be dated on the date it is received by the Monitor;
- (c) a Proxy submitted by an ECHS Eligible Affected Creditor that bears or is deemed to bear a later date than an earlier Proxy submitted by such ECHS Eligible Affected Creditor shall be deemed to revoke the earlier Proxy;
- (d) if more than one valid Proxy for the same ECHS Eligible Affected Creditor and bearing or deemed to bear the same date are received by the Monitor with conflicting instructions, such Proxies shall not be counted for the purposes of the vote;
- (e) the person named in the Proxy shall vote the ECHS Eligible Affected Creditor's Claim in accordance with the direction of the ECHS Eligible Affected Creditor appointing such person on any ballot or show of hands that may be called for;
- (f) a Proxy confers a discretionary authority upon the person named therein with respect to amendments or variations to the matters identified in the notices of the ECHS Creditors' Meeting and in the Amended ECHS Plan, and with respect to other matters that may properly come before the ECHS Creditors' Meeting; and
- (g) the Monitor in consultation with ECHS is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any Proxy is completed and executed, and may waive strict compliance with the requirements in connection with the deadlines imposed in connection therewith.

HEARING FOR SANCTION OF THE PLAN

35. If the Amended ECHS Plan achieves the Required Majority, ECHS shall seek Court approval of the Amended ECHS Plan at a motion for the Sanction Order, which motion date shall be set once the meetings of creditors of all of the Applicants have been completed (the "Sanction Hearing").

36. Any party who wishes to oppose the motion for final sanctioning of the Amended ECHS Plan shall serve upon the lawyers for both the Applicants and the Monitor, and upon all other parties on the service list attached to this Order, by not later than 12:00 p.m. (noon) (Calgary time) one week before the Sanction Hearing, a copy of the materials to be used to oppose the motion for approval of the Amended ECHS Plan, setting out the basis for such opposition.

GENERAL

37. The Monitor in consultation with ECHS may, in its discretion, generally or in individual circumstances, waive in writing the time limits imposed on any ECHS Eligible Affected Creditor under this ECHS Meeting Order if the Monitor, in consultation with ECHS deems it advisable to do so, without prejudice to the requirement that all other ECHS Eligible Affected Creditors must comply with this ECHS Meeting Order.

38. If any deadline set out in this ECHS Meeting Order falls on a day other than a Business Day, the deadline shall be extended to the next Business Day.


39. Notwithstanding the terms of this ECHS Meeting Order, ECHS or the Monitor may apply to this Court from time to time for such further orders as it considers necessary or desirable to amend, supplement or replace this ECHS Meeting Order.

EFFECT, RECOGNITION AND ASSISTANCE OF OTHER COURTS

40. This ECHS Meeting Order and any other Order in this proceeding shall have full force and effect in all provinces and territories in Canada and abroad and as against all persons against whom it may otherwise be enforceable.

41. The Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this ECHS Meeting Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this ECHS Meeting Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide

such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this ECHS Meeting Order, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this ECHS Meeting Order.


Justice of the Court of Queen's Bench of Alberta

SCHEDULE "1" – NOTICE OF ECHS CREDITORS' MEETING

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 <i>COMPANIES'</i> <i>CREDITORS ARRANGEMENT ACT</i> , 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	NOTICE OF ECHS CREDITORS' MEETING

Capitalized terms used and not otherwise defined in this Notice are as defined in the ECHS Meeting Order dated November 5, 2015 and the Amended ECHS Plan dated October 30, 2015.

NOTICE IS HEREBY GIVEN THAT:

1. The Amended Plan of Compromise and Arrangement of ECHS, dated October 30, 2015 (as may be amended from time to time, the "Amended ECHS Plan") was filed pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Alberta Court of Queen's Bench (the "Court") on November ____, 2015. The Amended ECHS_Plan contemplates the compromise of the rights and claims of ECHS' Affected Creditors (as defined in the Amended ECHS Plan).
2. Important documents which you should review in consideration of the Amended ECHS Plan are enclosed with this Notice and include the Amended ECHS Plan, the ECHS Meeting Order, the Monitor's Report, and the form of Proxy (the "Information Package") and are also available from the website of the Monitor, Deloitte Restructuring Inc. (the "Monitor") (www.insolvencies.deloitte.ca). If you are unable to access this website, you may obtain a copy of the Information Package by contacting the Monitor by email at vanallen@deloitte.ca or by telephone at 403-298-5955. Details of the Amended ECHS

Plan and the distributions to be made thereunder to creditors are more fully described in the Monitor's Report enclosed in the Information Package. You should review the Information Package carefully.

3. ECHS may vary, modify, amend, or supplement the Amended ECHS Plan in accordance with the provisions described in the Amended ECHS Plan and the ECHS Meeting Order.
4. The Order of the Court dated November 5, 2015 (the "ECHS Meeting Order") established the procedures for ECHS to call, hold and conduct a meeting of its creditors (the "ECHS Creditors' Meeting") to consider and vote on the Amended ECHS Plan. For the purpose of considering and voting on the Amended ECHS Plan, and receiving distributions thereunder, the Affected Claims of the ECHS Affected Creditors shall be grouped into two classes under the Amended ECHS Plan: (1) Trade Creditors, and (2) Life Lease Residents.
5. The ECHS Creditors' Meeting will be held at the following date, time and location:

Date:	Friday, December 11, 2015
Time:	11:00 a.m. (Calgary time)
Location:	1600-421-7 th Avenue S.W. Calgary, Alberta
6. Only those creditors with an Eligible Affected Claim, as defined under the Amended ECHS Plan (or their respective proxyholders), ECHS directors, the Monitor, the Applicants' legal counsel, the Monitor's legal counsel, members of the Creditors' Committees, and the legal counsel for the Creditors' Committees will be eligible to attend the ECHS Creditors' Meeting and vote on the Amended ECHS Plan. Holders of an Unaffected Claim (as defined in the Amended ECHS Plan) will not be entitled to attend and vote at the ECHS Creditors' Meeting.

Any Eligible Affected Creditor who is unable to attend the ECHS Creditors' Meeting may vote by Proxy. Further, any Eligible Affected Creditor who is not an individual may only attend and vote at the ECHS Creditors' Meeting if a proxyholder has been appointed to act on its behalf at the ECHS Creditors' Meeting.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the ECHS Creditors' Meeting or any adjournment thereof. Proxies may also be delivered by hand

to the Chair prior to the commencement of the ECHS Creditors' Meeting. After commencement of the ECHS Creditors' Meeting, no Proxies can be accepted by the Monitor.

7. If the Amended ECHS Plan achieves the Required Majority (as defined below) of the Trade Creditors at the ECHS Creditors' Meeting, ECHS shall seek approval of the Amended ECHS Plan by the Court at an application for the Sanction Order, which application shall be set after the creditors' meetings of all the Applicants have been completed (the "Sanction Hearing"). Any person wishing to oppose the application for the Sanction Order must serve upon the lawyers for both ECHS and the Monitor as well as those parties listed on the service list, which was attached to the ECHS Meeting Order, as posted on the Monitor's website, by not later than 12:00 p.m. (noon) (Calgary time) one week before the Sanction Hearing, a copy of the materials to be used to oppose the motion for approval of the Amended ECHS Plan, setting out the basis for such opposition.
8. In order for the Amended ECHS Plan to become effective:
 - (a) the Amended ECHS Plan must be approved at the ECHS Creditors' Meeting by the affirmative vote of a majority in number, representing not less than two-thirds in value of the voting claims of the Trade Creditors, in person or by Proxy (this constituting the "Required Majority");
 - (b) the Amended ECHS Plan must be sanctioned by the Court;
 - (c) the plans of compromise and arrangement of the other Applicants must be sanctioned by the Court; and
 - (d) the conditions to the implementation of the Amended ECHS Plan as set out in the Amended ECHS Plan must be satisfied or waived.

SCHEDULE "2" – FORM OF PROXY

COURT FILE NUMBER	1501-00955
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
DOCUMENT	PROXY
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.

I, _____ of _____, a creditor in the above matter, hereby appoint _____ of _____, (person you want to appoint) to be my proxyholder in the above matter, except as to the receipt of any distributions pursuant to this Plan (with or without) power to appoint another proxyholder in his or her place.

The above named proxyholder shall attend on behalf of and act for me at the Creditors' Meeting to be held in connection with the Amended ECHS Plan and at any and all adjournments, postponements or other rescheduling of the Creditors' Meeting, and vote the amount of my Claim(s) as follows:

1. (mark one only):
- Vote **FOR** approval of the resolution to accept the Plan; or
- Vote **AGAINST** approval of the resolution to accept the Plan.

IF A BOX IS NOT MARKED AS A VOTE FOR OR AGAINST APPROVAL OF THE PLAN, THEN THE PROXYHOLDER SHALL VOTE AT HIS/HER DISCRETION.

and

2. Vote at his/her discretion and otherwise act for and on behalf of me with respect to any amendments or variations to the matters identified in the notice of the Creditors' Meeting and in this Plan, and with respect to other matters that may properly come before the Creditors' Meeting.

THIS PROXY, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE MONITOR BY EMAIL, MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR BY NO LATER THAN 5:00 P.M. (CALGARY TIME) ON DECEMBER 10,

2015 OR SUCH LATER DATE AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE CREDITORS' MEETING HAS BEEN ADJOURNED TO, OR DELIVERED BY HAND TO THE CHAIR OF THE CREDITORS' MEETING PRIOR THE COMMENCEMENT OF THE CREDITORS' MEETING. AFTER COMMENCEMENT OF THE CREDITORS' MEETING (OR ANY ADJOURNMENT THEREOF), NO PROXIES CAN BE ACCEPTED BY THE MONITOR.

Dated at _____ this _____ day of _____, 2015.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:
Deloitte Restructuring Inc., Monitor
700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8

Phone: (403) 267-1777 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca

SCHEDULE "3" – FORM OF NEWSPAPER NOTICE

NOTICE IS HEREBY GIVEN THAT:

1. The Amended Plan of Compromise and Arrangement of ECHS, dated October 30, 2015 (as may be amended from time to time, the "Amended ECHS Plan") was filed pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Alberta Court of Queen's Bench (the "Court") on November ____, 2015. The Amended ECHS Plan contemplates the compromise of the rights and claims of ECHS' Affected Creditors (as defined in the Amended ECHS Plan).
2. Important documents which you should review in consideration of the Amended ECHS Plan include the Amended ECHS Plan, the ECHS Meeting Order, the Monitor's Report, and the form of Proxy (the "Information Package"). The Information Package is available on the website of the Monitor, Deloitte Restructuring Inc (the "Monitor") at www.insolvencies.deloitte.ca. If you are unable to access this website, you may obtain a copy of the Information Package by contacting the Monitor by email at vanallen@deloitte.ca or by telephone at 403-298-5955.
3. ECHS may vary, modify, amend, or supplement the Amended ECHS Plan in accordance with the provisions described in the Amended ECHS Plan and the ECHS Meeting Order.
4. The Order of the Court dated November 5, 2015 (the "ECHS Meeting Order") established the procedures for ECHS to call, hold and conduct a meeting of its creditors (the "ECHS Creditors' Meeting") to consider and vote on the Amended ECHS Plan. For the purpose of considering and voting on the Amended ECHS Plan, and receiving distributions thereunder, the Affected Claims of the ECHS Affected Creditors shall be grouped into two classes under the Amended ECHS Plan, namely Trade Creditors and Life Lease Residents.
5. The ECHS Creditors' Meeting will be held at the following date, time and location:

Date:	December 11, 2015
Time:	11:00 a.m. (Calgary time)
Location:	1600-421-7 th Avenue S.W. Calgary, Alberta
6. Only those creditors with an Eligible Affected Claim, as defined under the Amended ECHS Plan (or their respective proxyholders), ECHS directors, the Monitor, the Applicants' legal counsel, the Monitor's legal counsel, members of the Creditors' Committees, and the legal counsel for the Creditors' Committees will be eligible to attend the ECHS Creditors' Meeting and vote on the Amended ECHS Plan. Holders of an Unaffected Claim (as defined in the Amended ECHS Plan) will not be entitled to attend and vote at the ECHS Creditors' Meeting.

Any Eligible Affected Creditor who is unable to attend the ECHS Creditors' Meeting may vote by Proxy. Further, any Eligible Affected Creditor who is not an individual may only attend and vote at the ECHS Creditors' Meeting if a proxyholder has been appointed to act on its behalf at the ECHS Creditors' Meeting.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the ECHS Creditors' Meeting or any adjournment thereof. Proxies may also be delivered by hand to the Chair prior to the commencement of the ECHS Creditors' Meeting. After commencement of the ECHS Creditors' Meeting, no Proxies can be accepted by the Monitor.

7. If the Amended ECHS Plan achieves the Required Majority (as defined below) of the Trade Creditors at the ECHS Creditors' Meeting, ECHS shall seek approval of the Amended ECHS Plan by the Court at an application for the Sanction Order, which application shall be heard on a date to be scheduled (the "Sanction Hearing"). Any person wishing to oppose the application for the Sanction Order must serve upon the lawyers for both ECHS and the Monitor as well as those parties listed on the service list, which was attached to the ECHS Meeting Order, as posted on the Monitor's website, by not later than 12:00 p.m. (noon) (Calgary time) one week before the Sanction Hearing, a copy of the materials to be used to oppose the motion for approval of the Amended ECHS Plan, setting out the basis for such opposition.
8. In order for the Amended ECHS Plan to become effective:
 - (a) the Amended ECHS Plan must be approved at the ECHS Creditors' Meeting by the affirmative vote of a majority in number, representing not less than two-thirds in value of the voting claims of the Trade Creditors, in person or by Proxy (this constituting the "Required Majority");
 - (b) the Amended ECHS Plan must be sanctioned by the Court;
 - (c) the plans of compromise and arrangement of the other Applicants must be sanctioned by the Court; and
 - (d) the conditions to the implementation of the Amended ECHS Plan as set out in the Amended ECHS Plan must be satisfied or waived.

Dated at Calgary, Alberta on November ____. 2015.

SCHEDULE "4" – FORM OF RESOLUTION

WHEREAS EnCharis Community Housing and Services ("ECHS") has made an application pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") to reorganize its affairs for the benefit of its creditors;

AND WHEREAS ECHS filed an amended plan of arrangement under the CCAA with respect to its creditors on October ____, 2015 (the "Amended ECHS Plan");

AND WHEREAS the creditors of ECHS (the "ECHS Creditors") have considered the Amended ECHS Plan and such other material and information as they, in their individual discretion, feel is necessary and appropriate to consider;

AND WHEREAS the ECHS Creditors understand that should the Amended ECHS Plan be sanctioned by the Court of Queen's Bench, it will be binding upon all of the ECHS Creditors, subject to the conditions precedent and other terms and conditions set out more fully in the Amended ECHS Plan;

AND WHEREAS the ECHS Creditors wish to agree to the proposed compromises and arrangements set out in the Amended ECHS Plan;

THE ECHS CREDITORS RESOLVE THAT:

1. The Amended ECHS Plan be and hereby is agreed to and accepted by the ECHS Creditors in accordance with its terms.
2. The Court of Queen's Bench of Alberta be requested to sanction the Amended ECHS Plan.

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 1600-421-7 th Avenue SW Calgary, AB T2P 4K9	Jeffrey.oliver@gowlings.com	PH: 403-298-1000 FX: 403-263-9193	Counsel to Monitor
LCC Worker Benefits (pension plan) Janice Otto 503, 1780 Wellington Ave Winnipeg, MB R3H 1B3	LCCBenefits@element.ca	PH: 1-800-588-4226	Creditor NOTE – NOT SERVED AS PER REQUEST RECEIVED FROM LCC WORKER BENEFITS JULY 9, 2015

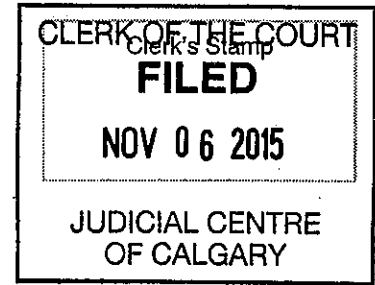
<p>McMillan Binch</p> <p>Attn: Adam Maerov 1700-421-7 Ave SW Calgary, AB T2P 4K9</p>	<p>adam.maerov@mcmillan.ca</p>	<p>PH: 403-215-2752 FX: 403-531-4720</p>	<p>Counsel for Lutheran Church - Canada</p>
<p>Concentra Trust</p> <p>Attn: Dean Hutchison 1600-520-3rd Avenue SW Calgary, AB T2P 0R3</p>	<p>dhutchison@mlt.com</p>	<p>PH: 403-693-4305 FX: 403-508-4349</p>	<p>Counsel for Concentra Trust which is a 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>CEF Creditors Committee</p> <p>Attn: Christopher Simard Bennett Jones 4500-855-2 Street SW Calgary, AB T2P 4K7</p>	<p>simardc@bennettjones.com</p>	<p>PH: 403-298-4485 FX: 403-265-7219</p>	<p>Counsel for CEF Creditors' Committee</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</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>

DIL Depositors 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			Account holders in DIL
DIL Creditors Committee Attn: Doug Nishimura Field LLP 400-604-1 st Street SW Calgary, AB T2P 1M7	dnishimura@fieldlaw.com	PH: 403-260-8500 FX: 403-264-7084	Counsel for DIL Creditors' Committee
Life Lease Residents Attn: Jeffrey Moroz McLeod Law LLP 2110-250-5 th Street SW Calgary, AB T2P 0R4	moroz@mcleod-law.com	PH: 403-278-9411 FX: 403-271-1769	Counsel for Life Lease Residents (Contingent Creditors)
McLeod Law LLP Attn: Brett Turnquist 300-14505 Bannister Road SE, Calgary, AB T2X 3J3	bturnquist@mcleod-law.com	PH: 403-873-3728 FX: 403-271-1769	Counsel for the Estate of Eileen Burton (former Village resident)
Bank of Montreal 10199-101 Street, Edmonton, AB 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

<p>Alberta Securities Commission</p> <p>Attn: Vi Pickering/Edward Asare-Quansah 600-250-5th Street SW Calgary, AB T2P 0R4</p>	<p>Edward.Asare-Quansah@asc.ca; Vi.Pickering@asc.ca</p>	<p>PH: 403-355-3889 FX: 403-297-2210</p>	
<p>ARS Collection Agency of Canada Inc. operating as Fiserv</p> <p>Attn: Scott H. Stephens Owen Bird Law Corporation Bentall 3, Suite 2900 595 Burrard Street PO Box 49130 Vancouver, BC V7X 1J5</p>	<p>sstephens@owenbird.com</p>	<p>PH: 604-691-7521 FX: 604-632-4447</p>	<p>Counsel for banking software provider</p>
<p>Terry Czechowskyj Miles Davison LLP 1600-205-5TH Avenue SW Calgary, AB T2P 2V7</p>	<p>tczech@milesdavison.com</p>	<p>PH: 403-298-0326 FX: 403-263-6840</p>	<p>Counsel for approximately 60 depositors</p>
<p>Errin Poyner Sugden, McFee & Roos LLP 700-375 Water Street Vancouver, BC V6B 5C6</p>	<p>epoyner@smrlaw.ca</p>	<p>PH: 604-687-7700 FX: 604-687-5596</p>	<p>Counsel for group of Depositors</p>
<p>Encon Group Inc.</p> <p>c/o Marsh Canada Limited Attn: Michael Johnson 10180-101 Street NW, Suite 680 Edmonton, AB T5J 3S4</p>	<p>Michael.johnson@marsh.com</p>	<p>PH: 780-917-4852 FX: 780-429-1422</p>	<p>D&O Insurer for the District and DIL</p>
<p>Northbridge General Insurance Corporation</p> <p>c/o Palliser Insurance Attn: Ross Bucsis 12B, 1235 – 64 Ave SE Calgary, AB T2H 2J7</p>	<p>rbucsis@PalliserInsurance.ca</p>	<p>PH: 403-640-0264 (x107) FX: 1-866-928-5516</p>	<p>D&O Insurer for ECHS and EMSS</p>

Schedule 6

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 **ORDER**
(EMSS Creditor's Meeting)

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: THURSDAY, NOVEMBER 5, 2015
LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE G.A. CAMPBELL

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 ("EMSS"), 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 Cameron Sherban; **AND UPON READING** the Reports of the Monitor; **AND UPON HAVING READ** the terms and provision of the Plan of Compromise and Arrangement, dated October 8, 2015, as attached as Exhibit "B" to the Affidavit of Kurtis Robinson sworn October 9, 2015 (the "EMSS Plan") and the Amended Plan of Compromise and Arrangement, dated October 30, 2015, as attached as Exhibit "B" to the Affidavit of Cameron Sherban sworn October 30, 2015; **AND UPON HEARING** counsel for the Applicants, counsel for the Monitor, counsel for the CEF Creditors' Committee, counsel for the DIL Creditors' Committee, 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 October 13, 2015 and the Order granted October 23, 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") or in the Amended EMSS Plan. If a term appears in this Order which is defined in both the Initial Order and the Amended EMSS Plan, the definition in the Amended EMSS Plan shall govern.

FILING OF THE PLAN

3. EMSS is hereby authorized and directed to file the Amended EMSS Plan, to present the Amended EMSS Plan to the Eligible Affected Creditors (the "EMSS Eligible Affected Creditors") for their consideration in accordance with the terms of this Order (the "EMSS Meeting Order") and to seek approval of the Amended EMSS Plan in the manner set forth herein.

4. EMSS is hereby authorized, with the consent of the Monitor or as otherwise ordered by the Court, to vary, amend, modify or supplement the Amended EMSS Plan by way of a supplementary or amended and restated plan or plans of compromise or arrangement (an "Amended Plan"):

- (a) at any time prior to the meeting of the EMSS Eligible Affected Creditors (the "EMSS Creditors' Meeting"), provided that EMSS or the Monitor, as applicable, (i) files the Amended Plan with this Court, (ii) posts the Amended Plan on the Monitor's website, and (iii) serves the Amended Plan on the Service List attached to this Order;
- (b) at any time during the EMSS Creditors' Meeting, provided that oral notice of any such variation, amendment, modification or supplement is given to all EMSS Eligible Affected Creditors present in person or by Proxy (and in such case, notice given to the EMSS Eligible Affected Creditor's proxyholder shall be sufficient) at the EMSS Creditors' Meeting prior to the vote being taken at the EMSS Creditors' Meeting, in which case any such variation, amendment, modification or supplement shall be deemed to be part of and incorporated into the Amended EMSS Plan, and such Amended Plan shall be promptly posted on the Monitor's website and filed with the Court as soon as practicable following the EMSS Creditors' Meeting; and
- (c) at any time and from time to time after the Creditors' Meeting (both prior to and subsequent to the Sanction Order, if granted), with approval of this Court and any EMSS Eligible Affected Creditors adversely affected by such amendment,

provided that, however, any such amendment, modification or supplement may be made unilaterally by EMSS, before or after the Sanction Order, with the approval of the Monitor, if such amendment, modification or supplement is of an administrative nature that is not adverse to the financial or economic interests of any of the EMSS Affected Creditors under the Amended EMSS Plan and is necessary in order to give better effect to the substance or implementation of the Amended EMSS Plan or the Sanction Order.

CLASSIFICATION OF CREDITORS

5. For the purposes of considering and voting on the Amended EMSS Plan and receiving distributions thereunder, the EMSS Eligible Affected Creditors shall constitute a single class under the Amended EMSS Plan.

NOTICE OF CREDITORS' MEETING AND INFORMATION PACKAGE

6. The form of notice to Creditors of the EMSS Creditors' Meeting (the "EMSS Notice of Creditors' Meeting") and the form of Proxy to be used by Eligible Affected Creditors (the "Proxy") in substantially the forms attached to this EMSS Meeting Order as **Schedule "1" and "2"**, respectively, are hereby approved.

7. The EMSS Notice of Creditors' Meeting shall include a specification of the website address where each EMSS Eligible Affected Creditor will be able to access and retrieve copies of the following documents (collectively, the "Information Package"):

- (a) the Amended EMSS Plan;
- (b) this EMSS Meeting Order;
- (c) a copy of the Monitor's Report;
- (d) the EMSS Notice of Creditors' Meeting; and
- (e) the Proxy.

8. The Monitor shall send a copy of the Information Package as soon as practicable, and in any event not later than November 19, 2015, to each EMSS Eligible Affected Creditor by regular mail, facsimile, courier or email to the last known address (including the last known fax number or email address) for such EMSS Eligible Affected Creditor specified by such EMSS Eligible Affected Creditor in their proof of claim or otherwise provide to the Monitor.

9. The Chair (as defined in paragraph 14 of this EMSS Meeting Order) be and is hereby authorized to accept and rely upon Proxies substantially in the form attached as **Schedule "2"** hereto. Notwithstanding paragraphs 6 to 8 hereof, the Monitor may from time to time, make such minor changes to the Information Package as the Monitor, in consultation with EMSS, considers necessary or desirable to conform the content thereof to the terms of the Amended EMSS Plan or this EMSS Meeting Order, or to describe the Amended EMSS Plan.

10. The Monitor shall cause a copy of the Information Package to be posted on the Monitor's website at www.insolvencies.deloitte.ca no later than November 10, 2015 and in the case of any amendments made thereto in accordance with paragraphs 4 or 9 hereof, as soon as practicable after such amendments are made.

11. The Monitor shall send by regular mail, facsimile, courier or email as soon as practicable following a request therefore, a copy of the Information Package to each EMSS Eligible Affected Creditor who, no later than two business days prior the EMSS Creditors' Meeting (or any adjournment thereof), makes a written request for it.

PUBLICATION OF NEWSPAPER NOTICE

12. As soon as practicable and no later than November 14, 2015, a newspaper notice of the EMSS Creditors' Meeting, in substantially the form attached as **Schedule "3"** to this EMSS Meeting Order (the "Newspaper Notice"), shall be published once by the Monitor in the Globe and Mail National Edition.

NOTICE SUFFICIENT

13. The publication of the Newspaper Notice, the sending of the Information Package to EMSS Eligible Affected Creditors and the posting of the Information Package on the Monitor's website, in the manner set out in paragraphs 6 through 12, as applicable, shall constitute good and sufficient service of this EMSS Meeting Order, the Amended EMSS Plan and the EMSS Notice of Creditors' Meeting on all persons who are entitled to receive notice thereof in these proceedings, or who wish to be present in person or by Proxy at the EMSS Creditors' Meeting or in these proceedings, and no other form of notice or service need be made on such persons and no other document or material need be served on such persons in respect of the EMSS Creditors' Meeting or these proceedings. Service shall be effective, in the case of regular mailing, three Business Days after the date of mailing, in the case of service by courier, on the day after the courier was sent, and in the case of service by fax or email, on the day after the fax or email was transmitted, unless such day is not a Business Day, or the fax or email transmission was made after 5:00 p.m. (Calgary time), in which case, service shall be deemed effective on the next Business Day.

CREDITORS' MEETING

14. A representative of the Monitor shall preside as the chair of the EMSS Creditors' Meeting (the "Chair") and shall decide all matters relating to the rules and procedures at, and the conduct of, the EMSS Creditors' Meeting in accordance with the terms of the Amended EMSS Plan, this EMSS Creditors' Meeting Order and further Orders of this Court. The Chair may adjourn the EMSS Creditors' Meeting at his/her discretion.

15. EMSS shall call, hold and conduct the EMSS Creditors' Meeting on Friday, December 11, 2015 at 1600-421-7th Avenue S.W., Calgary, Alberta at 10:00 a.m. (Calgary time) (the "Meeting Date"), or as adjourned to such places and times as the Chair may determine, for the purposes of the EMSS Eligible Affected Creditors considering and voting on the Amended EMSS Plan and transacting such other business as may be properly brought before the EMSS Creditors' Meeting.

ATTENDANCE AT CREDITORS' MEETING

16. The only persons entitled to notice of, attend or speak at the EMSS Creditors' Meeting are the EMSS Eligible Affected Creditors (or their representative proxyholders), EMSS directors, the Monitor, the Applicants' legal counsel, the Monitor's legal counsel, members of the Creditors' Committees, the legal counsel for the Creditors' Committees, the Chair, Scrutineers and the Secretary (as defined below). Any other person may be admitted to the EMSS Creditors' Meeting only by invitation of the Chair.

17. An EMSS Eligible Affected Creditor that is not an individual may only attend and vote at the EMSS Creditors' Meeting if it has appointed a proxyholder to attend and act on its behalf at the EMSS Creditors' Meeting.

VOTING AT THE CREDITORS' MEETING

18. Any creditor holding a claim that has not been filed or asserted in accordance with the Claims Process Order granted by this Court on February 20, 2015 (the "Claims Process Order"), or that has filed a claim that has been disallowed and for which the appeal period has expired with no appeal, will not be entitled to vote on the Amended EMSS Plan at the EMSS Creditors' Meeting in respect of its claim.

19. No person shall be entitled to vote on the Amended EMSS Plan in respect of a claim that is an Unaffected Claim, as that term is defined in the Amended EMSS Plan.

20. The only persons entitled to vote at the EMSS Creditors' Meeting in person or by Proxy, are the EMSS Eligible Affected Creditors.

21. For the purposes of voting on the Amended EMSS Plan, all EMSS Eligible Affected Creditors shall be entitled to vote on the proof of claim (as may have been amended) filed in respect of their Affected Claim pursuant to the Claims Process Order, but for the purposes of

receiving distributions under the Amended EMSS Plan, any claim that is not yet a Proven Claim shall remain subject to further review and final acceptance by the Monitor, and may be determined, in whole or in part, to be a Disputed Claim.

22. The quorum required at the EMSS Creditors' Meeting shall be any two EMSS Eligible Affected Creditors present in person or by Proxy at the EMSS Creditors' Meeting.

23. If:

- (a) the requisite quorum is not present at the EMSS Creditors' Meeting;
- (b) the EMSS Creditors' Meeting is postponed by a vote of the majority in value of the claims of the EMSS Eligible Affected Creditors present in person or by Proxy;
or
- (c) the Chair otherwise decides to adjourn the EMSS Creditors' Meeting

then the EMSS Creditors' Meeting shall be adjourned to such date, time and place as may be designated by the Chair. The announcement of the adjournment by the Chair, the posting of notice of such adjournment on the Monitor's website and written notice thereof to the EMSS Eligible Affected Creditors shall constitute sufficient notice of the adjournment and EMSS and the Monitor shall have no obligation to give further notice to any person of the adjourned EMSS Creditors' Meeting.

24. Every question submitted to the EMSS Creditors' Meeting, except to approve the Amended EMSS Plan resolution, any amendment to or in respect of the Amended EMSS Plan or an adjournment of the EMSS Creditors' Meeting, will be decided by a majority of votes given on a show of hands or, if by confidential written ballot at the discretion of the Chair, by a simple majority in number of the EMSS Eligible Affected Creditors.

25. The Chair shall direct a vote by the EMSS Eligible Affected Creditors on the resolution substantially in the form attached hereto as **Schedule "4"** to approve the Amended EMSS Plan (the "Resolution") (i) by way of written ballot, or (ii) if the Chair deems it appropriate, by a show of hands.

26. If the Resolution is approved in accordance with the terms of this EMSS Meeting Order, and the plans of compromise and arrangement of the other Applicants are also approved at the creditors' meetings to be held with respect to the other Applicants, the Resolution shall be ratified and given full force and effect in accordance with the provisions of this EMSS Meeting

Order, the CCAA, the Information Package and any further Order of this Court, notwithstanding the provisions of any agreement or other instrument to the contrary.

27. The Monitor may appoint scrutineers (the "Scrutineers") for the supervision and tabulations of the attendance, quorum, and votes cast at the EMSS Creditors' Meeting. A person or persons designated by the Monitor shall act as secretary (the "Secretary") at the EMSS Creditors' Meeting and shall tabulate all votes made at the EMSS Creditors' Meeting.

28. The result of any vote conducted at the EMSS Creditors' Meeting shall be binding upon each and every Affected Creditor, whether or not such Affected Creditor was present or voted at the EMSS Creditors' Meeting, without prejudice to such Affected Creditor's ability to oppose the Amended EMSS Plan at the Sanction Hearing.

29. Following the vote at the EMSS Creditors' Meeting, the Monitor shall tally the votes cast and determine whether the Amended EMSS Plan has achieved the Required Majority.

30. The Monitor shall file its report to this Court by no later than 3 business days after the day the EMSS Creditors' Meeting occurs with respect to whether the Amended EMSS Plan has achieved the Required Majority.

VOTING BY PROXY

31. All Proxies submitted in respect of the EMSS Creditors' Meeting (or any adjournment thereof) shall be in substantially the form attached to this Order as **Schedule "2"** or in such other form as is acceptable to the Monitor or the Chair.

32. An EMSS Eligible Affected Creditor wishing to appoint a Proxy to represent such EMSS Eligible Affected Creditor at the EMSS Creditors' Meeting (or any adjournment thereof) may do so by inserting such person's name in the blank space provided on the form of Proxy and sending the completed form to the Monitor by email to vanallen@deloitte.ca, or if the completed form cannot be sent by email, it shall be sent by regular mail, facsimile or courier to:

Deloitte Restructuring Inc.
700 Bankers Court
850-2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: Vanessa Allen
Fax: 403-718-3681

33. A Proxy must be received by the Monitor by 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the EMSS Creditors' Meeting or any adjournment

thereof, or delivered by hand to the Chair prior to the commencement of the EMSS Creditors' Meeting (or commencement of an adjourned EMSS Creditors' Meeting in case of adjournment). After commencement of the EMSS Creditors' Meeting (or commencement of an adjourned EMSS Creditors' Meeting in case of adjournment), no Proxies shall be accepted by the Monitor.

34. The following shall govern the submission of Proxies and any deficiencies in respect of the form or substance of Proxies filed with the Monitor:

- (a) an EMSS Eligible Affected Creditor who has given a Proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority, by an instrument in writing executed by such EMSS Eligible Affected Creditor or by its attorney, duly authorized in writing, or if an EMSS Eligible Affected Creditor is not an individual, by an officer or legal counsel thereof duly authorized, and deposited with the Monitor as provided in paragraph 33;
- (b) if the Proxy is not dated in the space provided, it shall be deemed to be dated on the date it is received by the Monitor;
- (c) a Proxy submitted by an EMSS Eligible Affected Creditor that bears or is deemed to bear a later date than an earlier Proxy submitted by such EMSS Eligible Affected Creditor shall be deemed to revoke the earlier Proxy;
- (d) if more than one valid Proxy for the same EMSS Eligible Affected Creditor and bearing or deemed to bear the same date are received by the Monitor with conflicting instructions, such Proxies shall not be counted for the purposes of the vote;
- (e) the person named in the Proxy shall vote the EMSS Eligible Affected Creditor's Claim in accordance with the direction of the EMSS Eligible Affected Creditor appointing such person on any ballot or show of hands that may be called for;
- (f) a Proxy confers a discretionary authority upon the person named therein with respect to amendments or variations to the matters identified in the notices of the EMSS Creditors' Meeting and in the Amended EMSS Plan, and with respect to other matters that may properly come before the EMSS Creditors' Meeting; and
- (g) the Monitor in consultation with EMSS is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which

any Proxy is completed and executed, and may waive strict compliance with the requirements in connection with the deadlines imposed in connection therewith.

HEARING FOR SANCTION OF THE PLAN

35. If the Amended EMSS Plan achieves the Required Majority, EMSS shall seek Court approval of the Amended EMSS Plan at a motion for the Sanction Order, which motion date shall be set once the meetings of creditors of all of the Applicants have been completed (the "Sanction Hearing").

36. Any party who wishes to oppose the motion for final sanctioning of the Amended EMSS Plan shall serve upon the lawyers for both the Applicants and the Monitor, and upon all other parties on the service list attached to this Order, by not later than 12:00 p.m. (noon) (Calgary time) one week before the Sanction Hearing, a copy of the materials to be used to oppose the motion for approval of the Amended EMSS Plan, setting out the basis for such opposition.

GENERAL

37. The Monitor in consultation with EMSS may, in its discretion, generally or in individual circumstances, waive in writing the time limits imposed on any EMSS Eligible Affected Creditor under this EMSS Meeting Order if the Monitor, in consultation with EMSS deems it advisable to do so, without prejudice to the requirement that all other EMSS Eligible Affected Creditors must comply with this EMSS Meeting Order.

38. If any deadline set out in this EMSS Meeting Order falls on a day other than a Business Day, the deadline shall be extended to the next Business Day.

39. Notwithstanding the terms of this EMSS Meeting Order, EMSS or the Monitor may apply to this Court from time to time for such further orders as it considers necessary or desirable to amend, supplement or replace this EMSS Meeting Order.

EFFECT, RECOGNITION AND ASSISTANCE OF OTHER COURTS

40. This EMSS Meeting Order and any other Order in this proceeding shall have full force and effect in all provinces and territories in Canada and abroad and as against all persons against whom it may otherwise be enforceable.

41. The Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this EMSS Meeting Order and to assist the Applicants, the Monitor and their respective agents in

carrying out the terms of this EMSS Meeting Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this EMSS Meeting Order, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this EMSS Meeting Order.


Justice of the Court of Queen's Bench of Alberta

SCHEDULE "1" – NOTICE OF EMSS CREDITORS' MEETING

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 <i>COMPANIES'</i> <i>CREDITORS ARRANGEMENT ACT</i> , 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	NOTICE OF EMSS CREDITORS' MEETING

Capitalized terms used and not otherwise defined in this Notice are as defined in the EMSS Meeting Order dated November 5, 2015 and the Amended EMSS Plan dated October 30, 2015.

NOTICE IS HEREBY GIVEN THAT:

1. The Amended Plan of Compromise and Arrangement of EMSS, dated October 30, 2015 (as may be amended from time to time, the "Amended EMSS Plan") was filed pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Alberta Court of Queen's Bench (the "Court") on November ____, 2015. The Amended EMSS Plan contemplates the compromise of the rights and claims of EMSS' Affected Creditors (as defined in the Amended EMSS Plan).
2. Important documents which you should review in consideration of the Amended EMSS Plan are enclosed with this Notice and include the Amended EMSS Plan, the EMSS Meeting Order, the Monitor's Report, and the form of Proxy (the "Information Package") and are also available from the website of the Monitor, Deloitte Restructuring Inc (the "Monitor") (www.insolvencies.deloitte.ca). If you are unable to access this website, you may obtain a copy of the Information Package by contacting the Monitor by email at vanallen@deloitte.ca or by telephone at 403-298-5955. Details of the Amended EMSS

Plan and the distributions to be made thereunder to creditors are more fully described in the Monitor's Report enclosed in the Information Package. You should review the Information Package carefully.

3. EMSS may vary, modify, amend, or supplement the Amended EMSS Plan in accordance with the provisions described in the Amended EMSS Plan and the EMSS Meeting Order.
4. The Order of the Court dated November 5, 2015 (the "EMSS Meeting Order") established the procedures for EMSS to call, hold and conduct a meeting of its creditors (the "EMSS Creditors' Meeting") to consider and vote on the Amended EMSS Plan. For the purpose of considering and voting on the Amended EMSS Plan, and receiving distributions thereunder, the Affected Claims of the EMSS Affected Creditors shall be grouped into a single class under the Amended EMSS Plan.
5. The EMSS Creditors' Meeting will be held at the following date, time and location:

Date: Friday, December 11, 2015
Time: 10:00 a.m. (Calgary time)
Location: 1600-421-7th Avenue S.W.
Calgary, Alberta

6. Only those creditors with an Eligible Affected Claim, as defined under the Amended EMSS Plan (or their respective proxyholders), EMSS directors, the Monitor, the Applicants' legal counsel, the Monitor's legal counsel, members of the Creditors' Committees, and the legal counsel for the Creditors' Committees will be eligible to attend the EMSS Creditors' Meeting and vote on the Amended EMSS Plan. Holders of an Unaffected Claim (as defined in the Amended EMSS Plan) will not be entitled to attend and vote at the EMSS Creditors' Meeting.

Any Eligible Affected Creditor who is unable to attend the EMSS Creditors' Meeting may vote by Proxy. Further, any Eligible Affected Creditor who is not an individual may only attend and vote at the EMSS Creditors' Meeting if a proxyholder has been appointed to act on its behalf at the EMSS Creditors' Meeting.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the EMSS Creditors' Meeting or any adjournment thereof. Proxies may also be delivered by hand

to the Chair prior to the commencement of the EMSS Creditors' Meeting. After commencement of the EMSS Creditors' Meeting, no Proxies can be accepted by the Monitor.

7. If the Amended EMSS Plan achieves the Required Majority (as defined below) at the EMSS Creditors' Meeting, EMSS shall seek approval of the Amended EMSS Plan by the Court at an application for the Sanction Order, which application shall be set after the creditors' meetings of all the Applicants have been completed (the "Sanction Hearing"). Any person wishing to oppose the application for the Sanction Order must serve upon the lawyers for both EMSS and the Monitor as well as those parties listed on the service list, which was attached to EMSS Meeting Order, as posted on the Monitor's website, by not later than 12:00 p.m. (noon) (Calgary time) one week before the Sanction Hearing, a copy of the materials to be used to oppose the motion for approval of the Amended EMSS Plan, setting out the basis for such opposition.
8. In order for the Amended EMSS Plan to become effective:
 - (a) the Amended EMSS Plan must be approved at the EMSS Creditors' Meeting by the affirmative vote of a majority in number, representing not less than two-thirds in value of the voting claims of Eligible Affected Creditors, in person or by Proxy (this constituting the "Required Majority");
 - (b) the Amended EMSS Plan must be sanctioned by the Court;
 - (c) the plans of compromise and arrangement of the other Applicants must be sanctioned by the Court; and
 - (d) the conditions to the implementation of the Amended EMSS Plan as set out in the Amended EMSS Plan must be satisfied or waived.

SCHEDULE "2" – FORM OF PROXY

COURT FILE NUMBER	1501-00955
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
DOCUMENT	PROXY
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.

I, _____ of _____, a creditor in the above matter, hereby appoint _____ of _____, (person you want to appoint) to be my proxyholder in the above matter, except as to the receipt of any distributions pursuant to this Plan (with or without) power to appoint another proxyholder in his or her place.

The above named proxyholder shall attend on behalf of and act for me at the Creditors' Meeting to be held in connection with the Amended EMSS Plan and at any and all adjournments, postponements or other rescheduling of the Creditors' Meeting, and vote the amount of my Claim(s) as follows:

1. (mark one only):
- Vote **FOR** approval of the resolution to accept the Plan; or
- Vote **AGAINST** approval of the resolution to accept the Plan.

IF A BOX IS NOT MARKED AS A VOTE FOR OR AGAINST APPROVAL OF THE PLAN, THEN THE PROXYHOLDER SHALL VOTE AT HIS/HER DISCRETION.

and

2. Vote at his/her discretion and otherwise act for and on behalf of me with respect to any amendments or variations to the matters identified in the notice of the Creditors' Meeting and in this Plan, and with respect to other matters that may properly come before the Creditors' Meeting.

THIS PROXY, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE MONITOR BY EMAIL, MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED

BY THE MONITOR BY NO LATER THAN 5:00 P.M. (CALGARY TIME) ON DECEMBER 10, 2015 OR SUCH LATER DATE AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE CREDITORS' MEETING HAS BEEN ADJOURNED TO, OR DELIVERED BY HAND TO THE CHAIR OF THE CREDITORS' MEETING PRIOR THE COMMENCEMENT OF THE CREDITORS' MEETING. AFTER COMMENCEMENT OF THE CREDITORS' MEETING (OR ANY ADJOURNMENT THEREOF), NO PROXIES CAN BE ACCEPTED BY THE MONITOR.

Dated at _____ this _____ day of _____, 2015.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:

Deloitte Restructuring Inc., Monitor
700 Bankers Court, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Phone: (403) 267-1777 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca

SCHEDULE "3" – FORM OF NEWSPAPER NOTICE

NOTICE IS HEREBY GIVEN THAT:

1. The Amended Plan of Compromise and Arrangement of EMSS, dated October 30, 2015 (as may be amended from time to time, the "Amended EMSS Plan") was filed pursuant to the *Companies' Creditors Arrangement Act* (the "CCA") with the Alberta Court of Queen's Bench (the "Court") on November ____, 2015. The Amended EMSS Plan contemplates the compromise of the rights and claims of EMSS' Affected Creditors (as defined in the Amended EMSS Plan).
2. Important documents which you should review in consideration of the Amended EMSS Plan include the Amended EMSS Plan, the EMSS Meeting Order, the Monitor's Report, and the form of Proxy (the "Information Package"). The Information Package is available on the website of the Monitor, Deloitte Restructuring Inc (the "Monitor") at www.insolvencies.deloitte.ca. If you are unable to access this website, you may obtain a copy of the Information Package by contacting the Monitor by email at vanallen@deloitte.ca or by telephone at 403-298-5955.
3. EMSS may vary, modify, amend, or supplement the Amended EMSS Plan in accordance with the provisions described in the Amended EMSS Plan and the EMSS Meeting Order.
4. The Order of the Court dated November 5, 2015 (the "EMSS Meeting Order") established the procedures for EMSS to call, hold and conduct a meeting of its creditors (the "EMSS Creditors' Meeting") to consider and vote on the Amended EMSS Plan. For the purpose of considering and voting on the Amended EMSS Plan, and receiving distributions thereunder, the Affected Claims of the EMSS Affected Creditors shall be grouped into a single class under the Amended EMSS Plan.
5. The EMSS Creditors' Meeting will be held at the following date, time and location:

Date: December 11, 2015
 Time: 10:00 a.m. (Calgary time)
 Location: 1600-421-7th Avenue S.W.
 Calgary, Alberta

6. Only those creditors with an Eligible Affected Claim, as defined under the Amended EMSS Plan (or their respective proxyholders), EMSS directors, the Monitor, the Applicants' legal counsel, the Monitor's legal counsel, members of the Creditors' Committees, and the legal counsel for the Creditors' Committees will be eligible to attend the EMSS Creditors' Meeting and vote on the Amended EMSS Plan. Holders of an Unaffected Claim (as defined in the Amended EMSS Plan) will not be entitled to attend and vote at the EMSS Creditors' Meeting.

Any Eligible Affected Creditor who is unable to attend the EMSS Creditors' Meeting may vote by Proxy. Further, any Eligible Affected Creditor who is not an individual may only attend and vote at the EMSS Creditors' Meeting if a proxyholder has been appointed to act on its behalf at the EMSS Creditors' Meeting.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the EMSS Creditors' Meeting or any adjournment thereof. Proxies may also be delivered by hand to the Chair prior to the commencement of the EMSS Creditors' Meeting. After commencement of the EMSS Creditors' Meeting, no Proxies can be accepted by the Monitor.

7. If the Amended EMSS Plan achieves the Required Majority (as defined below) at the EMSS Creditors' Meeting, EMSS shall seek approval of the Amended EMSS Plan by the Court at an application for the Sanction Order, which application shall be heard on a date to be scheduled (the "Sanction Hearing"). Any person wishing to oppose the application for the Sanction Order must serve upon the lawyers for both EMSS and the Monitor as well as those parties listed on the service list, which was attached to EMSS Meeting Order, as posted on the Monitor's website, by not later than 12:00 p.m. (noon) (Calgary time) one week before the Sanction Hearing, a copy of the materials to be used to oppose the motion for approval of the Amended EMSS Plan, setting out the basis for such opposition.
8. In order for the Amended EMSS Plan to become effective:
 - (a) the Amended EMSS Plan must be approved at the EMSS Creditors' Meeting by the affirmative vote of a majority in number, representing not less than two-thirds in value of the voting claims of Eligible Affected Creditors, in person or by Proxy (this constituting the "Required Majority");
 - (b) the Amended EMSS Plan must be sanctioned by the Court;
 - (c) the plans of compromise and arrangement of the other Applicants must be sanctioned by the Court; and
 - (d) the conditions to the implementation of the Amended EMSS Plan as set out in the Amended EMSS Plan must be satisfied or waived.

Dated at Calgary, Alberta on November ___, 2015.

SCHEDULE "4" – FORM OF RESOLUTION

WHEREAS EnCharis Management and Support Services ("EMSS") has made an application pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") to reorganize its affairs for the benefit of its creditors;

AND WHEREAS EMSS filed an amended plan of arrangement under the CCAA with respect to its creditors on November ____, 2015 (the "Amended EMSS Plan");

AND WHEREAS the creditors of EMSS (the "EMSS Creditors") have considered the Amended EMSS Plan and such other material and information as they, in their individual discretion, feel is necessary and appropriate to consider;

AND WHEREAS the EMSS Creditors understand that should the Amended EMSS Plan be sanctioned by the Court of Queen's Bench, it will be binding upon all of the EMSS Creditors, subject to the conditions precedent and other terms and conditions set out more fully in the Amended EMSS Plan;

AND WHEREAS the EMSS Creditors wish to agree to the proposed compromises and arrangements set out in the Amended EMSS Plan;

THE EMSS CREDITORS RESOLVE THAT:

1. The Amended EMSS Plan be and hereby is agreed to and accepted by the EMSS Creditors in accordance with its terms.
2. The Court of Queen's Bench of Alberta be requested to sanction the Amended EMSS Plan.

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 1600-421-7 th Avenue SW Calgary, AB T2P 4K9	Jeffrey.oliver@gowlings.com	PH: 403-298-1000 FX: 403-263-9193	Counsel to Monitor
LCC Worker Benefits (pension plan) Janice Otto 503, 1780 Wellington Ave Winnipeg, MB R3H 1B3	LCCBenefits@element.ca	PH: 1-800-588-4226	Creditor NOTE – NOT SERVED AS PER REQUEST RECEIVED FROM LCC WORKER BENEFITS JULY 9, 2015

<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: Dean Hutchison 1600-520-3rd Avenue SW Calgary, AB T2P 0R3</p>	<p>dhutchison@mlt.com</p>	<p>PH: 403-693-4305 FX: 403-508-4349</p>	<p>Counsel for Concentra Trust which is a 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>CEF Creditors Committee</p> <p>Attn: Christopher Simard Bennett Jones 4500-855-2 Street SW Calgary, AB T2P 4K7</p>	<p>simardc@bennettjones.com</p>	<p>PH: 403-298-4485 FX: 403-265-7219</p>	<p>Counsel for CEF Creditors' Committee</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</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>

DIL Depositors 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			Account holders in DIL
DIL Creditors Committee Attn: Doug Nishimura Field LLP 400-604-1 st Street SW Calgary, AB T2P 1M7	dnishimura@fieldlaw.com	PH: 403-260-8500 FX: 403-264-7084	Counsel for DIL Creditors' Committee
Life Lease Residents Attn: Jeffrey Moroz McLeod Law LLP 2110-250-5 th Street SW Calgary, AB T2P 0R4	moroz@mcleod-law.com	PH: 403-278-9411 FX: 403-271-1769	Counsel for Life Lease Residents (Contingent Creditors)
McLeod Law LLP Attn: Brett Turnquist 300-14505 Bannister Road SE, Calgary, AB T2X 3J3	bturnquist@mcleod-law.com	PH: 403-873-3728 FX: 403-271-1769	Counsel for the Estate of Eileen Burton (former Village resident)
Bank of Montreal 10199-101 Street, Edmonton, AB 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

<p>Alberta Securities Commission</p> <p>Attn: Vi Pickering/Edward Asare-Quansah 600-250-5th Street SW Calgary, AB T2P 0R4</p>	<p>Edward.Asare-Quansah@asc.ca; Vi.Pickering@asc.ca</p>	<p>PH: 403-355-3889 FX: 403-297-2210</p>	
<p>ARS Collection Agency of Canada Inc. operating as Fiserv</p> <p>Attn: Scott H. Stephens Owen Bird Law Corporation Bentall 3, Suite 2900 595 Burrard Street PO Box 49130 Vancouver, BC V7X 1J5</p>	<p>sstephens@owenbird.com</p>	<p>PH: 604-691-7521 FX: 604-632-4447</p>	<p>Counsel for banking software provider</p>
<p>Terry Czechowskyj Miles Davison LLP 1600-205-5TH Avenue SW Calgary, AB T2P 2V7</p>	<p>tczech@milesdavison.com</p>	<p>PH: 403-298-0326 FX: 403-263-6840</p>	<p>Counsel for approximately 60 depositors</p>
<p>Errin Poyner Sugden, McFee & Roos LLP 700-375 Water Street Vancouver, BC V6B 5C6</p>	<p>epoyner@smrlaw.ca</p>	<p>PH: 604-687-7700 FX: 604-687-5596</p>	<p>Counsel for group of Depositors</p>
<p>Encon Group Inc. c/o Marsh Canada Limited Attn: Michael Johnson 10180-101 Street NW, Suite 680 Edmonton, AB T5J 3S4</p>	<p>Michael.johnson@marsh.com</p>	<p>PH: 780-917-4852 FX: 780-429-1422</p>	<p>D&O Insurer for the District and DIL</p>
<p>Northbridge General Insurance Corporation c/o Palliser Insurance Attn: Ross Bucsis 12B, 1235 – 64 Ave SE Calgary, AB T2H 2J7</p>	<p>rbucsis@PalliserInsurance.ca</p>	<p>PH: 403-640-0264 (x107) FX: 1-866-928-5516</p>	<p>D&O Insurer for ECHS and EMSS</p>

Schedule 7

ECHS - Claims of Trade Creditors	
Name	Amount
Alvin Reinhard Fritz Architect Inc.	\$ 7,875
Canadian Clean Water Technologies Inc.	2,940
Lutheran Church - Canada	31,614
Rocky View County	8,006
Scheffer Andrew Ltd.	6,604
Wallace Appraisal Services Ltd.	315
Total trade creditor claims:	\$ 57,354

Schedule 8

EMSS - Claims of Trade Creditors	
Name	Amount
Alsco Canada Corporation	\$ 6,278
Birkby Food Service	3,262
Canada Bread Company	1,766
Concept Electric Ltd.	6,463
General Paint (Sherwin Williams)	435
James Electric Motor Services Ltd.	735
MediChair Calgary	840
PC eSolutions Corporation	10,534
Pratts Foodservice AB	16,527
Sysco Food Services Calgary	27,214
True North Technical Services Inc.	1,413
Wood Wyant Canada Inc.	1,532
Xerox Canada Ltd.	1,059
Total trade creditor claims:	\$ 78,056

Schedule 9

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT PROXY
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.

I, _____ of _____, a creditor in the above matter, hereby appoint
_____ of _____, (person you want to appoint) to be my proxyholder
in the above matter, except as to the receipt of any distributions pursuant to this Plan (with or without
power to appoint another proxyholder in his or her place.

The above named proxyholder shall attend on behalf of and act for me at the Creditors' Meeting to be
held in connection with the Amended ECHS Plan and at any and all adjournments, postponements or
other rescheduling of the Creditors' Meeting, and vote the amount of my Claim(s) as follows:

1. (mark one only):
 Vote **FOR** approval of the resolution to accept the Plan; or
 Vote **AGAINST** approval of the resolution to accept the Plan.

**IF A BOX IS NOT MARKED AS A VOTE FOR OR AGAINST APPROVAL OF THE PLAN,
THEN THE PROXYHOLDER SHALL VOTE AT HIS/HER DISCRETION.**

and

2. Vote at his/her discretion and otherwise act for and on behalf of me with respect to any
amendments or variations to the matters identified in the notice of the Creditors' Meeting and in
this Plan, and with respect to other matters that may properly come before the Creditors' Meeting.

**THIS PROXY, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE MONITOR
BY EMAIL, MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR
BY NO LATER THAN 5:00 P.M. (CALGARY TIME) ON DECEMBER 10, 2015 OR SUCH LATER DATE
AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE CREDITORS' MEETING HAS
BEEN ADJOURNED TO, OR DELIVERED BY HAND TO THE CHAIR OF THE CREDITORS' MEETING
PRIOR THE COMMENCEMENT OF THE CREDITORS' MEETING. AFTER COMMENCEMENT OF
THE CREDITORS' MEETING (OR ANY ADJOURNMENT THEREOF), NO PROXIES CAN BE
ACCEPTED BY THE MONITOR.**

Dated at _____ this _____ day of _____,
2015.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:
Deloitte Restructuring Inc., Monitor
700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Phone: (587) 293-3203 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca