

November 12, 2015

## **Notice to the life lease residents of the Prince of Peace Village**

**Re: Lutheran Church – Canada, the Alberta – British Columbia District, Lutheran Church – Canada, the Alberta British Columbia District Investments Ltd. (“DIL”), Encharis Community and Housing Services (“ECHS”) and Encharis Management and Support Services (collectively the “District Group”)**

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As you are aware, the District Group 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”).

Attached is correspondence that is being sent to all creditors of ECHS related to an upcoming meeting of creditors (the “ECHS Meeting”) where creditors will have the opportunity to vote on an Amended Plan of Arrangement filed by ECHS dated October 30, 2015 (the “Amended ECHS Plan”).

A separate class of creditors has been established for life lease residents (the “Residents”). In order for the Residents to be affected by the Amended ECHS Plan it would need to be approved by 2/3 in value and a majority in number of voting Residents.

The treatment of Residents in the Amended ECHS Plan has been negotiated between the District Group and the Life Lease Equity Protection Group, which represents the majority of the Residents, and is summarized below:

- Each Life Lease Residents’ leasehold interest in the condominium to which their life lease applies (the “Condo(s)”) will be converted from a leasehold interest to a fee simple interest. These conversions will be initiated and paid for by the Residents.

- Upon the receipt by ECHS of a \$3,000 surrender fee per Condo, ECHS will execute all necessary documents to enable the conversion of each Resident's leasehold interest into a fee simple interest and Concentra Trust, who acts as the bare trustee for DIL, will discharge any mortgage registrations held by DIL on the Condos.

**What Residents need to do:**

**EITHER**

**Attend the ECHS Meeting, which will be held at the following time and place:**

**Time: Friday, December 11, 2015 at 11:00 a.m.**

**Location: Gowlings Lafleur Henderson LLP, 1600 – 421 7th Avenue SW, Calgary.**

**OR**

**Appoint someone as your proxy by filling out the attached form so that they can attend the ECHS Meeting and vote on your behalf.**

In addition to being in attendance at the ECHS Meeting, the Monitor will be available to answer any questions at a meeting of the Life Lease Equity Protection Group, which we understand will be scheduled in late November.

If you have any questions, please contact Joseph Sithole at 1-587-293-3203 or contact the undersigned at 1-403-298-5955.

Yours truly,

**DELOITTE RESTRUCTURING INC.**

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



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Vanessa Allen, B. Comm, CIRP  
Vice-President

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 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 0R8  
Phone: (587) 293-3203 Fax: (403) 718-3681  
Email: CalgaryRestructuring@deloitte.ca