



**COURT FILE NUMBER** 1501-00955

**COURT** COURT OF QUEEN'S BENCH OF ALBERTA

**JUDICIAL CENTRE** CALGARY

**DOCUMENT** ELEVENTH REPORT OF THE MONITOR

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 JANUARY 11, 2016

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

**Counsel**

Gowling Lafleur Henderson LLP  
1600, 421 7th Avenue SW  
Calgary, Alberta T2P 4K9  
Attention: Jeffrey Oliver

Telephone/ Facsimile: 403-298-1000/ 403-263-9193  
Email: Jeffrey.Oliver@gowlings.com

**Monitor**

Deloitte Restructuring Inc.  
700 Bankers Court, 850 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 0R8  
Attention: Jeff Keeble & Vanessa Allen

Telephone/Facsimile: 403-298-5955/ 403-718-3681  
Email: jkeeble@deloitte.ca & vanallen@deloitte.ca

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# 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. Prior to the Initial Order being granted, Deloitte prepared a Pre-Filing Report of the Proposed Monitor dated January 22, 2015 (the “Pre-Filing Report”). The Monitor subsequently filed the following reports:
  - 4.1. the First Report of the Monitor dated February 17, 2015;
  - 4.2. the Second report of the Monitor dated March 23, 2015 (the “Second Report”);
  - 4.3. the Third Report of the Monitor dated June 16, 2015;
  - 4.4. the Fourth Report of the Monitor dated June 24, 2015 (the “Fourth Report”);
  - 4.5. the Fifth Report of the Monitor dated August 24, 2015 (the “Fifth Report”);
  - 4.6. the Sixth Report of the Monitor dated September 9, 2015;
  - 4.7. the Seventh Report of the Monitor dated October 20, 2015;
  - 4.8. the Eighth Report of the Monitor dated October 30, 2015 (the “Eighth Report”);

- 4.9. the Ninth Report of the Monitor dated November 26, 2015 (the “Ninth Report”); and
- 4.10. the Tenth Report of the Monitor dated December 22, 2015 (the “Tenth Report”, together with the Pre-Filing Report, collectively the “Reports”).
5. The Monitor also filed a confidential supplement to the Second Report dated March 25, 2015, a confidential supplement to the Fourth Report dated June 25, 2015 and a confidential supplement to the Fifth Report dated August 26, 2015 (collectively the “Supplements”). The Supplements provided the Court with additional detail with respect to the District Group’s applications for the approval of the sales of six parcels of land (the “Sale Lands”). The Supplements were sealed by the Court in order to avoid tainting any future sale processes that would be required if any of the transactions involving the Sale Lands failed to be completed.
6. In addition to the Pre-Filing Report, the Reports and the Supplements, the Monitor prepared a First Report to the Creditors of ECHS and EMSS dated November 10, 2015 (the “Encharis Report”) and a First Report to the Creditors of DIL dated December 8, 2015 (the “DIL Report”). Both the Encharis Report and the DIL Report were prepared for the purpose of providing creditors of the corresponding entities with specific information related to the respective plans of compromise and arrangement for ECHS and EMSS, as amended (respectively the “ECHS Plan” and the “EMSS Plan, collectively the “Encharis Plans”) and for DIL, as amended (the “DIL Plan”).
7. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Reports and in the Supplements.
8. Information on the CCAA proceedings can be accessed on Deloitte’s website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the link entitled “Lutheran Church – Canada, the Alberta – British Columbia District et. al.” (the “Monitor’s Website”).

## Notice to Reader

9. In preparing this 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 (the “CRO”), interested parties and stakeholders. The Monitor has not performed an independent review or audit of the information provided.
10. 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 report.
11. All amounts included herein are in Canadian dollars unless otherwise stated.

# Court Applications

12. The activities of the Applicants leading up to the most recent Court application on January 4, 2016 (the “January 4 Hearing”) are detailed in the Reports.
13. At the January 4 Hearing, the Court granted an Order approving a Settlement Agreement and Mutual Release Term Sheet (the “Settlement”) between the creditors’ committees established for each of the District and DIL (respectively the “District Committee” and the “DIL Committee”, collectively the “Committees”) and authorizing the District and DIL to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Settlement.
14. This report constitutes the Eleventh Report of the Monitor (the “Eleventh Report”). The Eleventh Report provides additional information with respect to the following:
  - 14.1. The Monitor’s activities since the date of the Seventh Report; and
  - 14.2. The relief sought by the District Group at a hearing scheduled for January 20, 2016 (the “January 20 Hearing”).
15. At the January 20 Hearing, the Applicants will be seeking Orders of this Honourable Court including the following relief:
  - 15.1. An Order extending the Stay until April 29, 2016 (the “Extension”);
  - 15.2. An Order sanctioning the ECHS Plan (the “ECHS Sanction Order”), declaring that the ECHS Plan is fair and reasonable and declaring that the ECHS Plan and all associated steps compromises, transactions, arrangements, assignments, releases and reorganizations effected by the ECHS Plan are approved, binding and effective upon those creditors affected by the ECHS Plan; and
  - 15.3. An Order sanctioning the EMSS Plan (the “EMSS Sanction Order”), declaring that the EMSS Plan is fair and reasonable and declaring that the EMSS Plan and all associated steps compromises, transactions, arrangements, assignments, releases and reorganizations effected by the EMSS Plan are approved, binding and effective upon those creditors affected by the EMSS Plan.

# Monitor's Activities

16. The Monitor has and will continue to make regular updates to the Monitors' Website to ensure that creditors and interested parties have access to all available information in these proceedings.
17. The Monitor's activities since the date of the Seventh Report have included the following:
  - 17.1. Preparing various reports to the Court including the Eighth, Ninth and Tenth Reports;
  - 17.2. Attending various meetings and calls with Management, the District's joint restructuring committee, the CRO and the Applicant's legal counsel to advance the restructuring efforts;
  - 17.3. Attending numerous meetings with each of the Committees and their respective legal counsel;
  - 17.4. Reviewing a further draft of the District's plan of compromise and arrangement (the "District Plan") and communicating with the District and various stakeholder groups regarding the District Plan;
  - 17.5. Reviewing amendments to the ECHS Plan, responding to creditor inquiries regarding the ECHS Plan, serving creditors with notice of a meeting of the creditors of ECHS to consider the ECHS Plan (the "ECHS Meeting") and chairing the ECHS Meeting;
  - 17.6. Reviewing amendments to the EMSS Plan, responding to creditor inquiries regarding the EMSS Plan, serving creditors with notice of a meeting of the creditors of EMSS to consider the EMSS Plan (the "EMSS Meeting") and chairing the EMSS Meeting;
  - 17.7. Reviewing amendments to the DIL Plan, responding to creditor inquiries regarding the DIL Plan and serving creditors with notice of a meeting of the creditors of DIL to consider the DIL Plan (the "DIL Meeting");
  - 17.8. Preparing the Encharis Report and the DIL Report as well as other information for those creditors affected by the Encharis Plans and the DIL Plan;
  - 17.9. Monitoring the District Group's cash flow projections and the District Group's business and financial affairs; and
  - 17.10. Continuing to review various matters that may impact the restructuring.

# Stay of Proceedings

18. As previously reported, at the January 20 Hearing, the District Group will be making an application requesting the Extension.
19. Based on the Monitor's dealings with Management and the Monitor's review of the District Group's operations and restructuring efforts to date, we can advise that:
  - 19.1. The District Group appears to be acting in good faith and with due diligence;
  - 19.2. The District Group is cooperating with the Monitor and is making efforts to advance the CCAA proceedings as follows:
    - 19.2.1. The Applicants are close to completing the District Plan. As previously reported, the key elements of the District Plan have been substantially agreed to but selected provisions of the District Plan are still being finalized. The Monitor anticipates that the District will be in a position to seek an Order authorizing the District to present the District Plan to the District Depositors shortly after the January 20 Hearing;
    - 19.2.2. The Applicants are seeking the ECHS and EMSS Sanction Orders at the January 20 Hearing; and
    - 19.2.3. The meeting of DIL Depositors to consider the DIL Plan has been scheduled for January 23, 2016 (the "DIL Meeting").
  - 19.3. The Monitor is of the view that the creditors of the District Group will not be materially prejudiced by the Extension.
20. Based on the above, the Monitor supports the Extension.



# The Encharis Plans

## The ECHS Plan

21. The ECHS Plan was originally dated October 8, 2015 and filed on October 13, 2015. An amended version of the ECHS Plan was dated October 30, 2015 and filed on November 2, 2015. As previously reported, on November 5, 2015, the Court granted an Order authorizing and directing ECHS to present the ECHS Plan to its creditors for approval (the “ECHS Meeting Order”). A further amended version of the ECHS Plan was dated December 5, 2015 and filed on December 8, 2015 (as stated above, the definition of ECHS Plan includes all subsequent amendments).
22. The meeting of the creditors of ECHS to consider the ECHS Plan occurred on December 11, 2015 (the “ECHS Meeting”).

## Notice of the ECHS Meeting

23. The ECHS Plan separated those creditors who were affected by the ECHS Plan into two classes. The first class consisted of ECHS’ trade creditors (the “ECHS Trades”) and the second class consisted of residents of condominiums within the Prince of Peace Village, which are owned by ECHS but are subject to life leases (the “Life Lease Residents”). The ECHS Trades and the Life Lease Residents will collectively be referred to as the “ECHS Affected Creditors”.
24. The ECHS Meeting Order prescribed how the ECHS Affected Creditors were to receive notice of the ECHS Meeting. The Monitor confirms that the notice requirements set out in the ECHS Meeting Order were complied with and that the ECHS Affected Creditors were notified of the ECHS Meeting as follows:
  - 24.1. The information package for ECHS included the address for the Monitor’s Website where the creditors of ECHS and EMSS (The “Encharis Creditors”) could access the Encharis Report including the ECHS Plan, the ECHS Meeting Order, Notice of the ECHS Meeting and a form of proxy (the “Encharis Package”). A copy of the cover letter to Encharis Creditors and the Encharis Report (without schedules) is attached hereto as “Schedule 1”. An additional notice to Life Lease Residents dated November 12, 2015, which was provided to Life Lease Residents with the Encharis Package is attached hereto as “Schedule 2”;
  - 24.2. The Monitor posted a copy of the Encharis Package on the Monitor’s Website on November 10, 2015;

- 24.3. The Monitor printed Notice of the ECHS Meeting in the Globe and Mail National Edition on November 13, 2015. Proof of advertising for the ECHS Meeting is attached hereto as “Schedule 3”;
- 24.4. The Monitor caused a copy of the Encharis Package to be sent to the Trade Creditors by regular mail with all Encharis Packages being mailed to the Trade Creditors by November 13, 2015; and
- 24.5. The Monitor caused a copy of the Encharis Package to be hand delivered to the Life Lease Residents with all Encharis Packages being hand delivered to the Life Lease Residents by November 16, 2015.

### **Amendments to the ECHS Plan**

25. Following the Encharis Packages being provided to the ECHS Affected Creditors but prior to the ECHS Meeting, ECHS made further amendments to the ECHS Plan, which appear in the version dated December 5, 2015 and filed on December 8, 2015. Those changes are summarized below:
  - 25.1. Minor revisions to clarify the intent and purpose of the ECHS Plan;
  - 25.2. Originally, the sanction of the ECHS Plan was contingent on the sanction of the EMSS and District Plans. This was due to the fact that the ECHS Plan contemplated that the Harbour and Manor senior’s care facilities and the surrounding expansion and development lands (the “Core Assets”) as well as working capital, computer hardware, equipment, furniture and fixtures and a water treatment plant (the “ECHS Equipment”) would be transferred to a new company (“NewCo”) in exchange for shares in NewCo, which shares would then be distributed to District Depositors pursuant to the District Plan. The ECHS Plan was subsequently amended such that, it was no longer contingent on the Court sanctioning the EMSS and District Plans. Instead, in the event that either of the EMSS or District Plans are not approved or sanctioned, the Core Assets and ECHS Equipment will continue to be held by ECHS. These amendments provide a greater level of certainty to the ECHS Affected Creditors, who are not impacted by the treatment of the Core Assets and ECHS Equipment;
  - 25.3. The ECHS Plan was also amended to clarify the different forms of releases (the “ECHS Releases”) being granted to the following parties:
    - 25.3.1. The Monitor, the Monitor’s legal counsel, the Applicant’s legal counsel and the CRO (the “Released Representatives”); and
    - 25.3.2. ECHS, parties covered under the Applicants’ directors’ and officers’ liability insurance (the “D&O Insurance”), the directors, officers, volunteers and employees of the Applicants and any independent contractors of ECHS, who were employed three days or more a week on a regular basis (the “Partially Released Parties”).

26. The ECHS Releases release the Released Representatives except to the extent that any liability arises out of any fraud, gross negligence or willful misconduct on the part of the Released Representatives and to the extent that any actions or omissions of the Released Representatives are not directly or indirectly related to the CCAA proceedings or their commencement.
27. The ECHS Releases provide for limited releases to the Partially Released Parties, which based upon the information available to the Monitor, are essentially limited to statutory filing obligations. The ECHS Releases specifically exclude the following claims from being released:
  - 27.1. Claims against directors 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 as set out in Section 5.1(2) of the CCAA;
  - 27.2. 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*;
  - 27.3. 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
  - 27.4. Any claims advanced solely as part of a legal action or actions undertaken on behalf of District and DIL Depositors, whether or not such claims are insured under the D&O Insurance.
28. The wording of the ECHS Releases is consistent with that used in the release provisions of the EMSS Plan and the DIL Plan.
29. The further amended ECHS Plan was posted to the Monitor's Website on December 8, 2015.

### **Outcome of the ECHS Meeting**

30. The ECHS Meeting was conducted in compliance with the terms of the ECHS Meeting Order.
31. The Minutes of the ECHS Meeting are attached hereto as "Schedule 4". As noted therein, at the ECHS Meeting, the ECHS Plan was unanimously approved by voting ECHS Affected Creditors in both classes. Pursuant to the resolutions that were passed, the ECHS Affected Creditors agreed to and accepted the ECHS Plan and requested that the Court sanction the ECHS Plan.

### **The EMSS Plan**

32. The EMSS Plan was originally dated October 8, 2015 and filed on October 13, 2015. An amended version of the EMSS Plan was dated October 30, 2015 and filed on November 2, 2015. As previously reported, on November 5, 2015, the Court granted an Order authorizing and directing EMSS to present the EMSS Plan to its creditors for approval (the "EMSS Meeting Order"). A further amended version of the EMSS Plan was dated December 5, 2015 and filed on December 8, 2015 (as stated above, the definition of EMSS Plan includes all subsequent amendments).

33. The meeting of the creditors of EMSS to consider the EMSS Plan occurred on December 11, 2015 (the “EMSS Meeting”).

### **Notice of the EMSS Meeting**

34. The EMSS Plan includes only one class of affected creditors consisting of EMSS’ trade creditors (the “EMSS Trades”). The EMSS Meeting Order prescribed how the EMSS Trades were to receive notice of the EMSS Meeting. The Monitor confirms that the notice requirements set out in the EMSS Meeting Order were complied with and that the EMSS Trades were notified of the EMSS Meeting as follows:
- 34.1. As previously reported, the Encharis Package included the address for the Monitor’s Website where EMSS Trades could access the Encharis Report. The Encharis Report also included the EMSS Plan, the EMSS Meeting Order, Notice of the EMSS Meeting and a form of proxy;
- 34.2. The Monitor posted a copy of the Encharis Package on the Monitor’s Website on November 10, 2015;
- 34.3. The Monitor printed Notice of the EMSS Meeting in the Globe and Mail National Edition on November 13, 2015. Proof of advertising for the EMSS Meeting is attached hereto as “Schedule 5”; and
- 34.4. The Monitor caused a copy of the Encharis Package to be sent to the EMSS Trades by regular mail with all Encharis Packages having been mailed to the EMSS Trades by November 13, 2015.

### **Amendments to the EMSS Plan**

35. Following the Encharis Package being provided to the EMSS Trades but prior to the EMSS Meeting, EMSS made some minor further amendments to the EMSS Plan, which are summarized below:
- 35.1. Minor revisions to clarify the intent and purpose of the EMSS Plan;
- 35.2. Originally, the sanction of the EMSS Plan was contingent on the sanction of the ECHS and District Plans. This was due to the fact that the EMSS Plan contemplated that working capital, furniture and fixtures, computer equipment, medical equipment, a vehicle and all contracts, of which EMSS has the benefit (the “EMSS Assets”) were to be transferred to NewCo for the benefit of District Depositors, as set out in the District Plan. The EMSS Plan was subsequently amended such that, it was no longer contingent on Court sanction of the ECHS and District Plans. Instead, in the event that either of the ECHS or District Plans are not approved or sanctioned, the EMSS Assets will continue to be held by EMSS. These amendments provide a greater level of certainty to the EMSS Trades, who are not impacted by the treatment of the EMSS Assets; and

35.3. The EMSS Plan was also amended to clarify the forms of releases (the “EMSS Releases”) with the amendments to the EMSS Releases being consistent with those described above regarding the ECHS Releases.

36. The further amended EMSS Plan was posted to the Monitor’s Website on December 8, 2015.

### **Outcome of the EMSS Meeting**

37. The EMSS Meeting was conducted in compliance with the terms of the EMSS Meeting Order.

38. The Minutes of the EMSS Meeting are attached hereto as “Schedule 6”. As noted therein, at the EMSS Meeting, the EMSS Plan was unanimously approved by voting EMSS Affected Creditors. Pursuant to the resolution that was passed, the EMSS Affected Creditors agreed to and accepted the EMSS Plan and requested that the Court sanction the EMSS Plan.

# Conclusion

39. Based on the Monitor's dealings with Management and the Monitor's review of the District Group's operations and restructuring efforts to date, the Monitor supports the Extension based on the following:
- 39.1. The District Group appears to be acting in good faith and with due diligence;
  - 39.2. The District Group is cooperating with the Monitor and making efforts to advance the CCAA proceedings, as further outlined herein; and
  - 39.3. The Monitor is of the view that the District Group's creditors will not be materially prejudiced by the Extension.
40. The Monitor supports the application of the District Group for the ECHS Sanction Order, based on the following:
- 40.1. The Monitor supports the ECHS Plan and is of the view that the ECHS Plan is fair and reasonable and appears to be in the best interest of all parties; and
  - 40.2. At the ECHS Meeting, both classes of ECHS Affected Creditors voted in favour of the ECHS Plan and requested that the Court sanction the ECHS Plan.
41. The Monitor supports the application of the District Group for the EMSS Sanction Order, based on the following:
- 41.1. The Monitor supports the EMSS Plan and is of the view that the EMSS Plan is fair and reasonable and appears to be in the best interest of all parties; and
  - 41.2. At the EMSS Meeting, the EMSS Trades voted in favour of the EMSS Plan and requested that the Court Sanction the EMSS Plan.

**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



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Jeff Keeble CA, CIRP, CBV  
Senior Vice-President

# Schedules

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# Schedule 1

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November 10, 2015

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

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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



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Vanessa Allen, B. Comm, CIRP  
Vice-President



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

**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  
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**DATED NOVEMBER 10, 2015**

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# 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](http://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



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



# Schedule 2

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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

# Schedule 3

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ENVIRONMENT

# Energy East partner struggled with pollution controls

Irving Oil records show vapour-recovery equipment at terminal was offline 78 per cent of the time in the first three months of 2015

DAVE SHERWOOD  
RICHARD VALDMANIS

**Irving Oil**, the company seeking to become the gatekeeper for a new crude oil pipeline from Western Canada to the Atlantic Ocean, has struggled to control air pollution at its existing marine terminal in Saint John.

Irving Oil records reviewed by Reuters show the vapour-recovery equipment at the terminal on the edge of the New Brunswick's largest city was shut 77 per cent of the time between December, 2012, and March, 2015, due to near-constant mechanical problems, as millions of barrels of gasoline were loaded onto ships mainly bound for New England.

Official data on the unit's operations after March 31, 2015, were not immediately available, but an Irving Oil spokesman said the vapour recovery unit's (VRU) performance had been nearly flawless since June.

"The VRU has routinely met and surpassed our operational and performance goals," spokesman Andrew Carson said.

"For example, since June, 2015, the VRU's availability has exceeded 99 per cent and over the same time frame has shown an average vapour recovery rate above 99 per cent."

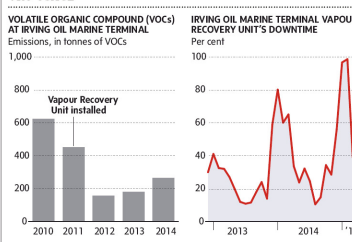
The terminal handles fuels from the company's 300,000-barrel-a-day Saint John oil refinery, Canada's largest, and is the source of about one-third of gasoline imported into the U.S. Northeast.

Vapours can escape during ship loading when fuels are briefly exposed to open air. Scrutiny of family-owned Irving's environmental record has



The performance of the VRU at Irving's East Saint John terminal began faltering soon after its 2011 installation. CHRISTINE MUSCH FOR THE GLOBE AND MAIL

**VRU USAGE**



REUTERS • SOURCES: ENVIRONMENT CANADA, IRVING OIL

intensified as it seeks approvals to build a new, larger export terminal and tank farm nearby to serve TransCanada's Energy East, now broadly seen as the most viable Canadian oil sands pipeline project after its proposed Keystone XL pipeline to the United States was rejected by the Obama administration last week.

Energy East would carry some 1.1 million barrels of Western Canadian crude a day more than 4,600 kilometres to New Brunswick by 2020, for the first time linking trillions of dollars worth of oil reserves with overseas markets.

Irving plans to build and operate a \$200-million storage tank facility capable of serving more than 100 ocean-going tankers a year.

New Prime Minister Justin Trudeau has promised to continue to support development of Canada's oil sands riches, but has emphasized the importance of rigorous environmental review, and of building community support.

The \$10-million VRU, installed at the East Saint John terminal by Irving in 2011, is designed to reduce air pollutants such as volatile organic compounds (VOCs), some of which have been shown to increase the risk of cancer. Irving said it expected the unit to recover up to 90 per cent of VOC emissions during gasoline loading.

But the equipment suffered mechanical issues within months of startup. They started worsening in 2012, particularly during winter months, according to the records. In the first three months of 2015, the unit was offline 78 per cent of the time, compared with

38 per cent in 2014 and 25 per cent in 2013.

Mr. Carson, the Irving spokesman, did not address questions about the unit's mechanical problems between late 2012 and early 2015. But he said the unit's installation had cut pollution from the terminal sharply from 2010 levels, and added that Irving believed its long-term environmental and safety record positions the company well to operate a new terminal for Energy East.

In 2012, the first full year the equipment was in operation, VOC emissions from the East Saint John terminal dropped to 156 tonnes from 623 tonnes in 2010. They have since risen, to 181 tonnes in 2013 and 265 tonnes in 2014, according to data compiled by Environment Canada.

Irving detailed the mechanical issues in monthly reports issued to the New Brunswick Department of Environment and Local Government. The company's provincial permit for the terminal, signed in December, 2012, lists maintaining the VRU as a requirement to operate, and says Irving must "ensure consistent and effective VOC recovery operations with minimal downtimes."

A spokesman for the department of environment said it was working with Irving to address "challenges" with the unit, but said it had received very few local complaints since it was installed.

She did not respond to questions about whether Irving had violated its permit, or whether officials had informed residents about the equipment failures.

Reuters

LEGALS

**NOTICE TO CREDITORS**

**IN THE MATTER OF LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES ("ECHS"), ENCHARIS MANAGEMENT AND SUPPORT SERVICES AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.**

**NOTICE IS HEREBY GIVEN THAT:**

- 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 Court of Queen's Bench of Alberta (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).
- 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 First Report to the Creditors dated November 10, 2015, 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](http://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 [jostihole@deloitte.ca](mailto:jostihole@deloitte.ca) or by telephone at 1-587-293-3203.
- 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.
- 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.
- 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: Gowling Lafleur Henderson LLP  
1600-421-7th Avenue S.W.  
Calgary, Alberta
- 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 Applicants' 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.
- 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 allow to oppose the motion for approval of the Amended ECHS Plan, setting out the basis for such opposition.
- In order for the Amended ECHS Plan to become effective:
  - 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");
  - The Amended ECHS Plan must be sanctioned by the Court;
  - the plans of compromise and arrangement of the other Applicants must be sanctioned by the Court; and
  - the conditions to the implementation of the Amended ECHS Plan as set out in the Amended ECHS Plan must be satisfied or waived.

**Deloitte.**

Deloitte Restructuring Inc.  
700, 850 – 2nd Street S.W.  
Calgary AB T2P 0R8  
Canada  
Tel: 587-293-3203  
Fax: 403-718-3681  
Email: [jostihole@deloitte.ca](mailto:jostihole@deloitte.ca)  
[www.deloitte.ca](http://www.deloitte.ca)

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF SILVERSTONE CONSTRUCTION MANAGEMENT GROUP INC.**

On October 8, 2015, an Order was made by the Honourable Justice Newbould to appoint Rosen Goldberg Inc. as Receiver of certain funds of Silverstone Construction Management Group Inc. ("Silverstone") for work performed by Silverstone, at 75 Guns Road, Toronto, Ontario on behalf of leased premises of HomeSense and Winners.

Creditors that may have claims against these funds must file claims with the Receiver who will then develop a proposed scheme of distribution and then seek Court approval to distribute the funds.

All claims must be received by the Receiver by no later than Friday, November 20, 2015.

For further information, please contact:  
Rosen Goldberg Inc.  
c/o Steven Goldberg  
5255 Yonge Street, 8th Floor  
Toronto, Ontario  
M2N 6P4  
Fax: 416 224-4330  
Email: [sgolberg@rosengoldberg.com](mailto:sgolberg@rosengoldberg.com)

Court File No. CV-15-11115-00CL

**DIVIDENDS**

**DIVIDENDS**

**Computershare**

Notice is hereby given that the following dividends have been declared.

ISSUER	ISSUE	RECORD DATE	PAYABLE DATE	RATE
AltaGas Ltd.	Common	November 25, 2015	December 15, 2015	\$0.165
AltaGas Ltd.	Pref A	December 15, 2015	December 31, 2015	\$0.2125
AltaGas Ltd.	Pref B	December 15, 2015	December 31, 2015	\$0.19156
AltaGas Ltd.	Pref C	December 15, 2015	December 31, 2015	\$0.275 US
AltaGas Ltd.	Pref E	December 15, 2015	December 31, 2015	\$0.3125
AltaGas Ltd.	Pref G	December 15, 2015	December 31, 2015	\$0.296875
Bombardier Inc.	Series 2 Preferred	November 30, 2015	December 15, 2015	Floating
Kaysera Corp.	Common	November 23, 2015	December 15, 2015	\$0.125
Open Text Corporation	Common	November 27, 2015	December 18, 2015	\$0.20 US
Pembina Pipeline Corp.	Common	November 25, 2015	December 15, 2015	\$0.1525
Ritchie Bros. Auctioneers Incorporated	Common	November 27, 2015	December 18, 2015	\$0.16 US
Vermilion Energy Inc.	Common	November 23, 2015	December 15, 2015	\$0.215

**CST DIVIDEND/DISTRIBUTION INFORMATION**

The following dividends/distributions have been declared.

Company	Issue	Record Date	Payable Date	Rate
Enbridge Income Fund Holdings Inc.	Common Shares	Nov 30, 2015	Dec 15, 2015	\$0.1414 CAD
TransAlta Corporation	Common Shares	Dec 1, 2015	Jan 1, 2016	\$0.18 CAD
TransAlta Corporation	Cumulative Redeemable Rate Reset First Preferred Shares, Series A	Dec 1, 2015	Dec 31, 2015	\$0.2075 CAD
TransAlta Corporation	Cumulative Redeemable Rate Reset First Preferred Shares, Series B	Dec 1, 2015	Dec 31, 2015	\$0.2075 CAD
TransAlta Corporation	Cumulative Redeemable Rate Reset First Preferred Shares, Series C	Dec 1, 2015	Dec 31, 2015	\$0.2125 CAD
TransAlta Corporation	Cumulative Redeemable Rate Reset First Preferred Shares, Series D	Dec 1, 2015	Dec 31, 2015	\$0.2125 CAD
TransAlta Renewables Inc.	Common Shares	Dec 1, 2015	Dec 31, 2015	\$0.07 CAD
TransAlta Renewables Inc.	Common Shares	Jan 4, 2016	Jan 29, 2016	\$0.07 CAD
TransAlta Renewables Inc.	Common Shares	Feb 1, 2016	Feb 26, 2016	\$0.07 CAD

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# Schedule 4

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**IN THE MATTER OF THE  
PLAN OF COMPROMISE AND ARRANGEMENT FOR  
ENCHARIS COMMUNITY AND HOUSING SERVICES**

**MINUTES OF THE MEETING OF CREDITORS FOR ECHS**

**DATE AND TIME:** December 11, 2015 @ 11:00 a.m.  
**LOCATION:** Gowling Lafleur Henderson LLP, 1600 – 421 7th Avenue SW, Calgary

**CHAIR:** Vanessa Allen, Deloitte Restructuring Inc.  
**PRESENT:** See attached Attendance List

**ATTENDANCE**

The Chair proceeded to record the attendance of those individuals and creditors present or represented at the meeting of creditors for ECHS (the "ECHS Meeting").

**QUORUM**

The Chair examined the proxies filed with the Monitor and determined that a quorum was present at the ECHS Meeting. The proxy-holders present were as recorded on the attached Voting Register.

The Chair then called the ECHS Meeting to order, proceeding with the necessary introductions.

**OVERVIEW OF THE PLAN OF COMPROMISE AND ARRANGEMENT FOR ECHS (THE "ECHS PLAN")**

The Chair proceeded to summarize the proposed ECHS Plan, highlighting how the two classes of affected creditors would be treated should the ECHS Plan be approved and explaining that should the affected creditors approve the ECHS Plan, it would still need to be sanctioned by the Court of Queen's Bench of Alberta (the "Court"). The Chair reported that the ECHS Plan had been further amended, with an updated version being filed on December 8, 2015 (the "Amended ECHS Plan") and reviewed the changes to the Amended ECHS Plan. The Chair then asked if there were any questions from those in attendance regarding the Amended ECHS Plan. No questions were raised.

**RESOLUTION**

The Chair read the following resolution in regards to the Amended ECHS Plan:

WHEREAS 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 ECHS Plan with respect to its creditors on December 8, 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, 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; and
2. The Court is requested to sanction the Amended ECHS Plan.

The Chair called for a vote from the class of creditors referred to in the Amended ECHS Plan as the Life Lease Residents:

There were three individuals in attendance, who collectively held the proxies for all fifty-nine of the Life Lease Residents who were considered to be Eligible Affected Creditors, as defined in the ECHS Plan. The Chair requested that those voting indicate by a show of hands that they were in favour of the ECHS Resolution. The ECHS Resolution was unanimously approved by the 59 Life Lease Residents with total proven claims of approximately \$20.2 million (see the attached Voting Register).

The Chair called for a vote from the class of creditors referred to in the Amended ECHS Plan as the Trade Creditors:

The Monitor held two proxies from Trade Creditors with total proven claims of \$6,919. The Chair requested that those voting indicate by a show of hands whether they were in favour of the ECHS Resolution. The ECHS Resolution was unanimously approved by four voting Trade Creditors with total proven claims of approximately \$17,734 (see the attached Voting Register).

#### **QUESTION PERIOD**

The Monitor inquired whether there were any further questions. An individual inquired as to the timing for the Court application at which ECHS would seek to have the Amended ECHS Plan sanctioned (the "ECHS Sanction Application"). The Monitor responded that the ECHS Sanction Application would likely be held in late January 2016.

#### **ADJOURNMENT**

There being no further business, the ECHS Meeting was adjourned.

**DELOITTE RESTRUCUTURING INC.,  
IN ITS CAPACITY AS 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 CAPACITY**



---

Vanessa Allen



**ECHS Life Lease Creditors - Voting Register**  
**ECHS Creditor's Meeting**  
**December 11, 2015, 11:00am**

Resident First Name	Last Name	Proxy Name	House#	Street	Province	Postal	Claim value	Proxy in attendance	Vote
Antje	Alberda	James Snyder	829	Ascension Bay	Calgary AB	T1X 1P7	\$ 396,245.00	Yes	Yes
Alf and Rosemarie	Baum	Don Fraser	213	Dayspring Bay	Calgary AB	T1X 1G3	295,165.00	Yes	Yes
Carla	Bonsel	John Burton	233	Dayspring Bay	Calgary AB	T1X 1G3	369,360.00	Yes	Yes
David and Audrey	Burrows	James Snyder	103	Covenant Bay	Calgary AB	T1X 1G2	336,965.00	Yes	Yes
Rick and Eileen	Burton	John Burton	309	Triune Bay	Calgary AB	T1X 1G4	349,125.00	Yes	Yes
Evelyn and Ansgar	Christensen	Don Fraser	235	Dayspring Bay	Calgary AB	T1X 1G3	369,740.00	Yes	Yes
Simon	Devries	Don Fraser	321	Triune Bay	Calgary AB	T1X 1G4	300,580.00	Yes	Yes
Hilton and Lila	Elder	John Burton	405	Hope Bay	Calgary AB	T1X 1G5	270,845.00	Yes	Yes
Wayne and Joyce	Elford	James Snyder	921	Nativity Bay	Calgary AB	T1X 1R1	421,420.00	Yes	Yes
Donna	Exell	Don Fraser	731	Pentecost Bay	Calgary AB	T1X 1L4	367,650.00	Yes	Yes
Jacob and Wilma	Falk	John Burton	339	Triune Bay	Calgary AB	T1X 1G4	341,430.00	Yes	Yes
Robert and Joyce	Farthing	John Burton	529	Epiphany Bay	Calgary AB	T1X 1G6	391,875.00	Yes	Yes
Francis and Eva	Forth	Don Fraser	705	Pentecost Bay	Calgary AB	T1X 1L4	336,775.00	Yes	Yes
Don and Joan	Fraser	John Burton	317	Triune Bay	Calgary AB	T1X 1G4	387,030.00	Yes	Yes
Don and Ruth	Fraser	Don Fraser	335	Triune Bay	Calgary AB	T1X 1G4	372,780.00	Yes	Yes
Elsie	Geddert	Don Fraser	313	Triune Bay	Calgary AB	T1X 1G4	301,435.00	Yes	Yes
Evelyn	Good	Don Fraser	539	Epiphany Bay	Calgary AB	T1X 1G6	328,700.00	Yes	Yes
Gordon and Diana	Hickman	Don Fraser	709	Pentecost Bay	Calgary AB	T1X 1L4	409,545.00	Yes	Yes
Ethelyn	Hillmer	Don Fraser	127	Covenant Bay	Calgary AB	T1X 1G2	309,700.00	Yes	Yes
Larry & Beth	Holoboff	Don Fraser	637	Advent Bay	Calgary AB	T1X 1N8	304,665.00	Yes	Yes
Bert and Marylyn	Horvath	John Burton	325	Triune Bay	Calgary AB	T1X 1G4	381,805.00	Yes	Yes
Donna	Hug	Don Fraser	203	Dayspring Bay	Calgary AB	T1X 1G3	330,695.00	Yes	Yes
Helmut and Hertha	Janz	Don Fraser	407	Hope Bay	Calgary AB	T1X 1G5	336,205.00	Yes	Yes
John and Norma	Judson	John Burton	207	Dayspring Bay	Calgary AB	T1X 1G3	362,330.00	Yes	Yes
Marie	Kachmarski	James Snyder	537	Epiphany Bay	Calgary AB	T1X 1G6	277,780.00	Yes	Yes
Reginald	Kay	Don Fraser	725	Pentecost Bay	Calgary AB	T1X 1L4	421,515.00	Yes	Yes
Dolores	Kent	Don Fraser	423	Hope Bay	Calgary AB	T1X 1G5	314,165.00	Yes	Yes
June	Knuttilla	Don Fraser	527	Epiphany Bay	Calgary AB	T1X 1G6	322,525.00	Yes	Yes
Ann	Kruse	John Burton	231	Dayspring Bay	Calgary AB	T1X 1G3	372,115.00	Yes	Yes
Ray	Luft	Don Fraser	113	Covenant Bay	Calgary AB	T1X 1G2	313,595.00	Yes	Yes
Helen	Lyons	John Burton	327	Triune Bay	Calgary AB	T1X 1G4	285,095.00	Yes	Yes
Bill and Elaine	McLeish / Bend	Don Fraser	711	Pentecost Bay	Calgary AB	T1X 1L4	405,365.00	Yes	Yes
Gladys	Neufeld	Don Fraser	621	Advent Bay	Calgary AB	T1X 1N8	283,195.00	Yes	Yes
Abe and Linda	Nikkel	Don Fraser	323	Triune Bay	Calgary AB	T1X 1G4	348,745.00	Yes	Yes
Bill and Onalee	Oakes	Don Fraser	425	Hope Bay	Calgary AB	T1X 1G5	313,310.00	Yes	Yes
Matilda	Olson	Don Fraser	131	Covenant Bay	Calgary AB	T1X 1G2	348,650.00	Yes	Yes
Gary and Joyce	Patzner	Don Fraser	119	Covenant Bay	Calgary AB	T1X 1G2	282,625.00	Yes	Yes
Gary and Sandra	Peterson	Don Fraser	101	Covenant Bay	Calgary AB	T1X 1G2	380,760.00	Yes	Yes
Ron and Corry	Pieters	Don Fraser	123	Covenant Bay	Calgary AB	T1X 1G2	367,650.00	Yes	Yes
Peter and Elfrieda	Plett	John Burton	311	Triune Bay	Calgary AB	T1X 1G4	298,015.00	Yes	Yes
Don and Agnes	Reed	Don Fraser	409	Hope Bay	Calgary AB	T1X 1G5	331,360.00	Yes	Yes
Roland and Mary Jane	Rosine	Don Fraser	703	Pentecost Bay	Calgary AB	T1X 1L4	374,015.00	Yes	Yes
Lorna	Ruf	James Snyder	503	Epiphany Bay	Calgary AB	T1X 1G6	285,000.00	Yes	Yes
Randy and Judy	Schock	Don Fraser	415	Hope Bay	Calgary AB	T1X 1G5	323,760.00	Yes	Yes
Helmut	Schroeder	James Snyder	215	Dayspring Bay	Calgary AB	T1X 1G3	387,600.00	Yes	Yes
Willi and Sharon	Schulz	Don Fraser	227	Dayspring Bay	Calgary AB	T1X 1G3	304,000.00	Yes	Yes
Donald and Carolyn	Shaben	Don Fraser	115	Covenant Bay	Calgary AB	T1X 1G2	363,755.00	Yes	Yes
Tina	Siemens / Hoffman	Don Fraser	217	Dayspring Bay	Calgary AB	T1X 1G3	345,230.00	Yes	Yes
Sterling and Nellie	Sloan	Don Fraser	427	Hope Bay	Calgary AB	T1X 1G5	261,630.00	Yes	Yes
Jim and Judy	Snyder	Don Fraser	305	Triune Bay	Calgary AB	T1X 1G4	374,110.00	Yes	Yes
Cynil and Roma	Spurrell	John Burton	403	Hope Bay	Calgary AB	T1X 1G5	314,830.00	Yes	Yes
John	Stanley	Don Fraser	435	Hope Bay	Calgary AB	T1X 1G5	312,170.00	Yes	Yes
Ralph and Agnes	Steele	Don Fraser	733	Pentecost Bay	Calgary AB	T1X 1L4	346,465.00	Yes	Yes
Richard and Phyllis	Teske	Don Fraser	723	Pentecost Bay	Calgary AB	T1X 1L4	450,585.00	Yes	Yes
Len and Judy	Thistlethwaite	Don Fraser	107	Covenant Bay	Calgary AB	T1X 1G2	344,280.00	Yes	Yes
Alfred and Hedy	Thurn	Don Fraser	701	Pentecost Bay	Calgary AB	T1X 1L4	350,455.00	Yes	Yes
Johannes and Maria	Vestering	Don Fraser	735	Pentecost Bay	Calgary AB	T1X 1L4	342,855.00	Yes	Yes
Curtis and Donna	Wheaton	Don Fraser	519	Epiphany Bay	Calgary AB	T1X 1G6	319,295.00	Yes	Yes
Arlene	Young	Don Fraser	611	Advent Bay	Calgary AB	T1X 1N8	329,080.00	Yes	Yes

Total value of claims: \$ 20,167,645.00

Claims in favor: \$ 20,167,645.00

% of claims in favor (value): 100%

Total number of claims: 59

Claims in favor: 59

% of claims in favor (number): 100%

**ECHS Trade Creditors - Voting Register**  
**ECHS Creditor's Meeting**  
**December 11, 2015, 11:00am**

Creditor Name	Proxy submitted	Proxy Name	Amount	Proxy in attendance	Vote
Alvin Reinhard Fritz Architect Inc.	Yes	Carlos Roman	\$ 7,874.71	Yes	Yes
Canadian Clean Water Technologies Inc.	Yes	Carlos Roman	2,940.00	Yes	Yes
Scheffer Andrew Ltd.	Yes	Vanessa Allen	6,603.84	Yes	Yes
Wallace Appraisal Services Ltd.	Yes	Vanessa Allen	315.00	Yes	Yes
Lutheran Church - Canada	No	N/A	31,614.16	N/A	N/A
Rocky View County	No	N/A	8,005.91	N/A	N/A

Total value of voting claims: \$ 17,733.55  
 Claims in favor: \$ 17,733.55  
 % of claims in favor (value): 100.0%

Total number of voting claims: 4  
 Claims in favor: 4  
 % of claims in favor (number): 100.0%

# Schedule 5

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# Schedule 6

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**IN THE MATTER OF THE  
PLAN OF COMPROMISE AND ARRANGEMENT FOR  
ENCHARIS MANAGEMENT AND SUPPORT SERVICES**

**MINUTES OF THE MEETING OF CREDITORS FOR EMSS**

**DATE AND TIME:** December 11, 2015 @ 10:00 a.m.  
**LOCATION:** Gowling Lafleur Henderson LLP, 1600 – 421 7th Avenue SW, Calgary

**CHAIR:** Vanessa Allen, Deloitte Restructuring Inc.  
**PRESENT:** See Attached Attendance List

**ATTENDANCE**

The Chair proceeded to record the attendance of those individuals and creditors present or represented at the meeting of creditors for EMSS (the "EMSS Meeting").

**QUORUM**

The Chair examined the proxies filed with the Monitor and determined that a quorum was present at the EMSS Meeting. The proxy-holders present were as recorded on the attached Voting Register.

The Chair then called the EMSS Meeting to order, proceeding with the necessary introductions.

**OVERVIEW OF THE PLAN OF COMPROMISE AND ARRANGEMENT FOR EMSS (THE "EMSS PLAN")**

The Chair proceeded to summarize the proposed EMSS Plan, highlighting how the affected creditors would be treated should the EMSS Plan be approved and explaining that should the affected creditors approve the EMSS Plan, it would still need to be sanctioned by the Court of Queen's Bench of Alberta (the "Court"). The Chair reported that the EMSS Plan had been further amended, with an updated version being filed on December 8, 2015 (the "Amended EMSS Plan") and reviewed the changes to the Amended EMSS Plan. The Chair then asked if there were any questions from those in attendance regarding the Amended EMSS Plan. No questions were raised.

**RESOLUTION**

The Chair read the following resolution in regards to the Amended EMSS Plan:

WHEREAS 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 the Amended EMSS Plan with respect to its creditors on December 8, 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, 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; and
2. The Court is requested to sanction the Amended EMSS Plan.

The Chair called for a vote from the sole class of creditors referred to in the Amended EMSS Plan as the Trade Creditors:

The Monitor held eight proxies from Trade Creditors with total proven claims of approximately \$61,627. The Chair requested that those voting indicate by a show of hands whether they were in favour of the EMSS Resolution. The EMSS Resolution was unanimously approved by eight voting Trade Creditors with total proven claims of approximately \$61,627 (see the attached Voting Register).

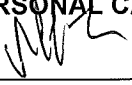
#### **QUESTION PERIOD**

The assembly proceeded to a question period. An individual inquired as to the timing of payments to be made pursuant to the Amended EMSS Plan. The Chair indicated that the Court application at which EMSS would seek to have the Amended EMSS Plan sanctioned (the "EMSS Sanction Application") would likely occur in late January 2016. Assuming that the EMSS Sanction Application was held as anticipated, payments pursuant to the Amended EMSS Plan would likely take place in February 2016.

#### **ADJOURNMENT**

There being no further business, the EMSS Meeting was adjourned.

**DELOITTE RESTRUCUTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
LUTHERAN CHURCH – CANADA, 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 CAPACITY**

  
\_\_\_\_\_  
Vanessa Allen



**EMSS Trade Creditors - Voting Register**  
**EMSS Creditor's Meeting**  
**December 11, 2015, 10:00am**

Creditor Name	Proxy submitted	Proxy Name	Amount	Proxy in attendance	Vote
PC eSolutions Corporation	Yes	Pedro Perez	\$ 10,533.65	No	N/A
AlSCO Canada Corporation	Yes	Vanessa Allen	6,277.78	Yes	Yes
Canada Bread Company	Yes	Vanessa Allen	1,765.93	Yes	Yes
Concept Electric Ltd.	Yes	Vanessa Allen	6,462.76	Yes	Yes
General Paint (Sherwin Williams)	Yes	Vanessa Allen	434.64	Yes	Yes
Pratts Foodservice AB	Yes	Vanessa Allen	16,527.15	Yes	Yes
Sysco Food Services Calgary	Yes	Vanessa Allen	27,214.09	Yes	Yes
True North Technical Services Inc.	Yes	Vanessa Allen	1,412.53	Yes	Yes
Wood Wyant Canada Inc.	Yes	Vanessa Allen	1,532.22	Yes	Yes
Birkby Food Service	No	N/A	3,261.62	N/A	N/A
James Electric Motor Services Ltd.	No	N/A	734.75	N/A	N/A
MediChair Calgary	No	N/A	840.00	N/A	N/A
Xerox Canada Ltd.	No	N/A	1,059.00	N/A	N/A

Total value of voting claims: \$ 61,627.10  
 Claims in favor: \$ 61,627.10  
 % of claims in favor (value): 100.0%

Total number of voting claims: 8  
 Claims in favor: 8  
 % of claims in favor (number): 100.0%