

April 25, 2016

Answers to frequently asked questions regarding joint accounts and estates - Amended April 29, 2016

For depositors to Lutheran Church – Canada, the Alberta – British Columbia District (the “District”)

As you are aware, the District 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 (the “Monitor”) in the CCAA proceedings. Those creditors of the District with proven claims or disputed claims that have not yet been settled or adjudicated will be referred to as the “Eligible Affected Creditors”. Other terms, not otherwise defined in this document, are as included in the District’s Plan of Compromise and Arrangement (the “District Plan”) and in the Monitor’s First Report to the Creditors of the District, dated March 28, 2016 (the “Monitor’s Report”).

The purpose of this document is to clarify the treatment of joint accounts and estates pursuant to the District Plan.

Joint Accounts

1. Where accounts are joint, who holds the claim?

As previously communicated, unless joint accounts were split pursuant to the claims process approved by the Court of Queen’s Bench of Alberta on February 20, 2015 (the “Claims Process”), the claims of all joint account holders are in the name of the primary account holder only and only the primary account holder is eligible to vote on and share in any distributions pursuant to the District Plan.

Assigning distributions pursuant to the District Plan

2. Can I have my cash distributions issued to the joint account holder or a third party pursuant to the District Plan?

No, all cash distributions must be issued in the name of the Eligible Affected Creditor, who will be the primary account holder.

3. Can I assign my NewCo Shares to the joint account holder or a third party(ies) pursuant to the District Plan?

Yes, Eligible Affected Creditors who are eligible to receive NewCo Shares pursuant to the District Plan, may have their NewCo Shares issued in the name of one or more third party(ies) upon completing the attached Notice of Transfer of NewCo Shares Form and Assignment of Rights and Assumption of Liabilities Agreement (collectively the "Assignment Forms"). The Assignment Forms must be submitted to the Monitor at the address above, prior to the close of business on May 31, 2016.

Joint Accounts vs. Trust Accounts

4. What do I do if I believe that my account was a trust account but it was classified as a joint account?

Selected Eligible Affected Creditors have indicated that they held a trust account for a named third party recipient, which was erroneously classified as a joint account pursuant to the Claims Process. Where you believe that this is the case, please contact Joseph Sithole via telephone at 1-587-293-3203 or via email at josithole@deloitte.ca.

Power of Attorney

5. What do I need to do if I hold power of attorney for an Eligible Affected Creditor?

If a joint account holder or other third party has power-of-attorney for an Eligible Affected Creditor, they may have the right to vote on the District Plan or deal with the NewCo Shares (which will be in the name of the Eligible Affected Creditor) on behalf of the Eligible Affected Creditor. This will be dependent on what specific powers are granted to you pursuant to the power-of-attorney (please check with your legal counsel if you are unsure).

Estates

6. What steps need to be taken, if the Eligible Affected Creditor passes away?

Should an Eligible Affected Creditor become deceased prior to distributions being made pursuant to the District Plan, their claim can be transferred into the beneficiary's name upon the District being provided with a copy of the death certificate and the last will and testament (the "Will"). In this case, distributions pursuant to the District Plan will be paid in the beneficiary's name and the NewCo Shares will be issued in the beneficiary's name. The Eligible Affected Creditor's personal representative under their Will be asked to sign a Statutory Declaration and Indemnity with respect to any distributions pursuant to the District Plan, a copy of which can be requested from Candace Rivet at the District via telephone at 1-888-474-0063 ext. 101 or via email at CRivet@lccabc.ca.

7. What happens if an estate has multiple beneficiaries?

If there are multiple beneficiaries to an estate, the claim of the Eligible Affected Creditor will still be treated as a single claim (i.e. one vote) which will be transferred into the name of the Eligible Affected Creditor's personal representative under their Will. The distribution of cash and NewCo Shares will be split between beneficiaries as set out in the Eligible Affected Creditor's Will. For clarity, this means that NewCo Shares will be issued in each beneficiary's name. As above, the Eligible Affected Creditor's personal representative under their Will be asked to sign a Statutory Declaration and Indemnity with respect to any distributions pursuant to the District Plan, a copy of which can be requested from Candace Rivet at the District via telephone at 1-888-474-0063 ext. 101 or via email at CRivet@lccabc.ca.

8. What happens with the NewCo Shares if an Eligible Affected Creditor becomes deceased following distributions having been made pursuant to the District Plan?

Should an Eligible Affected Creditor become deceased following distributions having been made pursuant to the District Plan, their personal representative under their Will would need to contact NewCo with respect to the transfer of the ownership of the NewCo Shares.

9. What happens if an Eligible Affected Creditor becomes deceased prior to distributions being made pursuant to the District Plan but no Will is in place?


Should an Eligible Affected Creditor become deceased prior to distributions being made pursuant to the District Plan but no Will is in place, any distributions that have not yet been made pursuant to the District Plan (whether in the form of cash or NewCo Shares) will be held in trust for the deceased Eligible Affected Creditor's estate and until such time as the estate has been settled.

Should you have additional questions, please contact the undersigned by telephone at 1-403-298-5955 or via email at vanallen@deloitte.ca

Yours truly,

DELOITTE RESTRUCTURING INC.

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



Vanessa Allen, B. Comm, CIRP
Vice-President

NOTICE OF TRANSFER OF NEWCO SHARES FORM

The undersigned, a creditor of Lutheran Church-Canada, the Alberta-British Columbia District (the "**District**") hereby provides notice to the District and Deloitte Restructuring Inc. (the "**Monitor**") that it has transferred all or a portion of its rights to receive NewCo Common Shares issued under the Third Amended Amended Plan of Compromise and Arrangement of Lutheran Church-Canada, dated March 21, 2016 to the following person(s) or entity(ies) and in the following proportions:

Name of Transferee	Address	Percentage % of NewCo Common Shares
Creditor (if Creditor is keeping a portion of NewCo Common Shares)		
Total:	100%	

and constitutes the above-named transferee(s) as a substitute shareholder(s) for the said percentage of NewCo Common Shares and agrees to execute and deliver to the Monitor:

- (a) a duly executed Assignment of Rights and Assumption of Liabilities Agreement in the form attached hereto as Schedule "A" **for each transferee**;
- (b) any other documents required in the sole opinion of the District, the Monitor or NewCo to effect a valid transfer of the rights to receive NewCo Common Shares; and
- (c) any other documents required in the sole opinion of the District, the Monitor or NewCo to establish that all applicable laws have been complied with in connection with such transfer(s).

DATED at _____, this ____ day of _____, _____.

(Witness to Signature)

(Signature of Creditor)

(Name of Witness – Please Print)

(Name of Creditor – Please Print)

(Residence Address)
(City, Province, Postal Code)

Res: _____ Bus: _____

SCHEDULE "A"

ASSIGNMENT OF RIGHTS AND ASSUMPTION OF LIABILITIES AGREEMENT

BETWEEN :

[CREDITOR], an individual residing in _____ or a corporation existing under the laws of _____ ("**Assignor**")

- and -

[TRANSFEREE], an individual residing in _____ or a corporation existing under the laws of _____ ("**Assignee**")

CONTEXT:

- A. The Assignor is a creditor of the Lutheran Church-Canada, the Alberta-British Columbia District (the "**District**") and is entitled to receive NewCo Common Shares under the Third Amended Plan of Compromise and Arrangement of the District, dated March 21, 2016 (the "**Plan**").
- B. The Assignor has agreed to assign to the Assignee _____% (the "**Shares**") [**Note: Insert percentage of Shares assigned**] of its rights to receive the NewCo Common Shares and the Assignee has agreed to receive the Shares and to assume liability for the performance of the obligations of the Assignor under the Plan as it relates to the Shares from the date hereof in exchange for \$1.00 (the "**Consideration**") from the Assignor to the Assignee.
- C. The Assignor shall continue to be responsible for its obligations under the Plan.

THEREFORE, the parties agree as follows:

1. Assignment

The Assignor hereby sells, transfers and assigns to the Assignee all the Assignor's right, title and interest in the Shares as and from the date of this Agreement and agrees to provide the Consideration to the Assignee.

2. Assumption

The Assignee hereby assumes, and will observe and perform, all of the Assignor's obligations and liabilities with respect to the Shares and the Plan as it relates to the Shares as at the date of this assignment, to the extent these obligations and liabilities are to be observed, paid, discharged or performed after that date and arise out of events occurring after that date, in exchange for the receipt of the Consideration from the Assignor.

3. Notification by the Assignor

The Assignor has notified Deloitte Restructuring Inc., the Monitor of the District, of the assignment by the Assignor to the Assignee and has provided them with a copy of this Agreement.

4. Termination

The Assignor acknowledges and agrees that its rights and obligations to the Shares will terminate effective the Effective Date.

5. Further Assurances

Each party will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all further acts, documents and things as the other party may reasonably require from time to time for the purpose of giving

effect to this assignment and will use its best efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this assignment.

6. Enurement

This assignment will enure to the benefit of and be binding upon the parties and their successors and assigns, respectively.

7. Governing Law

This assignment will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable in that Province.

8. Counterparts

This assignment may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

[Remainder of this page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption Agreement effective the _____ day of _____, 2016 (the "**Effective Date**").

THE ASSIGNOR:

(Witness to Signature)

(Signature of Creditor)

(Name of Witness – Please Print)

(Name of Creditor – Please Print)

(Residence Address)
(City, Province, Postal Code)

Res: _____ Bus: _____

THE ASSIGNEE:

(Witness to Signature)

(Signature of Transferee)

(Name of Witness – Please Print)

(Name of Transferee – Please Print)

(Mailing Address of Transferee)
(City, Province, Postal Code)

(Telephone)

Social Insurance or Business Number(s) of
Transferee