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April 29, 2016

Notice to the creditors of the 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 in the CCAA proceedings (the “Monitor”).

As you may recall, pursuant to an Order granted on February 20, 2015, the Court of Queen’s Bench of Alberta approved a claims process (the “Claims Process”), which directed the District and the Monitor to solicit claims from all creditors of the District Group for the purpose of determining the claims that would participate in the CCAA proceedings. Unless otherwise requested by the deadline set out in the Claims Process, all claims were listed in the name of the primary account holder only and only the primary account holder was eligible to vote on and share in any distributions under the District’s plan of compromise and arrangement (the “District Plan”).

It has come to the Monitor’s attention that certain accounts may have been classified as joint accounts and listed under the name of the primary account holder in the Claims Process that were actually established as designated trust accounts. The Monitor asked the District to review their records to try to identify if there were instances where accounts may have been classified as joint accounts, which were in fact designated trust accounts. The District’s records indicate that you may be listed as the primary account holder for such an account.

The treatment of accounts that were established as designated trust accounts as compared to joint accounts is as follows:

1. The claim will still be listed in the name of the primary account holder, who will vote the claim on behalf of the designated recipient of the trust. For clarity, as the primary account holder, you would have already received an information package dated March 28, 2016 (the “Information Package”) in relation to the District Plan, including a form of Election Letter that lists the entire amount of your claim, including any amount that may relate to trust account(s). As such, the information in the form of Election Letter that was previously provided to you is correct for voting purposes; and
2. The amount held for the designated recipient of the trust will be considered as a separate claim for distribution purposes but not for voting purposes. This means that for the purposes of making distributions pursuant to the District Plan, the amount held in the trust account will be considered as separate from other amounts (if any) held by the primary account holder. This means that the

designated recipient of the trust would be entitled to participate independently in any distributions made pursuant to the District Plan, including the initial payment of up to \$5,000 (defined as the Convenience Payment in the Information Package).

Creditors will have the ability to have their account re-classified from a joint account to a trust account in the following circumstances:

1. The District's records support the fact that the intention was for the account to be established as a separate trust account. For clarity, this would be based on how the account was initially set-up and how it was reported on statements that may have been provided to the creditor, and
2. The creditor provides the attached Statutory Declaration & Indemnity (the "Declaration") to the Monitor prior to the close of business on May 31, 2016 (the "Deadline"). Should the attached Declaration not be received by the Deadline, the account will remain listed in the name of the primary account holder and any distributions pursuant to the District Plan or otherwise will be issued as if the account was held only by the primary account holder.

Should you have any questions, please contact the undersigned or Joseph Sithole at 1-587-293-3203.

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

STATUTORY DECLARATION & INDEMNITY

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended (the "Act");

AND in the matter of Action No. 1501-00955, being an application under the Act (the "CCAA Application") by THE LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT (the "District"), ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, and LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD. (collectively, the "Applicants"); AND with respect to THE CHURCH EXTENSION FUND ACCOUNT No. _____ (the "Account");

I, _____,

of the City of _____, in the Province of _____,

DO SOLEMNLY DECLARE THAT:

1. I am the individual named as the primary account holder of the Account and as such have personal knowledge of the matters contained in this Statutory Declaration.
2. When I established the Account, I advised the District that the Account would contain funds which I was holding in trust for _____ (the "Beneficiary").
3. When I deposited the funds into the Account, it was with the intention of holding those funds as trustee for the Beneficiary. I have no beneficial right, title or interest in the Account or the funds associated with the Account.
4. I realize that Lutheran Church – Canada, the Alberta – British Columbia District will be relying upon this declaration in agreeing to transfer to the Beneficiary the cash and shares being distributed (the "Distribution") to Eligible Affected Creditors [as that term is defined in the proposed plan of compromise and arrangement of the District in the CCAA Application of the District (the "District Plan")] under the District Plan including, without limitation, the Convenience Payment (as that term is defined under the District Plan).

AND I make this solemn declaration conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

Declared before me at the City of _____)	
in the Province of _____)	
this _____ day of _____, 2016)	_____
)	(signature)
)	
_____)	_____
A Commissioner for Oaths for the Province)	(printed name)
Of _____)	

INDEMNITY

In consideration of THE LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT (the “District”) and ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, and LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD. (the “Other Applicants”) agreeing to transfer the Distribution to the Beneficiary,

I, _____ (the “Indemnitor”), being the Trustee of the Beneficiary with respect to the Account,

SHALL INDEMNIFY AND SAVE HARMLESS District and the Other Applicants for any amounts which the District or the Other Applicants are required or may be required to pay in connection with the Account and the cash and shares being distributed (the “Distribution”) to Eligible Affected Creditors [as that term is defined in the proposed plan of compromise and arrangement of the District in the CCAA Application of the District (the “District Plan”)] under the District Plan including, without limitation, the Convenience Payment (as that term is defined under the District Plan) as well as all manners of actions causes of action, proceedings, claims, demands, losses, costs, damages and expenses whatsoever (without limiting the generality of the foregoing, any direct or indirect losses, costs, damages and expenses of the District and the Other Applicants, including costs as between a solicitor and his own client) which may be brought or made against the District or the Other Applicants or which the District or the Other Applicants may sustain, pay or incur as a result of or in connection with the Account and the transfer of the Distribution to the Beneficiary, or in connection with any false statement, misrepresentation or failure to disclose relevant information by the Indemnitor in this Statutory Declaration and Indemnity or by the emergence of evidence that I was not holding the Account and the funds associated with the Account in trust for the Beneficiary.

Dated at _____ in the Province of _____,
this _____ day of _____, 2016.

Witness (signature)

Indemnitor (signature)

(printed name)

(printed name)

AFFIDAVIT OF EXECUTION

CANADA
PROVINCE OF ALBERTA
TO WIT

) I, _____
) of the City of _____,
) in the Province of _____,
) MAKE OATH AND SAY THAT:

1. I was personally present and did see _____, who is known to me on the basis of identification to be the person named in the within (or annexed) instrument, duly sign the instrument.

2. The same was executed at _____, in the Province of _____, and that I am the subscribing witness thereto.

3. I know the said person and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City)
of _____, in the Province of)
_____, this _____ day)
of _____, 2016.)
)
)

A COMMISSIONER FOR OATHS FOR THE
PROVINCE OF _____