

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as amended

APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

DOCUMENT **ORDER (DIL Subcommittee Order)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Bishop & McKenzie LLP
Barristers & Solicitors
1700, 530 - 8th Avenue SW
Calgary, Alberta T2P 3S8

I hereby certify this to be a true copy of the original order

Dated this 05 day of August 2016

Attention: Francis N. J. Taman / Ksenia J. Court


for Clerk of the Court

Telephone: 403-237-5550
Fax: 403-263-3423

File No.: 103,007-003

DATE ON WHICH ORDER WAS PRONOUNCED:

~~FRIDAY, JULY 15, 2016~~
Tuesday August 2

LOCATION WHERE ORDER WAS PRONOUNCED:

CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER:

JUSTICE B.E.C. ROMAINE

UPON THE APPLICATION of Lutheran Church – Canada, the Alberta – British Columbia District (the “District”), EnCharis Community Housing and Services (“ECHS”), EnCharis Management and Support Services (“EMSS”), and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“DIL”) (collectively, the “Applicants”) for an

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Order sanctioning the Amended Amended Plan of Compromise and Arrangement of DIL filed January 11, 2016 (the "DIL Plan"); **AND UPON HAVING READ** the Application and the Affidavit of Cameron Sherban; **AND UPON READING** the Reports of the Monitor; **AND UPON HEARING** counsel for the Applicants, counsel for the Monitor, counsel for the District Creditors Committee, counsel for the DIL Creditors Committee, and other interested parties; **AND UPON NOTING** this Honourable Court having sanctioned the DIL Plan by Order of Justice B.E.C. Romaine granted July 15, 2016 (the "DIL Sanction Order"); **AND UPON** noting that the DIL Plan, as approved by the DIL Sanction Order, contains a Representative Action (as that term is defined by the DIL Plan); **AND UPON DETERMINING** that the granting of this Order would facilitate the implementation of the DIL Plan;

IT IS HEREBY ORDERED AND DECLARED THAT:

INTERPRETATION AND SERVICE

1. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the DIL Plan.
2. Service of notice of the application for this Order, and all supporting materials, as set out in the Affidavit of Charlene Everett, filed February 22, 2016 is good and sufficient, and the time for notice hereof is shortened to the time actually given.

SUBCOMMITTEE

3. The DIL Committee shall, within a reasonable time from the date of this Order, appoint a DIL Subcommittee from the DIL Representative Action Class.
4. Prior to appointing the DIL Subcommittee, the DIL Committee shall send out to all the DIL Depositors who have not filed a DIL Representative Action Letter electing not to participate in the DIL Representative Action or a Notice of Opting Out, an invitation to participate on the Subcommittee.
5. The size of the DIL Subcommittee shall be between three (3) and five (5) members. The DIL Committee shall determine the size of the DIL Subcommittee by majority vote of its members. The DIL Committee and may thereafter, from time to time, vary the size of the DIL Subcommittee if they determine, acting reasonably, that such a change is necessary or desirable. The members of the DIL Subcommittee shall be determined by majority vote of the members of the DIL Committee. At least one of the initial members of the DIL Subcommittee

shall be an existing member of the DIL Committee. All individuals being considered for inclusion in the DIL Subcommittee shall be required to disclose any conflict of interest to the DIL Committee prior to beginning their tenure on the DIL Subcommittee and to the DIL Subcommittee as such conflict becomes relevant during the course of their tenure.

6. Any person elected to the DIL Subcommittee may later resign, or may be removed or replaced by a majority vote of the DIL Subcommittee at any time, provided the DIL Subcommittee acts reasonably in making such removal or replacement, provide always if it is impractical or impossible for the DIL Subcommittee to replace one or more of its members, the DIL Committee may, by majority vote, replace such members.

7. Unless otherwise ordered by the Court and subject to paragraph 8 hereof, in order to be a member of the DIL Subcommittee, an individual shall:

- (a) Be a DIL Depositor;
- (b) Not be in a conflict of interest with respect to the DIL Representative Action, including, without limitation, being the parent, spouse or child of a Partially Released Party or serving on any District subcommittee established to or as a plaintiff in any action brought to pursue a Representative Action on behalf of the creditors under District plan of compromise and arrangement;
- (c) Not have elected in a DIL Representative Action Letter not to participate in the DIL Representative Action or in a Notice of Opting Out; and
- (d) Not be a Partially Released Party.

8. Notwithstanding paragraph 7 hereof, an individual may be a member of the DIL Subcommittee if they are the committee, trustee or personal representative of an individual who is a DIL Depositor, provided that:

- (a) the individual otherwise qualifies under paragraph 7 hereof; and
- (b) the committee, trustee or personal representative qualifies under subparagraph 7 (b), (c)and (d).

9. The mandate of the DIL Subcommittee shall include:
 - (a) taking reasonable steps to maximize the amount of funds that are ultimately available for distribution to the DIL Representative Action Class under the DIL Representative Action;
 - (b) conducting themselves substantially in accordance with the principles laid out in the charter document attached hereto as Schedule "1"; and
 - (c) serving in a fiduciary capacity to all the DIL Representative Action Class with respect to the DIL Representative Action.

10. The DIL Subcommittee shall have the following duties and responsibilities:
 - (a) appointing DIL Representative Counsel in accordance with the process set out in the DIL Plan;
 - (b) providing instructions to DIL Representative Counsel;
 - (c) in consultation with DIL Representative Counsel, appointing one or more DIL Representative Plaintiffs;
 - (d) in consultation with DIL Representative Counsel, providing information and updates with respect to the DIL Representative Action to the DIL Representative Action Class on a regular basis, taking into account solicitor client privilege and the need to keep certain information, including, without limitation, litigation strategy and settlement positions, confidential so as not to compromise the success of the DIL Representative Action;
 - (e) work with the DIL Representative Counsel and the Monitor to establish the amount of the DIL Representative Holdback; and
 - (f) prior to the commencement of the DIL Representative Action, to work with DIL Representative Counsel, in consultation with the Monitor, to provide such information to the DIL Representative Action Class, as it exists at that time, as they deem necessary or desirable, in their discretion, to permit the members of the DIL Representative Action Class to determine if they wish to continue to participate in the DIL Representative Action.

11. In carrying out its mandate, duties and responsibilities under the DIL Plan and this DIL Subcommittee Order, the DIL Subcommittee shall be entitled to take into account and rely upon the advice of DIL Representative Counsel, including advice with respect to the risks and costs of taking any particular step or course of action, including the need to keep certain information, including, without limitation, litigation strategy and settlement positions, confidential so as not to compromise the success of the DIL Representative Action.

DIL REPRESENTATIVE COUNSEL

12. Without limiting the duties and professional responsibilities of DIL Representative Counsel at law or pursuant to the rules and code of conduct of the applicable law society, DIL Representative Counsel shall:

- (a) assist the DIL Subcommittee in identifying one or more appropriate DIL Representative Plaintiffs;
- (b) assist the DIL Subcommittee and the Monitor in determining a reasonable and realistic DIL Representative Holdback taking into account such matters DIL Representative Counsel considers relevant including, without limitation, the number and types of DIL Representative Actions which may be advanced and the form of retainer required by DIL Representative Counsel;
- (c) prosecute the DIL Representative Action on behalf of the DIL Representative Action Class;
- (d) advise the DIL Subcommittee with respect to any and all alternatives, including, without limitation, settlement and mediation and other forms of alternative dispute resolution;
- (e) take instructions with respect to the DIL Representative Action from the DIL Subcommittee; and
- (f) do all other things that legal counsel should do to advance the cause of their clients.

13. The DIL Representative Counsel shall take instructions from the DIL Subcommittee with respect to the DIL Representative Action and for greater clarity, but without otherwise limiting the generality of the forgoing, the DIL Subcommittee shall be deemed to be the client of the DIL Representative Counsel with respect to the DIL Representative Action with respect to privilege.

Without limiting the generality of the foregoing, DIL Representative Counsel shall have no obligation to consult with nor take instructions from individual members of the DIL Representative Action Class in connection with the DIL Representative Action.

DIL REPRESENTATIVE PLAINTIFF

14. Subject to paragraph 16 hereof, in order to be a DIL Representative Plaintiff, an individual must:

- (a) Be a DIL Depositor;
- (b) Not be in a conflict of interest with respect to the DIL Representative Action, including, without limitation, being the parent, spouse or child of a Partially Released Party or serving on any District subcommittee established to or as a plaintiff in any action brought to pursue a Representative Action on behalf of the creditors under District plan of compromise and arrangement;
- (c) Not have elected in a DIL Representative Action Letter not to participate in the DIL Representative Action, nor have served a Notice of Opting Out upon the Monitor or DIL Representative Counsel; and
- (d) Not be a Partially Released Party.

15. Subject to paragraph 16 hereof, a Representative Plaintiff shall at all times be a member of the DIL Subcommittee and, notwithstanding paragraphs 4 and 5 of this DIL Subcommittee Order, should a DIL Representative Plaintiff be appointed by the DIL Subcommittee who is not already a member of the DIL Subcommittee, such DIL Representative Plaintiff shall upon appointment become a member of the DIL Subcommittee.

16. Notwithstanding paragraphs 14 and 15 hereof, should all or a portion of the causes of action which make up the DIL Representative Action require DIL to be a plaintiff in the DIL Representative Action, then:

- (a) the DIL Representative Plaintiff shall be deemed to include DIL;
- (b) paragraphs 15 and 17 of this DIL Subcommittee Order shall not apply to DIL;
- (c) DIL Representative Counsel shall have no obligation to take instructions from or report to DIL;

- (d) Section 241 of the *Business Corporations Act*, R.S.A. 2000, c. B-9 shall apply to such portion of the DIL Representative Action;
- (e) the DIL Subcommittee shall be entitled to give DIL Representative Counsel instructions with respect to that portion of the DIL Representative Action that involves DIL as Plaintiff and for greater clarity, but without otherwise limiting the generality of the foregoing, the DIL Subcommittee shall be deemed to be the client of the DIL Representative Counsel with respect to the DIL Representative Action with respect to privilege; and
- (f) the DIL Subcommittee may apply for advice and direction to clarify this DIL Subcommittee Order and the DIL Plan with respect to DIL's participation in the DIL Representative Action if they deem such advice and direction necessary or desirable.

17. The DIL Representative Plaintiff is entitled to be indemnified for any liability for any costs award issued in any DIL Representative Action from the DIL Representative Action Holdback, up to the maximum amount of funds remaining in the DIL Representative Action Holdback at the time of such costs award.

18. The DIL Representative Plaintiff shall be entitled to commence one or more proceedings as a part of the DIL Representative Action with respect to the DIL Representative Action Claims on behalf of the DIL Representative Action Class.

19. The DIL Subcommittee is hereby irrevocably appointed as true and lawful attorney of the DIL Representative Plaintiff for all purposes related to or arising from the DIL Representative Action, including, without limitation, providing instruction to DIL Representative Counsel.

DIL REPRESENTATIVE ACTION

20. The DIL Subcommittee is hereby authorized and enabled to take any and all such steps as they deem necessary and desirable to commence and prosecute the DIL Representative Action on behalf of the DIL Representative Action Class. For greater clarity, but without otherwise limiting the generality of the foregoing, should the DIL Subcommittee determine, in consultation with DIL Representative Counsel, that it is necessary or desirable to commence more than one DIL Representative Action, the DIL Subcommittee may commence more than one proceeding and all such proceedings shall be deemed to be part of the DIL Representative Action for the purposes of the DIL Plan and this DIL Subcommittee Order.

21. The DIL Representative Action shall be governed by the terms of the DIL Plan, this DIL Subcommittee Order and any subsequent Order within the CCAA Proceedings. Except as subsequently ordered by this Court within the CCAA Proceedings and only to the extent so ordered, the DIL Representative Action shall not be governed by the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) and *Class Proceedings Act*, S.A. 2003, c C-16.5, as amended by the *Class Proceedings Amendment Act*, 2010, c. 15 (Alberta), or any legislation of similar purpose or intent in any Canadian Province or Territory, or State of the United States. Notwithstanding the forgoing, should the DIL Representative Action, or in the case that more than one Representative Action is filed by the DIL Representative Counsel, one of the proceedings be commenced by the DIL Representative Counsel on behalf of the DIL Depositors participating in the DIL Representative Action under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) or *Class Proceedings Act*, S.A. 2003, c. C-16.5, as amended by the *Class Proceedings Amendment Act*, 2010, c. 15 (Alberta), such legislation shall be deemed to govern such DIL Representative Action except to the extent such legislation is inconsistent with or modified by the DIL Plan, this DIL Subcommittee Order or subsequent Order made within the CCAA Proceedings.

22. Subject to paragraph 24, the DIL Representative Action shall be the sole recourse of any DIL Depositor with respect to a DIL Representative Action Claim except if such DIL Depositor is also a District Depositor (as that term is defined in the District Plan), he or she may also participate in any representative action commenced pursuant to the District Plan. No legal proceedings shall be commenced by any DIL Depositor or any other Person for a claim that is an actual or potential DIL Representative Action Claim except for any representative action commenced pursuant to the District Plan, if applicable. Without limiting the generality of the foregoing, but for greater clarity, those DIL Depositors who are deemed to be participating in the DIL Representative Action, or those DIL Depositors who have elected not to participate in or to have opted out of the DIL Representative Action, pursuant to paragraph 26 and 27, are not eligible to be members of any "class" for purposes of the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) and *Class Proceedings Act*, S.A. 2003, c. C-16.5, as amended by the *Class Proceedings Amendment Act*, 2010, c. 15 (Alberta), or any legislation of similar purpose or intent in any Canadian Province or Territory, or State of the United States in any other legal proceeding(s) other than the DIL Representative Action except for any representative action commenced pursuant to the District Plan, if applicable.

23. Those DIL Depositors who elect not to participate in the DIL Representative Action pursuant to paragraph 26 or who opt out of the DIL Representative Action pursuant to paragraph 27:

- (a) are forever barred from participating in the DIL Representative Action;
- (b) are not entitled to receive any recovery of any kind, including but not limited to a dividend or distribution under the DIL Plan, that is payable out of proceeds recovered pursuant to the DIL Representative Action;
- (c) shall have no liability for any costs in the DIL Representative Action; and
- (d) are not eligible to be members of any "class" pursuant to the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) and *Class Proceedings Act*, S.A. 2003, c C-16.5, as amended by the *Class Proceedings Amendment Act*, 2010, c. 15. (Alberta), or any legislation of similar purpose or intent in any Canadian Province or Territory, or State of the United States with respect to any claim which was or could have been a DIL Representative Action Claim in any other legal proceeding(s) other than the DIL Representative Action except for any representative action commenced pursuant to the District Plan, if applicable.

24. Notwithstanding paragraph 23(d), should the District Plan not be sanctioned by the Court in the CCAA Proceedings or should the District Plan as sanctioned not contain a representative action, DIL Depositors who are also District Depositors shall be entitled to participate in any legal action which would have constituted a "representative action claim" (as that term is defined in the District Plan) under the District Plan in their capacity as a District Depositor.

25. Following the selection of DIL Representative Counsel by the DIL Subcommittee, the Monitor will provide to the DIL Representative Action Class an estimate of the amount of the DIL Representative Action Holdback together with information regarding opting out of the DIL Representative Action, the name of DIL Representative Counsel, the deadline for opting out of the DIL Representative Action and the names of the DIL Subcommittee members, which information will be posted on the Monitor's website.

26. DIL Depositors may elect to participate or elect not to participate in the DIL Representative Action by marking the appropriate box on the DIL Representative Action Letter attached hereto as Schedule "2" or the Notice of Opting Out form attached hereto as Schedule "3" and delivering the DIL Representative Action Letter or Notice of Opting Out to the Monitor on

or before 5:00 p.m. (Calgary time) on the last business day preceding the date of the commencement of the DIL Representative Action. DIL Depositors who fail to deliver the DIL Representative Action Letter or Notice of Opting Out to the Monitor in accordance with this paragraph 26 shall be deemed to have elected to participate in the DIL Representative Action.

27. A DIL Depositor who has elected to participate in the DIL Representative Action may, at any time prior to the commencement of any DIL Representative Action, opt out of the DIL Representative Action by providing notice to the DIL Representative Counsel, or in the event that DIL Representative Counsel has not yet been retained, to the Monitor. Notice of opting out of the DIL Representative Action must be written, dated, and signed on the Notice of Opting Out form attached hereto as Schedule "3". Upon receipt of the Notice of Opting Out form by the DIL Representative Counsel or the Monitor, the DIL Depositor shall have their status changed from participating in the DIL Representative Action to not participating in the DIL Representative Action. Within a reasonable period of time of receiving the Notice of Opting Out, the DIL Representative Counsel or the Monitor, as the case may be, shall calculate such DIL Depositor's Proportionate Share of Costs incurred until the Sunday of the week in which the Notice of Opting Out was received by the DIL Representative Counsel or the Monitor, as the case may be. The DIL Representative Counsel or the Monitor, as the case may be, shall deduct the Proportionate Share of Costs from the amount which was contributed by such DIL Depositor as his or her share of the DIL Representative Action Holdback and shall remit the balance to the DIL Depositor.

28. On the application of the DIL Subcommittee or any member of the DIL Representative Action Class, the Court may extend the deadline for members of the DIL Representative Action Class to opt out of the DIL Representative Action.

29. Parties to a proceeding which is part of the DIL Representative Action shall have the same rights of discovery under the Rules of Court of the jurisdiction in which such proceeding is commenced as they would in any other proceeding. Notwithstanding that a proceeding which is part of the DIL Representative Action is brought in the name of the DIL Representative Plaintiff, a defendant may, with the permission of the Court in such proceeding, discover other members of the DIL Representative Action Class. In granting such permission, the Court may take into account such matters that the Court deems relevant to that determination and grant such permission on such terms and conditions as it deems appropriate.

30. The DIL Subcommittee may apply for advice and direction with respect to any proceedings which are part of the DIL Representative Action and the Court may make any

Order it deems appropriate to facilitate the prosecution of such proceeding as a part of the DIL Representative Action.

31. Any documents produced by, received by, provided to or exchanged with or among the DIL Committee, its individual members or their counsel during the course of the performance of their duties as the DIL Committee shall not be producible in the DIL Representative Action without the prior consent of the Monitor and further Order of this Court.

32. No member of the DIL Committee shall be compellable as a witness at discovery or trial or give testimony in the DIL Representative Action with respect to any matters relating to or information, including without limitation, any documents, received during the course of the performance of their duties as members of the DIL Committee.

GENERAL

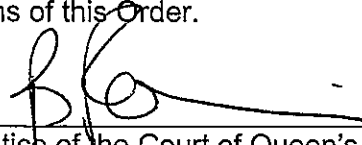
33. The DIL Subcommittee shall have no obligation to consult with individual DIL Depositors in connection with the discharge of its duties under this Order.

34. Upon the Completion Date, this DIL Subcommittee Order shall have full force and effect in all Provinces and Territories in Canada and abroad and as against all Persons and parties against whom it may otherwise be enforced.

35. DIL, the Monitor, the DIL Committee, the DIL Subcommittee or the CRO may apply to this Court for advice and direction, or to seek relief in respect of any matter arising out of or incidental to the DIL Plan or this DIL Subcommittee Order, including, without limitation, the interpretation of this DIL Subcommittee Order and the DIL Plan and the implementation thereof, and for any further Order that may be required, on notice to any party likely to be affected by the Order sought or on such notice as this Court orders.

36. The DIL Subcommittee and its members shall incur no liability or obligations in respect of the performance of their duties or in carrying out the provisions of this Order, save and except for liability arising out of breach of fiduciary duty, gross negligence or wilful misconduct.

37. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor, the CRO, the Subcommittee, the DIL Committee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, the Monitor, as an officer of this Court, the CRO. The DIL Subcommittee and the DIL Committee, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants, the Monitor, the CRO, the DIL Subcommittee, the DIL Committee, and their respective agents in carrying out the terms of this Order.



Justice of the Court of Queen's Bench of Alberta

SCHEDULE "1"LUTHERAN CHURCH CANADA,THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.CHARTER OF THE DIL SUBCOMMITTEEBACKGROUND

Lutheran Church Canada, the Alberta – British Columbia District Investments Ltd. ("DIL") made an application pursuant to the *Companies' Creditors' Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("CCAA") to reorganize its affairs for the benefit of its creditors (the "DIL Depositors"). An order was granted by the Court of Queen's Bench of Alberta (the "Court") on December 1, 2015 (the "Order") to approve the presentation of a Plan of Compromise and Arrangement as made on the November 21, 2015 and as amended on December 5, 2015 and on January 11, 2016 (the "DIL Plan") to DIL Depositors. A meeting of DIL Depositors was convened on January 23, 2016 in Calgary, AB (the "Creditors Meeting") to vote upon the DIL Plan.

At the Creditors Meeting, the DIL Plan was approved and passed by the DIL Depositors in accordance with its terms, and the Court was requested to sanction the DIL Plan. On July 15, 2016 the Court approved and sanctioned the DIL Plan and thus, the DIL Plan is to be implemented (the "DIL Sanction Order").

Any defined term used in this Charter shall be as defined herein or, if not defined in this Charter, as defined in the DIL Plan.

ORGANIZATION

Pursuant to the DIL Plan, a DIL Subcommittee has been established and authorized and enabled by the DIL Subcommittee Order granted by Justice Romaine on July 15, 2016, to take any and all such steps as the DIL Subcommittee deems necessary and desirable to commence and prosecute a legal action or actions undertaken in respect of any DIL Representative Action Claims, which action(s) may be advanced as a class proceeding for the benefit of all the DIL Depositors who participate in the DIL Representative Action in accordance with the terms of the DIL Plan (the "DIL Representative Action Class"). The DIL Subcommittee operates pursuant to the DIL Sanction Order, the DIL Plan, any subsequent Order issued by the Court within the CCAA Proceedings or any direction from the Court regarding the CCAA Proceeding (collectively, the "Governing Documents and Directives"). This Charter shall be interpreted in the context of and governed by the terms of the DIL Plan and the Sanction Order. To the extent that there is any inconsistency between this Charter, the DIL Plan and the DIL Sanction Order, the DIL Sanction Order shall govern. To the extent that the DIL Sanction Order is silent but there is an inconsistency between this Charter and the DIL Plan, the DIL Plan shall govern. This Charter shall also be subject to the terms of any subsequent Order of the Court in the CCAA Proceeding obtained with respect to the DIL Subcommittee or the DIL Representative Action.

PROCEDURES

All procedures and actions by the DIL Subcommittee must be in accordance with the Governing Documents and Directives. Subject to the Governing Documents and Directives, the DIL Subcommittee retains the responsibility for managing its own affairs, including selecting its Chairman, delegating duties to the DIL Subcommittee members and determining committee member reimbursement, if any.

PURPOSE

The main purposes of the DIL Subcommittee are to:

1. be the one group or entity to pursue any and all legal proceedings on behalf of the DIL Representative Action Class.
2. assist in providing a streamlined and timely process for the DIL Representative Action Class to pursue the DIL Representative Action and prevent a situation where DIL Depositors are being contacted by multiple groups seeking to commence legal actions or where recoveries are complicated by multiple groups commencing legal action against the same parties;
3. choose legal counsel to represent the DIL Representative Action Class in the DIL Representative Action and to provide direction and instructions to the legal counsel selected by the DIL Subcommittee on behalf of the DIL Representative Action Class;
4. ensure that recoveries are maximized through cost control, budgeting and timely and efficient advancement of the DIL Representative Action;
5. pursue all legal proceedings on behalf of DIL Representative Action Class and make decisions regarding the DIL Representative Action on behalf of the DIL Representative Action Class; and
6. any other purpose indicated in the Governing Documents and Directives.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the DIL Subcommittee and the duties and responsibilities of each DIL Subcommittee member shall include, but are not limited to the following:

1. all duties and responsibilities detailed in Article 5 of the DIL Plan and the Sanction Order;
2. choose a Chairman of the DIL Subcommittee;
3. ensure that the legal documents and records regarding the DIL Representative Action have been properly prepared, approved, maintained and kept in safekeeping;
4. act honestly, in good faith and with a view to the best interests of DIL Representative Action Class and to exercise the care, diligence and skill that

reasonable, prudent people would exercise in comparable circumstances with regard to any DIL Representative Action;

5. ensure that each member of the DIL Subcommittee discloses all actual or potential conflicts of interest in relation to the DIL Representative Action and recuses themselves from all discussion and votes which are related to such conflict which a reasonable person would believe could materially impair the exercise of independent judgment;
6. commit the time and energy necessary to properly carry out his or her duties as a DIL Subcommittee member;
7. attend all regularly scheduled DIL Subcommittee meetings, as applicable, in person or by telephone;
8. review in advance all meeting materials and otherwise adequately prepare for all regularly scheduled DIL Subcommittee meetings;
9. review continuously the DIL Subcommittee's strategies and their implementation in light of evolving conditions regarding the DIL Representative Action;
10. make independent determinations and conclusions regarding the DIL Representative Action and, accordingly, shall not be bound by any determinations or conclusions reached by any DIL Representative Action Class who are not a member of the DIL Subcommittee;
11. report at reasonable intervals to the DIL Representative Action Class regarding the status of the DIL Representative Action and the status of the DIL Representative Action Holdback; and
12. to do or cause to be done all such other acts and things as they may consider necessary or advisable in order to carry out its duties and responsibilities.

MONITORING, REPORTING AND COMMUNICATION

The DIL Subcommittee has the responsibility to:

1. monitor the DIL Subcommittee's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
2. ensure and make regular assessments that the DIL Subcommittee has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities to the extent not delegated and of the Subcommittee's effectiveness;
3. develop appropriate measures for receiving DIL Representative Action Class' feedback.
4. take action when performance falls short of its goals and objectives or when other special circumstances warrant;

5. ensure the timely reporting of any other developments that have a significant and material impact on DIL Representative Action Class in conjunction with DIL Representative Counsel; and
6. report its findings and conclusions to DIL Representative Action Class in a manner and at such times as DIL Representative Counsel shall determine is consistent with the charge to the DIL Subcommittee duties.

MEETINGS

The Chairman of the DIL Subcommittee shall be responsible for developing the agenda and determining the time, place and frequency of DIL Subcommittee meetings. Meetings of the DIL Subcommittee will be conducted in accordance with the Governing Documents and Directives. Meetings of the DIL Subcommittee can be conducted by telephone conference call, if appropriate. The DIL Subcommittee shall establish its own procedures including the appointment of a chairing director and secretary, the establishment of a quorum for its meetings, the timing and place of its meetings and such other procedures as it considers necessary or advisable for meetings. The secretary shall be responsible for ensuring accurate minutes of all meetings are kept.

Schedule "2" – DIL Representative Action Letter

COURT FILE NUMBER	1501-00955
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
DOCUMENT	DIL REPRESENTATIVE ACTION LETTER
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.

DIL Representative Action Election (For District Investment Depositors Only)

I, _____ a creditor (or I _____, representative of _____, a creditor), hereby request the Monitor to record my election respecting the DIL Representative Action as follows:

(mark one only):

- Record my election TO PARTICIPATE in the DIL Representative Action; or
- Record my election NOT TO PARTICIPATE in the DIL Representative Action.

IF A BOX IS NOT MARKED FOR AN ELECTION, YOUR ELECTION SHALL BE RECORDED AS AN ELECTION TO PARTICIPATE IN THE DIL REPRESENTATIVE ACTION.

IF YOU ELECT NOT TO PARTICIPATE IN THE DIL REPRESENTATIVE ACTION, YOU ARE OR THE CREDITOR IS:

- (a) WAIVING ALL RIGHTS AS A PARTICIPANT WITHIN THE DIL REPRESENTATIVE ACTION CLAIM(S);
- (b) NOT ENTITLED TO ANY FURTHER NOTICE OF OR INFORMATION REGARDING THE DIL REPRESENTATIVE ACTION, SAVE WHAT IS AVAILABLE ON THE PUBLIC RECORD;
- (c) FOREVER BARRED FROM PARTICIPATING IN THE DIL REPRESENTATIVE ACTION;
- (d) NOT ENTITLED TO RECEIVE ANY RECOVERY OF ANY KIND, INCLUDING BUT NOT LIMITED TO A DIVIDEND OR DISTRIBUTION UNDER THE DIL

PLAN, THAT IS PAYABLE OUT OF PROCEEDS RECOVERED PURSUANT TO THE DIL REPRESENTATIVE ACTION; AND

- (e) NOT ELIGIBLE TO BE A MEMBER OF ANY "CLASS" PURSUANT TO THE CLASS PROCEEDINGS ACT, R.S.B.C. 1996, C. 50 (BRITISH COLUMBIA) AND CLASS PROCEEDINGS ACT, S.A. 2003, C C-16.5, AS AMENDED BY THE CLASS PROCEEDINGS AMENDMENT ACT, 2010, C. 15. (ALBERTA), OR ANY LEGISLATION OF SIMILAR PURPOSE OR INTENT IN ANY CANADIAN PROVINCE OR TERRITORY, OR STATE OF THE UNITED STATES.

IF YOU ELECT TO PARTICIPATE IN THE DIL REPRESENTATIVE ACTION, ANY PAYMENTS YOU ARE UNTITLED TO UNDER THE PLAN WILL BE SUBJECT TO THE DIL REPRESENTATIVE ACTION HOLDBACK.

THIS ELECTION LETTER, 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 _____, 201____ OR SUCH LATER DATE AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE CREDITORS' MEETING HAS BEEN ADJOURNED TO. AFTER SUCH TIME, NO ELECTION LETTER CAN BE ACCEPTED BY THE MONITOR.

Dated at _____ this _____ day of _____, 201_____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:

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

Telephone: 403-267-1777
Fax: 403-718-3681

Email: CalgaryRestructuring@deloitte.ca

Schedule "3" – Notice of Opting Out

COURT FILE NUMBER	1501-00955
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
DOCUMENT	NOTICE OF OPTING OUT (DIL Representative Action)
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, _____ a creditor (or I _____, representative of _____, a creditor), in the above matter hereby request DIL Representative Counsel (or in the event that DIL Representative Counsel is not retained, the Monitor) take notice that I shall no longer participate in the DIL Representative Action.

I acknowledge that by signing this document, I am or the creditor is:

- (a) waiving all rights as a participant within the DIL Representative Action Claim(s);
- (b) to be removed from the members of the DIL Representative Action Class;
- (c) not entitled to any further notice of or information regarding the DIL Representative Action, save what is available on the public record;
- (d) forever barred from participating in the DIL Representative Action;
- (e) not entitled to receive any recovery of any kind, including but not limited to a dividend or distribution under the DIL Plan, that is payable out of proceeds recovered pursuant to the DIL Representative Action; and

- (f) not eligible to be a member of any "class" pursuant to the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) and *Class Proceedings Act*, S.A. 2003, c C-16.5, as amended by the *Class Proceedings Amendment Act, 2010*, c. 15. (Alberta), or any legislation of similar purpose or intent in any Canadian Province or Territory, or State of the United States, except for any representative action commenced pursuant to the District Plan, if applicable.

THIS NOTICE, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE DIL REPRESENTATIVE COUNSEL, OR IF THERE IS NO DIL REPRESENTATIVE COUNSEL THEN TO THE MONITOR, BY MAIL, FACSIMILE TRANSMISSION OR COURIER, AND UPON THE DATE OF RECEIPT SHALL BE DEEMED ACCEPTED AND ENFORCEABLE.

Dated at _____ this _____ day of _____, 20____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:
DIL Representative Counsel

OR:

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

Telephone: 403-267-1777
Fax: 403-718-3681
Email: CalgaryRestructuring@deloitte.ca