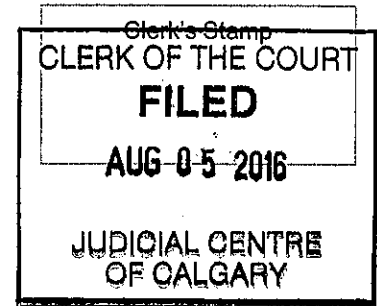


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



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 (District 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

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

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

File No.: 103,007-003

DATE ON WHICH ORDER WAS PRONOUNCED:

Tuesday August 3
FRIDAY, JULY 15, 2016

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

Order sanctioning the Fifth Amended Plan of Compromise and Arrangement of the District, filed June 10, 2016 (the "District 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 District Plan by Order of Justice B.E.C. Romaine, granted July 15, 2016 (the "District Sanction Order"); **AND UPON** noting that the District Plan, as approved by the District Sanction Order, contains a Representative Action (as that term is defined by the District Plan); **AND UPON DETERMINING** that the granting of this Order would facilitate the implementation of the District 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 District 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 July 12, 2016 is good and sufficient, and the time for notice hereof is shortened to the time actually given.

DISTRICT SUBCOMMITTEE

3. The District Committee shall, within a reasonable time from the date of this Order, appoint a District Subcommittee from the District Representative Action Class.
4. Prior to appointing the District Subcommittee, the District Committee shall send out to all the District Depositors who have not submitted a Notice of Opting Out, an invitation to participate on the District Subcommittee.
5. Subject to the following, the size of the District Subcommittee shall be between three (3) and five (5) members. The District Committee shall determine the size of the District Subcommittee by majority vote of its members. The District Committee may thereafter, from time to time, vary the size of the District Subcommittee if they determine, acting reasonably, that such a change is necessary or desirable. The members of the District Subcommittee shall be determined by majority vote of the members of the District Committee. All individuals being considered for inclusion in the District Subcommittee shall be required to disclose any conflict of

interest to the District Committee prior to beginning their tenure on the District Subcommittee and to the District Subcommittee as such conflict becomes relevant during the course of their tenure.

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

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

8. Notwithstanding paragraph 7 hereof, an individual may be a member of the District Subcommittee if they are the committee, trustee or personal representative of an individual who is a District 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) herein.

9. The mandate of the District Subcommittee, in accordance with the District Plan shall include, but is not limited to:

- (a) taking reasonable steps to maximize the amount of funds that are ultimately available for distribution to the District Representative Action Class under the District 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 District Representative Action Class with respect to the District Representative Action.

10. The District Subcommittee shall have the following duties and responsibilities:

- (a) appointing District Representative Counsel in accordance with the process set out in the District Plan;
- (b) providing instructions to District Representative Counsel;
- (c) in consultation with District Representative Counsel, appointing one or more District Representative Plaintiffs;
- (d) in consultation with District Representative Counsel, providing information and updates with respect to the District Representative Action to the District 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 District Representative Action;
- (e) working with the District Representative Counsel and the Monitor to establish the amount of the District Representative Holdback; and
- (f) prior to the commencement of the District Representative Action, to work with District Representative Counsel, in consultation with the Monitor, to provide such information to the District Representative Action Class, as it exists at that time, as they deem necessary or desirable, in their discretion, to permit the members of the District Representative Action Class to determine if they wish to continue to participate in the District Representative Action.

11. In carrying out its mandate, duties and responsibilities under the District Plan and this District Subcommittee Order, the District Subcommittee shall be entitled to take into account and rely upon the advice of District 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 District Representative Action.

DISTRICT REPRESENTATIVE COUNSEL

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

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

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

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

DISTRICT REPRESENTATIVE PLAINTIFF

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

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

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

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

- (a) the District Representative Plaintiff shall be deemed to include the District;
- (b) paragraphs 15 and 17 of this District Subcommittee Order shall not apply to the District;

- (c) District Representative Counsel shall have no obligation to take instructions from or report to the District;
- (d) Sections 240 and 241 of the *Business Corporations Act*, R.S.A. 2000, c. B-9 shall apply to such portion of the Representative Action;
- (e) the District Subcommittee shall be entitled to give District Representative Counsel instructions with respect to that portion of the District Representative Action that involves the District as Plaintiff and for greater clarity, but without otherwise limiting the generality of the foregoing, the District Subcommittee shall be deemed to be the client of the District Representative Counsel with respect to the District Representative Action with respect to privilege; and
- (f) the District Subcommittee may apply for advice and direction to clarify this District Subcommittee Order and the District Plan with respect to District's participation in the District Representative Action if they deem such advice and direction necessary or desirable.

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

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

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

DISTRICT REPRESENTATIVE ACTION

20. The District Subcommittee is hereby authorized and enabled to take any and all such steps as they deem necessary and desirable to commence and prosecute the District Representative Action on behalf of the District Representative Action Class. For greater clarity, but without otherwise limiting the generality of the foregoing, should the District Subcommittee

determine, in consultation with District Representative Counsel, that it is necessary or desirable to commence more than one District Representative Action, the District Subcommittee may commence more than one proceeding and all such proceedings shall be deemed to be part of the District Representative Action for the purposes of the District Plan and this District Subcommittee Order.

21. The District Representative Action shall be governed by the terms of the District Plan, this District 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 District 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 foregoing, should the District Representative Action, or in the case that more than one District Representative Action is filed by the District Representative Counsel, one of the proceedings be commenced by the District Representative Counsel on behalf of the District Depositors participating in the District 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 District Representative Action except to the extent such legislation is inconsistent with or modified by the District Plan, this District Subcommittee Order or subsequent Order made within the CCAA Proceedings.

22. Subject to paragraph 24, the District Representative Action shall be the sole recourse of any District Depositor with respect to a District Representative Action Claim, except if such District Depositor is also a DIL Depositor (as that term is defined in the DIL Plan), he or she may also participate in any representative action commenced pursuant to the DIL Plan. No legal proceedings shall be commenced by any District Depositor or any other Person for a claim that is an actual or potential District Representative Action Claim except for any representative action commenced pursuant to the DIL Plan, if applicable. Without limiting the generality of the foregoing, but for greater clarity, those District Depositors who are deemed to be participating in the Representative Action, or those District Depositors who have elected not to participate in or to have opted out of the District 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 District Representative Action except for any representative action commenced pursuant to the DIL Plan, if applicable.

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

- (a) are forever barred from participating in the District Representative Action;
- (b) are not entitled to receive any recovery of any kind, including but not limited to a dividend or distribution under the District Plan, that is payable out of proceeds recovered pursuant to the District Representative Action;
- (c) shall have no liability for any costs in the District 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 District Representative Action Claim in any other legal proceeding(s) other than the District Representative Action except for any representative action commenced pursuant to the DIL Plan, if applicable.

24. Notwithstanding paragraph 23(d), should the DIL Plan not be sanctioned by the Court in the CCAA Proceedings or should the DIL Plan as sanctioned not contain a representative action, District Depositors who are also DIL 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 DIL Plan) under the DIL Plan in their capacity as a DIL Depositor.

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

26. District Depositors may elect not to participate in the District Representative Action by completing and delivering the Notice of Opting Out form attached hereto as Schedule "2" 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 District Representative Action. District Depositors who fail to deliver the Notice of Opting Out to the Monitor in accordance with this paragraph 26 shall be deemed to have elected to participate in the District Representative Action.

27. A District Depositor who has elected or been deemed to have elected to participate in the District Representative Action may, at any time prior to the commencement of any District Representative Action, opt out of the District Representative Action by providing notice to the District Representative Counsel, or in the event that District Representative Counsel has not yet been retained, to the Monitor. Notice of opting out of the District Representative Action must be written, dated, and signed on the Notice of Opting Out form attached hereto as Schedule "2". Upon receipt of the Notice of Opting Out form by the District Representative Counsel or the Monitor, the District Depositor shall have their status changed from participating in the District Representative Action to not participating in the District Representative Action. Within a reasonable period of time of receiving the Notice of Opting Out, the District Representative Counsel or the Monitor, as the case may be, shall calculate such District Depositor's Proportionate Share of Costs incurred until the Sunday of the week in which the Notice of Opting Out was received by the District Representative Counsel or the Monitor, as the case may be. The District 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 District Depositor as his or her share of the District Representative Action Holdback and shall remit the balance to the District Depositor.

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

29. Parties to a proceeding which is part of the District 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 District Representative Action is brought in the name of the District Representative Plaintiff, a defendant may, with the permission of the Court in such proceeding, discover other members of the District 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 District Subcommittee or a member of the District Representative Action Class may apply for advice and direction with respect to any proceedings which are part of the District Representative Action and the Court may make any Order it deems appropriate to facilitate the prosecution of such proceeding as a part of the District Representative Action.

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

32. No member of the District Committee shall be compellable as a witness at discovery or trial or give testimony in the District 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 District Committee.

33. Upon the conclusion of the District Representative Action, any funds remaining in the District Representative Action Pool following payment from the District Representative Action Pool of such amounts payable in accordance with the District Plan and the Sanction Order will be distributed on a pro-rata basis to the District Depositors who remain part of the District Representative Action Class.

GENERAL

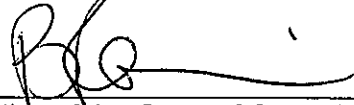
34. The District Subcommittee shall have no obligation to consult with individual District Depositors in connection with the discharge of its duties under this Order.

35. Upon the Completion Date, this Sanction 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.

36. The District, the Monitor, the District Committee, the District 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 District Plan or this District Subcommittee Order, including, without limitation, the interpretation of this District Subcommittee Order and the District 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.

37. The District 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.

38. 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 District Subcommittee, the District 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 District Subcommittee and the District 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 District Subcommittee, the District 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**CHARTER OF THE DISTRICT SUBCOMMITTEE****BACKGROUND**

Lutheran Church Canada, the Alberta – British Columbia District (the "**District**") 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 "**District Depositors**"). An order was granted by the Court of Queen's Bench of Alberta (the "**Court**") on March 22, 2015 (the "**Order**") to approve the presentation of a Plan of Compromise and Arrangement as the Fifth Amended Plan of Compromise and Arrangement of the District (the "**District Plan**") to District Depositors. A meeting of District Depositors was convened on May 14, 2016 and June 10, 2016 in Calgary, AB (the "**Creditors Meeting**") to vote upon the District Plan.

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

ORGANIZATION

Pursuant to the District Plan, a District Subcommittee has been established and authorized and enabled by the District Subcommittee Order granted by Justice Romaine on July 15, 2016, to take any and all such steps as the District Subcommittee deems necessary and desirable to commence and prosecute a legal action or actions undertaken in respect of any District Representative Action Claims, which action(s) may be advanced as a class proceeding for the benefit of all the District Depositors who participate in the District Representative Action in accordance with the terms of the District Plan (the "**District Representative Action Class**"). The District Subcommittee operates pursuant to the District Sanction Order, the District 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 District Plan and the District Sanction Order. To the extent that there is any inconsistency between this Charter, the District Plan and the District Sanction Order, the District Sanction Order shall govern. To the extent that the District Sanction Order is silent but there is an inconsistency between this Charter and the District Plan, the District 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 District Subcommittee or the District Representative Action.

PROCEDURES

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

PURPOSE

The main purposes of the District Subcommittee are to:

1. be the one group or entity to pursue any and all legal proceedings on behalf of the District Representative Action Class.
2. assist in providing a streamlined and timely process for the District Representative Action Class to pursue the Representative Action and prevent a situation where District 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 District Representative Action Class in the District Representative Action and to provide direction and instructions to the legal counsel selected by the District Subcommittee on behalf of the District Representative Action Class;
4. ensure that recoveries are maximized through cost control, budgeting and timely and efficient advancement of the District Representative Action;
5. pursue all legal proceedings on behalf of District Representative Action Class and make decisions regarding the District Representative Action on behalf of the District Representative Action Class; and
6. any other purpose indicated in the Governing Documents and Directives.

DUTIES AND RESPONSIBILITIES

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

1. all duties and responsibilities detailed in Article 5 of the District Plan and the District Sanction Order;
2. choose a Chairman of the District Subcommittee;
3. ensure that the legal documents and records regarding the District 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 District Representative Action Class and to exercise the care, diligence and skill that

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

5. ensure that each member of the District Subcommittee discloses all actual or potential conflicts of interest in relation to the District 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 District Subcommittee member;
7. attend all regularly scheduled District Subcommittee meetings, as applicable, in person or by telephone;
8. review in advance all meeting materials and otherwise adequately prepare for all regularly scheduled District Subcommittee meetings;
9. review continuously the District Subcommittee's strategies and their implementation in light of evolving conditions regarding the District Representative Action;
10. make independent determinations and conclusions regarding the District Representative Action and, accordingly, shall not be bound by any determinations or conclusions reached by any District Representative Action Class members who are not a member of the District Subcommittee;
11. report at reasonable intervals to the District Representative Action Class regarding the status of the District Representative Action and the status of the District 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 District Subcommittee has the responsibility to:

1. monitor the District 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 District 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 District Subcommittee's effectiveness;
3. develop appropriate measures for receiving District 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 District Representative Action Class in conjunction with District Representative Counsel; and
6. report its findings and conclusions to District Representative Action Class in a manner and at such times as District Representative Counsel shall determine is consistent with the charge to the District Subcommittee duties.

MEETINGS

The Chairman of the District Subcommittee shall be responsible for developing the agenda and determining the time, place and frequency of District Subcommittee meetings. Meetings of the District Subcommittee will be conducted in accordance with the Governing Documents and Directives. Meetings of the District Subcommittee can be conducted by telephone conference call, if appropriate. The District 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" – 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 (District 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 District Representative Counsel (or in the event that District Representative Counsel is not retained, the Monitor) take notice that I shall no longer participate in the District Representative Action.

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

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

THIS NOTICE, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE DISTRICT REPRESENTATIVE COUNSEL, OR IF THERE IS NO DISTRICT 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:
District 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