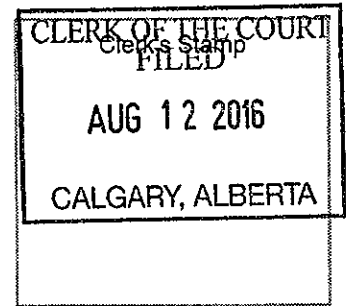


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



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 **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Bishop & McKenzie LLP
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1700, 530 - 8th Avenue SW
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Attention: Francis N. J. Taman /Ksena J. Court

Telephone: 403-237-5550
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File No.: 103,007-003

AFFIDAVIT OF CHARLES BOUGIE
Sworn on August 12, 2016

I, CHARLES BOUGIE, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am an officer of the Chief Restructuring Officer of the Applicants. I have personal knowledge of the matters hereinafter deposed, except where stated to be based on information and belief, and where so stated, I verily believe them to be true.
2. All capitalized terms used in this Affidavit shall have the meaning ascribed to them in the prior Affidavits filed in these proceedings unless otherwise indicated in this Affidavit.

RELIEF REQUESTED

3. I make this Affidavit in support of the Application for the following relief:
 - (a) granting an extension to the Stay Period in these proceedings under the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("CCAA") from the current expiry date of September 30, 2016 to the earlier of December 31, 2016 or the date that the Monitor's Certificate is filed; and
 - (b) such further and other relief as this Honourable Court may allow.
4. I am advised by the Monitor that it anticipates that the Twenty-Third Report of the Monitor will be filed subsequent to this Affidavit. I will review the Twenty-Third Report of the Monitor and, if necessary, a supplemental Affidavit will be prepared to provide any additional information necessary in support of the within Application.
5. Since the date of the Initial Order, the Applicants have worked closely with the Monitor and have moved as quickly as circumstances have permitted to stabilize their operations, communicate with stakeholders, and develop plans of compromise and arrangement to enable the Applicants to emerge from these proceedings.

COMMUNICATIONS WITH DEPOSITORS

6. The District and representatives from my office continue to correspond with Depositors and others who have questions about their accounts and the CCAA proceedings by phone and email.
7. The Monitor continues to maintain its website which provides a current update of the Applicants' restructuring, as well as making available most of the filings and other related documents that the Applicants are using in these proceedings. The address of the Monitor's website is www.insolvencies.deloitte.ca.

IMPLEMENTATION OF RESTRUCTURING PLANS

8. The Restructuring Committee, representatives from my office, and the Monitor continue to meet on a weekly basis.

9. My office, as CRO, continues to consult with the few remaining congregations that have mortgage financing or loans with the District and/or DIL. These congregations have been encouraged to find alternate financing.
10. On June 10, 2016 the District Creditors' Meeting was reconvened.
11. The required majority of Eligible Affected Creditors voted in favour of the District Plan.
12. On July 4, 2016, the Applicants applied to have the District Plan sanctioned by the Court.
13. On July 15, 2016, the matter was heard before Justice B.E.C. Romaine.
14. On August 2, 2016, the DIL Plan and the District Plan were sanctioned by the Court (respectively, the "DIL Sanction Order" and the "District Sanction Order").

RECONCILIATION PLAN

15. I am advised by representatives of the District that Rev. Nolan Astley's appointment by the Synod has come to an end. Rev. Glenn Schaeffer shall continue the work of establishing a reconciliation plan. I am advised by representatives of the District that the purpose of this plan is to facilitate healing within the Church and to work toward restoring relationships between individuals affected by the insolvency of the Applicants. Further, details of this reconciliation plan will be forthcoming.

CLAIMS PROCESS

16. The claims process was approved in the Order granted on February 20, 2015. The Claims Bar Date was on April 20, 2015. The Monitor is responsible for administering the claims process. The Applicants assisted the Monitor in this process by providing the necessary statements and other information.
17. The Applicants understand that there is one other disputed claim that will need to be settled. The Applicants are in the process of dealing with this disputed claim.

UPDATE ON INSURANCE

18. The Applicants, through their general legal counsel, have continued to correspond with the insurers respecting the continuation of the insurance coverage for the Applicants.

19. The insurer for the District advised on May 2, 2016 that it extended the coverage to September 30, 2016 with no gap in coverage. The Applicants are corresponding with the insurer to have this coverage extended to December 31, 2016, provided that the stay of proceedings is extended to this date.

SALE AGREEMENTS

20. The Applicants continued to sell properties that they viewed as being not essential for the Applicants to retain under the plans of compromise and arrangement.
21. Subsequent to August 2, 2016, the Applicants have and shall continue to liquidate Non-Core Assets pursuant to the District Sanction Order.
22. As noted before the Court on July 15, 2016, an application will be brought by the Canmore congregation with respect to a claim of beneficial ownership to the property located in Canmore, Alberta currently held in the name of the District.

FINANCIAL

23. The Applicants' cash flow reports (the "Cash Flows") are being prepared and will be filed subsequent to this Affidavit. The Cash Flows are being prepared in consultation with the Monitor.

DIL AND DISTRICT PLAN IMPLEMENTATION

24. The Applicants, in coordination with the Monitor and the office of the CRO have commenced preliminary work for the implementation of the DIL and District Plans in preparation of the expiration of the appeal period of the Sanction Orders, respectively.


SUMMARY

25. I believe that the Applicants are working in good faith and with due diligence in these proceedings and believe it is within the best interests of the Applicants and their stakeholders to continue in these proceedings as outlined above.
26. The steps that the Applicants have taken since the Affidavit filed June 10, 2016 to further the development of the Plans of Compromise or Arrangement are as follows:


- (a) communicated with the Depositors, and the Applicants' other stakeholders regarding the CCAA process, plans that have been developed to date, and responded to other questions asked;
- (b) the Restructuring Committee met to discuss developing the restructuring plans, from both a financial and ministry perspective;
- (c) reconvened the District Creditors' Meeting on June 10, 2016;
- (d) applied for and obtained Orders sanctioning the DIL Plan and the District Plan;
- (e) cooperated with the Monitor and provided necessary information;
- (f) communicated with congregations regarding Mission Remittances;
- (g) accounted for all Mission Remittances received and segregated 35% of the Mission Remittances received from congregations who have not directly sent funds to LCC;
- (h) continued to work on the sale of other properties that are not essential assets for the Applicants to retain under the proposed Plans and following the District Sanction Order, the liquidation of Non-Core Assets; and
- (i) commenced preliminary work with respect to the implementation of the DIL and District Sanction Orders.

27. I make this Affidavit in support of an Application for the relief described above.

SWORN BEFORE ME at Calgary, Alberta,
this 12th day of August, 2016.



 Commissioner for Oaths in and for Alberta



 CHARLES BOUGIE

SURUCHI KAMAL BHOWMIK
 Commissioner for Oaths
 In and for the Province of Alberta
 Expiry Date: September 18, 2016