



December 8, 2015

**FUTHER INFORMATION FOR DIL DEPOSITORS
DIL'S PLAN OF COMPROMISE AND ARRANGEMENT (THE "DIL PLAN")**

THE BASICS AND WHAT YOU NEED TO DO

The following provides a brief outline of the basics of the DIL Plan and what you need to do to prior to the meeting that is being scheduled for DIL Depositors to vote on the DIL Plan (the "DIL Meeting"). This document provides high level information only and it is recommended that DIL Depositors review the detailed information included in the Monitor's First Report to the Creditors of DIL, dated December 8, 2015.

The Basics of the DIL Plan

The following are the basics of the DIL Plan:

Distributions to DIL Depositors

1. DIL is selling or otherwise disposing of its assets.
2. As the assets are sold, funds will be distributed to DIL Depositors by being paid into registered accounts established with Great-West Life Assurance Company ("GWL").

The Representative Action

1. A process has been established so that a legal action, defined as the "Representative Action", can be undertaken on behalf of all DIL Depositors, who choose to participate.
2. The Representative Action will include claims by DIL Depositors that are not paid under the DIL Plan and further includes claims against DIL's former directors and officers, claims against DIL's directors' and officers' liability insurer and claims against third parties.
3. A subcommittee (the "Subcommittee") is being appointed to choose a lawyer to represent DIL Depositors in the Representative Action and to provide direction to that lawyer on behalf of all DIL Depositors. The Subcommittee will be made up of DIL Depositors and will include at least one member from the current DIL creditors' committee.
4. Under the DIL Plan one group, led by the Subcommittee, will pursue all legal proceedings on behalf of DIL Depositors. There is no limitation on the number of legal actions that can

be commenced by that group or the jurisdictions in which legal proceedings can be commenced by that group.

The Monitor's Recommendations

The Monitor is recommending the DIL Plan on the following basis:

1. The DIL Plan provides that all of DIL's assets will be sold or otherwise disposed of and all proceeds, net of holdbacks, will be payable to DIL Depositors. If the DIL Plan fails, the disposal of DIL's assets may take longer and DIL's assets may need to be sold under forced sale conditions, which could result in lower recoveries and higher professional fees.
2. Under the DIL Plan, distributions to DIL Depositors are being made through GWL. As the funds are being transferred from one registered savings plan to another registered savings plan of the same type, there are not anticipated to be any negative tax consequences for DIL Depositors.
3. The DIL Plan provides a streamlined process for DIL Depositors to pursue the Representative Action with the ongoing involvement of at least one member of the DIL's creditors' committee. It prevents 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.

What you need to do:

To Vote on the DIL Plan

To vote on the DIL Plan you must do one of the following:

Option 1

Attend the DIL Meeting, which will be held at the following time and place:

Time: Saturday, January 23, 2016 at 10:00 a.m.

Location: Prince of Peace Church and School, 243209 Garden Road NE, Calgary, AB.

Option 2

Appoint someone as your proxy by filling out the attached Form of Proxy so that they can attend the DIL Meeting and vote on your behalf.

Option 3

Vote on the DIL Plan by filing out the attached Form of Election Letter so that your vote can be recorded even if you cannot attend the DIL Meeting and do not wish to appoint a proxy.

To opt-in or opt-out of the Representative Action

You can opt-in or opt-out of the Representative Action by filling out the attached Representative Action Letter. If you do not complete the Representative Action Letter you will be deemed to have opted in to the Representative Action.

Once a lawyer has been chosen to represent those DIL Depositors, who choose to participate in the Representative Action, the Monitor will be providing DIL Depositors with additional information regarding the estimated amount to be held back from distributions to those DIL Depositors who opt-in to fund the Representative Action. Depositors will have a further opportunity to opt-out at this time and can opt-out at any time prior to the commencement of the Representative Action.

Form of Proxy

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT PROXY
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, _____ of _____, a creditor in the above matter, hereby appoint _____ of _____, (person you want to appoint) to be my proxyholder in the above matter, except as to the receipt of any distributions pursuant to the DIL Plan, dated November 21, 2015 and amended on December 5, 2015 as may be further amended from time to time (the "DIL Plan") with or without power to appoint another proxyholder in his or her place.

The above named proxyholder shall attend on behalf of and act for me at the DIL Creditors' Meeting to be held in connection with the DIL Plan and at any and all adjournments, postponements or other rescheduling of the DIL Creditors' Meeting, and vote the amount of my Claim(s) as follows:

1. (mark one only):

- Vote **FOR** approval of the resolution to accept the DIL Plan; or
 Vote **AGAINST** approval of the resolution to accept the DIL Plan.

IF A BOX IS NOT MARKED AS A VOTE FOR OR AGAINST APPROVAL OF THE PLAN, THEN THE PROXYHOLDER SHALL VOTE AT HIS/HER DISCRETION.

and

2. Vote at his/her discretion and otherwise act for and on behalf of me with respect to any amendments or variations to the matters identified in the notice of the DIL Creditors'

Meeting and in the DIL Plan, and with respect to other matters that may properly come before the DIL Creditors' Meeting.

THIS PROXY, 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 JANUARY 22, 2015 OR SUCH LATER DATE AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE DIL CREDITORS' MEETING HAS BEEN ADJOURNED TO, OR DELIVERED BY HAND TO THE CHAIR OF THE DIL CREDITORS' MEETING PRIOR THE COMMENCEMENT OF THE DIL CREDITORS' MEETING. AFTER COMMENCEMENT OF THE DIL CREDITORS' MEETING (OR ANY ADJOURNMENT THEREOF), NO PROXIES CAN BE ACCEPTED BY THE MONITOR.

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

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

Phone: (587) 293-3203 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca

Form of Election Letter

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT ELECTION 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.

THIS ELECTION LETTER SHALL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS STATED BELOW EVEN THOUGH THE PLAN PRESENTED BY DIL MAY BE FURTHER MODIFIED OR AMENDED IN ACCORDANCE WITH THE TERMS OF THE DIL PLAN BEFORE OR AT THE DIL CREDITORS' MEETING, OR AFTER THE DIL CREDITORS' MEETING WITH THE APPROVAL OF THE COURT.

Voting

I, _____ a creditor (or I _____, representative of _____, a creditor), in the above matter for the sum of \$_____ hereby request the Monitor to record my vote respecting the DIL Plan as made on the November 21, 2015 and amended on December 5, 2015 as may be further amended from time to time as follows:

(mark one only):

- Vote **FOR** approval of the resolution to accept the DIL Plan; or
- Vote **AGAINST** approval of the resolution to accept the DIL Plan.

IF A BOX IS NOT MARKED AS A VOTE FOR OR AGAINST APPROVAL OF THE DIL PLAN, YOUR VOTE SHALL BE DEEMED TO BE A VOTE FOR APPROVAL OF THE DIL PLAN.

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, AB T2P 0R8
Phone: (587) 293-3203 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca

Representative Action Letter

COURT FILE NUMBER 1501-00955

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

DOCUMENT 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.

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 Representative Action as follows:

(mark one only):

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

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

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

- a. waiving all rights as a participant within the Representative Action Claim(s);
- b. not entitled to any further notice of or information regarding the Representative Action, save what is available on the public record;
- c. forever barred from participating in the Representative Action;
- d. 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 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 REPRESENTATIVE ACTION, ANY PAYMENTS YOU ARE ENTITLED TO UNDER THE PLAN WILL BE SUBJECT TO THE 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 JANUARY 22, 2016 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 _____, 20__.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:

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