



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.

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT**  
**PURSUANT TO PARAGRAPH 10(2)(B) OF THE COMPANIES' CREDITORS**  
**ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended**

1. The Management of the Applicants has developed the assumptions and prepared the attached statements of projected cash flow for each of the Applicants as of the 27<sup>th</sup> day of May 2016 for the thirteen week period (the "Forecast Period") ending August 20, 2016 (the "Forecasts").
2. The Forecasts have been prepared for the purpose of determining the liquidity requirements of the Applicants during the Forecast Period.
3. The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the notes to the Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Forecasts.
4. Since the Forecasts are based on assumptions regarding future events, actual results will vary from the information presented and variations may be material.
5. The Forecasts have been prepared solely for the purposes described in the notes to the Forecasts. Consequently, readers are cautioned that the Forecasts may not be appropriate for other purposes.

6. The Applicants confirm that the Forecasts and the underlying assumptions are the responsibility of the Applicants, and that all material information relevant to the Forecasts and to the underlying assumptions has been made available to Deloitte Restructuring Inc., in its capacity as the Monitor for the Applicants.

Dated at Calgary, Alberta this 7 day of June 2016

KLUANE FINANCIAL SERVICES INC., IN ITS  
CAPACITY AS CHIEF RESTRUCTURING  
OFFICER OF LUTHERAN CHURCH – CANADA,  
THE ALBERTA – BRITISH COLUMBIA DISTRICT,  
ENCHARIS COMMUNITY HOUSING AND  
SERVICES, ENCHARIS MANAGEMENT AND  
SUPPORT SERVICES AND LUTHERAN CHURCH  
- CANADA, THE ALBERTA – BRITISH COLUMBIA  
DISTRICT INVESTMENTS LTD.

Per: 

Cameron Sherban

**The Lutheran Church of Canada in the Alberta, British Columbia District (the "District") including the Church Extension Fund (CEF)**  
**Statement of Operating Cash Flow**  
**For the Thirteen Week Period Ending August 30, 2016**

Week ending	28-May-16	4-Jun-16	11-Jun-16	18-Jun-16	25-Jun-16	2-Jul-16	9-Jul-16	16-Jul-16	23-Jul-16	30-Jul-16	6-Aug-16	13-Aug-16	20-Aug-16	Total	Notes
<b>Cash flow from CEF operations</b>															
<b>Receipts</b>															
Lease payments		\$ 29,018	\$ 29,018								\$ 29,018			\$ 87,053	1
Bank interest income		1,500	1,500								1,500			4,500	
Management fees	23,000			11,500									11,500	57,500	2
Loan interest and principal payments		385	385	14,782									14,782	45,501	3
<b>Total Receipts</b>	23,000	30,903	30,903	26,282				26,282			30,903		26,282	184,554	
<b>Disbursements</b>															
Mortgage payments		(28,189)	(28,189)								(28,189)			(84,567)	1
CEF salaries and benefits		(4,200)	(4,200)	(15,000)							(4,200)		(15,000)	(57,600)	
Operating expenses	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(72,350)	4
Emergency fund		(24,000)	(24,000)								(24,000)			(72,000)	4
Restructuring fees		(100,000)	(100,000)								(100,000)			(300,000)	5
CRF		(20,580)	(20,580)	(10,290)							(10,290)			(51,450)	6
<b>Total disbursements</b>	(950)	(177,919)	(950)	(15,950)	(950)	(950)	(950)	(28,240)	(950)	(950)	(167,829)	(950)	(15,950)	(577,987)	
<b>Net cash flow from CEF operations</b>	22,050	(147,016)	(950)	10,332	(950)	(950)	(136,726)	42	(950)	(950)	(136,726)	(950)	10,332	(383,412)	
<b>Cash flow from other District operations</b>															
<b>Receipts</b>															
Mission remittances	9,500	9,500	9,500	9,500	9,500	9,500	8,000	8,000	8,000	8,000	8,000	8,000	8,000	111,500	7
<b>Total receipts</b>	9,500	9,500	9,500	9,500	9,500	9,500	8,000	8,000	8,000	8,000	8,000	8,000	8,000	111,500	
<b>Disbursements</b>															
Salaries and benefits		(7,895)	(7,895)				(7,895)						(7,895)	(23,685)	8
Administrative expenses, travel and utilities	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(22,000)	9
Outreach operating expenses	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(24,874)	10
Department of Stewardship and Financial															
Ministries operating expenses	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(3,000)	11
President's expenses		(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(24,000)	
Mission Payments to LCC		(8,000)	(8,000)				(8,000)				(8,000)			(1,500)	7
Contingency		(500)	(500)				(500)				(500)			(1,500)	
<b>Total disbursements</b>	(2,150)	(8,650)	(11,150)	(10,045)	(9,366)	(9,366)	(10,150)	(11,045)	(9,366)	(2,150)	(13,650)	(3,150)	(17,253)	(110,759)	
<b>Net cash flow from other District operations</b>	7,350	3,850	(1,650)	(845)	142	(845)	(2,150)	(3,045)	(1,366)	(1,366)	(5,650)	4,850	(9,253)	741	
<b>Total net cash flow</b>	29,400	(143,166)	(2,600)	9,787	(808)	(808)	(134,376)	(3,003)	(2,306)	(2,306)	(142,376)	3,900	1,079	(382,671)	
<b>Cash and marketable securities on hand</b>															
Beginning balance	\$ 5,072,847	\$ 5,102,247	\$ 4,959,081	\$ 4,956,481	\$ 4,956,268	\$ 4,956,460	\$ 4,831,084	\$ 4,827,984	\$ 4,824,981	\$ 4,822,673	\$ 4,827,573	\$ 4,665,197	\$ 4,669,097	\$ 5,072,847	
Total net cash flow	29,400	(143,166)	(2,600)	9,787	(808)	(808)	(134,376)	(3,003)	(2,306)	(2,306)	(142,376)	3,900	1,079	(382,671)	
Ending balance	\$ 5,102,247	\$ 4,959,081	\$ 4,956,481	\$ 4,956,268	\$ 4,956,460	\$ 4,831,084	\$ 4,827,984	\$ 4,824,981	\$ 4,822,673	\$ 4,827,573	\$ 4,665,197	\$ 4,669,097	\$ 4,690,176	\$ 4,690,176	12 & 13

Prepared as at the 27th day of May, 2016.

THE LUTHERAN CHURCH - CANADA - THE ALBERTA BRITISH COLUMBIA DISTRICT (the "District") including the Church Extension Fund ("CEF")  
FOR THE THIRTEEN WEEK PERIOD ENDING AUGUST 22, 2015

**Purpose:**

This Statement of Projected Cash Flow (the "Cash Flow") has been prepared by management pursuant to section 10(2)(g) of the Companies' Creditors' Arrangement Act ("CCCAA"). It is being filed specifically for the purposes contemplated in that section and readers are cautioned that it may not be appropriate for other purposes. The Cash Flow has been prepared based on the hypothetical and probable assumptions described in the general and specific notes. In addition the Cash Flow has been prepared based on assumptions regarding future events; therefore actual results may vary from the estimates presented herein and these variances may be material.

The Lutheran Church - Canada - The Alberta  
British Columbia District



Per: Cameron Sherban, Chief Restructuring  
Officer

**Notes & Assumptions - General:**

1. Unless otherwise stated, amounts are based on historical data and management estimates.
2. All amounts include applicable GST.
3. CEF placed a moratorium on depositors redemptions effective January 2, 2015.

**Notes & Assumptions - Specific:**

1. Monthly lease payments made from Golden Hills School Division for the lease of a portion of a property located in Strathmore, Alberta (the "Strathmore Property"). The loan on Strathmore Property is held in the Lutheran Church - Canada, The Alberta - British Columbia District Investments Ltd. ("DIL"); therefore payments are transferred to DIL from CEF on a monthly basis (the "Golden Hill Payment").
2. A monthly management fee is payable from DIL to District.
3. Includes payments on mortgages and lines of credit, which are sometimes paid on inconsistent dates and not always kept current.
4. Represents payments made pursuant to an emergency fund whereby high need individuals are still able to access funds on a monthly basis during the CCAA proceedings.
5. Represents anticipated amounts payable to the District's legal counsel, the CCAA Monitor, the CCAA Monitor's legal counsel and representative counsel for the creditors' committee that was established for the District.
6. Includes amounts payable to Klusne Partners as the Chief Restructuring Officer.
7. Represents the anticipated weekly amount of mission commitments received from the churches throughout the District a portion of which is payable to Lutheran Church-Canada as set out in the Order granted by the Court of Queen's Bench of Alberta on June 26, 2015.
8. Includes monthly salary, benefits and pension amounts. The District is VCB exempt.
9. Includes information technology, general office expenses and travel.
10. Program funding given to churches within the District. Churches have accessed this program by applying for specific funding with all amounts being reviewed by the Outreach Department and approved by the District's board of directors.
11. Monthly amount sent to the Lutheran Church Canada for use of the services of the LCC gift planner, who is assigned to the District.
12. This amount includes cash held by the District in various accounts with Bank of Montreal, including approximately \$2,862 held in a U.S. dollar account, which has been converted at an exchange rate of 1:1.00 US: 1.33 CDN. This amount also includes marketable securities held with FI Capital with a fair market value of approximately \$208,200 as at May 25, 2016.
13. Bishop & McKenzie LLP, legal counsel to the District are holding amounts in trust related to the sale of various real estate properties that have now closed. These amounts include approximately \$3.5 million related to the sale of vacant school lands in Edmonton, Alberta, approximately \$391,000 related to the sale of a condominium in Richmond, B.C., approximately \$359,000 related to the sale of a property in Revelstoke, British Columbia, approximately \$4.8 million related to the sale of a property in St. Albert, Alberta, approximately \$1.5 million related to the sale of the District's former head office in Edmonton, Alberta and approximately \$208,000 related to a settlement with Concordia Lutheran Church in Edmonton, Alberta (the "Sale Proceeds"). The Sale Proceeds are not reflected herein but are being held in trust for inclusion in a Plan of Arrangement to be filed by the District in the CCAA proceedings.

**Encharis Management and Support Services ("EMSS")  
Statement of Protected Cash Flow  
For the Thirteenth Week Ending August 20, 2016**

Week ending	28-May-16	4-Jun-16	11-Jun-16	18-Jun-16	25-Jun-16	2-Jul-16	9-Jul-16	16-Jul-16	23-Jul-16	30-Jul-16	6-Aug-16	13-Aug-16	20-Aug-16	Total	Notes
<b>Receipts</b>															
Rent	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 1,350,000	1
Alberta Health Services ("AHS") funding	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,170,744	2
Miscellaneous revenue	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	79,000	3
<b>Total receipts</b>	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,599,744	
<b>Disbursements</b>															
Payroll	(200,000)	(196,500)	(196,500)	(196,500)	(196,500)	(196,500)	(196,500)	(196,500)	(196,500)	(196,500)	(196,500)	(196,500)	(196,500)	(1,379,000)	4
RRSP's	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(19,250)	
Health Benefits	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(87,000)	
Administrative expenses	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(128,000)	5
Food services expenses	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(130,000)	
Housekeeping expenses	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(15,750)	
Healthcare expenses	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(8,800)	
Maintenance expenses	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(160,000)	6
Utility expenses	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(150,000)	7
Diversicare	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(68,000)	8
Lease payments	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(360,000)	9
Restructuring fees	(4,410)	(4,410)	(4,410)	(4,410)	(4,410)	(4,410)	(4,410)	(4,410)	(4,410)	(4,410)	(4,410)	(4,410)	(4,410)	(17,640)	
CRC	(259,900)	(239,160)	(220,400)	(91,160)	(243,750)	(243,750)	(243,750)	(91,160)	(220,400)	(68,750)	(397,400)	(91,160)	(220,400)	(2,626,440)	
<b>Total disbursements</b>	(259,900)	(239,160)	(220,400)	(91,160)	(243,750)	(243,750)	(243,750)	(91,160)	(220,400)	(68,750)	(397,400)	(91,160)	(220,400)	(2,626,440)	
<b>Net cash flow</b>	<b>\$ (257,900)</b>	<b>\$ (237,160)</b>	<b>\$ (217,400)</b>	<b>\$ (89,160)</b>	<b>\$ (241,750)</b>	<b>\$ (241,750)</b>	<b>\$ (241,750)</b>	<b>\$ (89,160)</b>	<b>\$ (218,400)</b>	<b>\$ (69,750)</b>	<b>\$ (445,400)</b>	<b>\$ (89,160)</b>	<b>\$ (218,400)</b>	<b>\$ (68,696)</b>	

<b>Cash on hand</b>															
Beginning balance	\$ 1,050,660	\$ 791,760	\$ 1,393,848	\$ 1,176,448	\$ 1,086,288	\$ 868,888	\$ 1,464,388	\$ 1,224,988	\$ 1,134,828	\$ 915,428	\$ 827,678	\$ 1,271,524	\$ 1,183,364	\$ 1,050,660	
Net cash flow	(258,900)	602,088	(217,400)	(89,160)	(241,750)	(241,750)	597,498	(239,400)	(219,400)	(67,750)	443,848	(89,160)	(219,400)	(68,696)	
Ending balance	\$ 791,760	\$ 1,393,848	\$ 1,176,448	\$ 1,086,288	\$ 868,888	\$ 1,464,388	\$ 1,224,988	\$ 1,134,828	\$ 915,428	\$ 827,678	\$ 1,271,524	\$ 1,183,364	\$ 913,964	\$ 981,964	10

Prepared as at the 27th day of May, 2016.

**Purpose:** This Statement of Protected Cash Flow (the "Cash Flow") has been prepared by management pursuant to section 10(2)(g) of the Companies' Creditors' Arrangement Act ("CCCAA"). It is being filed specifically for the purposes contemplated in that section and readers are cautioned that it may not be appropriate for other purposes. The Cash Flow has been prepared based on the hypothetical and probable assumptions described in the general and specific notes. In addition, the Cash Flow has been prepared based on assumptions regarding future events, therefore actual results may vary from the estimates presented herein and these variances may be material.

Encharis Management and Support Services

  
Ron Cameron, Chairman, Chief Restructuring Officer

- Notes & Assumptions - General:**
- Unless otherwise stated, amounts are based on historical data and management estimates.
  - All amounts include applicable GST.
  - EMSS holds security deposits for PAL and independent residents in a separate trust account.
  - EMSS' plan of compromise and arrangement has been sanctioned by the Court of Queen's Bench of Alberta.

- Notes & Assumptions - Specific:**
- Rents include all Alberta Health Services ("AHS") beds, independent beds and small rental amounts for the drug store and hair salon.
  - Annual funding revenue taken from the funding advice received from AHS on July 23, 2014.
  - Includes food services revenue, damage repair revenue and miscellaneous revenue (stamps, photocopying, etc.).
  - Payroll is withdrawn every second Friday and includes Canada Revenue Agency payroll source deductions.
  - Includes all administrative department expenses, payments to contractors who provide accounting, management and pastoral services, WCB, information technology and cable.
  - EMSS obtains water and sewer services from ECHS.
  - A contract is in place with Verve, formerly known as Diversicare Canada Management Services Co., Inc. related to the operations of the Harbour and the Manor seniors' care facilities.
  - ECHS, a related entity owns land and buildings within the development known as Prince of Peace, which they lease to EMSS. EMSS operates as the Prince of Peace Manor and Harbour, providing integrated supportive living services to seniors based on their assessed care needs. Monthly lease payments are \$120,000. Monthly payments are due on the 1st of each month from EMSS to ECHS with respect to this lease.
  - Represents anticipated amounts payable to EMSS' legal counsel, the CCAA Monitor and the CCAA Monitor's legal counsel.
  - Includes amounts held by EMSS in their operating account with Bank of Montreal.

**Lutheran Church - Canada, The Alberta District, British Columbia District Investments Ltd. (DIL)**  
**Statement of Projected Cash Flow**  
**For the Thirteen Week Period Ending August 20, 2016**

	28-May-16	4-Jun-16	11-Jun-16	18-Jun-16	25-Jun-16	2-Jul-16	9-Jul-16	16-Jul-16	23-Jul-16	30-Jul-16	6-Aug-16	13-Aug-16	20-Aug-16	Total	Notes
<b>Receipts</b>															
Bank interest		\$ 1,500				\$ 1,500					\$ 1,500			\$ 4,500	1
Transfer from Bishop & McKenzie LLP				5,635,623										5,635,623	2
Loan payments		28,189				28,189					28,189			84,567	
Total receipts		29,689		5,635,623		29,689					29,689			5,927,889	
<b>Disbursements</b>															
Management fee	(23,000)														3
Restructuring fees	(75,000)			(11,500)									(11,500)	(87,000)	4
CFO	(20,580)													(20,580)	5
DIL Distribution	(452,045)			(7,000,000)										(7,452,045)	6
Total disbursements	(570,625)			(7,011,500)		(85,290)		(11,500)					(11,500)	(7,775,705)	6
<b>Net cash flow</b>	<b>(\$70,625)</b>	<b>\$ 29,689</b>	<b>\$ (1,172,877)</b>	<b>\$ (85,290)</b>	<b>\$ (85,290)</b>	<b>\$ (85,290)</b>	<b>\$ (85,290)</b>	<b>\$ (11,500)</b>	<b>\$ (85,290)</b>	<b>\$ (85,290)</b>	<b>\$ (85,290)</b>	<b>\$ (85,290)</b>	<b>\$ (11,500)</b>	<b>\$ (1,848,018)</b>	
<b>Cash and marketable securities on hand</b>															
Beginning balance	\$ 3,030,236	\$ 2,459,611	\$ 2,489,300	\$ 2,489,300	\$ 1,316,423	\$ 1,231,133	\$ 1,260,822	\$ 1,260,822	\$ 1,249,322	\$ 1,164,032	\$ 1,164,032	\$ 1,193,721	\$ 1,193,721	\$ 3,030,236	
Net cash flow	(570,625)	29,689	(1,172,877)	(85,290)	(85,290)	(85,290)	(85,290)	(11,500)	(85,290)	(85,290)	(85,290)	(11,500)	(11,500)	(1,848,018)	
Ending balance	\$ 2,459,611	\$ 2,489,300	\$ 2,489,300	\$ 1,316,423	\$ 1,231,133	\$ 1,260,822	\$ 1,260,822	\$ 1,249,322	\$ 1,164,032	\$ 1,164,032	\$ 1,193,721	\$ 1,193,721	\$ 1,193,721	\$ 1,182,221	7

Prepared as at the 27th day of May, 2016.

**Purpose:**

This Statement of Projected Cash Flow (the "Cash Flow") has been prepared by management pursuant to section 102(a) of the Companies' Creditors' Arrangement Act ("CCAA"). It is being filed specifically for the purposes contemplated in that section and readers are cautioned that it may not be appropriate for other purposes. The Cash Flow has been prepared based on the hypothetical and probable assumptions described in the general and specific notes. In addition, the Cash Flow has been prepared based on assumptions regarding future events; therefore actual results may vary from the estimates presented herein and these variances may be material.

The Lutheran Church - Canada, the Alberta District, British Columbia District Investments Ltd.  
 Alberta British Columbia District Investments Ltd.

  
 Per Cameron Sharban, Chief Restructuring Officer

**Notes & Assumptions - General:**

1. Unless otherwise stated, amounts are based on historical data and management estimates.
2. All amounts include applicable GST.
3. DIL has not processed any depositors' redemptions since January 2, 2015.
4. DIL has filed a plan of compromise and arrangement (the "DIL Plan") in the CCAA proceedings, which has been approved by the required majority of creditors but remains subject to Court approval.

**Notes & Assumptions - Specific:**

1. Includes the funds held in trust by Bishop McKenzie LLP from the payout of loans from Faith Lutheran Church in Surrey, British Columbia, Boshiam Lutheran Church in Calgary, Alberta, Walnut Grove Lutheran Church in Langley, British Columbia, Good Shepherd Lutheran Church in Calgary, Alberta and Redeemer Lutheran Church in High Prairie, Alberta as well as amounts collected from the residents who hold life leases on condominiums within Prince of Pelee Village, pursuant to Enchantia Community Housing and Services plan of compromise and arrangement.
2. Includes mortgage payments related to a property in Strathmore, AB.
3. Represents a monthly management fee payable to the District.
4. Represents anticipated amounts payable to DIL's legal counsel, the CCAA Monitor, the CCAA Monitor's legal counsel and representative counsel for the creditors' committee that was established for DIL.
5. Includes amounts payable to Ruane Partners as the Chief Restructuring Officer.
6. On August 20, 2016, the Court granted an Order (as subsequently amended) approving the transfer of \$15.0 million from the registered retirement savings plans held by DIL to new registered retirement savings plans currently held by DIL to alternate service providers. Not all RRRF and LIF holders have requested the transfer of funds and \$492,045 remains to be distributed from the First DIL Distribution. In addition, on April 27, 2016, the Court granted an Order approving a further interim distribution of up to \$7.5 million from the registered retirement savings plans currently held by DIL to new registered retirement savings plans held by GWL, or for holders of RRRFs and LIFs, to alternate service providers (the "Second DIL Distribution"). It is anticipated that approximately \$7.0 million of the Second DIL Distribution will be distributed over the thirteen week period ending August 20, 2016.

**Encharis Community Housing and Services (ECHS)**  
**Statement of Projected Cash Flow**  
**For the Thirteen Week Period Ending August 20, 2016**

Week ending	28-May-16	4-Jun-16	11-Jun-16	18-Jun-16	25-Jun-16	2-Jun-16	9-Jul-16	16-Jul-16	23-Jul-16	30-Jul-16	6-Aug-16	13-Aug-16	20-Aug-16	Total	Notes
<b>Receipts</b>															
Lease revenue	\$ 19,008	\$ 120,000	\$ 6,336	\$ 6,336	\$ 6,336	\$ 120,000	\$ 6,336	\$ 6,336	\$ 6,336	\$ 6,336	\$ 120,000	\$ 6,336	\$ 6,336	\$ 360,000	1
Water and sewage revenue		38,000				38,000					38,000			152,016	2
RV lot rental		1,000				1,000					1,000			3,000	
<b>Total receipts</b>	19,008	159,000	6,336	6,336	6,336	159,000	6,336	6,336	6,336	6,336	159,000	6,336	6,336	515,016	
<b>Disbursements</b>															
Operating expenses	(4,816)	(7,500)	(39,816)	(7,500)	(7,500)	(7,500)	(39,816)	(7,500)	(4,816)	(7,500)	(4,816)	(42,500)	(4,816)	(183,712)	3
Restructuring fees	(4,410)	(35,000)	(4,410)	(4,410)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(440,000)	4
CRO	(9,226)	(10,000)	(4,410)	(4,410)	(4,410)	(10,000)	(4,410)	(4,410)	(4,410)	(4,410)	(10,000)	(4,410)	(4,410)	(77,840)	5
Contingency		(92,500)	(44,226)	(44,226)	(44,226)	(17,500)	(39,816)	(11,910)	(39,816)	(7,500)	(14,816)	(46,910)	(39,816)	(371,352)	
<b>Total disbursements</b>	(9,226)	(106,500)	(37,890)	(37,890)	(37,890)	(141,500)	(32,480)	(11,910)	(39,816)	(7,500)	(144,184)	(40,574)	(39,816)	143,564	
<b>Net cash flow</b>	9,782	52,500	28,446	28,446	28,446	17,500	36,856	24,446	26,524	24,446	14,816	26,862	26,524	371,452	

<b>Cash on hand</b>															
Beginning balance	\$ 920,831	\$ 920,831	\$ 1,037,113	\$ 1,037,113	\$ 989,223	\$ 981,723	\$ 1,093,407	\$ 1,099,927	\$ 1,048,017	\$ 1,008,201	\$ 1,000,701	\$ 1,144,885	\$ 1,104,311	\$ 920,831	
Net cash flow	9,782	52,500	(37,890)	(37,890)	(37,500)	(39,816)	(35,480)	(11,910)	(39,816)	(7,500)	144,184	(40,574)	(39,816)	143,564	
Ending balance	\$ 930,613	\$ 1,037,113	\$ 999,223	\$ 951,333	\$ 951,723	\$ 951,907	\$ 1,059,927	\$ 1,048,017	\$ 1,008,201	\$ 1,000,701	\$ 1,144,885	\$ 1,104,311	\$ 1,064,495	\$ 1,054,395	6

Prepared as at the 27th day of May, 2016.

Purpose:

This Statement of Projected Cash Flow (the "Cash Flow") has been prepared by management pursuant to section 10(2)(a) of the Companies' Creditors' Arrangement Act ("CCAA"). It is being filed specifically for the purposes contemplated in that section and readers are cautioned that it may not be appropriate for other purposes. The Cash Flow has been prepared based on the hypothetical and probable assumptions described in the general and specific notes. In addition the Cash Flow has been prepared based on assumptions regarding future events; therefore actual results may vary from the estimates presented herein and these variances may be material.

Encharis Community Housing and Services

Per: Cameron Sherban, Chief Restructuring Officer

**Notes & Assumptions - General:**  
 1. Unless otherwise stated, amounts are based on historical data and management estimates.  
 2. All amounts include applicable GST.  
 3. ECHS' plan of compromise and arrangement (the "ECHS Plan") has been sanctioned by the Court of Queen's Bench of Alberta.

**Notes & Assumptions - Specific:**  
 1. ECHS leases land and buildings within the development known as the Prince of Peace to Encharis Management and Support Services ("EMSS"), a related entity. EMSS operates as the Prince of Peace Manor and Harbour, providing integrated supportive living services to seniors based on their assessed care needs. Monthly lease payments are \$120,000. Monthly payments are due on the 1st of each month from EMSS to ECHS with respect to this lease.  
 2. ECHS provides water and sewer services to EMSS, to the elementary school located in the Prince of Peace development and to residents of a condominium complex known as the Prince of Peace Village (the "Residents"). All Residents have their payments processed by EFT on the first of the month. EMSS makes their payment to ECHS during the first week of each month. The elementary school makes payments each month as funds are available.  
 3. Monthly accounts payable average approximately \$55,500 per month.  
 4. Represents anticipated amounts payable to ECHS' legal counsel, the CCAA Monitor and the CCAA Monitor's legal counsel.  
 5. Includes payments related to the repair of roadways and the master-site plan approval process.  
 6. Includes amounts held by ECHS in their operating account with Bank of Montreal. Stahop & McKenzie LLP, legal counsel to ECHS are holding approximately \$7.9 million from the sale of lands in Chestermere, Alberta in trust, which are not reflected herein.