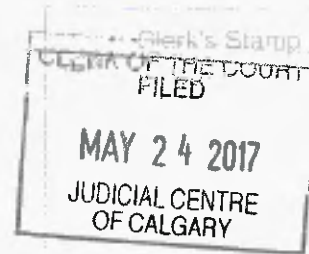


COURT FILE NUMBER 1501-00955
 COURT Court of Queen's Bench of Alberta
 JUDICIAL CENTRE Calgary



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 **APPLICATION BY THE MONITOR, DELOITTE RESTRUCTURING INC.
 FOR ADVICE AND DIRECTIONS & SEALING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

CASSELS BROCK & BLACKWELL LLP
 Lawyers
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 Calgary AB T2P 5E9

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Jeffrey Oliver
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File No. 49073-1

NOTICE OF APPLICATION

Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as monitor (in such capacity, the "**Monitor**") of Lutheran Church – Canada, The Alberta – British Columbia District (the "**District**"), Encharis Community Housing And Services, Encharis Management And Support Services, And Lutheran Church – Canada, The Alberta – British Columbia District Investments Ltd. (collectively, the "**Applicants**"), will make an application to the Honourable Madam Justice Romaine as set out below:

To do so, you must be in Court when the Application is heard as shown below:

Date: May 25, 2017

Time: 2:00 PM
Where: Calgary Courts Centre, 601 - 5 Street S.W.
Calgary, AB T2P 5P7
Before Whom: The Honourable Madam Justice B.E.C. Romaine

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. Advice and direction pursuant to, *inter alia*,
 - (a) section 48 of the Initial Order pronounced on January 23, 2015 (the “**Initial Order**”);
 - (b) section 46 of the District Sanction Order pronounced on August 5, 2016 (the “**Sanction Order**”);
 - (c) section 36 of the District Subcommittee Order pronounced August 5, 2016 (the “**Subcommittee Order**”);in relation to certain actions undertaken by one or more members of the District Subcommittee and its counsel;
2. An order substantially in the form affixed as Schedule “A” hereto sealing the Confidential Supplement to the 28th Report of the Monitor, which affixes the Information Circular of Sage Properties Corp; and
3. Such further and other relief as counsel may advise and this Honourable Court may permit.

Grounds for making this Application:

Background

4. All terms not otherwise defined herein shall have the meanings prescribed within the Plan (as that term is defined below).
5. On January 23, 2015, the Applicants filed for and obtained protection from their creditors under the *Companies’ Creditors and Arrangement Act* (Canada) pursuant to the Initial Order.
6. Pursuant to the Initial Order, Deloitte was appointed as Monitor of the Applicants.
7. The Fifth Amended Plan of Compromise and Arrangement of the District (the “**Plan**”) was sanctioned by the Sanction Order.
8. Pursuant to the Plan:

- (a) all Claims, other than Representative Action Claims, were subject to, and compromised by, the Plan;
- (b) As part of this compromise, each Resident Affected Creditor with a Proven Claim not fully satisfied by the Convenience Payment and sales of non-core assets received common shares in NewCo ("**Sage**") in partial satisfaction of their remaining claim; and
- (c) District Depositors with a Representative Action Claim were also entitled to take part in the Representative Action as set out in the Plan, the Sanction Order and the Subcommittee Order.

9. The following individuals were appointed to the Subcommittee: Georg Beinert, Judy Kruse, Laurie Schutz, William Mulder and Wylie Hertlein. Allan Garber was appointed as Representative Counsel for the Representative Action Class.

10. The Subcommittee is currently comprised of Georg Beinert, William Mulder, Laurie Schutz and Diane Wilson.

11. Sage is holding a special meeting of shareholders on May 26, 2017 (the "**Shareholders Meeting**").

12. Sage issued a management information circular and proxy to the shareholders of Sage on April 21, 2017.

13. The Monitor has been informed that on May 4, 2017, two members of the Subcommittee issued what they purported to be a Dissident Proxy Circular (the "**Dissident Circular**") in relation to the Shareholders Meeting.

14. The Monitor is concerned about several actions taken by such Subcommittee members and their counsel in relation to Sage, the Dissident Circular and the upcoming Shareholders meeting (as more fully set out in the Twenty-Eight Report of the Monitor). The Monitor is therefore seeking the advice and direction of the court in relation to what, if anything, should occur as a result of these concerns.

Sealing

15. The Monitor is requesting a Sealing Order directing the sealing of the Confidential Supplement to the 28th Report of the Monitor, affixing the Information Circular of Sage Properties Corp. ("**Sage**"). Such Information Circular was provided to the Monitor on the basis that it would request that it be sealed.

16. Furthermore, the Information Circular of Sage contains information that may be prejudicial to any potential future sale of Sage's assets should a sales process occur. There are no reasonable alternative

measures, and the benefits of a Sealing Order would outweigh any negative effects on the interests of the public.

Material or evidence to be relied on:

17. The Twenty-Eighth Report of the Monitor, dated May 24, 2017;
18. Initial Order;
19. Sanction Order; and
20. Subcommittee Order.

Applicable rules:

21. Rules 1.3, 6.3, 6.28 and 13.5 of the *Alberta Rules of Court*.

Applicable Acts and regulations:

22. *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36.

Any irregularity complained of or objection relied on:

23. None.

How the Application is proposed to be heard or considered:

24. In person.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

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

Clerk's Stamp

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 **SEALING ORDER**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY FILING
THIS DOCUMENT

Cassels Brock & Blackwell LLP
Suite 1250 Millennium Tower,
440 – 2nd Avenue SW,
Calgary, Alberta, T2P 5E9

Telephone 403-351-2921
Facsimile 403-648-1151

File No. 049073-00001

Attention: Jeffrey Oliver

DATE ON WHICH ORDER WAS PRONOUNCED: May 25, 2017
LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice B.E. Romaine

UPON THE APPLICATION of Deloitte Restructuring Inc., in its capacity as the monitor (the "**Monitor**") of Lutheran Church – Canada, The Alberta – British Columbia District (the "**District**"), Encharis Community Housing And Services, Encharis Management And Support Services, And Lutheran Church – Canada, The Alberta – British Columbia District Investments Ltd. (collectively, the "**Applicants**"); **AND UPON HAVING READ** the Application of the Monitor returnable May 25, 2017, filed; the Twenty-Eighth Report of the Monitor dated May 24, 2017 (the "**Report**"), filed; the Confidential Supplement to the Report (the "**Confidential Supplement**"); and the Affidavit of Service of Richard Comstock, filed; **AND UPON HEARING** counsel for the Monitor and other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of the Notice of Application and supporting materials is deemed to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

Sealing

2. Division 4 of Part 6 of the *Alberta Rules of Court* does not apply to this Application.
3. The Confidential Supplement filed in the within proceedings shall, until the discharge of the Monitor or until further order of this Honourable Court, be sealed and kept confidential, to be shown only to a Justice of the Court of Queen's Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Supplement in a sealed envelope, which shall clearly be marked "SEALED PURSUANT TO THE ORDER OF THE HON. JUSTICE B.E.C. ROMAINE DATED MAY 25, 2017".
4. Any party may apply to set aside paragraph 3 of this Order upon providing the Monitor and all other interested parties with five (5) days notice of such application.

J.C.C.Q.B.A.