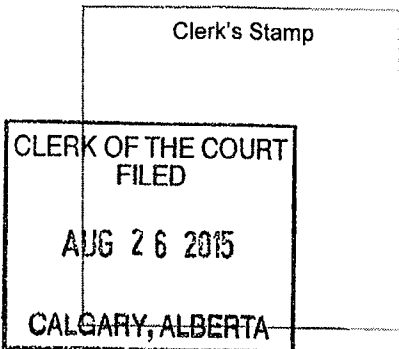


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY
IN THE MATTER OF THE COMPANIES
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as amended



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.

RESPONDENT THE LIFE LEASE EQUITY PROTECTION GROUP

DOCUMENT **AFFIDAVIT**

PARTY FILING THIS DOCUMENT THE LIFE LEASE EQUITY PROTECTION GROUP

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **McLeod Law LLP**
Centennial Place, West Tower
Suite 2110, 250-5th Street SW
Calgary, AB T2P 0R4

Attention: Mr. Jeff W. Moroz
Direct: (403) 225-6423
Facsimile: (403) 271-1769
Email: moroz@mcleod-law.com

File: 111855 JWM

AFFIDAVIT OF DONALD A. FRASER
sworn August 26, 2015

I, **DONALD A. FRASER**, of the **City of Calgary**, in the Province of Alberta, **SWEAR AND SAY THAT:**

Introduction

1. I am a resident of the Prince of Peace Village, located at 285030 Luther Rose Blvd. N.E., on the east side of the City of Calgary (the "Village"). As such, I have personal knowledge of matters hereinafter deposed to, except where stated to be based upon information and belief. Where so stated, I do verily believe the same to be true.
2. The Village is a "plus 55" seniors' condominium development. There are 174 units in the Village. The development was marketed by the Lutheran Church - Canada, the Alberta - British Columbia District (the "Lutheran Church").
3. As the name suggests, and given the identity of the sponsor of this project, this was intended to be a community of Christian seniors founded and existing upon Christian values.
4. I am a member of a group of 58 current residents in the Village, all of whom are the remaining holders of "Life Leases" (as hereinafter described). The name of our group is the Life Lease Equity Protection Group (the "Group"). I am also a member of its 4 person Steering Committee. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a true copy of a list of all members of the Group. There were originally 60 remaining Life Lease holders, but 1 unit was sold after the commencement of the CCAA process and 1 member has resigned from our Group.
5. On April 20, 2015, in response to being served in February, 2015 by the Monitor in these proceedings with a "Notice to Life Lease Residents in the Prince of Peace Village", our Group filed a Dispute Notice, wherein, amongst other things, our Group objected to the procedure requiring them to submit a Proof of Claim or Dispute Notice. Attached hereto and marked as **Exhibit "B"** to this my Affidavit is a true copy of the Dispute Notice, as well as the "Notice to Life Lease Residents in the Prince of Peace Village", a Notice to Creditors and a Proof of Claim Form.
6. Amongst other things, the Dispute Notice states:

- (i) The Residents object to the procedure requiring them to submit a Proof of Claim Form or Dispute Note;
- (ii) For reasons set out herein, the Residents are not creditors, contingent or otherwise, of ECHS or any of the Applicants;
- (iii) The Residents will bring an Application to the Court to dispute the process and for related relief; and
- (iv) The filing of this Dispute Note is done in protest and without prejudice to the position of the Residents as set out herein.

Background

7. Late in 1999, my wife, Joan, and I visited the Village sales office located at 201 Dayspring Bay in Calgary, Alberta. We were looking for a retirement residence.
8. We met the sales person on duty, a Mr. J. Kowalchuk. Mr. Kowalchuk introduced us to Mr. Francis Taman, who was described to us as the lawyer for the project. It was also explained to us that Mr. Taman was well-versed in "Life Lease" agreements.
9. It is my understanding, and I do verily believe, that it was Mr. Francis Taman who actually drafted the Life Lease Agreements involved in this case.
10. The "Life Lease" concept was promoted in the Lutheran Church material at the time as a better form of "ownership" than fee simple. Attached hereto and marked as **Exhibit "C"** to this my Affidavit is a true copy of a marketing sheet we were given at or about this time. It specifically states:

"The main advantage of a life lease is that you will yield a return similar to equity growth in a home while living in a maintenance-free environment."
11. It also states:

"When you wish to leave Prince of Peace Village, the lease is returned to Alberta-British Columbia District of the Lutheran Church - Canada, and the value of your home is then transferred to you or your estate."
12. I spoke at some length with Mr. Taman. I recall clearly that he emphasized that a prime feature of the Life Lease arrangement was that the marketing and future releasing or sale of our home would be done by the Owner of the Village ... the

Lutheran Church. They would obtain an Appraisal. We would not need to do these things ourselves. All the Owner would charge the Life Lease Resident was a fixed fee of five (5%) percent of the then-current fair-market value of our home in exchange for these services. This was a very important consideration for Joan and I in making our decision to accept the concept of a Life Lease and to enter into a Life Lease Agreement.

13. I also recall clearly that Mr. Taman more particularly advised me that, if we purchased a unit under the "Life Lease" arrangement, and provided we remained in the residence for two (2) years or more, and we then wished to surrender the unit, they would market the property for us at their expense. If the property was successfully re-leased within six (6) months, we would receive the full re-lease price, less five (5%) percent for their marketing costs. If the property stayed on the market for six (6) months or more, then the Lutheran Church would purchase from us our Life Lease interest at then-current appraised fair-market value, again less the five (5%) percent for their marketing, sale and transfer costs.
14. This verbal communication from Mr. Taman was reinforced when, at or about this time, I obtained and read a document entitled "Life Lease Advantages - Build Equity without the Worries of Home Ownership". Attached hereto and marked as **Exhibit "D"** to this my Affidavit is a true copy of the said document. Amongst other things, it reads as follows:

"No Worries About Resale - Through the life-lease program, Prince of Peace Village is committed to purchase back the life-lease contract at fair market value* less an administration fee. There will be no need to deal with relators - the Village looks after finding the new resident. If a new resident can be found within six months, fair market value* is established by the amount the new resident will pay. However, if the unit is not leased in six months, the Alberta - British Columbia District of the Lutheran Church - Canada will, subject to some restrictions, pay the current resident the appraised market value* of the unit.

Residents or their heirs are guaranteed to receive the cash sale of the unit within six months time, even if a new resident has not been found".
15. Accordingly, on January 10, 2000, Joan and I signed a "Reservation Agreement" with the Lutheran Church - Canada, paying \$5,000.0 to Mr. Taman's firm, Bishop &

McKenzie LLP, to secure a particular site location. Attached hereto and marked as **Exhibit "E"** to this my Affidavit is a true copy of the said Reservation Agreement.

16. Subsequent funds were advanced by Joan and I for a further deposit and for construction upgrades and basement development.
17. At around this time, we were given a copy of a document entitled "Offer to Lease and Disclosure Information". Attached hereto and marked as **Exhibit "F"** to this my Affidavit is a true copy of the said document.
18. In or around this time, we were also provided with a copy of a document entitled "Life Lease Surrender Process - Options". Attached hereto and marked as **Exhibit "G"** to this my Affidavit is a true copy of the said document.
19. I noted that this document provides very clearly that:

"As part of the process detailed in the Life Lease, an appraisal must be performed. The cost for this initial appraisal has been built in to the Transfer Fee, which is collected at the time that the Life Resident receives the proceeds from the surrender, as laid out in Article 10 of the Life Lease."
20. Further, the document made it clear that the Appraisal was to be a real Appraisal, not from a real estate agent or some other "drive-by" appraiser. The document specifically provides:

"1. A **Prince of Peace Appraisal List** of up to 5 Accredited Appraisers with the Appraisal Institute of Canada who are familiar with Life Lease appraisals ...

When a Life Lease is surrendered in writing, an appraiser will be selected from the **Prince of Peace Appraisal List**, in rotation order, to perform the appraisal on the property."
21. Again, the existence of this qualified Appraisal to establish the value of our home if we wished to surrender the Life Lease was an important consideration for Joan and I in deciding to enter into a Life Lease Agreement.
22. Subsequently, on November 9, 2000, Joan and I entered into a "Life Lease" agreement for unit 317 (condominium plan #52) in the Village. The "Landlord" was the first-named Applicant in this CCAA proceeding, namely the Lutheran Church -

Canada, Alberta-British Columbia District. The signatory on behalf of the Lutheran-Church was Mr. Francis Taman. Attached hereto and marked as **Exhibit "H"** to this my Affidavit is a true copy of our Life Lease Agreement.

23. Recital "C" of the Life Lease states:

"It is the Landlord's intention to establish and maintain a living environment within such project which should provide security, privacy, dignity, independence, spiritual sustenance and a sense of community for senior citizens, all within the framework of traditional Christian values as expressed in the Lutheran Church-Canada".

24. The total cost of the purchase (defined in the Life Lease Agreement as a "Life Lease Entrance Fee") by my wife and I of unit 317 under this "Life Lease" arrangement was \$222,663.65. So far as I am aware, I and my wife paid the then-existing fair-market value of the property. There was no discount for receiving a Life Lease agreement instead of a fee simple interest.

25. On November 10, 2000, we occupied our new home at 317 Triune Bay, Calgary.

The Transfer to ECHS

26. On or about June 10, 2006, but completely unbeknownst to myself or my wife, the Lutheran Church transferred title of the entire complex, including title to all units owned by members of our Group, to Encharis Community Housing and Services ("ECHS"), an arm of the Lutheran Church.

Subsequent Developments

27. Subsequently, on two (2) separate occasions, ECHS offered the Village Residents to surrender their Life Lease Agreements and become fee simple owners. I believe the first occasion was in or around April, 2008. I believe there was a letter issued on April 15, 2008 which announced a change in the ownership model for the Village. It was expressed as a desire to convert to a fee simple model from Life Leases.

28. In fact, I recollect that on April 22, 2008, a Town Hall meeting was held pursuant to the April letter in which conversion from the Life Lease form of ownership to fee simple was offered to all of the Life Lease Residents by the Owner.

29. The second occasion began in or around June of 2009. Again, a notice was sent out and a subsequent meeting was held in which ECHS announced the intended conversion from the Life Lease arrangements to fee simple. A number of further communications and meetings followed.
30. On both occasions, Joan and I very carefully considered the option. On both occasions, we chose to remain Life Lease Residents because of the value of the surrender process incorporated into the Life Lease. In particular, because of our extended family situation, my wife and I wanted the simplicity of having ECHS handle the re-lease or sale of our property and, if it did not re-lease or sell, we wanted the guarantee of a simple buy-back, at a price based on a current fair-market Appraisal by an accredited Appraiser belonging to the Appraisal Institute of Canada ("AIC"). After all, it was these features of the Life Lease arrangement that had been influential in our decision to sign the Life Lease Agreement in the first place.
31. On the other hand, many Life Lease Residents did opt to take the conversion, leaving originally only about 74 unit holders of the original 174 with Life Leases.
32. To my knowledge, based on a slide that I received from ECHS in connection with a "Town Hall" meeting held on June 9, 2009, Life Lease Residents who converted to a fee simple interest prior to December 31, 2009, did so without the payment of any "surrender fee". Subsequently, I understand a flat surrender fee of \$3,000.00 per unit was charged. This appears somewhat reasonable, as this was a transfer of a Life Lease interest to a fee simple interest from and to the same person(s). No expenses were incurred for an appraisal, nor with respect to the marketing, sale and transfer of a unit to a third party.

The Concentra Mortgages

33. On or about January 23, 2015, I had occasion to obtain a copy of the Land Titles Certificate for my unit. Much to my dismay, I discovered that on December 7, 2011 two (2) mortgages and two (2) caveats had been filed on title by an entity called Concentra Trust ("Concentra"), encumbering the title to the extent of \$7,950,000.00 (the "Concentra Mortgages"). I noted that the address for Concentra Trust was exactly the same as the Lutheran Church - Canada, The Alberta - British Columbia

District. Attached hereto and marked as **Exhibit "I"** to this my Affidavit is a true copy of the said Land Titles Certificate.

34. As I understand it, the Lutheran Church has two (2) investments arms: (i) the Church Extension Fund ("CEF"); and (ii) District Investments Ltd. (the "DIL").
35. Some of the 250 original Life Lease holders were investors through these two (2) entities. Many of them invested through their RRSP accounts. The transfer of their RRSP funds on a tax-differed basis was administered by Concentra, which I believe is licensed under the *Income Tax Act* to carry out these transactions. In effect, Concentra acts as agent for these investors.
36. From the Affidavit of Kurtis Robinson sworn January 22, 2015 (paras 62, 63), I understand that the Concentra Mortgages registered against title to our properties are in fact related to a historical borrowing from DIL.
37. It is my understanding, and I do verily believe, that ECHS owned a number of other properties, some of which are adjacent to the Village and which were the true subject of the ECHS borrowing from DIL/Concentra. So far as I am aware, ECHS gave to Concentra security over our properties in the Village in 2011 without obtaining in exchange any new benefit whatsoever to the Village and without Concentra/DIL having advanced any further fresh funds.
38. I can positively say that neither I, nor, to my knowledge, any other member of the Life Lease Equity Protection Group received any cash proceeds whatsoever from any loans which may have been advanced and secured by these charges placed against the title to our properties.
39. Further, while ECHS may technically own the 58 units of the members of our Group, as has been explained above, we are entitled to 100% of the fair-market value of the properties at any time we should elect to re-lease or sell it, subject only to the five (5%) percent fee which existed to compensate the Owner for the cost of an AIC Appraisal, plus the marketing, sale and transfer expenses. Accordingly, in truth there is no "equity" in the property for anyone to encumber, other than the Life Lease holder himself/herself.

40. In any event, I further say that I was absolutely shocked that a Christian Church, which holds itself up as a model of ethical and moral behavior, would have registered mortgages on title to my property without my knowledge and without any regard to my equity interest. Further, I find it inexcusable that they kept the existence of these Concentra Mortgages secret from myself and all other members of the Life Lease Equity Protection Group for over three (3) years. These actions on the part of the senior leadership of the Lutheran Church and ECHS are a disgrace.

The January 2015 Meeting

41. On January 25, 2015, subsequent to the CCAA Initial Order issued on January 23, 2015, I attended a General Meeting for the Life Lease Residents held at the Community Centre at the Village. It was called and hosted by ECHS. Present as moderators were Kurtis Robinson and counsel for ECHS, Francis Taman.
42. At this meeting, the Life Lease Residents were told by Mr. Taman that ECHS would no longer abide by those parts of the clauses in the Life Lease Agreements dealing with the surrender process which required ECHS to pay the Life Lease Residents the fair market value (appraised value) if ECHS had failed to find a buyer after six (6) months of marketing efforts.
43. I challenged Mr. Taman to explain how he could simply expunge parts of the contract, but retain and enforce other sections. His reply was: "Not really expunging, just not going to pay".
44. In his presentation, Mr. Taman made no reference to the existence of the Concentra Mortgages on title, so I further asked Mr. Taman why the Concentra Mortgages were on our titles and why we were never told that they placed there.
45. Mr. Taman's answer was: "Oh well, you know banks. They want all your assets when they file mortgages".
46. As to why the residents were deliberately denied any information about the charges placed against the title on our properties, his answer was simply: "Not my call".

47. At this point, which was right at the end of the meeting, Mr. Robinson added that in recent times when further units were being surrendered or sold, ... "we took off the mortgages".

CCAA Plan

48. The Claims Process tentatively proposed by the Monitor and described in the Notice to Life Lease Residents requires the Life Lease Residents to surrender their Leases and trigger the five (5%) percent marketing fee payable to ECHS, notwithstanding that no marketing or transfer services would have been provided to the Life Lease Residents, and notwithstanding ECHS would not have incurred the expense of obtaining an AIC Appraisal.
49. As I understand the proposed Proposal, we would receive fee simple title, the existing blanket Concentra Mortgages would be discharged and a new Concentra mortgage would be placed on each unit in favour of Concentra to secure the payment of the five (5%) percent of fair-market value at the time of a subsequent sale.
50. However, we further understand that the proposed Proposal will **also** leave the Life Lease Residents responsible for the full costs of marketing, sale and transfer at a future date when they may elect to sell their fee simple interests, including the cost of Appraisals. Apparently, neither ECHS nor Concentra will ever fulfill their duty of marketing and handling the sale and transfer of our properties. The legal obligation of ECHS to buy back our properties upon a resale will have disappeared. Moreover, absent a "buy-back" obligation after six (6) months, ECHS would have no incentive to fulfill its appraisal, marketing and sale obligations.
51. I verily believe that this proposed Proposal is quite unreasonable. The five (5%) percent fee exists so that ECHS would be covered for the costs of an Appraisal from an Appraiser accredited by the AIC, as well as the additional marketing, sale and transfer costs to be incurred by ECHS when a Life Lease Resident chose to terminate the lease and surrender it, either through re-letting to a new life lease tenant, or through an outright sale to a fee simple owner. As presently proposed, the CCAA Plan as it applies to the remaining Life Lease Residents will leave the Life Lease

Residents under an obligation to pay all the appraisal, marketing, sale and transfer costs, again, **for a second time**, when they actually arrange to sell their units.

52. The amounts involved are very significant. For example, if a unit is worth \$400,000.00 today, the new Concentra mortgage that would be placed on it under the CCAA proposed Proposal would be \$20,000.00. When multiplied by the 59 current Life Lease owners, the value of the mortgages Concentra would receive is \$1,180,000.00. This would be money taken from all members of the Group and paid to Concentra for no apparent reason (except discharge of the blanket Concentra Mortgages, which should never had been there in the first place), since members of our Group would still be liable for full payment of the Appraisal, marketing, sale and transfer costs when they elect to sell their properties, which was the original reason for the transfer fee.
53. At paragraph 30 of the Kurtis Robinson Affidavit dated February 13, 2015, (using a hypothetical sale price of only \$320,000.00 and 61 Life Leases), Robinson estimates a net amount of \$8,500.00 per unit going to Concentra, of which a total of \$518,500.00 will accrue to the benefit of the DIL Depositors. The Life Lease Residents are entirely independent of the DIL Depositors and any factors which may have caused them to have suffered losses in their investments has nothing whatsoever to do with members of our Group. There is absolutely no reason I can think of why \$518,500.00, or any other such amount, should be taken from the pockets of members of the Group and transferred to Concentra, and Concentra for the benefit of the DIL Depositors, when our Group members will be left to subsequently bear the full costs of the appraisal, marketing, sale and transfer costs that the five (5%) percent fee was intended to cover.
54. It is for these reasons that I and members of the Group view this as nothing more than an opportunistic cash grab of our existing equity.

Summary

55. As stated, in effect, the 58 members of the Group each own 100% of the equity in their properties, subject to the existing five (5%) percent fee which was designed to allow the Owner to recoup its costs of an AIC Appraisal, and its additional costs of the marketing, sale and transfer of the original Life Lease interest. Without fulfilling

its obligation to obtain an AIC Appraisal and to market, sell and transfer a fee simple title to a third party, no such surrender fee should be paid.

56. This Application is brought to obtain a Vesting Order which transfers a fee simple title to each and every Life Lease member of our Group, at the individual expense of each member of the Group, free and clear of the existing Concentra Mortgages and any other mortgage or charge, save and except those that may exist between an individual Group member and their own personal lenders.

57. I make this Affidavit in support of the relief set out in the Notice of Application, and for no improper purpose.

SWORN BEFORE ME at Calgary, Alberta,)
this 26 day of August, 2015)

V. Philippe Lalonde
A Notary Public for Oaths in and for Alberta

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)
)
)
)
)
)
Donald A. Fraser
DONALD A. FRASER

Philippe (Phil) Lalonde
Barrister and Solicitor

Exhibit "A"

THIS IS EXHIBIT " A "
 Referred to in the Affidavit of
Donald A. Fraser

Sworn before me this 26th
 day of August 2015

Philippe Lalonde
 A Commissioner of Oaths in and for
 the Province of Alberta

Philippe (Phil) Lalonde
 Barrister and Solicitor

Life Lease Equity Protection Group

Name	Address
Peterson, Gary & Sandra	101 Covenant Bay
Burrows, Dave & Audrey	103 Covenant Bay
Thistlethwaite, Len & Judy	107 Covenant Bay
Luft, Ray	113 Covenant Bay
Shaben, Donald & Carolyn	115 Covenant Bay
Patzer, Gary & Joyce	119 Covenant Bay
Pieters, Ron & Corry	123 Covenant Bay
Hillmer, Ethelyn	127 Covenant Bay
Olson, Matilda	131 Covenant Bay
Hug, Donna	203 Dayspring Bay
Judson, John & Norma	207 Dayspring Bay
Baum, Alf & Rosemarie	213 Dayspring Bay
Schroeder, Helmuth & Julia	215 Dayspring Bay
Siemens, Tina	217 Dayspring Bay
Schulz, Willi & Sharon	227 Dayspring Bay
Kruse, Ann	231 Dayspring Bay
Bonsel, Carla	233 Dayspring Bay
Christensen, Ansgar & Evelyn	235 Dayspring Bay
Snyder, Jim & Judy	305 Triune Bay
Burton, Rick	309 Triune Bay
Plett, Elfrieda	311 Triune Bay
Geddert, Elsie	313 Triune Bay
Fraser, Don & Joan	317 Triune Bay
DeVries, Simon	321 Triune Bay
Nikkel, Linda	323 Triune Bay
Horvath, Bert & Mary Lyn	325 Triune Bay
Lyons, Helen	327 Triune Bay
Fraser, Don & Ruth	335 Triune Bay
Falk, Jack & Wilma	339 Triune Bay
Spurrell, Cyril & Roma	403 Hope Bay
Elder, Hilt & Lila	405 Hope Bay
Janz, Helmut & Hertha	407 Hope Bay
Reed, Don & Agnes	409 Hope Bay
Schock, Randy & Judi	415 Hope Bay
Kent, Dolores	423 Hope Bay
Sloan, Sterling & Judy	427 Hope Bay
Stanley, John	435 Hope Bay
Ruf, Lorna	503 Epiphany Bay
Wheaton, Curtis & Dona	519 Epiphany Bay
Knuttila, June	527 Epiphany Bay
Farthing, Bob & Joyce	529 Epiphany Bay
Kachmarski, Mary	537 Epiphany Bay
Good, Evelyn	539 Epiphany Bay
Young, Arlene	611 Advent Bay
Neufeld, Gladys	621 Advent Bay
Holoboff, Larry & Beth	637 Advent Bay

Name	Address
Thurn, Alfred & Hedy	701 Pentecost Bay
Rosine, Ron & Mary Jane	703 Pentecost Bay
Forth, Francis & Eva	705 Pentecost Bay
Hickman, Gordon & Diana	709 Pentecost Bay
McLeish, Bill /Bend, Elaine	711 Pentecost Bay
Teske, Dick & Phyllis	723 Pentecost Bay
Kay, Reginald	725 Pentecost Bay
Excell, Donna	731 Pentecost Bay
Steele, Ralph & Agnes	733 Pentecost Bay
Vestering, John & Marie	735 Pentecost Bay
Alberda, Ann	829 Ascension Bay
Elford, Wayne & Joyce	921 Nativity Bay

Exhibit "B"

THIS IS EXHIBIT " B " Referred to in the Affidavit of

Donald A. Fraser
Sworn before me this Clerk's Stamp 26 th

COURT FILE NUMBER 1501-00955

COURT COURT OF QUEEN'S BENCH OF ALBERTA day of August 2015

JUDICIAL CENTRE Calgary

Philippe Lalonde
A Commissioner of Oaths in and for the Province of Alberta

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c C-36, as amended

Phillipe (Phil) Lalonde
Barrister and Solicitor

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 **DISPUTE NOTE**

I, Jeff W. Moroz, of the City of Calgary, in the Province of Alberta, lawyer with McLeod Law LLP on behalf of the 60 Residents (the "Residents") as set out at Schedule 2.

Check one:

Dispute the amount stated in the Proof of Claim Form for Residents for Claims Arising Before January 23, 2015.

I Dispute the amount for the following reasons, and attach all applicable documents.

See attached Schedule "A"

(use additional pages if necessary)

DATED at the City of Calgary, in the Province of Alberta, this 20 day of April, 2015.

Michelle Johnson
WITNESS

Jeff W. Moroz
JEFF W. MOROZ, counsel for THE 60 RESIDENTS

McLeod Law LLP
Centennial Place, West Tower
Suite 2110, 250 - 5th Ave SW
Calgary, AB T2P 0R4

Attention: Mr. Jeff W. Moroz
Direct (403) 225-6423
Facsimile: (403) 271-1769
Email: jmoroz@mcleod-law.com

File: 111855/JWM

Schedule "A"

DISPUTE NOTICE - FILED BY MCLEOD LAW LLP ON BEHALF OF THE 60 RESIDENTS (THE "RESIDENTS")

REASONS FOR THE DISPUTE:

1. The Residents object to the procedure requiring them to submit a Proof of Claim Form or Dispute Notice as set out in the correspondence from the Monitor dated February 25, 2015 (a copy of this correspondence is attached hereto as Schedule 1).
2. For reasons set out herein, the Residents are not creditors, contingent or otherwise, of ECHS or any of the Applicants.
3. The correspondence from the Monitor asks the Residents to agree to a value of a contingent claim or to dispute the amount of the claim. This process is improper as it does not allow the Residents to dispute the process. The Residents will bring an Application to the Court to dispute the process and for related relief.
4. The filing of this Dispute Note is done in protest and without prejudice to the position of the Residents as set out herein. The Dispute Note is simply filed to avoid being met with a default position of accepting the alleged contingent claim value, or any other value, and the process itself.

Background

5. The Condos at issue are a series of plus-55 housing complexes, comprised of 174 units in attached buildings consisting of duplexes, triplexes and four-plexes. Initially, all of the Condos were owned by the District and the District granted life leases to individual residents. In 2006, the District transferred title to all of the Condos to ECHS. In 2008, the residents were given the option of converting their life lease to a fee simple interest. As of November 30, 2014 there were only 63 Condos that are owned by ECHS which are subject to the life leases, today there are 60 (Affidavit of Kurtis Robinson, sworn January 22, 2015, paras 41(d) and 42; Affidavit of Kurtis Robinson, sworn February 13, 2015, paras. 25-30). This Dispute Notice is filed on behalf of the 60 Residents.
6. The earlier conversion of life lease to fee simple interest was done at no cost to the life lease resident. This is reasonable, as there is no fee associated with the marketing and sale of unit to a third party. There is simply the transfer of title.
7. As set out at Paragraph 25 of the Affidavit of Kurtis Robinson, sworn February 13, 2015, in further development of the Plan, ECHS believes that it would be in the best interests of the Residents to have their remaining life leases converted to fee simple ownership with the owner of the condominium unit being the Resident. The Affidavit states the Monitor is supportive of this process.
8. The 60 Residents are supportive of the conversion to fee simple ownership, free and clear of any other interests or charges, as is stated to be in the best interest of the Residents and also supported by the Monitor. However, the Residents DISAGREE

with paying any fee associated with this conversion. The Residents initially purchased their units by way of a lump sum equivalent to the fair market value of the condominium unit at the beginning of the life lease. The life lease is only terminated on death of the resident or on notice by the resident (Affidavit of Kurtis Robinson, sworn January 22, 2015, para. 74). None of these events have occurred at the filing of the initial Order, or today.

9. As set out in the Affidavit of Kurtis Robinson, sworn February 13, 2015, at paras. 25-30, it is anticipated that a Plan would have each of the Residents losing \$16,000 per unit, or collectively \$976,000. At stake for the Residents is at least \$976,000, and more if one includes the future costs of sale.
10. At paragraph 30 of the said Affidavit of Kurtis Robinson, he estimates an amount of \$518,500 being provided to Concentra for the benefit of DIL Depositors. The Residents are entirely independent of the DIL Depositors and any factors which may have caused the DIL Depositors to have suffered losses in their investment have nothing to do with the Residents. The imposition of a process or Plan which transfers wealth from the Residents to the DIL Depositors for no juristic reason is not a valid purpose and use of the CCAA.

All of which is respectfully submitted.

Schedule "1"

Deloitte.

Deloitte Restructuring Inc.
700, 850 – 2nd Street S.W.
Calgary AB T2P 0R8
Canada
Tel: 403-287-1899
Fax: 403-718-3881
www.deloitte.ca

February 25, 2015

Notice to Life Lease Residents in the Prince of Peace Village

Re: Lutheran Church – Canada, the Alberta – British Columbia District, Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd., Encharis Community Housing and Services ("ECHS") and Encharis Management and Support Services (collectively, the "District Group") – Proceedings under the Companies' Creditors' Arrangement Act (the "CCAA")

As you are likely aware, the District Group obtained an Initial Order from the Court of Queen's Bench of Alberta on January 23, 2015. Deloitte Restructuring Inc. ("Deloitte") acts as Court-appointed Monitor in the CCAA proceedings. The Initial Order provided for an initial stay of proceedings until February 20, 2015 on which date the Court granted a further Order (the "February 20 Order"), which provided for an extension of the stay of proceedings until March 27, 2015. Pursuant to the February 20 Order, a claims procedure was also approved, which directed the District Group and the Monitor to solicit claims from all creditors of the District Group for the purpose of determining the claims which will participate in the CCAA proceedings (the "Claims Process"). A copy of the February 20 Order will be available for viewing on the Monitor's website (the "Monitor's Website") at the following link:

http://www.insolvencies.deloitte.ca/en-ca/Pages/lutheran_church_canada_the_alberta_british_columbia_district_et_al.aspx

As you are aware, as a life lease resident in the Prince of Peace Village (a "Resident"), you have a contingent claim against ECHS, which for the purposes of the Claims Process, will be valued based on the amount of your 2015 property tax assessment, less a 5% conversion fee.

Attached are the following documents with respect to your claim as a Resident in the Claims Process:

1. A Notice to Creditors regarding the Claims Process, attached as "Schedule 1";
2. A completed Proof of Claim Form for Residents for Claims arising Prior to January 23, 2015, attached as "Schedule 2" (the "Resident Claim");
3. A copy of your 2015 property tax assessment, as provided by Rocky View County (the 2015 Assessment), also attached as part of "Schedule 2"; and
4. A Dispute Notice, attached as "Schedule 3".

If you agree with the amount included in the Resident Claim, which is based on the 2015 Assessment less a 5% conversion fee, no further action is required.

If you do not agree with the amount included in the Resident Claim, you must deliver a Notice of Dispute by registered mail or courier service to Deloitte Restructuring Inc., 700, 850 – 2nd Street SW, Calgary, Alberta T2P 0R8 or via facsimile to: 403-718-3881 to the attention of Joseph Sithole on or before 4:00 p.m. Mountain Daylight Time on April 20, 2015 (the "Claims Bar Date"). If no Notice of Dispute is filed on or prior to the Claims Bar Date, your Claim will be accepted for distribution and voting purposes in the amount included in the Resident Claim.

Correspondence was previously issued to Residents outlining how claims could be compromised under a Plan of Arrangement in the CCAA proceedings (the "Plan"). We note that a Plan has not yet been filed in the CCAA proceedings and we anticipate that the terms of any Plan to be presented to Residents would be finalized following further consultation with Residents. Acceptance of your Resident Claim, as included herein, confirms that you are in agreement with the information contained in the Resident Claim and does not represent a vote in favour of or against any Plan that will ultimately be presented to Residents.

Should you have additional questions, please contact the undersigned at 403-298-5955.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as the Court-appointed Monitor 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. and not in its personal or corporate capacity



Per: Vanessa Allen, B. Comm, CIRP
Vice-President

Schedule 1

2023-2024

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-38, 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.

NOTICE TO CREDITORS

On January 23, 2015, the Applicants in the above noted proceedings obtained an Initial Order under the *Companies' Creditors Arrangement Act* (the "CCAA") from the Court of Queen's Bench of Alberta (the "Court"). Deloitte Restructuring Inc. was appointed by the Court as the monitor in these proceedings (the "Monitor").

On February 20, 2015, the Court directed the Applicants and the Monitor to solicit claims from all creditors of the Applicants for the purpose of determining the claims which will participate in the CCAA proceedings.

Except for Depositors and Residents as those terms are defined in the Court Order dated February 20, 2015, any creditor having a claim against any of the Applicants before January 23, 2015 of any nature whatsoever, including an unsecured, secured, contingent or unliquidated claim (a "Claim") is required to file, in the manner set out in the Notice to Creditors, a proof of claim in the prescribed form (which has been provided to you with this Notice to Creditors) with the Monitor in order to participate in any voting or distribution associated with the CCAA proceedings.

Additional copies of the prescribed proof of claim form can be obtained by contacting the Monitor via telephone at 403-267-1899 or via email at CalgaryRestructuring@deloitte.ca or it can be downloaded from the Monitor's website at www.insolvencies.deloitte.ca under the link entitled "Lutheran Church - Canada, the Alberta - British Columbia District et. al."

Any creditor, except for Depositors and Residents, who chooses to file a Proof of Claim is required to provide whatever documentation they may have to support their Claim against the Applicants, such as contracts, invoices, bills of lading, and shipping receipts, in relation to the goods and/or services provided to the Applicants in the appropriate currency under which their Claim arose.

Except for Depositors and Residents, all proof of claim forms, together with the required supporting documentation, must be delivered by mail or courier service to Deloitte Restructuring Inc., 700, 850 - 2nd Street SW, Calgary, Alberta T2P 0R8 or sent by facsimile to 403-718-3881 to the attention of Joseph Sihole on or before 4:00 p.m. Mountain Daylight Time on April 20, 2015 (the "Claims Bar Date").

Where a creditor is claiming an offset against all or a portion of amounts owing by the Applicants, full particulars of the offset must be included.

Except for Depositors and Residents, the Monitor will on or before May 5, 2015, in turn provide to the creditor a notice in writing by registered mail, by courier service, or by facsimile as to whether their Claim is accepted or disputed in whole or in part, and the reason for the dispute pursuant to a Notice of Revision or Disallowance.

Except for Depositors and Residents, all Claims received by the Monitor or, in the case of mailing, postmarked, after the Claims Bar Date will, unless otherwise ordered by the Court, be forever extinguished, barred, and will not participate in any voting or distributions in the CCAA proceedings.

Where a creditor objects to a Notice of Revision or Disallowance, the creditor shall notify the Monitor and the Applicants of its objection in writing (the "Dispute Notice") by registered mail, courier service or facsimile within 10 days from the date on the Notice of Revision or Disallowance.

With respect to Depositors and Residents, if the Depositor or Resident does not deliver a Dispute Notice or Non-Participation Notice to the Monitor on or before 4:00 p.m. Mountain Daylight Time on April 20, 2015, the Depositor's or Resident's Proof of Claim will be deemed accepted by the Monitor.

A Depositor or Resident who objects to the amount provided in their Proof of Claim must deliver a Dispute Notice to the Monitor, which must be delivered by registered mail or courier service to Deloitte Restructuring Inc., 700, 850 - 2nd Street SW, Calgary, Alberta T2P 0R8 or sent by facsimile to 403-718-3681 to the attention of Joseph Sithole on or before the Claims Bar Date.

A Depositor or Resident who does not wish to participate in the CCAA proceedings or who wishes to donate or assign their Claim must deliver a Non-Participation Notice or Assignment Notice to the Monitor by registered mail or courier service to Deloitte Restructuring Inc., 700, 850 - 2nd Street SW, Calgary, Alberta T2P 0R8 or via facsimile to 403-718-3681 to the attention of Joseph Sithole on or before the Claims Bar Date.

The Monitor and the Applicants will attempt to consensually resolve disputes with respect to any claim. If the dispute cannot be resolved, the Monitor or the Applicants shall bring an application before the Court for the determination of the claim.

A creditor not filing a Dispute Notice to a Notice of Revision or Disallowance issued by the Monitor shall, unless otherwise ordered by the Court, be conclusively deemed to have accepted the assessment of its Claim as set out in such Notice of Revision or Disallowance.

Dated February 25, 2015 in Calgary, Alberta.

DELOITTE RESTRUCTURING INC., in its capacity
as Monitor of the 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: Vanessa Allen, B. Comm, CIRP
Vice-President

Schedule 2

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 PROOF OF CLAIM FORM FOR RESIDENTS FOR
CLAIMS ARISING BEFORE JANUARY 23, 2015

See below instructions.

Regarding the claim of «Resident_First_Name» «Last_Name» (referred to in this form as the "Resident") who is/are the life lease resident(s) of «House» «Street», «Province» «Postal» (the "Condo").

All notices or correspondence regarding this claim will be sent to the Resident at the above address.

The 2015 tax assessed value of the condominium is \$«Value_1» (the "Assessed Value") as shown by the tax records of the Town of Rocky View County attached hereto.

The Resident has a contingent claim against Encharis Community Housing and Services in the amount of \$«Value_2» (being the Assessed Value less 5%).

Instructions for Resident Proof of Claim Form

1. If you agree with the amount shown on this page, you do not need to submit anything further to the Applicants or the Monitor. On April 20, 2015, your claim in the CCAA proceedings will be deemed to be the amount shown on this page.
2. If you wish to participate further in the CCAA proceedings, but disagree with the amount shown on this page, then on or before 4:00 p.m. on April 20, 2015:
 - (a) You will need to fill out and sign the Dispute Notice enclosed with this package.
 - (b) You will need to deliver by courier service or registered mail or send by facsimile the Dispute Notice to:

Deloitte Restructuring Inc.
700, 850 - 2nd Street SW
Calgary, Alberta T2P 0R8
Attention: Joseph Sithole

VIA facsimile to: 403-718-3691

Schedule 3

1. Name of the person: [Faint text]

2. Address: [Faint text]

3. Date of birth: [Faint text]

4. [Faint text]

5. [Faint text]

6. [Faint text]

7. [Faint text]

8. [Faint text]

9. [Faint text]

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98. [Faint text]

99. [Faint text]

100. [Faint text]

COURT FILE NUMBER 1501-00965
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 DISPUTE NOTICE

I, _____ (name), of _____ (city/town), in the Province of _____:

Check one:

_____ Dispute the amount stated in the Proof of Claim Form for Residents for Claims Arising Before January 23, 2015 sent to me.

I dispute the amount for the following reasons, and attach all applicable documents:

(use additional pages if necessary).

Dated at _____ (city/town), this ____ day of _____, 2015.

Witness

(signature of individual completing the form)

Must be signed and witnessed.

March 4, 2015

Schedule "2"

Life Lease Equity Protection Group

Name	Address	Status
Peterson, Gary & Sandra	101 Covenant Bay	
Burrows, Dave & Audrey	103 Covenant Bay	
Thistlethwaite, Len & Judy	107 Covenant Bay	
Luft, Ray	113 Covenant Bay	
Shaben, Donald & Carolyn	115 Covenant Bay	
Patzer, Gary & Joyce	119 Covenant Bay	
Pieters, Ron & Corry	123 Covenant Bay	
Hillmer, Ethelyn	127 Covenant Bay	
Olson, Matilda	131 Covenant Bay	
Hug, Donna	203 Dayspring Bay	
Judson, John & Norma	207 Dayspring Bay	
Baum, Alf & Rosemarie	213 Dayspring Bay	
Schroeder, Helmuth & Julia	215 Dayspring Bay	
Siemens, Tina	217 Dayspring Bay	
Becker, Harold / Christensen, De	223 Dayspring Bay	See Not
Schulz, Willi & Sharon	227 Dayspring Bay	
Kruse, Ann	231 Dayspring Bay	
Bonsel, Carla	233 Dayspring Bay	
Christensen, Ansgar & Evelyn	235 Dayspring Bay	
Snyder, Jim & Judy	305 Triune Bay	
Burton, Rick	309 Triune Bay	
Plett, Elfrieda	311 Triune Bay	
Geddert, Elsie	313 Triune Bay	
Fraser, Don & Joan	317 Triune Bay	
DeVries, Simon	321 Triune Bay	
Nikkel, Linda	323 Triune Bay	
Horvath, Bert & Mary Lyn	325 Triune Bay	
Lyons, Helen	327 Triune Bay	
Fraser, Don & Ruth	335 Triune Bay	
Falk, Jack & Wilma	339 Triune Bay	
Spurrell, Cyril & Roma	403 Hope Bay	
Elder, Hilt & Lila	405 Hope Bay	
Janz, Helmut & Hertha	407 Hope Bay	
Reed, Don & Agnes	409 Hope Bay	
Schock, Randy & Judi	415 Hope Bay	
Kent, Dolores	423 Hope Bay	
Oakes, Bill & Onalee	425 Hope Bay	
Sloan, Sterling & Judy	427 Hope Bay	
Stanley, John	435 Hope Bay	

Ruf, Lorna	503 Epiphany Bay		
Wheaton, Curtis & Dona	519 Epiphany Bay		
Knuttila, June	527 Epiphany Bay		
Farthing, Bob & Joyce	529 Epiphany Bay		
Kachmarski, Mary	537 Epiphany Bay		
Good, Evelyn	539 Epiphany Bay		
Young, Arlene	611 Advent Bay		
Neufeld, Gladys	621 Advent Bay		
Holoboff, Larry & Beth	637 Advent Bay		
Thum, Alfred & Hedy	701 Pentecost Bay		
Rosine, Ron & Mary Jane	703 Pentecost Bay		
Forth, Francis & Eva	705 Pentecost Bay		
Hickman, Gordon & Diana	709 Pentecost Bay		
McLeish, Bill / Bend, Elaine	711 Pentecost Bay		
Teske, Dick & Phyllis	723 Pentecost Bay		
Kay, Reginald	725 Pentecost Bay		
Excell, Donna	731 Pentecost Bay		
Steele, Ralph & Agnes	733 Pentecost Bay		
Vesterling, John & Marie	735 Pentecost Bay		
Alberda, Ann	829 Ascension Bay		
Elford, Wayne & Joyce	921 Nativity Bay		

Note: Harold Becker & Donna Christensen have surrendered their Life Lease.

Exhibit "C"



Life Lease

"Build equity without the Worries of Home Ownership"

Prince of Peace Village is offering life lease housing which gives you the right to occupy a unit for the term of a lifetime. The main advantage of a life lease is that you will yield a return similar to equity-growth in a home while living in a maintenance-free environment.

Most Commonly Asked Questions About Life Lease

Question: What if I want to sell my home?

Answer: When you wish to leave *Prince of Peace Village*, the lease is returned to the Alberta-British Columbia District of the Lutheran Church-Canada, and the value of your home is then transferred to you or your estate. There are no worries about resale because *Prince of Peace Village* is committed to purchase back the life-lease contract at fair market value* less an administration fee of 5%. This means our selling fees are less than most realtors.

Question: How much are the unit fees and what do they include?

Answer: The unit fees are based on the size of your home, and they currently range between \$105 and \$137 per month. Since the life-lease program is tailored for people who wish to live in a maintenance-free environment, *Prince of Peace Village* will take care of all exterior maintenance. The costs also include snow removal, interior mechanical maintenance, home insurance excluding contents, garbage removal, one year warranty on your home including interior, street lighting and road repair, and administration management.

Question: Can I have a mortgage?

Answer: Yes, *Prince of Peace Village* and Toronto Dominion Bank will work with you to finance a mortgage of up to 75% of the value of your new home.

Question: What happens to my home when I die?

Answer: Within six months your estate or beneficiaries are guaranteed to receive the fair market value of your home less 5%, even if a new resident has not been found.


Question: In what ways can Residents participate in the completion and continued progress of *Prince of Peace Village*?

Answer: A Residents Association has been established that meets regularly to promote Resident participation in the life of the community.

Question: Can my children or grandchildren come to visit me?

Answer: Guests are always welcome to come visit the residents at *Prince of Peace Village*.

* some restrictions apply

THIS IS EXHIBIT " C "
Referred to in the Affidavit of
Donald A. Fraser
Sworn before me this 26th
day of August, 2015

A Commissioner of Oaths in and for
the Province of Alberta



Philippe (Phil) Lalonde
Barrister and Solicitor

Exhibit "D"



THIS IS EXHIBIT " D "

Referred to in the Affidavit of

Donald A. Fraser

Sworn before me this 26th

day of August 20 15

V. Philby

A Commissioner of Oaths in and for
the Province of Alberta

Phillippe (Phil) Lalonde
Barrister and Solicitor

Life Lease Advantages "Build Equity without the Worries of Home Ownership!"

Life-lease is based on the idea that you once you have paid your entrance fee, there will be nothing more to worry about in terms of mortgage renewals or sudden rent increases.

Here are some of the advantages to the Life-lease concept:

1. **Guaranteed Tenure** - You will have the security of tenure for as long as you wish to live in your home in a safe and friendly community. When the home is vacated, its lease is returned to the Lutheran Church-Canada, and its value is then transferred to the resident or the resident's estate.
2. **Carefree Life-Style** - The life-lease program is tailored for people who wish to spend their retirement years in a maintenance-free environment. Similar to other projects which offer "maintenance-free living", Prince of Peace Village will take care of all exterior maintenance. The life-lease program takes maintenance-free a step further. Prince of Peace Village residents do not have to worry about interior maintenance beyond basic upkeep. Everything else is taken care of through the life-lease program.
3. **No Worries About Resale** - Through the life-lease program, Prince of Peace Village is committed to purchase back the life-lease contract at fair market value* less an administration fee. There will be no need to deal with realtors - the Village looks after finding the new resident. If a new resident can be found within six months, fair market value* is established by the amount the new resident will pay. However, if the unit is not leased in six months, the Alberta - British Columbia District of the Lutheran Church - Canada will, subject to some restrictions, pay the current resident the appraised market value* of the unit.

Residents or their heirs are guaranteed to receive the cash sale of the unit within six months time, even if a new resident has not been found.

4. **Our Selling Fee is less than most Relators** - Upon sale of your unit, our administration fee is only 5% of the total market value of the unit.
5. **A Life-lease is an Investment** - When you secure yourself a life-lease at Prince of Peace Village, you are making a sound investment: Your are investing in your own quality of life. The interest you get is security, controlled costs and an environment that is taken care of for you. You are also making an investment in a life-lease that will yield a return similar to equity-growth in a home. This return on investment may be recovered when a resident vacates the unit.

* **Some Restrictions Apply**

Show Home

Phone: (403) 508-0125
Fax: (403) 508-0128

Construction Office

Phone: (403) 508-0130
Fax: (403) 508-0139

R.R.7, Box 10, Site 17
Calgary, Alberta T1X 1E1

A Christian Community



Exhibit "E"

PRINCE OF PEACE VILLAGE

RESERVATION AGREEMENT

*Unit 52
Block 3*

BETWEEN:

PROPOSED RESIDENT:

Don and Joan Fraser.
 Street 7055 - Huntbourne Rd. NE
 City Calgary, AB.
 Postal Code T2K 3X8.
 Telephone 275-0809.

- and -

OWNER:

Lutheran Church - Canada,
 Alberta - British Columbia District
 7100 Ada Blvd.
 Edmonton, Alberta
 T5B 4E4

WHEREAS the Owner proposes to erect a variety of adult housing units (the "Residences") on the parcel of land legally described as:

Plan 9712096
 Block 3
 Excepting Thereout All Mines and Minerals and the right to work the same

to be known as Prince of Peace Village (collectively the "Project") and to lease same on the concept known as a "life lease";

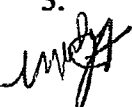

AND WHEREAS the Proposed Resident, for the purpose of encouraging the Owner to lease to the Proposed Resident a completed Residence, is prepared to make a deposit on the basis hereafter set out;

THIS IS EXHIBIT "E"
 Referred to in the Affidavit of
Donald A. Fraser
 Sworn before me this 26th

day of August 2015
V. Philipe

A Commissioner of Oaths in and for
 the Province of Alberta
Philipe (Phil) Lalonde
 Barrister and Solicitor

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. The Proposed Resident acknowledges and agrees that the Owner is in the initial stages of planning and seeking necessary approvals and financing to erect and offer for lease the Residences and that the erection and sale of same is all conditional on the said approvals and financing.
2. The Proposed Resident hereby deposits with the Owner a cheque in the sum of \$5,000.00 made payable to Bishop & McKenzie, to be held in trust and without interest as a deposit on the residence which the Owner anticipates building on the area marked on the map of the Project included as Schedule "A", which, if completed, the Owner anticipates will resemble the floor plan included as Schedule "B".
3.  In consideration of the said deposit, the Owner hereby agrees that it shall, on or before April 30/00 present the Proposed Resident with proposed final plans and specifications for the said Residence and retirement village complex, together with a firm price for the life lease of the said Residence.
4. If the Proposed Resident is satisfied with proposed final plans and lease terms of the Residence, then the Owner and Proposed Resident shall enter into the Landlord's standard form Offer to Lease (the "Offer to Lease") for the life lease of the Residence. The deposit herein, together with a further deposit of \$20,000.00 to be paid on the execution of the Offer to Lease, shall form the deposit under the Offer to Lease.
5. The Offer to Lease shall be executed by the Proposed Resident within ten (10) business days of receipt thereof, otherwise the deposit herein may be returned to the Proposed Resident, without interest, and the Owner shall be under no further obligation to the Proposed Resident.
6. This Agreement and any resulting Offer to Lease may not be assigned by the Proposed Resident. This agreement may be assigned by the Owner on fifteen (15) days written notice, communicated by single registered mail to the address given above and deemed delivered seven (7) days after it is posted.
7.  Notwithstanding anything herein contained, if the Owner, in its sole discretion, determines on or before April 30/00 that it is not economically feasible to proceed with the construction of the project, then the Owner shall so notify the Proposed Resident and shall have the right to terminate this agreement and the deposit monies herein shall be returned in full to the Proposed Resident, without interest.

8. Notwithstanding anything herein contained, if an event or Act of God occurs which is in whole or in part beyond the control of the Owners and which causes the Project to be delayed, all deadlines in this Agreement shall be extended by a reasonable period of time.

DATED at Calgary, this 10 day of January, ^{with} 19 2000

Per: M. M. M. M.
As Agent for Lutheran Church - Canada,
Alberta-British Columbia District

Ronald J. ...
Proposed Resident

Joan Fraser
Proposed Resident

Received: Cheque # 005 Jan 10, 2000

amount of \$5,000.

M. M. M. M.

Exhibit "F"

THIS IS EXHIBIT " E 6 "
Referred to in the Affidavit of
Donald A. Fraser

Sworn before me this 26th

day of August, 2015

Philippe Lalonde
A Commissioner of Oaths in and for
the Province of Alberta

OFFER TO LEASE

LUTHERAN CHURCH - CANADA, ALBERTA - BRITISH COLUMBIA
CT (hereinafter referred to as the "Landlord")

Philippe (Phil) Lalonde
Barrister and Solicitor

DON & JOAN FRASER
(Name)

7055 HUNTBOWNE RD NE.
(Address)

ter individually or collectively referred to as the "Life Resident")

Resident hereby offers to lease, and agrees to lease from the Landlord, upon the terms and conditions, Unit No. 52, as shown outlined in the attached Schedule which is legally described in Schedule "B" (the "Unit") upon which a building shall or has been constructed (the "Residence"):

Interpretation

-) Capitalized terms contained in this Offer to Lease which are not specifically defined herein shall have the meaning given to them in the Landlord's standard form life lease (the "Life Lease"), a copy of which is attached as Schedule "C".
-) This Offer to Lease (the "Offer") shall be governed by and interpreted in accordance with the laws of the Province of Alberta.
-) This Offer shall be read with all changes of number or gender as are required by the context.
-) The following schedules form part of this Agreement
 - (i) Schedule A - Condominium Plan;
 - (ii) Schedule B - Legal Description;
 - (iii) Schedule C - Life Lease;
 - (iv) Schedule D - Specifications and Floor Plans;
 - (v) Schedule E - Site and Landscaping Plan;
 - (vi) Schedule F - Details of Project;
 - (vii) Schedule G - Estimated Monthly Project Recoverable Costs; and

(viii) Schedule H - Unit Factors.

(e) The following schedules are included for information purposes only and do not form part of this agreement

- (i) Schedule 1 - Proposed Condominium By-Laws;
- (ii) Schedule 2 - Proposed Management Agreement;
- (iii) Schedule 3 - Notices of Mortgages Affecting the Project;
- (iv) Schedule 4 - Proposed Facilities Agreement; and
- (v) Schedule 5 - Phased Development Disclosure.

Premises

The Life Resident offers to lease the Unit from the Landlord for the Term.

Life Resident's Conditions

This Offer is made subject to the following Life Resident's conditions (the "Life Resident's Conditions"):

- (a) SUBJECT TO SALE OF 7047 HUNTBOURNE
- (b) GRANITE AND 7055 HUNTBOURNE RD NE.
- (c) CALGARY ALBERTA

The parties agree that the above conditions are for the sole benefit of the Life Resident and may be waived by the Life Resident at any time, in whole or in part, on or prior to the time for satisfaction of same. All the above conditions shall be deemed to have been satisfied if the Landlord has not received notice from the Life Resident in writing on or before SEPT 11 2000 that some or all of the Life Resident's conditions have not been, and will not be, satisfied or waived.

Term

The Life Lease shall have a Term equal to the duration of the life of the Life Resident, or if there is more than one Life Resident, the life of the survivor of them, subject to earlier termination or surrender in accordance with the Life Lease.

Payments

(a) On or before the Commencement Date the Life Resident shall pay to the Landlord a Life Lease Entrance Fee of \$ 197900. The Life Lease Entrance Fee shall be comprised of the following payments:

(i) \$ _____ payable upon execution of this Offer by Life Resident

(ii) \$ 5000 AT RESERVATION AGREEMENT (JANUARY 2000)

(iii) \$ _____

(iv) \$ _____

(v) \$ 192900 payable upon the Commencement Date;

(vi) \$ 197900 Total Life Lease Entrance Fee.

JK
2000
Lowry

The Life Lease Entrance Fee may be increased from time to time to reflect the costs of changes alternating or additions to the Unit which have been agreed to by the parties (the "Changes") as outlined in Article 6(b).

(b) The \$ 5000 (Received) payable with this Offer to Lease together with any sum paid prior to the execution of this Offer to Lease constitute a deposit for the purposes of this transaction (the "Deposit"). If this Offer is accepted by the Landlord and if thereafter the Life Resident fails to execute the Life Lease and pay the balance of the Life Lease Entrance Fee, for any reason other than a default by the Landlord, or the Landlord receiving notice pursuant to Article 3 that the Life Resident's Conditions will not be satisfied or waived, then the Landlord shall be entitled to retain the Deposit as ascertained and liquidated damages and not as a penalty. The parties agree that the Deposit represents a genuine pre-estimate of the damages that will be suffered by the Landlord should the Life Resident fail to complete this transaction.

(c) In addition to the Life Lease Entrance Fee, the Life Resident agrees to pay all amounts in the Life Lease including, but not limited to its Proportionate Share of the Project Recoverable Costs. These costs are estimated to be \$ 126 per month but are subject to final determination in accordance with the Terms of the Life Lease.

and any other items to which the Landlord may refer in its notice) which are to be chosen by the Life Resident (the "Selections") and the time frames in which such Selections are to be made. The Life Resident agrees to make all such Selections within the specified time frames.

General Provisions

- (a) All payments under this Offer and the Life Lease shall be in cash, certified cheque or solicitor's trust cheque made payable to Bishop & McKenzie, Barristers and Solicitors.
- (b) This Offer shall be irrevocable by the Life Resident until 8 day of APRIL, 2000, after which time, if not accepted, this Offer shall be null and void and the Deposit shall be returned without interest.
- (c) The Life Resident shall be given thirty (30) days notice as to the Commencement Date.
- (d) In the event the Landlord, in its sole and absolute discretion, grants possession or occupancy of the Unit to the Life Resident prior to the Commencement Date or the execution of the Life Lease, the Life Resident shall occupy the Unit as a tenant at will or licensee of the Landlord, and not as a purchaser, pursuant to the following terms and conditions:
 - (i) the Life Resident shall pay to the Landlord a monthly rental amount equal to the interest that would be payable on any mortgage which the Life Resident has or intends to register against the property plus the interest amount earned on any monies held in trust until such time as all funds respecting the Life Lease Entrance Fee have been released in advance to the Landlord;
 - (ii) the Life Resident shall pay to the applicable authority or to the Landlord such amounts that may be charged, levied or allocable to the Unit for utilities such as telephone, electricity, water, sewer, cable television and other utility or service charges payable in respect of the Unit including its Proportionate Share of any Project Recoverable Costs incurred by the Landlord during the term of the occupancy;
 - (iii) should the Life Resident not complete or be unable to complete this transaction or should this transaction be terminated pursuant to the terms of this Agreement, the Life Resident agrees to vacate the Unit within fifteen (15) days after notice to do so has been served upon the Life Resident;

- (iv) the Life Resident shall and does hereby indemnify and save harmless the Landlord of, from and against all suits, claims, actions, losses, costs, expenses and damages of any kind to which the Landlord shall become liable or a party to by reason of the use, misuse of occupation of the Unit or the Common Property by the Life Resident, his family, invitees, licensees or agent by reason of any injury suffered or occasioned by any person or any person for whom the Life Resident is responsible in law;
 - (v) the Life Resident shall be responsible for the cost of any and all painting, improvements and repairs done by the Life Resident to the Unit;
 - (vi) the Life Resident shall place and maintain fire insurance and third party liability insurance coverage on the Unit in an amount and form satisfactory to the Landlord effective on the day that access is granted to the Life Resident by the Landlord;
 - ~~(vii)~~ ~~in the event that the Lease of the Unit to the Life Resident by the Landlord is not completed,~~ the Life Resident hereby releases any right, title or interest in or to any repairs or improvements effected by the Life Resident or the Landlord on the Unit and agree that such repairs or improvements will accrue to the sole benefit of the Landlord;
 - (viii) the Life Resident shall be responsible for the cost of repairing any and all damage caused to the Unit by the Life Resident, its employees, agents, contractors and invitees howsoever caused; and
 - (ix) the Life Resident shall and does hereby waive any liability the Life Landlord whatsoever in respect of any damage or loss whatsoever to the person or property of the Life Resident unless caused by gross negligence of the Landlord, its employees, agents, contractors, invitees, volunteers, officers, directors or members.
- (e) Subject to 6(g), if the Commencement Date is delayed due to unfavourable weather conditions, lack of available building products and labour, or other conditions beyond the Landlord's control, the Landlord may, on written notice to the Life Resident, delay the Commencement Date by up to sixty days. If the Commencement Date is delayed beyond sixty days and the Life Resident has not consented to such further delay in writing, then the parties shall, at either party's option, be fully released of all obligations hereunder and the Deposit shall be returned to the Life Resident, without interest.
- (f) This Agreement may be freely assigned by the Landlord. This Agreement may not be assigned by the Life Resident.

Landlord and/or demand payment of such costs from the Life Resident. The Life Resident agrees that nothing contained in this Article shall effect or abrogate any of the other rights and remedies the Landlord may have in law or in equity in respect of the default.

DATED at the Municipal District of Rocky View, in the Province of Alberta,

9 day of MARCH, 2000.

Witnessed in the presence of:

Howalchuk

Witness

Howalchuk

Witness

Brian Fraser (B. J. FRASER)

Life Resident: (Print Name)

Wendy Fraser (W. FRASER)

Life Resident: (Print Name)

Above Offer is hereby accepted. Dated at CALGARY, in the Province of Alberta, this 9 day of MARCH, 2000.

United Church - Canada, Alberta - British Columbia District

Wendy Fraser

Exhibit "G"



Policy Statement

Policy Number: POPV-02-01b
Policy Date: October 20, 2005
Topic: Surrender Options

— BUILDING SUPPORTIVE COMMUNITIES FOR AGING WITH GRACE — A DIVISION OF THE ABC DISTRICT OF PRINCE OF PEACE

"THIS IS EXHIBIT" G "
Referred to in the Affidavit of
Donald A. Fraser
Sworn before me this 26th
day of August 2015
Philippe Lalonde
A Commissioner of Oaths in and for
the Province of Alberta

Life Lease Surrender Process - Options

Ref: *Life Lease, Article 10.1*

When a Life Resident intends to surrender a life lease, the Life Resident must provide a Notice of Surrender in writing to the Resident Services Coordinator from the EnCharis Office. The Resident Services Coordinator will acknowledge receipt of the Notice to Surrender, and provide details of the surrender process in writing. An initial appraisal will be performed as detailed below.

Philippe (Phil) Lalonde
Barister and Solicitor

Initial Life Lease Appraisal Process

As part of the process detailed in the Life Lease, an appraisal must be performed. The cost for this initial appraisal has been built into the Transfer Fee, which is collected at the time that the Life Resident receives the proceeds from the surrender, as laid out in Article 10 of the Life Lease.

Every year, a committee with equal representation from the current governing board of Prince of Peace Village and from the Village Residents' Association Executive will meet to establish:

1. A **Prince of Peace Appraisal List** of up to five Accredited Appraisers with the Appraisal Institute of Canada who are familiar with Life Lease appraisals.
2. The appraisal **Challenge Fee**. As noted above, the Transfer Fee covers the cost of one appraisal. If the Life Resident, through the terms listed below, does not accept the appraisal performed upon the Life Lease surrender, the Life Resident must pay a Challenge Fee to cover all the costs incurred in performing this appraisal. The committee will set an annual Challenge Fee, based on the anticipated average cost for an appraisal plus an administration fee to cover the expense of the involvement of Prince of Peace Village Sales and Management.

Appraisal Procedure

1. Initial Appraisal

When a Life Lease is surrendered in writing, an appraiser will be selected from the **Prince of Peace Appraisal List**, in rotation order, to perform the appraisal on the property.

2. Life Resident Dissatisfaction

If the Life Resident is not satisfied with the determined Redemption Value, the Life Resident may, in writing, and within three working days of receipt of the appraisal report, choose one of three alternatives:

1. withdraw the Notification of Surrender by paying the **Challenge Fee**
2. initiate the Self Appraisal process ("Option") by paying the **Challenge Fee**
3. request the Landlord to engage the next appraiser on the **Prince of Peace Appraisal List** by paying the **Challenge Fee**.

If a second appraisal is performed, the average of the two appraisals forms the Redemption Value. This procedure may be repeated once, upon the Life Resident's request and payment of a second **Challenge Fee**, with the average of a maximum of three appraisals forming the Redemption Value.

3. Dispute Resolution

If the Life Resident is not satisfied with the new Redemption Value, the Life Resident's only recourse is to follow the steps outlined in "Procedures for Dispute Resolution in Prince of Peace Village."

Optional - Self Appraisal Process

The Life Resident will establish a desired Re-Lease Price (the "**Listing Price**"), independent of the Landlord. Any costs incurred in determining the Listing Price will be solely the expense of the Life Resident. The desired Re-Lease Price must not be lower than the initial appraised Redemption Value.

The Listing Price will be communicated to the Landlord in writing. The Life Resident may at any time, upon 48 hour written notice to the Landlord, change the Listing Price.

Once the Listing Price has been established, the Landlord will begin marketing and showing the unit along with all other available units in the community. The Life Resident will be notified in writing when an Offer to Lease has been signed.

The Life Resident may, at his or her own expense, engage other agents to act on his or her behalf to find and refer new prospective Life Residents. All referrals must go through an orientation with the Landlord prior to entering into a new Life Lease Agreement with the Landlord. Although the Landlord will act in good faith and give the Life Resident's unit priority with any such referrals, the Landlord will not be restricted from leasing another available unit to any referrals.

When the Landlord re-leases the Leased Premises at the Listing Price and receives payment from a new Resident (the "Re-Lease Price"), the Landlord shall pay to the Life Resident, or to the estate of the Life Resident, as the case may be, without interest the Re-Lease Price less:

- (i) any amount owing by the Life Resident to the Landlord pursuant to the Life Lease;
- (ii) a transfer fee equivalent to 5% of the Re-Lease Price;
- (iii) the amount of any outstanding liens and financial charges which are then registered against the freehold or leasehold title to the Leased Premises and which are attributable to the Life Resident.

There are no redemption timeframe limitations associated with this process.

The Life Resident may at any time, upon written notice to the Landlord, abandon the Self Appraisal Process and defer to the Life Lease Appraisal Process to surrender. If six months have lapsed since the original appraisal, the Life Resident must pay the equivalent of the Challenge Fee so that another appraisal can be performed. At this time, all of the conditions set forward for repayment take effect according to the terms of the Life Lease, Article 10.

Exhibit "H"

THIS IS EXHIBIT " H "
Referred to in the Affidavit of
Donald A. Fraser
Sworn before me this 26th

day of August 20 15

BETWEEN: *Philippe (Phil) Lalonde*
A Commissioner of Oaths in and for
the Province of Alberta

Philippe (Phil) Lalonde
Barrister and Solicitor
LUTHERAN CHURCH-CANADA,
ALBERTA-BRITISH COLUMBIA DISTRICT

- and -

**BEVERLEY JOAN FRASER AND DONALD
ALEXANDER FRASER**

LIFE LEASE

BISHOP & McKENZIE
Barristers and Solicitors
#2500, 700 - 9th Avenue, S.W.
Calgary, Alberta
T2P 3V4

File No. 35,374-29 (FNJT/lml)

COPY OF INSTRUMENT
REGISTERED IN
LAND TITLES OFFICE
001336060

LIFE LEASE

THIS LIFE LEASE made this 9 day of NOV, 2000.

BETWEEN:

LUTHERAN CHURCH-CANADA, ALBERTA-BRITISH COLUMBIA DISTRICT
(hereinafter referred to as the "*Landlord*")

- and -

BEVERLEY JOAN FRASER AND DONALD ALEXANDER FRASER both of
317 TRIUNE BAY, CALGARY, ALBERTA, T1X 1G4, AS ~~JOINT~~ TENANTS *in Common*

(hereinafter individually or collectively referred to as the "*Life Resident*")

RECITALS:

A. The Landlord is, or is entitled to become, the registered owner of certain lands (the "*Lands*") located in the Municipal District of Rocky View, Alberta and legally described (prior to registration of plans of redivision) as follows:

Condominium Plan No. 9812469
Units 1 to 40
And all Common Property Therein

B. Unit 40 in Condominium Plan No. 9812469 has been subdivided pursuant to a Plan of Redivision No. 0011410 to create Units 41 to 63;

C. It is the Landlord's intention to establish and maintain a living environment within such project which will provide security, privacy, dignity, independence, spiritual sustenance and a sense of community for senior citizens, all within the framework of traditional Christian values as expressed in the Lutheran Church-Canada; and

- (v) the cost of all insurance for fire, liability or other casualties and any such other insurance as the Landlord may effect, or as may be required by any mortgagee to be effected, on the Project;
 - (vi) all costs of utilities and related services provided to the Project which are not charged directly to the Residents by meter or otherwise;
 - (vii) all reserves set up by the Landlord, including, without limitation, a general operating reserve, a reserve for replacements and a vacancy reserve; and
 - (viii) Taxes levied and assessed in respect of Common Property Units.
- (p) "*Proportionate Share*" means that fraction which has as its numerator the Rentable Area of the Leased Premises and as its denominator the Total Project Rentable Area;
- (q) "*Recoverable Costs*" means, in relation to the Leased Premises, the amount determined by multiplying the Project Recoverable Costs by the Proportionate Share;
- (r) "*Rentable Area*" means, in respect of the Leased Premises, or of any other Residential Unit in the Project, the area of the building constructed upon such Unit, expressed in square feet, and computed by measuring, in the case of outer building walls, from the outside surface of such walls, and in the case of partition walls separating such building from adjoining Buildings, from the center line of such partitions;
- (s) "*Resident*" or "*Residents*" means a person or persons who has or have signed a life lease with the Landlord for a Residential Unit in the Project on terms similar to the terms hereof, but excludes those persons who have terminated or surrendered their life lease pursuant to the terms thereof;
- (t) "*Residential Unit(s)*" means a Unit which is used or intended to be used for residential purposes together with all of the interest in the common elements belonging to that Unit and the building constructed on that Unit;
- (u) "*Standard Plans and Specifications*" means the Landlord's standard plans and specifications respecting construction of the Building as set forth and described in Schedule "D" to the Offer;

- (v) "*Taxes*" means all property taxes, rates, duties, levies and assessments whatsoever, whether municipal, provincial, federal or otherwise, levied, imposed or assessed against the Project or individual Units, including those levied, imposed or assessed for education, schools and local improvements and including all costs and expenses incurred by the Landlord in contesting, resisting or appealing any such taxes, rates, duties, levies or assessments;
- (w) "*Term*" means the period equal to the duration of the life of the Life Resident, or if there is more than one Life Resident, the life of the survivor of them, commencing on the Commencement Date, subject to earlier termination or surrender in accordance with the specific provisions hereof;
- (x) "*Title*" means the leasehold title issued with respect to the Leased Premises;
- (y) "*Total Project Rentable Area*" means the aggregate of the Rentable Areas of all Residential Units in the Project determined and adjusted from time to time in accordance with the provisions of this Life Lease;
- (z) "*Unit*" means an area designated as a Unit by the Condominium Plan or by any plan of redivision registered in respect of Unit 40 in the Condominium Plan, including, without restricting the generality of the foregoing, a Residential Unit and a Common Property Unit.

ARTICLE 2 - DEMISE AND TERM

2.1 In consideration of the rents, charges, covenants and agreements herein contained on the part of the Life Resident to be paid, observed and performed, the Landlord hereby demises and leases to the Life Resident and the Life Resident hereby leases from the Landlord the Leased Premises for the Term.

2.2 If the Landlord is delayed in delivering possession of the Leased Premises beyond the Estimated Commencement Date, then the Life Resident shall take possession of the Leased Premises on the date that the Landlord actually delivers possession of the Leased Premises (which shall be not later than 60 days after the Estimated Commencement Date). The Landlord shall not be liable to the Life Resident in any way for a failure to deliver possession of the Leased Premises by the Estimated Commencement Date. Unless any such delay is principally caused by or attributable to the Life Resident, no Recoverable Costs shall

be payable by the Life Resident for the period prior to the date on which the Landlord delivers possession of the Leased Premises to the Life Resident.

ARTICLE 3 - ENTRANCE FEE AND RECOVERABLE COSTS

3.1 On or before the Commencement Date, the Life Resident shall pay to the Landlord the amount of the Life Lease Entrance Fee together with the costs of any changes to the Leased Premises made at the Life Resident's request (the "Change Order Amounts"). The Change Order Amounts shall be deemed to be part of the Life Lease Entrance Fee.

3.2 In addition to payment of the Life Lease Entrance Fee, on closing, the parties will make adjustments for Taxes and such other adjustments as are commonly made in conveyancing practice in Calgary.

3.3 In addition to payment of the Life Lease Entrance Fee, the Life Resident shall pay to the Landlord Recoverable Costs as herein provided, without any prior demand therefor and without any deduction, abatement, set-off or compensation whatsoever save as expressly provided in this Life Lease. The Life Resident agrees to pay to the Landlord, in addition to the Life Lease Entrance Fee and Recoverable Costs, any goods and services tax, business transfer tax, value-added tax, multi-stage sales tax, sales, use or consumption tax, or any like tax imposed by any governmental authority in respect of this Life Lease or in respect of the property and services provided hereunder, including without limitation, such taxes calculated on or in respect of any fees or other charges payable under this Life Lease. Any such tax shall be deemed not to be rent, but the Landlord shall have the same remedies for and rights of recovery of such amount as it has for recovery of rent under this Life Lease. The obligation to pay Recoverable Costs (and adjustments thereto) shall survive the expiration or sooner termination of this Life Lease. All amounts payable under this Life Lease shall, unless otherwise provided, become due with the next installment of Recoverable Costs. The Landlord may, at its option and upon notice to the Life Resident, direct that the Life Resident pay any or all Recoverable Costs by way of post-dated cheques or pre-authorized bank debit and the Landlord may direct the Life Resident to make such payments to any other party specified by the Landlord.

3.4 From and after the Commencement Date the Life Resident shall pay to the Landlord the Recoverable Costs for each Accounting Period by way of monthly installments on the first day of each and every month throughout the Term, and the amount of such

installments shall be reasonably stipulated from time to time by the Landlord based upon a budget prepared by the Landlord prior to the commencement of each Accounting Period. Following the end of each Accounting Period the Landlord shall compute the actual Recoverable Costs for such Accounting Period and shall submit a statement thereof to the Life Resident. If the total of the monthly installments of Recoverable Costs paid and payable by the Life Resident in respect of such Accounting Period is less than the actual amount of Recoverable Costs for such Accounting Period, the Life Resident shall immediately pay the difference to the Landlord. If the total of such monthly installments of Recoverable Costs paid and payable is greater than the actual amount of the Recoverable Costs for such Accounting Period, the difference shall either, at the option of the Landlord, be repaid to the Life Resident with such statement, be applied in payment of other amounts owing by the Life Resident or be applied in reduction of future payments due under this Life Lease.

ARTICLE 4 - ADDITIONAL LIFE RESIDENT COSTS

4.1 The Life Resident shall pay to the appropriate and lawful taxing authority, or to the Landlord, as appropriate, and shall discharge when the same become due and payable, all Taxes levied and assessed in respect of the Leased Premises. The Landlord shall promptly deliver to the Life Resident copies of assessment notices and tax bills received by the Landlord in respect of the Leased Premises. The Life Resident shall not contest the Taxes levied against the Leased Premises without the Landlord's prior written approval.

4.2 The Life Resident shall be solely responsible for, and promptly pay to the appropriate party, all charges for utilities and like services used or consumed in or provided to the Leased Premises. In no event will the Landlord be liable to the Life Resident in damages or otherwise for failure to supply any third-party services to the Leased Premises.

ARTICLE 5 - USE OF UNIT AND PROJECT

5.1 The Leased Premises shall not be occupied by any person who has not obtained his or her 55th birthday. Notwithstanding the foregoing, the Leased Premises may be occupied by a person who has not obtained his or her 55th birthday if that person lives with that person's spouse who has obtained his or her 55th birthday, or if that person has been predeceased by a spouse who had obtained his or her 55th birthday, provided that in either case the spouse is or was an occupant of the Leased Premises.

5.2 For the purpose of Section 5.1, a "spouse" means a person who holds that position usually enjoyed by a spouse whether or not he or she is legally married, and "occupy" or "occupation" means a regular and ordinary presence in the Leased Premises, whether or not the person is frequently absent by reason of employment or ill health.

5.3 A person shall be deemed to be an occupant if that person's occupation of the Leased Premises exceeds sixty (60) consecutive days.

5.4 Notwithstanding Sections 5.1, 5.2 and 5.3, the Leased Premises may be occupied, for a limited period of time and subject to such restrictions as may be specified by the Landlord, by a person who does not meet the above qualifications, if such person is a:

- (a) caregiver to one or both of the Life Residents and the Landlord, in its sole discretion, determines for compassionate reasons that such occupation is necessary or appropriate; or
- (b) pastor or vicar of the congregation that meets in the church/school complex located on the lands legally described as Plan 9712096, Block 1.

5.5 The Life Resident shall occupy the Leased Premises as a private residence for the personal use of the Life Resident and his or her spouse, if any, and for no other purpose, and may enjoy, in common with other Residents, all property and facilities in the Project which are declared by the Landlord to be property and facilities for the common use of Residents, so long as the Life Resident abides by all of the terms of this Life Lease and all rules and regulations formulated by the Landlord from time to time in respect of the Project.

5.6 The Life Resident shall not permit or suffer anything to be done or kept in or about the Leased Premises or any part of the Project which will increase the rate of insurance on the Project or on the contents thereof, or which will obstruct or interfere with the rights of other Residents, or annoy any Residents by unreasonable noises or any other forms of unreasonable behavior, nor will the Life Resident commit or permit any nuisance in or about the Leased Premises or the Project or commit or suffer any illegal act to be committed in or about the Leased Premises or the Project.

ARTICLE 6 - ASSIGNMENT AND SUBLETTING

6.1 Subject to Article 6.4, the interests of the Life Resident in and to the Leased Premises and this Life Lease are not assignable nor may the Leased Premises be sublet. The Life Resident may temporarily part with possession of the Leased Premises during the Term but only with the prior written consent of the Landlord. Any request for such consent shall be in writing and accompanied by:

- (a) a true copy of the license of use which shall contain a covenant on the part of the person being granted possession of the Leased Premises to abide by the terms of the Life Lease and the condominium by-laws;
- (b) a Statutory Declaration sworn by the Life Resident declaring that the subtenant or person being granted temporary possession has attained his or her 55th birthday; and
- (c) such additional information as the Landlord may require in respect of the parting with possession.

6.2 The Landlord shall, within 15 days after receiving all of the information required under Section 6.1 above, notify the Life Resident in writing either that (1) it consents or does not consent to the subletting or parting with possession, or (2) it elects to terminate this Life Lease in preference to giving such consent. If the Landlord elects to terminate this Life Lease it shall provide written notice of such election to the Life Resident and shall specify a termination date which shall be no less than 60 days nor more than 90 days following the giving of such notice. If the Landlord elects to terminate this Life Lease by notice to the Life Resident, the Life Resident shall notify the Landlord in writing within 5 days thereafter of the Life Resident's intention either to refrain from such subletting or parting with possession or to accept the termination of the Life Lease. If the Life Resident fails to deliver such notice within such period of 5 days or notifies the Landlord that it accepts the Landlord's termination, this Life Lease will thereby be terminated on the date of termination stipulated in the Landlord's notice. If the Life Resident advises the Landlord that it intends to refrain from such subletting or parting with possession, the Landlord's election to terminate this Life Lease shall become null and void in such instance.

6.3 The Life Resident shall not allow any subtenant to

- (a) assign their sublease at any time; or
- (b) sublease the Leased Premises except in accordance with this Article.

6.4 Notwithstanding Article 6.1, with the consent of the Landlord, the Life Resident may assign their interest in the Leased Premises to a lender in order to obtain financing for payment of the Life Lease Entrance Fee.

ARTICLE 7 - REPAIRS, ALTERATIONS AND REPLACEMENTS

7.1 The Life Resident shall, throughout the Term, maintain the interior of the Building in a clean and orderly condition and shall maintain and either repair or replace, as needed:

- (a) all elements of the interior of the Building other than those appliances and plumbing, electrical and heating systems (including furnace and hot water tank) which are included in the Standard Plans and Specifications;
- (b) all elements of the exterior of the Building which are not included in the Standard Plans and Specifications, including, without limitation, storm doors, roll shutters, privacy screens, external air-conditioning units and satellite dishes.

The Life Resident shall also be responsible for cleaning plugged toilets, sinks and drains, replacing light bulbs and fluorescent tubes, and for cleaning, repairing and replacing window glass in the Building. The Life Resident shall promptly notify the Landlord of any damage to the Building and of any break or defect in the plumbing, electrical or heating systems which service the Building.

7.2 The Landlord shall carry out all repairs to, and maintenance of, the Leased Premises and the Project which are not specified hereunder as being the responsibility of the Life Resident. The cost of all such repairs and maintenance shall form part of the Project Recoverable Costs; provided however, that if the need for any such repairs or maintenance results from any act, failure to act, neglect or default on the part of the Life Resident or those for whom the Life Resident is responsible, the cost of such repairs or maintenance shall, to the extent not recovered under the Landlord's insurance, be borne entirely by the Life Resident.

7.3 The Life Resident shall not make any exterior or structural change, alteration, addition or improvement to the Building, and shall not make any non-structural change or alteration (including painting or other types of decorating) to the interior of the Building without first obtaining the Landlord's written approval. Any change or alteration proposed by the Life Resident, which is approved by the Landlord, shall be performed with first class materials, in a good and workmanlike manner, in accordance with details and plans approved in advance by the Landlord and in compliance with all applicable laws, by-laws and regulations.

7.4 At the expiration or earlier termination of the Term, any alterations or improvements made to the Building by the Life Resident shall, at the option of the Landlord, remain the property of the Landlord. Alternatively, the Landlord may require the removal of such alterations or improvements and the restoration of the Building to its original condition, all at the sole cost and expense of the Life Resident.

7.5 The Life Resident shall at all times ensure that no person has any right to register any lien against the Leased Premises or the Lands on account of any services or materials supplied to the Leased Premises on account of the Life Resident. In the event of any such lien being so registered, the Life Resident shall promptly discharge the same. The Landlord shall be entitled to discharge any such lien if it has not been discharged by the Life Resident within 5 business days of registration. The Life Resident shall pay to the Landlord, on demand, all amounts, costs and expenses, including the Landlord's legal fees on a solicitor and his own client basis, incurred by the Landlord as a result of its discharging such lien.

ARTICLE 8 - INSURANCE

8.1 Throughout the Term the Life Resident shall, at his sole cost and expense, take out and keep in full force and effect, the following insurance:

- (a) comprehensive general liability insurance, including property damage and bodily injury and personal injury liability, with respect to the Leased Premises and the Life Resident's use thereof. Such policy shall be written on a comprehensive basis with inclusive limits of not less than \$1,000,000.00 per occurrence for bodily injury or property damage and shall contain a waiver of subrogation in favour of the Landlord; and

- (b) motor vehicle insurance having third party liability limits not less than \$1,000,000.00 per occurrence covering all vehicles owned or operated by the Life Resident which are at any time brought upon the Lands.

8.2 The Landlord shall at all times throughout the Term insure the Buildings against damage by fire and extended perils to the full replacement cost thereof. The Landlord shall also carry public liability and property damage insurance with respect to the Landlord's operations on the Project and such other form of insurance as the Landlord reasonably considers advisable. The Landlord shall insure only the Standard Plans and Specifications. The Life Resident shall be responsible for insuring any changes, alterations or additions to the Leased Premises.

ARTICLE 9 - SURRENDER AND TERMINATION OF LIFE LEASE

9.1 Notwithstanding the provisions of Section 2.1 hereof, this Life Lease may be surrendered at the option of the Life Resident (or both Life Residents, if more than one), at any time, after the Commencement Date, upon the expiry of two (2) months written notice to the Landlord.

9.2 Notwithstanding the provisions of Section 2.1 hereof, this Life Lease may be terminated immediately by the Landlord:

- (a) if the Life Resident is in default of payment of Recoverable Costs or any other sums of money, other than the Life Lease Entrance Fee, which are required to be paid by the Life Resident to the Landlord pursuant to any provision of this Life Lease on the day or dates appointed for payment thereof provided the Landlord first gives the Life Resident written notice of the default and the Life Resident fails to cure such default within ten (10) days of receipt of such notice;
- (b) if the Life Resident, or anyone for whom the Life Resident is responsible, fails to observe or perform any other of the terms, covenants or conditions of this Life Lease, provided the Landlord first gives the Life Resident written notice of such failure to perform and the Life Resident, within ten (10) days of receipt of such notice, fails to commence diligently and, thereafter, to proceed diligently to cure any such failure to perform;

- (c) upon the Landlord making a determination, acting reasonably and compassionately, that the Life Resident's physical or mental condition renders the Life Resident incapable of caring for his or her own needs within the Building;
- (d) in accordance with Article 19 as a consequence of destruction of the Project;
- (e) if the Life Resident purports to assign this Life Lease or to sublet the Leased Premises;
- (f) if the Life Resident temporarily parts with possession of the Leased Premises other than with the Landlord's consent in accordance with Article 6; or
- (g) if the Life Resident is in default of any mortgage or other charge against the Life Resident's interest in the Leased Premises and the mortgagee forecloses upon the Life Resident's interest.

9.3 The Life Resident may nominate an individual (the "Nominee") to lease the Leased Premises after the termination or surrender of this Life Lease (the "Nomination"). The Nomination shall be in writing and must be delivered to the Landlord at least 2 months prior to the termination or surrender of this Life Lease. The Landlord shall consider the Nomination and shall determine, in its sole and unfettered discretion, whether it shall lease the Leased Premises to the Nominee. Notwithstanding the foregoing, the Nominee must meet the requirements of Article 5 to be considered by the Landlord. Such Nomination shall not constitute an assignment or sublease.

ARTICLE 10 - REPAYMENT UPON TERMINATION

10.1 At the expiration of the Term or upon the earlier termination or surrender of this Life Lease for any reason or cause other than pursuant to Section 19.2 hereof (such date being hereinafter called the "Valuation Date"), the Landlord shall cause an appraisal of the Leased Premises (the "Appraisal") to be completed by an appraiser accredited by the Appraisal Institute of Canada. The Appraisal shall be completed within 30 days of the Valuation Date and shall establish the fair market value of the Leased Premises as at the Valuation Date (the "Redemption Value") in conformity with the standards of the Appraisal Institute of Canada.

10.2 Provided that more than two (2) years have lapsed between the Commencement Date and the Valuation Date, and provided further that the Life Resident has vacated the Leased Premises and removed all of his or her personal property from the Leased Premises, then upon the earlier of:

- (a) the expiry of Six (6) months from the Valuation Date; and
- (b) the date the Landlord re-leases the Leased Premises and receives payment therefor from a new Resident (the "Re-Lease Price");

the Landlord shall pay to the Life Resident, or to the estate of the Life Resident, as the case may be, without interest:

- (c) if the Leased Premises have not been re-leased, the Redemption Value; or
- (d) if the Leased Premises have been re-leased, the Re-Lease Price;

less, in either case:

- (i) any amount owing by the Life Resident to the Landlord pursuant to this Life Lease;
- (ii) any costs or expenses incurred by the Landlord in cleaning or repairing any damage to the Leased Premises or restoring the Building to its original condition, reasonable wear and tear excluded;
- (iii) a transfer fee equivalent to 5% of the Redemption Value or Re-Lease Price, as the case may be;
- (iv) the amount of any outstanding liens and financial charges against the title to the Leased Premises at the Valuation Date which are attributable to the Life Resident.

10.3 If two years or less have lapsed between the Commencement Date and the Valuation Date, the amount to be repaid by the Landlord to the Life Resident, or the Life Resident's estate, as the case may be, shall be the lesser of the Redemption Value of the Leased Premises, the Re-Lease Price and the amount of the Life Lease Entrance Fee, subject, in any case, to adjustment in accordance with the provisions of Section 10.2(d)(i)-(iv).

ARTICLE 11 - RULES, REGULATIONS AND BY-LAWS

11.1 The Life Resident and his agents, invitees and licensees shall observe and perform all rules, regulations and condominium by-laws relating to the Project established from time to time and communicated to Residents in writing. Copies of the rules and regulations and by-laws currently in effect have been provided to the Life Resident as part of the Offer.

ARTICLE 12 - QUIET ENJOYMENT

12.1 Subject to the provisions of this Life Lease, so long as the Life Resident has paid the Life Lease Entrance Fee and thereafter pays the Recoverable Costs hereby reserved and makes the other payments required to be made hereunder and observes and performs all the covenants and conditions on the part of the Life Resident herein contained, the Life Resident shall and may peaceably possess and enjoy the Leased Premises for the Term hereby granted without any interruption or disturbance from the Landlord or any other person lawfully claiming by, from or under the Landlord.

ARTICLE 13 - LANDLORD'S DISCLAIMER

13.1 The Landlord shall not be liable nor responsible in any way for any personal or consequential injury of any nature whatsoever that may be suffered or sustained by the Life Resident or any person who is in or on the Project at the invitation of or with the consent of the Life Resident, or for any loss or damage or injury to any property belonging to the Life Resident or to any such person while such property is on or in the Project or the Leased Premises, and in particular, but without limiting the generality of the foregoing, the Landlord shall not be liable for any damages of any nature whatsoever to any such property caused by the failure to supply adequate drainage, snow or ice removal, or by reason of the interruption of any public utility or service or in the event of water, rain or snow which may leak into, issue or flow from any part of the Buildings, or from the water, gas or drainage pipes or plumbing works of the same or for any damage caused by anything done or committed by any of the Residents, but the Landlord will use all reasonable diligence to remedy such condition, failure or interruption of service, after notice of same, when it is within its power and

obligation so to do. The Life Resident shall not be entitled to any abatement of Recoverable Costs in respect of any such condition, failure or interruption of services.

ARTICLE 14 - RESIDENT'S INDEMNITY

14.1 The Life Resident shall be liable for, and shall indemnify and save harmless the Landlord and the directors, officers, employees, agents and representatives of the Landlord, of and from and against any and all losses, fines, suits, claims, damages, demands and liabilities of any kind or nature whatsoever (including, without limitation, direct losses, costs, damages and expenses, including costs on a solicitor and own client basis) arising out of any breach, violation or non-performance by the Life Resident of any covenant, term or provision of this Life Lease or by reason of any injury occasioned to or suffered by any person or persons or any property by reason of any wrongful act, neglect or default on the part of the Life Resident or any person on or in the Project at the invitation of or with the consent of the Life Resident.

ARTICLE 15 - DELAYS

15.1 Whenever and to the extent that the Landlord is unable to fulfill, or is delayed or restricted in the fulfillment of any obligation hereunder by reason of any cause or matter beyond its control, the Landlord shall be entitled to extend the time for fulfillment of such obligation by a time equal to the duration of such delay or restriction, or shall be relieved from the fulfillment of such obligation if due to inability, and the Life Resident shall not be entitled to any compensation for any inconvenience, nuisance or discomfort thereby occasioned.

ARTICLE 16 - REMEDYING OF DEFAULT

16.1 In addition to all rights and remedies of the Landlord available to it in the event of any default hereunder by the Life Resident either by any provision of this Life Lease or by statute or common law, the Landlord shall have the right at all times to remedy or attempt to remedy any default of the Life Resident, and in so doing may make any payments due or alleged to be due by the Life Resident to third parties and may enter upon the Leased Premises and into the Building to do any work or other things therein, and in such event all costs, charges and expenses of the Landlord in remedying or attempting to remedy such default, together with interest thereon from the date of the Landlord incurring such expenses, at a rate

of TWELVE (12%) PER CENT per annum, compounded monthly, shall be payable by the Life Resident to the Landlord immediately upon demand; and

16.2 The Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Life Resident, either by any provisions of this Life Lease or by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

ARTICLE 17 - NON-WAIVER BY LANDLORD

17.1 No condoning, excusing or overlooking by the Landlord of any default, breach or non-observance by the Life Resident at any time or times in respect of any covenants, provisos or conditions herein contained shall operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord save only an express waiver in writing.

ARTICLE 18 - LANDLORD'S RIGHT TO DO WORK

18.1 The Landlord is entitled, at any time and as it sees fit, to make any additions to and/or improvements or installations in and/or repairs to the Project and whenever reference is made in this Life Lease to the Project it shall mean the Project as the same may be changed, added to or improved from time to time. In relation to any such additions, improvements, installations or repairs the Landlord may cause such reasonable obstructions of and interference with the use or enjoyment of the Building or the Project as may be reasonably necessary for the purposes aforesaid and may interrupt or suspend the supply of electricity, water or other services when necessary and until said additions, improvements, installations or repairs shall have been completed, there shall be no abatement in the payment of Recoverable Costs nor shall the Landlord be liable in any manner by reason thereof; provided that all such additions, improvements, installations or repairs shall be made as expeditiously as reasonably possible.

18.2 The Landlord and any persons authorized by the Landlord shall have the right to use, install, maintain and/or repair pipes, wires, ducts or other installations in, under or through the Leased Premises for or in connection with the supply of any services to the Leased Premises or any other Residential Unit in the Project. Such services may include, without limitation, gas, electricity, water, sanitation, telephone, air-conditioning, cable, heating and ventilation. The Recoverable Costs payable hereunder shall in no way abate while such use, installation, maintenance and/or repair is being carried out.

ARTICLE 19 - DAMAGE OR DESTRUCTION

19.1 If the Building shall be damaged by fire or other casualty required to be insured against by the Landlord pursuant to Section 8.2, the Landlord shall with reasonable dispatch after receipt of notice of said damage, repair or replace or cause to be repaired or replaced, the Building. Notwithstanding the foregoing, the Landlord shall not be required to repair or replace alterations or additions made to the Building by the Life Resident, or any equipment, furniture, fixtures or decorations installed by the Life Resident, or any previous Resident, in the Building.

19.2 If the Building is damaged or destroyed and the Landlord, acting reasonably, determines that the Building cannot be rebuilt or repaired within 90 days of the event of damage or destruction, then the Landlord shall be entitled to terminate this Life Lease by giving the Life Resident, within Thirty (30) days of such damage or destruction, notice of termination, and thereupon the Recoverable Costs and other amounts owing by the Life Resident under this Life Lease shall be apportioned and paid to the date of such damage or destruction and the Life Resident shall immediately deliver up possession of the Leased Premises to the Landlord. If the Landlord so elects, then within 60 days of receipt by the Landlord of insurance proceeds respecting such damage or destruction, the Landlord shall pay to the Life Resident the insurance proceeds, or that portion of the insurance proceeds received by the Landlord which are properly and fairly allocated to the Building, less any amounts owing by the Life Resident to the Landlord pursuant to this Life Lease.

ARTICLE 20 - FINANCING

20.1 The Life Resident shall not mortgage or charge their interest under this Agreement in any way whatsoever without the written consent of the Landlord.

20.2 If the Landlord consents as aforesaid, the Life Resident covenants and agrees that at any time and from time to time after the provision of such consent, the Life Resident shall, upon the request of the Landlord, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances, assurances or other documents as may be requested by the Landlord in relation to such consent. Without limiting the generality of the foregoing, the Life Resident shall provide, upon request, an irrevocable assignment of proceeds to be distributed pursuant to Article 10 of this Agreement, in a form acceptable to the Landlord.

20.3 Nothing herein shall be construed as obligating the Landlord to consent to the mortgaging or charging of the Life Resident's interest under this Agreement. Further, no consent, request and other action by the Landlord or no act, deed, assignment, transfer, conveyance, assurance or other document provided by the Life Resident, whether provided at the request of the Landlord or otherwise, shall obligate the Landlord to consent or further consent to the mortgaging or charging of the Life Resident's interest under this Agreement.

ARTICLE 21 - SURVIVAL

21.1 The covenants contained in Article 10 of this Agreement shall survive the termination of this Life Lease.

ARTICLE 22 - ENTIRE AGREEMENT

22.1 This Life Lease and the attached schedules set forth all of the covenants, promises, agreements, conditions and understandings between the Landlord and the Life Resident concerning the Leased Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them either than as herein set forth. The parties agree that the provisions of the Offer shall merge upon the execution of this Life Lease.

ARTICLE 23 - GOVERNING LAW

23.1 This Life Lease shall be governed by and construed in accordance with the laws of the Province of Alberta.

ARTICLE 24 - SEVERABILITY

24.1 The Landlord and the Life Resident agree that all of the provisions of this Life Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section hereof. Should any provision or provisions of this Life Lease to any extent be illegal, invalid or unenforceable, it or they shall be considered separate and severable from this Life Lease and its remaining provisions shall remain valid, enforceable and binding upon the parties hereto.

ARTICLE 25 - CAPTIONS

25.1 The captions appearing within the body of this Life Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Life Lease or of any provisions hereof.

ARTICLE 26 - PAYMENTS DEEMED RENT

26.1 Each and every sum of money to be paid by the Life Resident to the Landlord pursuant to any provision hereof, whether by way of indemnity or otherwise shall, from and after the past due date for payment thereof, be deemed to be construed as rent and all rights and remedies available to the Landlord for the collection of rent in arrears may be enforced by the Landlord for the collection thereof with interest and costs as herein provided.

ARTICLE 27 - RIGHT OF ACCESS BY LANDLORD

- 27.1 The Landlord has a right of access to the Leased Premises:
- (a) to show the Leased Premises to prospective Residents at reasonable hours after notice to surrender this Life Lease has been given;
 - (b) after giving written notice to the Life Resident at least 24 hours before the time of entry, which time will be specified on the notice and shall be during 8 a.m. to 8 p.m., local time; and
 - (c) immediately, without notice, in the case of an emergency.

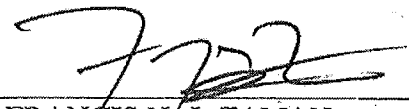
Nothing in this Section is to be construed by either party as prohibiting entry with the consent of the Life Resident given at the time of entry.


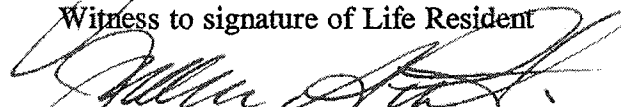
ARTICLE 28 - EXTENDED MEANINGS



28.1 The words "hereof", "herein", "hereunder" and similar expressions used in any section or subsection of this Life Lease relate to the whole of this Life Lease and not to that section or subsection only, unless otherwise expressly provided. Wherever the neuter, singular number or a gender is used in this Life Lease, the same shall be construed as including the plural and the masculine, feminine and neuter respectively where the fact or context so requires. In any case where this Life Lease is executed by more than one Life Resident, all covenants and agreements herein contained shall be construed and taken as against such executing Life Residents as joint and several.

IN WITNESS WHEREOF the parties hereto have executed this Life Lease as of the day and year first above written.

**LUTHERAN CHURCH-CANADA,
ALBERTA-BRITISH COLUMBIA
DISTRICT**

Per: 
FRANCIS N. J. TAMAN

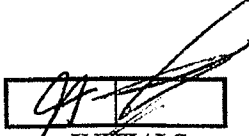

Witness to signature of Life Resident

Witness to signature of Life Resident


BEVERLEY JOAN FRASER

DONALD ALEXANDER FRASER

10. Parking of motor vehicles is permitted only in garages and on private driveways. Recreational vehicles such as motor homes, trailers, snowmobiles, watercraft or ATV's must be parked inside garages or in areas specifically designated by the Landlord for such purpose.
11. No laundry shall be hung other than on the inside of a Resident's Building.
12. No awnings or shades shall be erected over and outside of the windows, nor shall any articles or structures be hung or placed on any outside window sills of a unit without the prior consent of the Landlord.
13. Plumbing fixtures or equipment shall not be used for purposes other than those for which they are constructed and no garbage or other substances shall be thrown therein.
14. Nothing shall be placed on the outside of window sills or Building projections.
15. Water shall not be left running unless in actual use.
16. Residents shall not overload existing electrical circuits.

LIFE RESIDENT ACKNOWLEDGMENTS

1. The Life Resident acknowledges that the Landlord has recommended that the Life Resident seek and obtain independent legal, accounting or other professional advice with respect to the merits and risks relating to the Life Lease and the Life Resident's acquisition of a lifetime tenancy of a Residential Unit in the Project.



INITIALS

2. The Life Resident acknowledges that the Landlord and its agents, advisors, legal representatives, accountants, successors and assigns shall not be responsible for any income tax consequences to the Life Resident resulting from an assessment or re-assessment by Revenue Canada (or by any other governmental authority) relating to the Life Lease or the Life Resident's acquisition of a lifetime tenancy of a Residential Unit in the Project.


INITIALS

(Initial the applicable statements below)

3. (a) The Life Resident has sought and obtained independent legal, accounting or other professional advice with respect to the Life Lease and the Life Resident's acquisition of a lifetime tenancy of a Residential Unit in the Project;


INITIALS

OR

(b) The Life Resident has not sought nor obtained independent legal, accounting or other professional advice, and does not wish to do so.



INITIALS

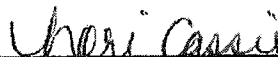
AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF ALBERTA) I, JORDAN S. POTIUK, of the City of
TO WIT:) Calgary, in Province of Alberta,
) MAKE OATH AND SAY:

1. That I was personally present and did see **Donald Alexander Fraser and Beverley Joan Fraser** named in the within Instrument who are personally known to me to be the persons named therein, duly sign and execute the same for the purposes named therein;
2. That the same was executed at the City of Calgary, in the Province of Alberta, and that I am the subscribing witness thereto;
3. That I know the said **Donald Alexander Fraser and Beverley Joan Fraser** and they are in my belief of the full age of eighteen years.

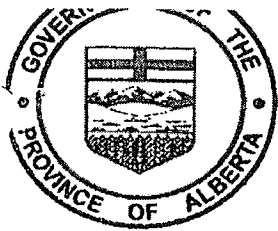
SWORN BEFORE ME at the City)
of Calgary, in the Province of)
Alberta, this 9th day of)
November, A.D. 2000.)
)
)


JORDAN S. POTIUK


A Commissioner for Oaths in and
for the Province of Alberta

Lori Cassie
My Commission expires July 1, 2001

Exhibit "I"



LAND TITLE CERTIFICATE

S LINC SHORT LEGAL TITLE NUMBER
0028 411 882 0011410;52 061 231 885 +11

LEGAL DESCRIPTION
CONDOMINIUM PLAN 0011410
UNIT 52
AND 77 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;28;24;19;NE
MUNICIPALITY: ROCKY VIEW COUNTY
REFERENCE NUMBER: 001 150 638 +11

THIS IS EXHIBIT " 7 "
Referred to in the Affidavit of
Donald A. Fraser
Sworn before me this 26th
day of August 2015
Philippe (Phil) Lalonde
Barrister and Solicitor

Table with columns: REGISTRATION, DATE (DMY), REGISTERED OWNER(S), DOCUMENT TYPE, VALUE, CONSIDERATION

061 231 885 10/06/2006 TRANSFER OF LAND SEE INSTRUMENT

OWNERS
ENCHARIS COMMUNITY HOUSING AND SERVICES.
OF SUITE 131,285030 LUTHER ROSE BOULEVARD NE
CALGARY
ALBERTA T1X 1M9

ENCUMBRANCES, LIENS & INTERESTS

Table with columns: REGISTRATION NUMBER, DATE (D/M/Y), PARTICULARS

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

061 231 885 +11

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
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EASEMENT, ENCROACHMENT AND PARTY WALL

001 150 643	06/06/2000	RESTRICTIVE COVENANT
001 336 060	23/11/2000	LEASE LESSEE - BEVERLEY JOAN FRASER LESSEE - DONALD ALEXANDER FRASER BOTH OF: 317 TRIUNE BAY CALGARY ALBERTA T1X1G4 COMMENCING ON THE 09 DAY OF NOVEMBER , 2000 FOR THE LIFE OF BEVERLEY J. FRASER AND DONALD A. FRASER
001 336 061	23/11/2000	LEASEHOLD TITLE APPLICATION NEW TITLE ISSUED AFFECTS INSTRUMENT: 001336060
111 319 853	07/12/2011	MORTGAGE MORTGAGEE - CONCENTRA TRUST. 7100 ADA BOULEVARD EDMONTON ALBERTA T5B4E4 ORIGINAL PRINCIPAL AMOUNT: \$4,000,000
111 319 854	07/12/2011	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - CONCENTRA TRUST. 7100 ADA BOULEVARD EDMONTON ALBERTA T5B4E4 AGENT - JOHN B WILLIAMS
111 319 855	07/12/2011	MORTGAGE MORTGAGEE - CONCENTRA TRUST. 7100 ADA BLVD EDMONTON ALBERTA T5B4E4 ORIGINAL PRINCIPAL AMOUNT: \$3,950,000 (DATA UPDATED BY: TRANSFER OF MORTGAGE 141049523)
111 319 856	07/12/2011	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - CONCENTRA TRUST. 7100 ADA BLVD EDMONTON ALBERTA T5B4E4 (DATA UPDATED BY: TRANSFER OF CAVEAT (CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

061 231 885 +11

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
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141049524)

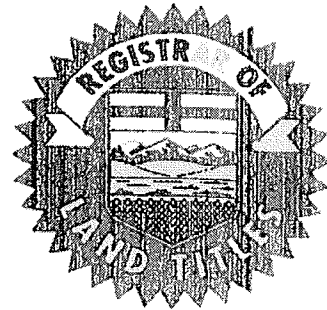
* ADDITIONAL REGISTRATIONS MAY BE SHOWN ON THE CONDOMINIUM ADDITIONAL
PLAN SHEET

TOTAL INSTRUMENTS: 011

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 21 DAY OF
JANUARY, 2015 AT 03:22 P.M.

ORDER NUMBER: 27688881

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).