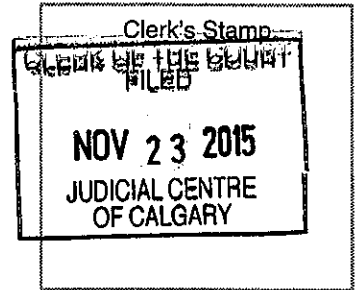


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



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

APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA –
BRITISH COLUMBIA DISTRICT, ENCHARIS
COMMUNITY HOUSING AND SERVICES, ENCHARIS
MANAGEMENT AND SUPPORT SERVICES, AND
LUTHERAN CHURCH – CANADA, THE ALBERTA –
BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Bishop & McKenzie LLP
Barristers & Solicitors
1700, 530 - 8th Avenue SW
Calgary, Alberta T2P 3S8

Attention: Francis N. J. Taman /Ksena J. Court

Telephone: 403-237-5550
Fax : 403-243-3623

File No.: 103,007-003

AFFIDAVIT OF CAMERON SHERBAN
Sworn on November 23, 2015

I, CAMERON SHERBAN, of Calgary, Alberta, SWEAR AND SAY THAT:

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

RELIEF REQUESTED

3. I make this Affidavit in support of the Application for the following relief:
- (a) an Order approving the transfer of the following lands to George, Inez, Gerald, and Connie Robinson:

CONDOMINIUM PLAN 0011410
UNIT 51
AND 43 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS
("319 Triune Bay");
 - (b) an Order approving the sale of the following lands:

PLAN 9423702
LOT C
CONTAINING 22.54 ACRES MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 9.12 HECTARES (22.54 ACRES) MORE OR LESS
(the "St. Albert Lands");
 - (c) an Order sealing my Second Confidential Affidavit sworn November 23, 2015;
 - (d) an Order scheduling the meeting of creditors of Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. ("DIL");
 - (e) such further and other relief as this Honourable Court may allow.

319 TRIUNE BAY

4. ECHS is the owner of 319 Triune Bay. Attached hereto and marked as **Exhibit "A"** is a copy of the title to 319 Triune Bay.
5. I am advised by representatives of ECHS that on August 12, 2005, ECHS entered into a life lease agreement (the "Robinson Life Lease") with George Robinson, Inez Robinson, Gerald Robinson and Connie Robinson (collectively the "Robinsons"). Attached hereto and marked as **Exhibit "B"** is a copy of the Robinson Life Lease which has been registered as Instrument No. 051 370 310 at the Land Titles Office. Attached hereto and marked as **Exhibit "C"** is a copy of the life lease title for 319 Triune Bay.

6. I am advised by representatives of ECHS that on December 17, 2014, the Robinsons surrendered the Robinson Life Lease. Attached hereto and marked as **Exhibit "D"** is a copy of the letter that was sent respecting the surrender.
7. I am advised by representatives of ECHS that 319 Triune Bay was listed for sale through the surrender process on January 9, 2015 for \$342,900. After receiving no offers, the list price was reduced to \$329,900 on June 29, 2015. 319 Triune Bay has not yet sold, nor has it been re-leased.
8. More than 6 months has now passed since the notice of surrender of the Robinson Life Lease was received by ECHS. In accordance with paragraph 10.2 of the Robinson Life Lease, ECHS has an obligation to pay either the Redemption Value or the Re-Lease Price as calculated in the Robinson Life Lease. This is a claim which is stayed pursuant to the Initial Order and will be compromised through the CCAA proceedings.
9. I have communicated and had discussions with Gerald Robinson and understand that the Robinsons are prepared to make payment of \$3,000.00 to ECHS in exchange for title to 319 Triune Bay. The Robinsons would be responsible for the costs of the transfer. Upon the transfer being completed, the Robinsons would then have no further claim against ECHS. I am of the understanding that Gerald Robinson's parents have moved into a care facility and waiting until the DIL Plan is sanctioned and carried out would constitute a hardship to the parents.
10. In the Amended ECHS Plan filed on November 18, 2015, this is what is being proposed for all of the life lease residents at the Prince of Peace Village. Because the Robinson Life Lease was surrendered before the Initial Order was filed in these proceedings, it is fair and reasonable for the transfer of 319 Triune Bay to occur to them notwithstanding that the Amended ECHS Plan has not yet been voted upon. The transfer is also reasonable given that the Robinsons are being treated the same as the other life lease residents in the Amended ECHS Plan. All funds received from the Robinsons will be held in trust and will form part of the Transfer Fund (as that term is defined in the DIL Plan).

ST. ALBERT LANDS

11. The District is the owner of the St. Albert Lands. Attached hereto and marked as **Exhibit "E"** is a copy of the title to the St. Albert Lands.

12. Registered against the St. Albert Lands is a caveat respecting a right of first refusal (the "ROFR") granted to Landrex Hunter Ridge Inc. ("Landrex"). Attached hereto and marked as **Exhibit "F"** is a copy of the caveat respecting the ROFR registered as Instrument No. 132 192 852.
13. Despite the stay of proceedings granted in the Initial Order, Landrex has also commenced legal proceedings against the District and has filed a Certificate of Lis Pendens against the St. Albert Lands. Attached hereto and marked as **Exhibit "G"** is a copy of the Statement of Claim that has been filed by Landrex. Attached hereto and marked as **Exhibit "H"** is a copy of the Certificate of Lis Pendens registered as Instrument No. 152 219 975.
14. The District has not filed a Statement of Defence to the legal proceedings commenced by Landrex and counsel for Landrex has agreed not to note the District in default without reasonable notice being provided.
15. On February 12, 2013, the District entered into a listing agreement for the sale of the St. Albert Lands.
16. Attached hereto and marked as **Exhibit "I"** is a copy of the 2015 tax assessment for the St. Albert Lands, which shows a tax assessed value of \$2,035,000.
17. The District has entered into a purchase and sale agreement respecting the St. Albert Lands. A copy of the purchase and sale agreement respecting the St. Albert Lands will be provided in my Second Confidential Affidavit and made available only to the Monitor and the Honourable Justice hearing the application. It is requested that my Second Confidential Affidavit be sealed and that the terms of the sale not be disclosed without further Order of this Court. The Applicants make this request so that the District is not prejudiced by the sale price being disclosed in a public document in the event that the sale does not close.
18. I am advised by representatives of the District that it requests that the Court approve the above purchase and sale agreement.
19. The Monitor and I are aware of the particulars of the above purchase and sale agreement and approve of the sale. I am advised by the Monitor that the District Creditors' Committee also approves of the sale.

20. It is proposed that the net sale proceeds from the sale of the St. Albert Lands would be held by the Applicants' legal counsel, Bishop & McKenzie LLP in its trust account, and would be taken into consideration in the District Plan being developed.

DIL PLAN

21. Settlement negotiations between the DIL Creditors' Committee and the CEF Creditors' Committee continue to be ongoing. However, the Creditors' Committees have decided that once a settlement has been reached, they will bring an application to the Court to have the settlement approved. As such, in consultation with the Monitor and the Creditors' Committees, the DIL Plan has been finalized.
22. Attached hereto and marked as **Exhibit "J"** is a copy of the proposed Plan of Compromise and Arrangement for DIL (the "DIL Plan"). The DIL board of directors approved of the DIL Plan on November 21, 2015.
23. DIL is seeking to hold its creditors' meetings. DIL is proposing to hold its meeting of creditors on January 23, 2016 commencing at 10:00 a.m. It is proposed that notices respecting the meetings and the conduct of the meetings be as set out in the draft Court Orders that are attached to the Application filed on November 23, 2015.
24. I make this Affidavit in support of an Application for the relief described above.

SWORN BEFORE ME at Calgary, Alberta,
this 23rd day of November, 2015.



Commissioner for Oaths in and for Alberta

NOLAN SHOULDICE
Barrister & Solicitor



Cameron Sherban



LAND TITLE CERTIFICATE

S
LINC 0028 411 874
SHORT LEGAL 0011410;51

THIS IS EXHIBIT "A"
referred to in the Affidavit of
Cameron Sherban
Sworn before me this 23
Day of November A.D., 20 15
NOLAN SHOULDICE
Barrister & Solicitor

TITLE NUMBER
061 231 885 +10

LEGAL DESCRIPTION
CONDOMINIUM PLAN 0011410
UNIT 51
AND 43 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 +10

Table with 5 columns: REGISTRATION, DATE (DMY), REGISTERED OWNER(S), DOCUMENT TYPE, VALUE, CONSIDERATION. Row 1: 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

Table with 3 columns: REGISTRATION NUMBER, DATE (D/M/Y), ENCUMBRANCES, LIENS & INTERESTS PARTICULARS. Rows include easements and restrictive covenants from 1998 and 2000.

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
061 231 885 +10

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

EASEMENT, ENCROACHMENT AND PARTY WALL

001 150 643 06/06/2000 RESTRICTIVE COVENANT

051 370 310 03/10/2005 LEASE
 LESSEE - GEORGE ROBINSON
 LESSEE - INEZ ROBINSON
 BOTH OF:
 319 TRIUNE BAY
 CALGARY
 ALBERTA T1X1G4
 LESSEE - GERALD ROBINSON
 LESSEE - CONNIE ROBINSON
 BOTH OF:
 4 CASTLEBURY COURT N.E.
 CALGARY
 ALBERTA T3J1L5
 AS JOINT TENANTS
 COMMENCING ON THE 23 DAY OF AUGUST , 2005
 FOR THE LIFE OF GEORGE ROBINSON ETC. (SEE
 INSTRUMENT)

051 370 323 03/10/2005 LEASEHOLD TITLE APPLICATION
 NEW TITLE ISSUED
 AFFECTS INSTRUMENT: 051370310

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)

(CONTINUED)

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

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
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 13 DAY OF
NOVEMBER, 2015 AT 10:49 A.M.

ORDER NUMBER: 29633075

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).

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

051370310

ORDER NUMBER: 29633105

THIS IS EXHIBIT "B"
referred to in the Affidavit of
Cameron Sherman
Sworn before me this *23*
Day of *November*, 20*15*

A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

NOLAN SHOULDICE
Barrister & Solicitor

ADVISORY

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Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.

OK
PAP

LIFE LEASE

THIS LIFE LEASE made this 12 day of August, 2005.

BETWEEN:

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

- and -

**GEORGE ROBINSON AND INEZ ROBINSON BOTH OF 319 TRIUNE BAY,
CALGARY, ALBERTA, T1X 1G4 AND
GERALD ROBINSON AND CONNIE ROBINSON BOTH OF 4 CASTLEBURY
COURT N.E., CALGARY, ALBERTA, T3J 1L5, ALL AS JOINT TENANTS**
(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 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. Unit 63 in Condominium Plan No. 0011410 has been subdivided pursuant to a Plan of Redivision No. 0013287 to create Units 64 to 86. Unit 86 in Condominium Plan No. 0013287 has been subdivided pursuant to a Plan of Redivision No. 0111629 to create Units 87 to 107. Unit 107 in Condominium Plan No. 0111629 has been subdivided pursuant to a Plan of Redivision No. 0113520 to create Units 108 to 155. Unit 155 in Condominium Plan No. 0113520 has been subdivided pursuant to a Plan of Redivision No. 0310076 to create Units 156 to 197.

C. The Landlord is developing and constructing upon the Lands a not-for-profit residential housing project for the use and benefit of senior citizens;

D. 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

E. The Life Resident wishes to acquire a lifetime tenancy of Unit No. 51 in the project on the following terms and conditions.

ARTICLE 1 - DEFINITIONS

1.1 In this Life Lease:

- (a) "*Accounting Period*" means the calendar year or such other accounting year as the Landlord may adopt from time to time for the Project;
- (b) "*Act*" means the Condominium Property Act, Revised Statutes of Alberta, 2000, Chapter C-22, as amended from time to time, or any statute or statutes passed in substitution therefore;
- (c) "*Building*" means the building now or hereafter constructed upon and forming part of the Leased Premises as shown outlined in green on Schedule "A" attached, and "*Buildings*" means all of the buildings now or hereafter constructed upon any and all of the Residential Units;
- (d) "*Commencement Date*" means the earlier of:
 - (i) the date the Life Resident occupies the Unit; or
 - (ii) the date the Leased Premises are available for occupancy by the Life Resident, as determined by the Landlord;
- (e) "*Common Property*" means so much of the Lands as is not comprised in or does not form a part of any Unit, together with the Common Property Units and the water distribution system and the sewage disposal system which service the Lands;

- (f) "*Common Property Unit*" means any Unit shown on the Condominium Plan that is not a Residential Unit;
- (g) "*Condominium Plan*" means the plan registered at the South Alberta Land Titles Office under the Act as No. 9812469;
- (h) "*Estimated Commencement Date*" means the 23 day of August, 2005;
- (i) "*Landlord*" means Lutheran Church-Canada, Alberta-British Columbia District and its successors and assigns;
- (j) "*Leased Premises*" means Condominium Unit No. 51 in Condominium Plan No. 0011410[✓] as shown outlined in red on Schedule "A" attached hereto;
- (k) "*Life Lease*" means this Agreement, together with all attached schedules and acknowledgments, as the same may be amended in writing from time to time;
- (l) "*Life Lease Entrance Fee*" means the sum of \$194,000.00, subject to adjustment for property taxes and such other adjustments as are commonly made in conveyancing practice in Calgary;
- (m) "*Offer*" means the Offer to Lease executed by the Life Resident and the Landlord relating to the Leased Premises and this Life Lease;
- (n) "*Project*" means all of the real and personal property and fixtures comprising the Lands and the Buildings thereon which constitute the Units and the Common Property;
- (o) "*Project Recoverable Costs*" means, for any Accounting Period, the total of all costs, expenses and amounts paid or payable, whether by the Landlord or others on behalf of the Landlord, in connection with the complete maintenance, operation, management, repair and replacement of the Project including, without limitation:
 - (i) the cost of all operating expenses of the Project such as snow removal from streets and sidewalks, landscaping and grounds keeping of Units and Common Property;
 - (ii) maintenance and repair of all internal roads and sidewalks and the road on the south boundary of the Project;

- (iii) the cost of maintaining and repairing the Buildings and any other property or premises purchased, leased, licenced or otherwise acquired for use by residents of the Project, whether within the boundaries of the Condominium Plan or otherwise;
 - (iv) the cost of management of the Project and the administration of housing, recreation and social programs for the Project and its Residents, including acquiring, maintaining and replacing equipment and premises to service such programs, whether such equipment or premises are purchase, leased, licenced or otherwise acquired;
 - (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;
 - (viii) any condominium fees levied against the Unit; 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) "*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;
- (v) "*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;
- (w) "*Title*" means the leasehold title issued with respect to the Unit;
- (x) "*Total Project Rentable Area*" means the aggregate of the Rentable Areas of all Residential Units determined and adjusted from time to time in accordance with the provisions of this Life Lease;
- (y) "*Unit*" means an area designated as a Unit by 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, 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.

3.3 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 Articles 6.4 and 10, 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 to 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 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 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 person being granted temporary possession to

- (a) assign their interest at any time; or
- (b) temporarily part with possession of the Unit except in accordance with this part.

6.4 Notwithstanding Article 6.1, with the consent of the Landlord, the Life Resident may assign their interest in the Unit in order to obtain financing for the Life Lease Entrance Fee or to facilitate the transfer of the Unit to a new Life Resident, as contemplated by Article 10 hereof.

ARTICLE 7 - REPAIRS, ALTERATIONS AND REPLACEMENTS

7.1 The Life Resident shall, throughout the Term, maintain the interior of the Residence in a clean and orderly condition and shall maintain and either repair or replace, as the case may be, all elements of the interior of the Residence excluding the mechanical components of the furnace, hot water tank, sump pump, dishwasher, washer, dryer, range, and other plumbing, electrical and heating systems and appliances, excluding any items which are not part of the standard specifications of the Residence. 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.

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 thirty (30) 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 thirty (30) 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 unless the Life Lease is assigned pursuant to Articles 6.4 or 10;

- (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 Unit 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 re-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 be an assignment or sublease.

ARTICLE 10 - REPAYMENT UPON TERMINATION

10.1 Subject to Section 19.2, at the expiration of the Term or upon the earlier termination or surrender of this Life Lease for any reason or cause (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 Subject to Section 19.2, 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, and has executed either a surrender or an assignment of the Life Lease, as determined by the Landlord, then upon the earlier of:

- (a) the expiry of Six (6) months from the date that notice of the termination or surrender is received by the Landlord or Life Resident, as the case may be; 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 Lease 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 which are then registered against the freehold or leasehold title to the Leased Premises and which are attributable to the Life Resident.

10.3 Subject to Section 19.2, 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 or the amount of the Life Lease Entrance Fee, subject, in any case, to adjustment in accordance with the provisions of Section 10.2(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. Attached hereto as Schedules "B" and "C", respectively, are the rules and regulations and by-laws in effect on the Commencement Date.

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 Building, 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, 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 (the "Destruction Date") 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 amount that would have been payable pursuant to Article 10 had the term expired on the Destruction Date, *mutatis mutandis*; PROVIDED HOWEVER, should the Life Resident have received proceeds from any policy of insurance for any alterations or improvements to the Building, the Life Resident shall account to the Landlord for such proceeds and the amount paid by the Landlord to the Life Resident shall be reduced by the amount of such proceeds. Should it prove impossible or impractical to obtain an appraisal, the Redemption Value shall be determined by the Landlord, acting reasonably.

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

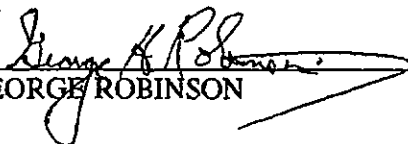
28.1 The words "hereof", "herein", "hereunder" and similar expressions used in any section or subsection of this Life Lease relate to the whole of this Life Lease and not to that section or subsection only, unless otherwise expressly provided. Wherever the neuter, singular number or a gender is used 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.

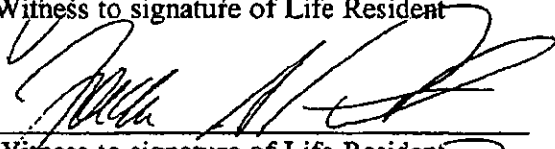
IN WITNESS WHEREOF the parties hereto have executed this Life Lease as of the day and year first above written.

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

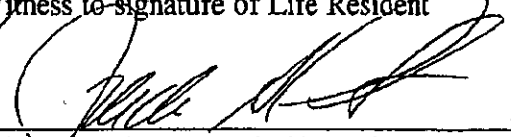
Per: 
FRANCIS N. J. TAMAN

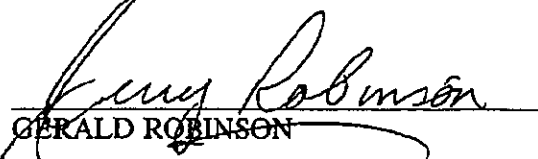

Witness to signature of Life Resident

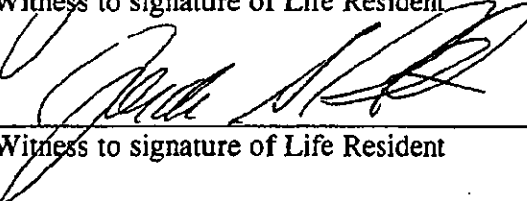

GEORGE ROBINSON

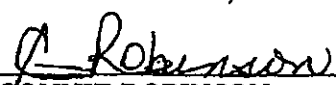

Witness to signature of Life Resident


INEZ ROBINSON


Witness to signature of Life Resident


GERALD ROBINSON


Witness to signature of Life Resident


CONNIE ROBINSON



AFFIDAVIT OF EXECUTION OF WITNESS

CANADA)	I, <u>Jordan Potivic</u>
)	of the City of Calgary, in the
PROVINCE OF ALBERTA)	Province of Alberta
)	
TO WIT:)	MAKE OATH AND SAY THAT:

J.P. I was personally present and did see George Robinson, Inez Robinson, Gerald Robinson and Connie Robinson who are known to me to be the persons named in the within (or annexed) instrument, duly sign the instrument. *J.P.*

- OR - (delete one)

1. I was personally present and did see George Robinson, Inez Robinson, Gerald Robinson and Connie Robinson who, on the basis of the identification provided to me, I believe to be the persons named in the within (or annexed) instrument, duly sign the instrument.
2. That the same was executed at Calgary, in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I know the said persons and they are in my belief of the full age of eighteen years.

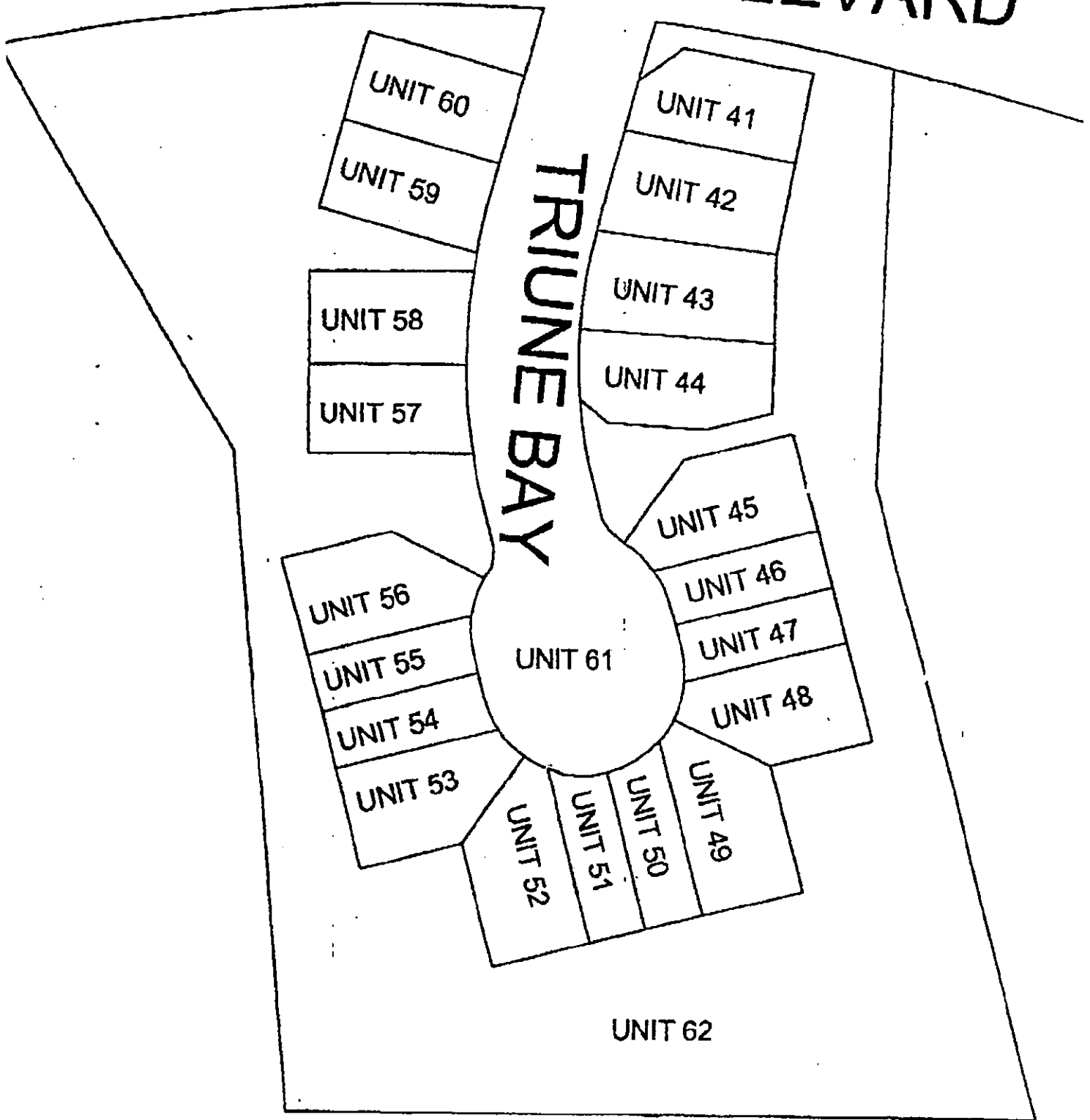
SWORN BEFORE ME, at the City)
of Calgary, in the Province of)
Alberta, this 12 day of August,)
2005.

[Signature]

[Signature]
A COMMISSIONER FOR OATHS IN
AND FOR THE PROVINCE OF ALBERTA

JANICE CLAY
A Commissioner for Oaths
in and for the Province of Alberta
My Commission Expires Jan. 22, 2006
Life Lease

LUTHER ROSE BOULEVARD



SCHEDULE "B"
attached to and forming part of a Life Lease
between LUTHERAN CHURCH-CANADA, ALBERTA-BRITISH COLUMBIA DISTRICT
and GEORGE ROBINSON AND INEZ ROBINSON and GERALD ROBINSON AND
CONNIE ROBINSON

RESIDENT RULES AND REGULATIONS

1. The roads, sidewalks and walkways on Common Property or Common Property Units shall not be obstructed or used for any purpose other than ingress to and egress from the Buildings and parking areas within the Project.
2. No one shall harm, mutilate, destroy, alter or litter any of the landscaping work on the Lands, including grass, trees, shrubs, hedges, flowers or flower beds.
3. No pets of any kind shall be kept or allowed in the Building or on any part of the Lands, without the prior written approval of the Landlord.
4. No stores of any combustible, inflammable or offensive goods or materials shall be kept on any part of the Lands.
5. No building or other structure shall be erected, located, kept or maintained on the Lands, except by the Landlord.
6. No part of the Project shall be used by any Resident for the erection, placing or maintenance of clotheslines, incinerators, garbage disposal equipment, fences or other barriers or for the placing or disposal of rubbish, garbage or waste without the prior written consent of the Landlord.
7. No television antenna, satellite dish or similar device shall be erected or installed on any Building without the prior written consent of the Landlord.
8. No signs, billboards, notices or other advertising matter of any kind shall be placed on any part of the Project without the prior written consent of the Landlord.
9. No part of the Common Property or Common Property Units shall be used by anyone in such a manner so as to interfere with the use and enjoyment of such property or areas by other Residents.

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.

CB

<i>J</i>	<i>L</i>	<i>P</i>	<i>R</i>
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J.R.
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.

CB

<i>J</i>	<i>L</i>	<i>P</i>	<i>R</i>
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J.R.
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;

CB

<i>J</i>	<i>L</i>	<i>P</i>	<i>R</i>
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J.R.
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

BETWEEN:

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

- and -

**GEORGE ROBINSON AND INEZ
ROBINSON and GERALD ROBINSON AND
CONNIE ROBINSON**

LIFE LEASE

**BISHOP & McKENZIE LLP
Barristers and Solicitors
#1700, 530- 8th Avenue S.W.
Calgary, Alberta
T2P 3S8**

File No. 35,374-55 (FNJT/lml)



300, 10655 Southport Road S.W.
Calgary, Alberta T2W 4Y1
Tel: 403.296.1700

Lawyer: Jordan Potiuk
Direct Line: 403.296.1717
Email: jordan@cornerstonelaw.ca
Assistant: Janice Clay
Direct Line: 403.225.6324

05-101395JCJ
August 13, 2005

The Registrar
South Alberta Land Registration District
Calgary, Alberta

Dear Sir/Madam:

Re: Condominium Plan 0011410; Unit 51 (UF 43)

We are the solicitors for GEORGE ROBINSON AND INEZ ROBINSON AND GERALD ROBINSON AND CONNIE ROBINSON, the Life Residents in a Life Lease dated July 26, 2005, for the property legally described as:

CONDOMINIUM PLAN 0011410
UNIT 51
AND 43 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON
PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Please accept this letter as a formal request to issue a Leasehold Title for the above-captioned property pursuant to the Life Lease, with the registered owner described as:

GEORGE ROBINSON AND INEZ ROBINSON of 319 Triune Bay, Calgary,
Alberta T1X 1G4 and GERALD ROBINSON AND CONNIE ROBINSON both of 4
Castlebury Court NE Calgary, Alberta T3J 1L5 all as Joint Tenants

The commencement date for this Lease is August 23, 2005.

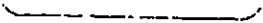
Yours truly,


JORDAN S. POTIUK



051370310

051370310 REGISTERED 2005 10 03
LEAS - LEASE
DOC 1 OF 1 DR#: 2796560 ADR/SLEFEBVR
LINC/S: 0028411874





LAND TITLE CERTIFICATE

S
LINC 0028 411 874 SHORT LEGAL 0011410;51 TITLE NUMBER 051 370 323

LEGAL DESCRIPTION
CONDOMINIUM PLAN 0011410
UNIT 51
AND 43 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: LEASEHOLD
COMMENCING ON THE 23 DAY OF AUGUST , 2005
FOR THE LIFE OF GEORGE ROBINSON ETC. (SEE INSTRUMENT)

ATS REFERENCE: 4;28;24;19;NE

MUNICIPALITY: ROCKY VIEW COUNTY

REFERENCE NUMBER: 001 150 638 +10

Table with 5 columns: REGISTRATION, DATE (DMY), DOCUMENT TYPE, VALUE, CONSIDERATION. Row 1: 051 370 323, 03/10/2005, LEASEHOLD TITLE APPLICATION, \$194,000

OWNERS

GEORGE ROBINSON

AND

INEZ ROBINSON

BOTH OF:

319 TRIUNE BAY

CALGARY

ALBERTA T1X 1G4

AND

GERALD ROBINSON

AND

CONNIE ROBINSON

BOTH OF:

4 CASTLEBURY COURT N.E.

CALGARY

THIS IS EXHIBIT "C"
referred to in the Affidavit of
Cameron Sherban
Sworn before me this 23
Day of November, A.D., 2015

NOLAN SHOULDICE
Barrister & Solicitor

ALBERTA T3J 1L5
ALL AS JOINT TENANTS

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

SEE TITLE FOR ESTATE OF LARGER EXTENT,
IF ANY, FOR REGISTRATIONS PRIOR TO LEASE

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

TOTAL INSTRUMENTS: 000

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 13 DAY OF
NOVEMBER, 2015 AT 10:49 A.M.

ORDER NUMBER: 29633064

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).

4 Castlebury Court NE
Calgary, AB T3J 1L5
December 17, 2014

Encharis Management & Support Services
285030 Luther Rose Blvd. NE
Calgary, AB T1X 1M9

THIS IS EXHIBIT "D"
referred to in the Affidavit of
Cameron Sherban
Sworn before me this 23
Day of November, A.D., 2015
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
NOLAN SHOULDICE
Barrister & Solicitor

Dear Sir or Madam,

Please be advised that the undersigned wish to surrender the villa at 319 Triune Bay, Calgary, AB as the residents, namely, Rev. George and Mrs. Inez Robinson have relocated to the manor as of November 15 2014.

This unit is available for immediate possession, and we would like to proceed as quickly as possible to have this property transferred to new owners.

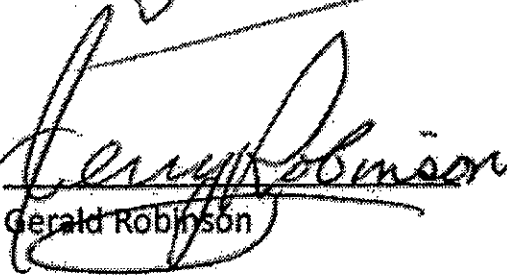
Thank you for your attention in handling this process. Please use the following contact information:


Gerald (Jerry) or Connie Robinson
4 Castlebury Court, NE
Calgary, AB T3J 1L5
Phone: 403-285-9763
Email: jorcrobinson@gmail.com

Yours truly,


George Robinson


Inez Robinson


Gerald Robinson


Connie Robinson



LAND TITLE CERTIFICATE

S

LINC SHORT LEGAL
0026 240 663 9423702;;C

TITLE NUMBER
942 359 727

LEGAL DESCRIPTION

PLAN 9423702
LOT C
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 9.12 HECTARES (22.54 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;25;54;16;W

MUNICIPALITY: CITY OF ST. ALBERT

REFERENCE NUMBER: 942 359 646

THIS IS EXHIBIT "E" referred to in the Affidavit of Cameron Sherban Sworn before me this 23 Day of November 15 A.D. 2005

NOLAN SHOULDICE Barrister & Solicitor

REGISTERED OWNER(S)

Table with 5 columns: REGISTRATION, DATE (DMY), DOCUMENT TYPE, VALUE, CONSIDERATION. Row 1: 942 359 727, 22/11/1994, TRANSFER OF LAND, \$573,500, \$573,500

OWNERS

LUTHERAN CHURCH-CANADA THE ALBERTA-BRITISH COLUMBIA DISTRICT.
OF 7100 ADA BOULEVARD
EDMONTON
ALBERTA T5B 4E4

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION

Table with 3 columns: REGISTRATION NUMBER, DATE (D/M/Y), PARTICULARS. Row 1: 892 228 285, 07/09/1989, UTILITY RIGHT OF WAY... Row 2: 942 359 649, 22/11/1994, CAVEAT RE: DEVELOPMENT AGREEMENT...

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
942 359 727

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

90.
9601 - 100TH STREET
MORINVILLE
ALBERTA T0G1P0
AGENT - SHEILA C MCNAUGHTAN

012 386 392 28/11/2001 UTILITY RIGHT OF WAY
GRANTEE - FORTISALBERTA INC.
320-17 AVE SW
CALGARY
ALBERTA T2S2V1
AS TO PORTION OR PLAN:PORTION
(DATA UPDATED BY: CHANGE OF NAME 042545290)

132 192 852 27/06/2013 CAVEAT
RE : RIGHT OF FIRST REFUSAL
CAVEATOR - LANDREX HUNTER RIDGE INC.
220 SUMMIT PLAZA
190 BOUDREAU ROAD
ST. ALBERT
ALBERTA T8N6B9
AGENT - GARRY G. WETSCH

132 415 098 19/12/2013 UTILITY RIGHT OF WAY
GRANTEE - THE CITY OF ST. ALBERT.
AS TO PORTION OR PLAN:1325385
AS TO AREA 'C'

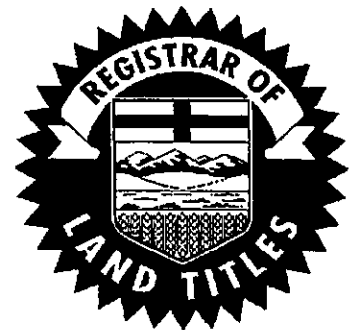
152 219 975 20/07/2015 CERTIFICATE OF LIS PENDENS
AFFECTS INSTRUMENT: 132192852

TOTAL INSTRUMENTS: 006

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 13 DAY OF
NOVEMBER, 2015 AT 10:43 A.M.

ORDER NUMBER: 29632981

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

(CONTINUED)

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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).

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

132192852

ORDER NUMBER: 29634008

THIS IS EXHIBIT "F"
referred to in the Affidavit of
Cameron Sherban
Sworn before me this *23*
Day of *November* A.D. 20 *15*

ALICE S. ROSS, JUDICIAL OFFICER
IN AND FOR THE PROVINCE OF ALBERTA

NOLAN SHOULDICE
Barrister & Solicitor

ADVISORY

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Form 26
Land Titles Act
(Section 130)

CAVEAT FORBIDDING REGISTRATION

TAKE NOTICE that **LANDREX HUNTER RIDGE INC.** (formerly called 417335 Alberta Ltd.) (the "Caveator") claims an interest as the holder and beneficial owner of a Right of First Refusal to purchase the within described lands pursuant to an Agreement in writing dated the 10th day of November, 1994 and made between the Caveator and **Lutheran Church-Canada The Alberta-British Columbia District** in:

PLAN 942 3702

LOT C

EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 9.12 HECTARES (22.54 ACRES) MORE OR LESS


being lands standing in the register in the name of **Lutheran Church-Canada The Alberta-British Columbia District** and I forbid the registration of any person as transferee or owner of, or of any instrument affecting the said estate or interest, unless the instrument or Certificate of Title is expressed to be subject to its claim.

The Caveator designates the following address at which notices and proceedings relating hereto may be served: 220 Summit Plaza, 190 Boudreau Road, St. Albert, Alberta T8N 6B9.

Dated this 25th day of June, 2013.

LANDREX HUNTER RIDGE INC.
by its Agent, Garry G. Wetsch

Per:



Garry G. Wetsch, Q.C.


R167F

CANADA
PROVINCE OF ALBERTA
TO WIT:

) I, Garry G. Wetsch, of the City of St.
) Albert, in the Province of Alberta, Barrister
) & Solicitor, MAKE OATH AND SAY
) THAT:

1. I am agent for the above named Caveator.
2. I believe that the said Caveator has a good and valid claim upon the said land and I say that this Caveat is not being filed for the purpose of delaying or embarrassing any person interested in or proposing to deal therewith.

SWORN BEFORE ME at the City of)
Edmonton, in the Province of Alberta,)
this 25th day of June, 2013.)


A COMMISSIONER FOR OATHS IN)
& FOR THE PROVINCE OF ALBERTA)


GARRY G. WETSCH

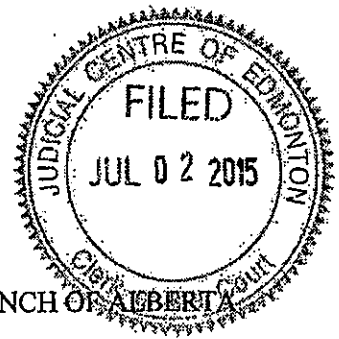
H. DOUGLAS MONTEMURRO
Barrister and Solicitor



132192852

132192852 REGISTERED 2013 06 27
CAVE - CAVEAT
DOC 1 OF 1 DRR#: A04AC18 ADR/TELFOROT
LINC/S: 0026240663

Clerk's stamp:



1503 09871

COURT FILE NUMBER

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

LANDREX HUNTER RIDGE INC.

DEFENDANT

LUTHERAN CHURCH – CANADA, THE
ALBERTA – BRITISH COLUMBIA
DISTRICT

DOCUMENT

STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Attention: Sean Ward
Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 - 101 Street
Edmonton, AB T5J 3W8
Telephone: (780) 425-9510
Fax: (780) 429-3044
File No: 103683-215-SEW

NOTICE TO DEFENDANT(S)

You are being sued. You are a defendant.

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

THIS IS EXHIBIT "G"
referred to in the Affidavit of
Cameron Sherban
Sworn before me this *23*
Day of *November*, A.D., 20*15*
[Signature]
A COMMISSIONER FOR THE
IN AID FOR THE PROVINCE OF ALBERTA
NOLAN SHOULDICE
Barrister & Solicitor

Statement of facts relied on:

1. The Plaintiff, Landrex Hunter Ridge Inc., formerly operating as 417335 Alberta Ltd., is a body corporate, duly incorporated pursuant to the laws of the Province of Alberta and carrying on business in the Province of Alberta.
2. The Defendant, Lutheran Church – Canada, the Alberta – British Columbia District, was incorporated in Alberta pursuant to the *Lutheran Church-Canada, The Alberta-British Columbia District Corporation Act*, S.A. 1991, c. 42.
3. The Plaintiff and the Defendant entered into an agreement dated November 10, 1994 (the "Agreement") wherein the Plaintiff sold to the Defendant a parcel of land, legally described as:

PLAN 9423702
LOT C
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 9.12 HECTARES (22.54 ACRES) MORE OR LESS
(the "Lands")

4. ~~As a term of the Agreement, the~~ Defendant agreed to grant a right of first refusal to the Plaintiff in respect to the Lands. Specifically, the Defendant agreed that if it received a ~~bona fide offer to purchase or acquire~~ the Lands from a third party purchaser, which the Defendant was prepared to accept, the Defendant would first offer to sell the Lands to the Plaintiff upon the same terms and conditions as the third party offer.
5. On June 25, 2013, the Plaintiff registered its interest as the holder and beneficial owner of a right of first refusal in respect to the Lands on title to the Lands by way of caveat (the "Caveat").
6. The right of first refusal is valid and subsisting and constitutes an equitable interest in the Lands, including pursuant to s. 63(1) of the *Law of Property Act*, RSA 2000, c L-7.
7. Pursuant to s. 148 of the *Land Titles Act*, RSA 2000, c L-4, the Plaintiff has initiated this action to enforce its interest as the beneficial owner of a right of first refusal in respect to the Lands.
8. The Plaintiff proposes that the trial of this action be held at the Law Courts, in the City of Edmonton, in the Province of Alberta. In the Plaintiff's opinion, this action will not likely take more than twenty-five (25) days to try.

Remedy sought:

9. The Plaintiff seeks the following remedies:
 - a. A declaration that the Plaintiff has a valid and subsisting right of first refusal in respect to the Lands;
 - b. Costs of this action; and,
 - c. Such further and other relief as this Honourable Court deems appropriate.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at, Edmonton, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff(s) address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.

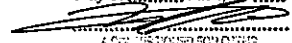
1442008; June 30, 2015

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

152219975

ORDER NUMBER: 29634008

THIS IS EXHIBIT "H"
referred to in the Affidavit of
Cameron Sherban
Sworn before me this *23*
Day of *November*, A.D., 20 *15*

A COLLEGE GRADUATE
MADE FOR THE PROVINCE OF ALBERTA

NOLAN SHOULDICE
Barrister & Solicitor

ADVISORY

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FORM 30
LAND TITLES ACT
(Section 123, 138 and 148)

Clerk's stamp:

COURT FILE NUMBER

1503-09871

COURT

COURT OF QUEEN'S BENCH

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

LANDREX HUNTER RIDGE INC.

DEFENDANT

LUTHERAN CHURCH - CANADA, THE
ALBERTA - BRITISH COLUMBIA DISTRICT

DOCUMENT

CERTIFICATE OF LIS PENDENS

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Attention: Sean Ward
Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 - 101 Street
Edmonton, AB T5J 3W8
Telephone: (780) 425-9510
Fax: (780) 429-3044
File No: 103683-215-SEW

I hereby certify this to be a
true copy of the original.

[Signature]
Clerk of the Court

This is to certify that in this action a claim has been made to enforce an interest in land or some title or interest in land is called into question, as follows:

A right of first refusal, registered by way of caveat in the Land Titles office for the Alberta Land Registration District as Instrument Number 132 192 852

In respect of the following land:

PLAN 9423702

LOT C

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 9.12 HECTARES (22.54 ACRES) MORE OR LESS

DATED at the City of Edmonton, in the Province of Alberta, this 2 day of July, 2015.

[Signature]
"A. Paulikowski"
CLERK OF THE COURT



152219975

152219975 REGISTERED 2015 07 20
CELP - CERTIFICATE OF LIS PENDENS
DOC 1 OF 1 DRR#: C0D7DEA ADR/DALBONIG
LINC/S: 0026240663



RECEIVED
JUN 01 2015

2015 PROPERTY ASSESSMENT AND TAX NOTICE
DUE DATE: June 30, 2015

Date Mailed: May 29, 2015

LUTHERAN CHURCH-CANADA
THE ALBERTA-BRITISH COLUMBIA DISTRICT
7100 ADA BOLLIVARD
EDMONTON AB T5B4E4

ROLL NUMBER	124352	ACCESS	65326581
PROPERTY ADDRESS	254211 RGE RD 253		
LEGAL DESCRIPTION	9423702:OT		

THIS IS EXHIBIT "I"
referred to in the Affidavit of
Cameron Sherban
Sworn before me this
November 23
Day of November A.D. 2015

NOLAN SHOULDICE
Barrister & Solicitor

DESCRIPTION	CLASS	PERIOD OF TAXATION	RATE	AMOUNT
80018 Class 3 - Annexation Agricultural Taxable	80018	Jan 1, 2015 to Dec 31, 2015		6,100
110058 Class 2 - Annexation Religious Exempt	80018	Jan 1, 2015 to Dec 31, 2015		2,035,000
TOTAL PROVINCIAL EDUCATION TAXES				
Education - Residential Public (100%)	80018	Jan 1, 2015 to Dec 31, 2015	2.38110	14.52
TOTAL MUNICIPAL TAXES				
Municipal - Farm	80018	Jan 1, 2015 to Dec 31, 2015	9.40520	57.37
Surgeon Foundation Requisition	80018	Jan 1, 2015 to Dec 31, 2015	0.08850	0.54
TOTAL CURRENT YEAR TAXES				
TOTAL DUE				

Adjustments or payments made between May 20 and May 29 are not included in above amounts.
Assessment appeals for non-linear properties must be received in writing by July 28, 2015. Please see reverse for appeal instructions.
If you would like information about enrolling in the Pre-Authorized Tax payment plan, please contact Taxation at 780-459-1516.

ABC Distrd Property 10000679-305
Plant Fund 40750

[Signature]

COURT FILE NUMBER

1501-00955

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

DOCUMENT

PLAN OF COMPROMISE AND ARRANGEMENT OF
LUTHERAN CHURCH-CANADA, THE ALBERTA-BRITISH
COLUMBIA DISTRICT INVESTMENTS LTD.

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF LUTHERAN CHURCH – CANADA,
ENCHARIS COMMUNITY HOUSING AND SERVICES,
ENCHARIS MANAGEMENT AND SUPPORT SERVICES,
AND THE ALBERTA – BRITISH COLUMBIA DISTRICT,
LUTHERAN CHURCH – CANADA, THE ALBERTA –
BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.
DATED NOVEMBER 21, 2015

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Bishop & McKenzie LLP
1700-530-8th Avenue SW
Calgary, Alberta T2P 3S8
403-237-5550 (phone)
403-243-3623 (fax)
Attention: Francis N. J. Taman/Ksena J. Court
File No.: 103007-003

THIS IS DOCUMENT
referred to in the Affidavit of
Cameron Sherban
Sworn before me this *23*
November
Day of *November*, A.D. 20 *15*
NOLAN SHOULDICE
BARRISTER & SOLICITOR

NOLAN SHOULDICE
Barrister & Solicitor

Table of Contents

ARTICLE 1 1

1.1 Definitions 1

1.2 Article and Section Reference..... 12

1.3 Extended Meanings..... 12

1.4 Interpretation Not Affected by Headings 12

1.5 Date of any Action 12

1.6 Currency..... 12

1.7 Statutory References 12

1.8 Successors and Assigns..... 12

1.9 Governing Law..... 13

ARTICLE 2 13

2.1 Purpose..... 13

2.2 Affected Creditors..... 13

2.3 Unaffected Creditors 13

ARTICLE 3 13

3.1 Classes of Affected Creditors..... 13

ARTICLE 4 13

4.1 Overview 14

4.2 Non-Renewal of Mortgages..... 14

4.3 Transfer Fund 14

4.4 Treatment of Affected Creditors..... 14

4.5 Timing of Payments to Affected Creditors..... 15

4.6 Interest..... 15

ARTICLE 5 15

5.1 Settlements Error! Bookmark not defined.

5.2 Treatment of Settlement Funds..... Error! Bookmark not defined.

5.3 Representative Action 15

5.4 Establishment of Subcommittee..... 16

5.5 Responsibilities of Subcommittee 16

5.3 Electing Not to Participate in Representative Action in Election Letter 16

5.4	Electing to Participate or Deemed Election to Participate in Representative Action in Election Letter	17
5.5	No Claims Other than Representative Action	17
5.6	Opting Out of Representative Action	17
5.7	Indemnity for Representative Plaintiff	18
ARTICLE 6		18
PROCEDURAL MATTERS		18
6.1	Creditors' Meeting	18
6.2	Voting Procedures	19
6.3	Voting by Letter	19
6.4	Appointment and Revocation of Proxies	19
6.5	Signature on Proxy	20
6.6	Voting of Proxy	20
6.7	Exercise and Discretion of Proxy	20
6.8	Disputed Claims	20
6.9	Acceptance of Plan	21
6.10	Confirmation of Plan	21
6.11	Court Assistance	21
ARTICLE 7		21
7.1	Sequence of Events	21
7.2	Conditions to Implementation of Plan	22
7.3	Certificate	23
ARTICLE 8		23
8.1	General Releases	23
8.2	Limitations on Releases	24
8.3	Sections That Do Not Apply	24
ARTICLE 9		24
ARTICLE 10		26
10.1	No Distributions Pending Allowance	26
10.2	Disputed Claims Reserve	26
10.3	Distributions After Disputed Claims Resolved	26
10.4	Balance of Disputed Claim Reserve	27
ARTICLE 11		27

11.1	Further Assurances.....	27
11.2	Paramountcy.....	27
11.3	Waiver of Defaults.....	27
11.4	Binding Effect.....	28
11.5	Compromise Effective for all Purposes	28
11.6	Payment of Taxes.....	28
11.7	Modification of the Plan.....	28
11.8	Notices.....	28
11.9	Severability of Plan Provisions.....	30
11.10	Non-Consummation	30
11.11	Different Capacities.....	30
ARTICLE 12.....		31
12.1	Execution.....	31

WHEREAS:

- I. Lutheran Church – Canada, the Alberta British Columbia District (defined herein as the "District"), Encharis Community Housing and Services (defined herein as "ECHS"), Encharis Management and Support Services (defined herein as "EMSS") and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (defined herein as "District Investments" or "DIL", collectively, the "Applicants" or the "District Group") are debtor companies under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (defined herein as the "CCAA") pursuant to the Initial Order (defined herein as the "Initial Order") granted by the Honourable Justice K. D. Yamauchi of the Court of Queen's Bench of Alberta (the "Court") on January 23, 2015 (defined herein as the "Filing Date").
- II. Pursuant to the Initial Order, Deloitte Restructuring Inc. was appointed as Monitor (defined herein as the "Monitor") of the Applicants.
- III. Pursuant to an Order granted on February 20, 2015, the Court approved a process to select creditors' committees for each of the District and District Investments (respectively the "District Committee" and the "DIL Committee"). The District Committee was fully formed on April 22, 2015. The DIL Committee was fully formed on April 20, 2015. Pursuant to an Order granted on March 27, 2015, Kluane Financial Services Inc. was appointed as the Chief Restructuring Officer (defined herein as the "CRO") of the Applicants.
- IV. Under the supervision of the Monitor and the Court, and in consultation with the DIL Committee and the CRO, the Applicants have formulated a plan of arrangement (defined herein as the "Plan") for Affected Creditors (as defined below) of District Investments.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated or unless the subject matter or context otherwise requires, the following terms are defined as follows:

A

"Administration Charge" means the charge granted pursuant to the Initial Order, and subsequently amended in the Order granted on June 26, 2015, in favour of the Monitor, counsel to the Monitor, the Applicants' Counsel and legal counsel for the District Committee and the DIL Committee as security for the professional fees and disbursements incurred both before and after the granting of the Initial Order, which charge shall not exceed an aggregate amount of \$300,000.

"Affected Claims" means the Claim(s) of Affected Creditors.

"Affected Creditors" means the DIL Depositors.

"Agreements" means agreements to which DIL is a Party.

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law relating or applicable to such Person, property, transacting event or other matter. Applicable Law also includes, where appropriate, any interpretation of the law (or any part) by any Person having jurisdiction over it or charged with its administration or interpretation.

"Applicants" means the District, ECHS, EMSS and District Investments.

"Applicants' Counsel" means Bishop & McKenzie LLP, and such other solicitors as Bishop & McKenzie LLP may directly engage to assist in the CCAA Proceedings.

B

"BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

"Borrowers" mean those Persons who have borrowed funds from the Registered Plans.

"Business Day" means a day on which banks are generally open for the transaction of commercial business in Calgary, Alberta, but does not in any event include a Saturday, Sunday or a bank holiday under Applicable Law.

C

"**CCAA**" means *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

"**CCAA Proceedings**" mean the proceedings commenced by the Applicants under the CCAA in the Court as Action No. 1501-00955.

"**CEF**" means the Church Extension Fund, a fund that was created and administered by the District for the purpose of allowing Persons to loan money to the District and earn interest in support of faith-based developments.

"**Chair**" means the chair of the Creditors' Meeting.

"**Charge**" means a valid and enforceable security interest (including a lease which creates a security interest as contemplated by the *Personal Property Security Act*, R.S.A. 2000 c. P-7, as amended), lien, charge, pledge, encumbrance, mortgage, hypothec, adverse claim, title retention agreement or trust agreement of any nature or kind (but excluding any statutory deemed or implied charge, condition, claim, trust or lien for or with respect to any taxes or levies), on any assets, property or proceeds of sale of DIL.

"**Claim(s)**" means any right or claim of any Person that may be asserted or made in whole or in part against DIL at the Claims Bar Date, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), including without limitation any claim based on adverse possession, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts or events which exist prior to or at the Filing Date, together with any other rights or claims of any kind that, is a debt provable within the meaning of Section 2 of the BIA.

"**Claims Bar Date**" means 4:00 p.m. Mountain Time on April 20, 2015, or such later date on which a Proof of Claim may be accepted for filing by the Applicants and the Monitor or the Court prior to the granting of the Sanction Order.

"**Claims Process**" means the process for determining the Claims of the Affected Creditors as at the Filing Date, as established in the Claims Process Order.

"Claims Process Order" means the Order of the Court, granted on February 20, 2015, as may be subsequently amended, establishing the Claims Process.

"Completion Date" means the date on which all of the actions required to satisfy the obligations under this Plan have been completed and the Monitor delivers to DIL a certificate confirming the same.

"Concentra" means Concentra Trust, who acts as the trustee for the DIL Depositors.

"Court" means the Court of Queen's Bench of Alberta.

"Creditors' Meeting(s)" means the meeting of the Eligible Affected Creditors with Proven Claims, which meetings shall be scheduled and pursuant to the terms of the Meeting Order and shall be conducted for the purpose of considering and voting upon this Plan, and includes any adjournment of such meeting.

"Creditors' Meeting Order" or "Meeting Order" means the Order in the CCAA Proceedings which, among other things, approves the filing of the Plan and establishes the date, time and location of the Creditors' Meetings, prescribing the process by which Eligible Affected Creditors shall be notified of the Creditors' Meetings and the conduct of such Creditors' Meetings.

"Critical Supplier Charge" means a Charge of up to a maximum of \$100,000 to secure the goods, services and professional fees and disbursements incurred before and after the Filing Date for those Persons designated as critical suppliers under the Initial Order or any subsequent Orders.

"CRO" means the Chief Restructuring Officer, Kluane Financial Services Inc.

"Crown Claims" means Claims of Her Majesty in right of Canada or a province, for all amounts that were outstanding at the Effective Date and are of a kind that could be subject to a demand under:

- a. Subsection 224(1.2) of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended.
- b. Any provision of the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended or of the *Employment Insurance Act*, S.C. 1996, c. 23, as amended, that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act* and of any related interest, penalties or other amounts.
- c. Any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum has been withheld or deducted by a Person from a payment to another Person and is:
 - i. In respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*.
 - ii. Of the same nature as a contribution under the *Canada Pension Plan*, if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the

Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

D

"DIL Assets" means the registered mortgages, loans and personal property which FI Capital, DIL, Concentra, or the Applicants' Counsel is holding on behalf of the DIL Depositors and, for greater clarity, shall include all cash or other proceeds received or to be received by DIL

- a. from the sale or repayment of any of the registered mortgages or loans;
- b. -pursuant to the plans of compromise and arrangement filed by the other Applicants; and
- c. pursuant to the Settlements.

"DIL Committee" means the creditors' committee established for the DIL Depositors.

"DIL Depositor(s)" means those Persons having accounts in the Registered Plans.

"DIL – ECHS Mortgages" means two mortgages granted by ECHS to Concentra, on behalf of the DIL Depositors, which are secured against the Prince of Peace Development.

"Director(s)" mean the past and present directors of DIL.

"Directors' Charge" means the provision of the Initial Order providing for a Charge up to a maximum of \$5.0 million for the purpose of indemnifying the Directors of the Applicants against obligations and liabilities that they may incur as Directors of the Applicants after the commencement of the CCAA Proceedings except to the extent that, with respect to any Director, the obligation was incurred as a result of the Director's gross negligence or wilful misconduct.

"Disputed Claim" means the Claim of an Affected Creditor that is subject to a Dispute Notice and is not yet a Proven Claim.

"Disputed Claim Reserve" means funds held by the Monitor in a designated trust account in an amount sufficient to pay those Affected Creditors whose Claims are still subject to a Dispute Notice which has not yet been settled or fully adjudicated.

"Dispute Notice" means a written notice delivered to the Monitor by a DIL Depositor who intends to dispute the amount of their Claim.

"Distribution" means a transfer or transfers of the Net Balance of the Transfer Fund to the New Registered Plan to be distributed to the DIL Depositors on a Pro Rata basis by way of deposits to the New Registered Accounts. For greater clarity, if a DIL Depositor has a New Registered Account in more than one New Registered Plan, the Distribution shall be allocated between the New Registered Accounts for such DIL Depositor on a Pro Rata basis.

"District" means Lutheran Church – Canada, the Alberta – British Columbia District.

“District Claim” means the Proven Claim held by the District against DIL pursuant to the Claims Process in the amount of \$863,022.24.

“District Committee” means the creditors’ committee established for those creditors of the District who have provided loans to the District through CEF.

“District – ECHS Mortgage” means the mortgage held by District, which is secured against properties within the Prince of Peace Development.

“District Investments” or “DIL” means Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd.

“D&O Claim” means (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more of the D&O Parties that relates to a Claim which such D&O Party(ies) is by law liable to pay, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty and including, for greater certainty, any right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise)), and whether or not any indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such D&O Party(ies) or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, or (B) relates to a time period prior to the Filing Date. For clarity, the Directors’ Charge shall not be used to pay any D&O Claims.

“D&O Insurance” means that policy of insurance issued by the D&O Insurers, namely policy number NP-428530, as extended from time to time, by Encon Group Inc., and policy number CBC 1928469 04, as extended from time to time, by Northridge Financial Corporation.

“D&O Insured Claim” means all or that portion of any D&O Claim against any D&O Party that is insured by the D&O Insurer(s) pursuant to the D&O Insurance.

“D&O Insurer(s)” means Encon Group Inc. and Northridge Financial Corporation.

“D&O Party(ies)” means current or former Directors, officers, trustees, employees, volunteers of DIL, or members of any duly constituted committee of DIL, being parties who are insured parties under the D&O Insurance.

E

"ECHS" means Encharis Community Housing Services.

"Effective Date" subject to the satisfaction of the conditions precedent outlined in Article 7.1 means the date the Plan takes effect and shall be the day following the expiry of the appeal period of all Sanction Orders granted in the CCAA Proceedings or such other date as may be agreed upon in writing between the Monitor and DIL.

"Election Letter" means the letter attached hereto as Schedule "1" provided to the Eligible Affected Creditors pursuant to the Meeting Order, whereby they can vote on the Plan.

"Eligible Affected Creditors" means Affected Creditors with Proven Claims and Affected Creditors with Disputed Claims which have not been settled or adjudicated.

"Emergency Fund" means the fund approved in the Initial Order to allow eligible DIL Depositors to access sufficient funds to cover their basic necessities.

"EMSS" means Encharis Management and Support Services.

F

"FI Capital" means FI Capital Ltd.

"FI Capital Investments" means that portion of the DIL Assets which are held in the form of cash or short-term investments with FI Capital.

"Filing Date" means January 23, 2015, the date on which the Initial Order was granted.

I

"Initial Order" means the Initial Order granted by the Court in the CCAA Proceedings on January 23, 2015.

"Initial Payment" means the payment made pursuant to an Order granted by the Court of Queen's Bench of Alberta on August 28, 2015, as amended by the Order granted November 5, 2015 whereby funds held by DIL are in the process of being transferred to the Replacement Fund Manager to be distributed to the DIL Depositors.

M

"Monitor" means Deloitte Restructuring Inc., in its capacity as proposed CCAA Monitor and as CCAA Monitor.

"Monitor's Legal Counsel" means Gowling Lafleur Henderson LLP.

N

"Net Balance" means the balance of the Transfer Fund less such reasonable reserves as the Monitor, in its sole discretion, may deem appropriate for the purposes of ensuring that this Plan is successfully implemented and carried out to conclusion, including, without limitation, the Restructuring Holdback .

"New Registered Accounts" means account(s) set up for DIL Depositors in the New Registered Plans, which will be held in the same type of registered plan (i.e. Tax Free Savings Accounts, Registered Retirement Savings Plans, Registered Retirement Income Funds, or Locked-In Income Funds) as the Registered Accounts.

"New Registered Plans" means those Registered Retirement Savings Plans, Registered Retirement Income Funds, Tax Free Savings Accounts, and Locked-In Income Funds (as those terms are defined in the *Income Tax Act* (Canada)) which are held by the Replacement Fund Manager as trustee for the DIL Depositors and which will be the same type as the Registered Plans (i.e. Tax Free Savings Accounts, Registered Retirement Savings Plans, Registered Retirement Income Funds, or Locked-In Income Funds).

"Notice of Revision or Disallowance" means the notice referenced in paragraph 19 of the Claims Process Order advising an Affected Creditor that the Monitor disputes the amount of their Claim as set out in a Proof of Claim.

O

"Order" means any order of the Court in the CCAA Proceedings.

P

"Person(s)" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, and an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

"Plan(s)" means this plan of arrangement and any other plans of arrangement filed by DIL pursuant to the CCAA Proceedings.

"Plan Payments" means those payments to be made by the Monitor pursuant to this Plan.

"Post-Filing Claim(s)" means any Claim(s) that may be asserted or made in whole or in part against DIL in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the Filing Date, other than the Restructuring Claims, and any interest thereon, including any obligations of DIL towards Persons, who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to DIL on or after the Filing Date.

“Prince of Peace Development” means the properties located in Rocky View County, Alberta as set out in Schedule “3” to this Plan.

“Pro Rata” means that fraction which has as its numerator the amount of a particular DIL Depositor’s Proven Claim and as its denominator the sum of all of the Proven Claims of all of the DIL Depositors. For greater clarity, the calculation shall be as follows:

$((\text{DIL Depositor's Proven Claim} / \text{total Proven Claims}) \times (\text{DIL Transfer Fund} + \text{total amount received by all DIL Depositors from the Emergency Fund} + \text{total amount received by all DIL Depositors as RRIF or LIF Minimum Payments})) - \text{any amount the DIL Depositor has received from the Emergency Fund} - \text{any amount the DIL Depositor has received as a RRIF or LIF Minimum Payment} - \text{any amount the DIL Depositor has received from the Initial Payment.}$

“Proportionate Share of Costs” means a DIL Depositor’s proportionate share of the out-of-pocket costs associated with the Representative Action, including any costs that may be incurred by the Representative Counsel, the Monitor or the Monitor’s Counsel in relation to the Representative Action together with such additional amount as the Monitor, acting reasonable, represents a reasonable reserve for the indemnity granted in Article 5.8.

“Proven Claim(s)” means a Claim of an Affected Creditor proven in accordance with the Claims Process Order, which is not the subject of a Dispute Notice or a Notice of Revision or Disallowance, or was the subject of a Dispute Notice or Notice of Revision or Disallowance, which has been resolved, either before or after the Sanction Order, in accordance with the terms of the Claims Process Order, the Meeting Order and this Plan.

“Proxy” means the form attached hereto as Schedule “4” authorizing a Person to vote on behalf of an Eligible Affected Creditor.

R

“Registered Accounts” means those accounts held by DIL Depositors in the Registered Plans.

“Registered Plans” means those Registered Retirement Savings Plans, Registered Retirement Income Funds, Locked-In Income Funds, and Tax Free Savings Accounts (as those terms are defined in the *Income Tax Act (Canada)*) which were administered by DIL on behalf of Concentra.

“Related Creditor(s)” means Persons who meet the definition of Related Person(s) set out in Section 4(2) of the BIA.

“Released Parties” means the Monitor, the Monitor’s Counsel, the Applicants’ Counsel, the CRO, DIL, legal counsel for the DIL Committee, the D&O Party(ies), the directors and officers, volunteers and

employees of the District, DIL, ECHS, and EMSS, and any independent contractors of DIL who are individuals and who were employed three days or more a week on a regular basis.

“Replacement Fund Manager” means Great-West Life Assurance Company or such other fund manager as may be designated by a DIL Depositor pursuant to the Order granted on November 5, 2015.

“Representative Action” means that legal action or actions undertaken in respect of the Representative Action Claims, which action may be advanced as a class proceeding for the benefit of the Representative Action Class pursuant to the terms of the Plan.

“Representative Action Claim(s)” means any and all claims of DIL Depositors that seek recovery of the amounts of their Claims not paid under this Plan and are not released by this Plan, including those specifically mentioned in Article 8.2, and for greater certainty includes the following claims:

- a. claim(s) related to a contractual right of one or more of the DIL Depositors entered into personally by a Representative Action Defendant;
- b. claim(s) based on allegations of misrepresentations made by a Representative Action Defendant to DIL Depositors or of wrongful or oppressive conduct by a Representative Action Defendant;
- c. claim(s) of DIL against a Representative Action Defendant, including but not limited to claims for breach of any legal, equitable, contractual or other duty;
- d. claim(s) that are a D&O Claim, including a D&O Insured Claim; and
- e. any claim(s) which one or more of the DIL Depositors could have pursued in the name of DIL, including without limitation, any derivative action (whether statutory or otherwise) or any Claim(s) which could be assigned to a creditor pursuant to s. 38 of the BIA, if such legislation were applicable.

“Representative Action Class” shall mean those DIL Depositors who elect to participate in the Representative Action by completing and returning the Election Letter or who are deemed to participate in the Representative Action in accordance with the terms of this Plan.

“Representative Action Defendants” means the D&O Party(ies) and any other parties against whom Representative Action Claim(s) may be brought.

“Representative Action Holdback” means an amount withheld from the amounts payable to members of the Representative Action Class pursuant to the Plan to fund the out-of-pocket costs associated with the Representative Action, including any costs that may be incurred by the Monitor or the Monitor’s Counsel in relation to the Representative Action, the amount of which is to be determined by the Subcommittee once appointed.

“Representative Action Letter” means the letter attached hereto as Schedule “2” provided to the DIL Depositors pursuant to the Meeting Order, whereby they can choose whether to participate in the Representative Action.

“Representative Action Pool” means any pool of funds that is generated by the Representative Action, which will be payable to members of the Representative Action Class and shall be deemed to include any unused portion of the Representative Action Holdback upon the conclusion of the Representative Action.

“Representative Counsel” means legal counsel selected by the Subcommittee to pursue the Representative Action.

“Representative Plaintiff(s)” means that DIL Depositor(s), chosen by the Subcommittee, who agrees to act as representative plaintiff(s) in the Representative Action, provided always that should all or a portion of the causes of action which make up the Representative Action require DIL to be a plaintiff in the Representative Action, then the Representative Plaintiff shall be deemed to include DIL.

“Required Majority” means an affirmative vote of two-thirds in value and a majority in number of all Proven Claim(s) of Eligible Affected Creditors, who voted in accordance with the voting procedures established under the Meeting Order (whether in person or by Proxy at the Creditors’ Meeting, or by Election Letter).

“Restructuring Claim(s)” means any claims with respect to reasonable fees and disbursements of the Monitor, the Monitor’s Counsel, the Applicants’ Counsel and legal counsel for the DIL Committee.

“Restructuring Holdback” means the amount to be held by DIL in an amount sufficient to satisfy the Restructuring Claims.

“RRIF Minimum Payment” means a statutory annual minimum payment made after January 1, 2015 from a Registered Plan which was a Registered Retirement Income Fund (as that term is defined in the *Income Tax Act (Canada)*).

S

“Sanction Order” means an order or orders of the Court which, among other things, shall approve and sanction this Plan and the plans of compromise and arrangement filed by the other Applicants under the CCAA and shall include provisions as may be necessary or appropriate to give effect to this Plan and the plans of compromise and arrangement filed by the other Applicants, including provisions in substance similar to those set out in Article 9.

“Settlements” means the settlement of all matters between the District Committee and the DIL Committee, including regarding the District – ECHS Mortgage and the DIL – ECHS Mortgages (as further set out in paragraph 27.3.2 of the First Report of the Monitor dated February 7, 2015), the Strathmore

Mortgage (as further set out in paragraph 24.6.3 of the First Report of the Monitor dated February 17, 2015) and the District Claim.

"Strathmore Mortgage" means a mortgage held by Concentra on the Strathmore Property.

"Strathmore Property" means a property, of which the District is the registered owner, located in Strathmore, Alberta, which is legally described as Plan 8010862, Block 10, Excepting thereout all mines and minerals.

"Subcommittee" means a subcommittee established by the Sanction Order of between three and five individuals, including initially at least one member of the DIL Committee, all of whom are elected by the DIL Committee, which will be established to choose a Representative Counsel and provide direction and instructions to Representative Counsel in the Representative Action, and for greater certainty shall include a member of the DIL Committee appointed pursuant to Article 5.2 of this Plan.

T

"Transfer Fund" means the pool of funds used to make Distributions to the DIL Depositors established pursuant to Article 4.3 of this Plan.

U

"Unaffected Creditor(s)" includes Persons with the following Claims:

- a. Crown Claims;
- b. Post- Filing Claims;
- c. Restructuring Claims;
- d. All Claims of current employees, officers and directors for all amounts owing to them in their capacity as such, by statute or otherwise for, or in connection with accrued salary, accrued wages, accrued bonuses, accrued retention payments, fees and expenses, reimbursement obligations, accrued vacation leave and accrued vacation pay, as applicable, which obligations are prescribed by the *Employment Standards Code*, R.S.A. 2000, c. E-9, and any similar provincial or federal legislation;
- e. Amounts due to Person(s) classified as critical suppliers in the Initial Order or any subsequent Orders;
- f. Claims against Directors excluded from being compromised pursuant to section 5.1(2) of the CCAA
Claims related to Agreements that have not been disclaimed or resiliated by DIL pursuant to this Plan;
- g. Claims against Representative Action Defendants in the Representative Action; and

h. The District Claim.

1.2 Article and Section Reference

The terms "this Plan", "hereof" and "hereunder", "herein" and similar expressions refer to this Plan, amendments to this Plan and not to any particular article, section, subsection, paragraph or clause of this Plan and include any instrument supplemental hereto. In this Plan, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, paragraph or clause of this Plan.

1.3 Extended Meanings

In this Plan, where the context so requires, any word importing the singular number shall include the plural and vice-versa; and any word or words importing gender shall include all genders.

1.4 Interpretation Not Affected by Headings

The division of this Plan into articles, sections, subsections, paragraphs and clauses and the insertion of a table of contents and headings are for convenience of reference and shall not affect the construction or interpretation of the Plan.

1.5 Date of any Action

In the event that any date on which any action is required to be taken hereunder by any Person is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 Currency

Unless otherwise stated herein, all references to currency in this Plan are to Canadian currency. For the purposes of voting or distribution(s) pursuant to this Plan, a Claim shall be denominated in Canadian Dollars. Any Claim in a currency other than Canadian Dollars must be converted to Canadian Dollars, and such amount shall be regarded as having been converted at the exchange rate quoted by the Bank of Canada for exchanging such currency to Canadian dollars at noon on the Filing Date.

1.7 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.8 Successors and Assigns

This Plan shall be binding upon and shall ensure to the benefit of the heirs, administrators, executors, legal and personal representatives, successors and assigns, as the case may be, of any Person named or referred to in this Plan.

1.9 Governing Law

This Plan shall be governed by, and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its revisions shall be subject to the exclusive jurisdiction of the Court.

ARTICLE 2 PURPOSE OF THE PLAN

2.1 Purpose

The purpose of this Plan is to affect a compromise and settlement of Affected Claims in order to enable the Applicants to liquidate the DIL Assets in an orderly manner to maximize the recovery to the Affected Creditors compared to that, which would result from the bankruptcy of one or more of the Applicants and to provide a streamlined process for the DIL Depositors to participate in the Representative Action. Affected Creditors should review this Plan and the Report of the Monitor before voting to accept or reject the Plan. The transactions contemplated by the Plan are to be implemented pursuant to the CCAA Proceedings.

2.2 Affected Creditors

This Plan provides for the compromise and settlement of the Claims of the Affected Creditors. If this Plan is accepted by the Eligible Affected Creditors and approved by the Court, and the transactions set out in this Plan occur, this Plan shall be binding upon each Affected Creditor and its heirs, executors, administrators, legal representatives, successors and assigns.

2.3 Unaffected Creditors

This Plan does not compromise the Claims of Unaffected Creditors.

ARTICLE 3 CLASSIFICATION OF AFFECTED CREDITORS

3.1 Classes of Affected Creditors

For the purpose of considering and voting upon the Plan, Eligible Affected Creditors shall constitute a single class.

ARTICLE 4 STRUCTURE OF THE PLAN

4.1 Overview

This Plan contemplates an orderly transition of the value of the Registered Plans to the Replacement Fund Manager the proceeds of which shall be paid into the New Registered Accounts on a Pro-Rata basis as well as the resolution of Claims of Related Parties. The successful implementation of this Plan should provide a more timely recovery to all Persons with an economic interest in District Investments than would result from the bankruptcy of DIL. The Plan will further allow for the resolution of the matters described in Article 7.1 of the Plan. The operations of DIL will cease immediately following the Completion Date.

4.2 Non-Renewal of Mortgages

That portion of the DIL Assets consisting of cash and short-term investments held by DIL on the Effective Date shall be paid into the Transfer Fund, distributed to the Replacement Fund Manager and paid into the New Registered Accounts as set out herein. That portion of the DIL Assets consisting of loans and registered mortgages shall be converted to cash over time through the repayment or sale of these loans and registered mortgages. Borrowers are being encouraged to refinance their existing loans and as the loans mature, they will not be renewed. To the extent that some loans are demand loans, the CRO will work with the Borrowers to find alternative financing with a third party lender before demanding on the loan. The CRO may, in its sole and unfettered discretion and on behalf of DIL, demand repayment of any loan or proceed with enforcement steps against any Borrower.

4.3 Transfer Fund

As the DIL Assets are converted to cash, they will be paid to the Monitor and held in trust in the Transfer Fund, which will be administered and distributed to DIL Depositors, through the Replacement Fund Manager, in accordance with the Plan. The Monitor will maintain a separate, interest bearing trust account to hold the Transfer Fund.

4.4 Treatment of Affected Creditors

Affected Creditors shall receive distributions as set forth below only to the extent that such Claims are Proven Claims and have not been paid, released or otherwise satisfied prior to the Effective Date. Each Affected Creditor will have their Proven Claim compromised as follows:

- a. Prior to or as soon as possible following the Effective Date, the Replacement Fund Manager will establish one or more New Registered Plans and New Registered Accounts for each DIL Depositor.
- b. Upon the Effective Date or at such later date as may be determined by the Monitor, acting reasonably, the Monitor will make a Distribution of the Net Balance of the Transfer Fund.
- c. From time to time thereafter, upon the Monitor making a determination that it is appropriate to make a Distribution of the Net Balance of the Transfer Fund or upon the Net Balance of the Transfer Fund reaching \$3.0 million, the Monitor shall make a Distribution of the Net Balance of

the Transfer Fund to the Replacement Plan Manager to be distributed to the DIL Depositors, subject to the New Registered Accounts having been established, by way of Pro-Rata payments to the New Registered Accounts.

- d. Payments to Affected Creditors will be net of the Representative Action Holdback, which will only be applied to distributions to the Representative Action Class.

4.5 Timing of Payments to Affected Creditors

Provided that the Net Balance of the Transfer Fund is at least \$3.0 million, net of the Representative Action Holdback, all DIL Depositors will receive an initial Distribution of the Net Balance, subject to the Representative Action Holdback, which will only be applied to distributions to the Representative Action Class, from the Transfer Fund immediately following the Effective Date. Each time after the Initial Distribution that the Net Balance of the Transfer Fund reaches \$3.0 million, net of any Representative Action Holdback still to be paid, the Monitor will make a further Distribution of the Net Balance, subject to any Representative Action Holdback still to be paid, which will only be applied to distributions to the Representative Action Class, from the Transfer Fund to the Replacement Fund Manager.

4.6 Interest

No interest or penalties shall accrue or be paid on the Proven Claims of Affected Creditors from and after the Filing Date but shall be released in accordance with the Plan.

ARTICLE 5

REPRESENTATIVE ACTION

5.1 Representative Action

Pursuant to the Plan and the Sanction Order, the Subcommittee shall be authorized and enabled to take any and all such steps as they deem necessary and desirable to commence and prosecute the Representative Action on behalf of the Representative Action Class. The Representative Action shall be governed by the terms of the Plan and any subsequent Order within the CCAA Proceedings. Except as subsequently ordered by this Court within the CCAA Proceedings and only to the extent so ordered, the Representative Action shall not be governed by the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) and *Class Proceedings Act*, S.A. 2003, c. C-16.5, as amended by the *Class Proceedings Amendment Act*, 2010, c. 15. (Alberta), or any legislation of similar purpose or intent in any Canadian Province or Territory, or State of the United States.

5.2 Establishment of Subcommittee

The Subcommittee shall have between three and five members, of which at least one member will initially be from the DIL Committee and the other members shall be appointed by the DIL Committee. One member of the Subcommittee shall be the Representative Plaintiff. Persons who are not currently members of the DIL Committee may be added to the Subcommittee upon being voted on to the Subcommittee by representatives of the DIL Committee.

5.3 Responsibilities of Subcommittee

The duties and responsibilities of the Subcommittee shall include but are not limited to the following:

- a. The Subcommittee shall review the qualifications of at least three lawyers who will be considered to act as Representative Counsel, and shall select Representative Counsel on behalf of the Representative Action Class;
- b. The Subcommittee shall, in conjunction with Representative Counsel, identify a Representative Plaintiff willing to serve in such capacity;
- c. The Subcommittee shall remain in place throughout the Representative Action and shall have the mandate, powers and duties described in the Sanction Order, including but not limited to:
 - i. Assisting in maximizing the amount that is ultimately available for distribution to the Representative Class pursuant to the Representative Action;
 - ii. Consulting with and instructing the Representative Counsel on behalf of the Representative Class, including but not limited to the power to settle all or a portion of the Representative Action pursuant to the Sanction Order;
 - iii. Replacing Representative Counsel;
 - iv. Serving in a fiduciary capacity in representing the Representative Class;
 - v. Establishing the amount of the Representative Action Holdback and directing that the amount of the Representative Action Holdback be paid to the Representative Counsel; and
 - vi. Bringing any matter before the Court by way of application for advice and direction.

5.4 Electing Not to Participate in Representative Action in Election Letter

Those DIL Depositors who elect to not participate in the Representative Action or who opt out of the Representative Action pursuant to Article 5.7:

- a. are forever barred from participating in the Representative Action;
- b. are not entitled to receive any recovery of any kind, including but not limited to a dividend or distribution under the Plan, that is payable out of proceeds recovered pursuant to the Representative Action;
- c. shall have no liability for any costs in the Representative Action; and

- d. are not eligible to be members of any "class" pursuant to the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) and *Class Proceedings Act*, S.A. 2003, c C-16.5, as amended by the *Class Proceedings Amendment Act, 2010*, c. 15. (Alberta), or any legislation of similar purpose or intent in any Canadian Province or Territory, or State of the United States.

5.5 Electing to Participate or Deemed Election to Participate in Representative Action in Election Letter

DIL Depositors may elect to participate or elect not to participate in the Representative Action by marking the appropriate box on the Representative Action Letter attached hereto as Schedule "2" and delivering the Representative Action Letter to the Monitor on or before 5:00 p.m. (Calgary time) on the last Business Day preceding the date of the commencement of the Creditors' Meeting or any adjournment thereof.

Alternatively, DIL Depositors who fail to mark any box with respect to the Representative Action on the Representative Action Letter attached hereto as Schedule "2" and deliver it to the Monitor in accordance with this Article 5.5, shall be deemed to have elected to participate in the Representative Action.

Following the selection of Representative Counsel by the Subcommittee, the Monitor will provide to all the DIL Depositors who have elected or are deemed to have elected to participate in the Representative Action with an estimate of the amount of the Representative Holdback together with information regarding opting out of the Representative Action.

5.6 No Claims Other than Representative Action

The Representative Action shall represent the sole recourse of any DIL Depositor with respect to a Representative Action Claim. No legal proceedings shall be commenced by any DIL Depositor or any other Person for a claim that is an actual or potential Representative Action Claim. Without limiting the generality of the foregoing, but for greater clarity, those DIL Depositors who elect or are deemed to have elected to participate in the Representative Action are not eligible to be members of any "class" for purposes of the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) and *Class Proceedings Act*, S.A. 2003, c C-16.5, as amended by the *Class Proceedings Amendment Act, 2010*, c. 15. (Alberta), or any legislation of similar purpose or intent in any Canadian Province or Territory, or State of the United States.

5.7 Opting Out of Representative Action

A DIL Depositor who has elected or is deemed to have elected to participate in the Representative Action may, at any time subsequent to the Sanction Order being granted, opt out of the Representative Action by providing notice to the Representative Counsel, or in the event that Representative Counsel has not been retained, to the Monitor. Notice of opting out of the Representative Action must be written, dated, and signed on the Notice of Opting Out form attached hereto as Schedule "5". Upon receipt of the Notice of Opting Out form by the Representative Counsel or the Monitor, the DIL Depositor shall have their status changed from participating in the Representative Action to not participating in the Representative Action. Within a reasonable period of time of receiving the Notice of Opting Out, the Representative Counsel or

the Monitor, as the case may be, shall calculate such DIL Depositor's Proportionate Share of Costs. The Representative Counsel or the Monitor, as the case may be, shall deduct the Proportionate Share of Costs from the amount which was contributed by such DIL Depositor as his or her share of the Representative Action Holdback and shall remit the balance to the DIL Depositor.

5.8 Indemnity for Representative Plaintiff

The Representative Plaintiff is entitled to be indemnified for any liability for any costs award issued in any Representative Action from the Representative Action Holdback, up to the maximum amount of funds remaining in the Representative Action Holdback at the time of such costs award.

ARTICLE 6

PROCEDURAL MATTERS

6.1 Creditors' Meeting

The following procedure will be followed at the Creditors' Meeting:

- a. Following the filing of the Plan with the Court, DIL will seek the Creditors' Meeting Order authorizing DIL to hold the Creditors' Meeting on the date set by the Creditors' Meeting Order at which Eligible Affected Creditors shall consider and vote upon the Plan. The Creditors' Meeting shall be held in accordance with this Plan, the Creditors' Meeting Order and any other applicable Order in respect of the process governing the Creditors' Meeting.
- b. The Monitor or its designee shall preside as the Chair of the Creditors' Meeting and shall decide all matters related to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are Eligible Affected Creditors (including the holders of Proxies), their legal counsel and financial advisors, the Directors, members of the DIL Committee, the Applicants' Counsel, the Monitor's Counsel and legal counsel for the District Committee and the DIL Committee. Any other Person may be admitted on invitation of the Chair.
- c. The quorum required at any Creditors' Meeting or any adjournment thereof shall be two Eligible Affected Creditors present in person or by Proxy. If the requisite quorum is not present at the Creditors' Meeting or if the Chair determines that the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Chair to such date, time and place as determined by the Chair.
- d. The Monitor may designate Person(s) of their choosing to supervise and tabulate attendance and votes cast at the Creditors' Meeting or to act as the secretary of the Creditors' Meeting.
- e. The entitlement of an Affected Creditor with a Disputed Claim to vote at the Creditors' Meeting shall not be construed as an admission that its Claim is a Proven Claim.

- f. The Monitor shall have the right to seek the assistance of the Court in valuing any Claim for voting purposes in accordance with the Plan and the Meeting Order, if required, and to ascertain the result of any vote on the Plan.

6.2 Voting Procedures

Each Eligible Affected Creditor may vote their Claim in person by attending the Creditors' Meeting, by submitting an Election Letter in the form set out in the Creditors' Meeting Order, or by Proxy by submitting their duly completed Proxy in accordance with the provisions included herein and in the Creditors' Meeting Order. Each Eligible Affected Creditor is entitled to one vote, which vote shall have the value of such Eligible Affected Creditors' Proven Claim as determined in accordance with the Claims Process Order or this Plan. The results of any and all votes conducted at the Creditors' Meeting shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present or voting at the Creditors' Meeting.

6.3 Voting by Letter

An Eligible Affected Creditor may vote by filling out the Election Letter attached hereto as Schedule "1", which must be delivered to the Monitor at the address set out in Article 11.8 below. An Election Letter shall be voted in accordance with the instructions stated in the Election Letter notwithstanding any modification of or amendment to the Plan that may be made in accordance with Article 11.7. An Election Letter must be delivered to the Monitor on or before 5:00 p.m. (Calgary time) before the last Business Day preceding the date of the commencement of the Creditors' Meeting or any adjournment thereof.

Failure to deliver such Election Letter as set out herein shall result in the invalidation of such Election Letter.

The Election Letter must be executed by an Eligible Affected Creditor or their duly authorized legal counsel. If the Eligible Affected Creditor is not an individual, the Election Letter must be signed in its name by an authorized officer or director whose title should be indicated. If a Person is acting in a representative capacity for the Eligible Affected Creditor, the Election Letter must be accompanied by the appropriate instrument evidencing qualification and authority to act unless such instrument had previously been filed with the Monitor. Failure to sign the Election Letter and provide evidence of qualification and authority to act in accordance with this Article shall invalidate such Election Letter.

6.4 Appointment and Revocation of Proxies

An Eligible Affected Creditor may vote in person by attending the Creditors' Meeting. Eligible Affected Creditors may also vote by indicating such Person's name in the blank space provided in the form of Proxy, attached hereto as Schedule "4", which must be delivered to the Monitor at the address set out in Article 11.8 below.

A Proxy must be delivered to the Monitor by email, mail, facsimile transmission or courier on or before 5:00 p.m. (Calgary time) on the last Business Day prior to the date of the Creditors' Meeting or any adjournment thereof, or by hand to the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof.

Failure to sign and deliver the Proxy as set out herein shall result in the invalidation of such Proxy.

An Eligible Affected Creditor who has signed and delivered a Proxy may revoke it (as to any matter on which a vote has not already been cast pursuant to its authority) by an instrument in writing executed by such Eligible Affected Creditor or by its legal counsel, duly authorized in writing, or if an Eligible Affected Creditor is not an individual, by a director, officer or legal counsel thereof duly authorized, and deposited either at the offices of the Monitor above mentioned on or before the last Business Day preceding the date of the meeting or any adjournment thereof, or with the Chair of the Creditors' Meeting prior to the time of commencement of the Creditors' Meeting, or any adjournment thereof. Failure to complete and deliver a revocation of Proxy and provide evidence of qualification and authority as set out herein shall result in the invalidation of such revocation of Proxy.

6.5 Signature on Proxy

The Proxy must be executed by an Eligible Affected Creditor or their duly authorized legal counsel. If the Eligible Affected Creditor is not an individual, the Proxy must be signed in its name by an authorized officer or director whose title should be indicated. If a Person is acting in a representative capacity for the Eligible Affected Creditor, the Proxy must be accompanied by the appropriate instrument evidencing qualification and authority to act unless such instrument had previously been filed with the Monitor. Failure to sign the Proxy in accordance with this Article shall invalidate such Proxy.

6.6 Voting of Proxy

The Person named in the Proxy shall vote on the Claim(s) of the Eligible Affected Creditor(s) in accordance with the direction of the Eligible Affected Creditor appointing them on any ballot that may be called for and where the Eligible Affected Creditor giving the Proxy specifies a choice with respect to any matter to be voted upon, the Claim shall be voted in accordance with the direction of the Eligible Affected Creditor.

6.7 Exercise and Discretion of Proxy

The Proxy confers a discretionary authority upon the Persons named therein with respect to amendments or variations of the matters that are identified at the Creditors' Meeting and in this Plan and with respect to any other matters that may properly come before the Creditors' Meeting.

6.8 Disputed Claims

The Monitor shall keep separate records and tabulations of votes cast in respect of: (i) Proven Claims, and (ii) Disputed Claims. If approval or non-approval of this Plan by the Eligible Affected Creditors shall

prove to be determined by the votes cast in respect of Disputed Claims, such result shall be reported to the Court as soon as reasonably possible with a request to the Court for directions regarding an expedited determination of any material Disputed Claims and an appropriate deferral of the application for the Sanction Order and any other applicable dates. The fact that a Claim is allowed for voting purposes shall not preclude the Monitor from disputing the Claim for distribution purposes. The Disputed Claims Reserve will be held pending settlement or final determination of the Disputed Claim. To the extent that a final determination or settlement is made in respect of a Disputed Claim in an amount less than the Disputed Claims Reserve, such surplus funds shall be paid into the Transfer Fund.

6.9 Acceptance of Plan

Votes cast by Eligible Affected Creditors with Proven Claims or with Disputed Claims which are eventually allowed as Proven Claims shall be binding upon the Affected Creditors and shall be recorded at the time of the Creditors' Meeting. If the Required Majority is achieved, this Plan shall be approved and shall be, subject to Court approval, deemed to have been agreed to, accepted and approved by the Affected Creditors.

6.10 Confirmation of Plan

In the event that this Plan is agreed to, accepted and approved by the Required Majority pursuant to the terms of the Plan, DIL shall, within a reasonable period of time, apply to the Court for the Sanction Order.

Subject to the Sanction Order being granted and the satisfaction or waiver of those conditions of this Plan set forth in Article 7.2, this Plan will be implemented in accordance with the terms hereof.

In the event that the Plan is not agreed to, accepted and approved as set out herein, the Sanction Order is not granted or the conditions set forth in Article 7.2 are not satisfied or waived in accordance with the terms of this Plan, this Plan shall automatically terminate and in which case DIL shall not be under any further obligation to implement this Plan.

6.11 Court Assistance

DIL reserves the right to seek the assistance and/or direction of the Court regarding any matters relating to this Plan, including the resolution of any disputes arising between the Monitor and any other parties.

ARTICLE 7

CONDITIONS PRECEDENT AND PLAN IMPLEMENTATION

7.1 Sequence of Events

Following the Effective Date, the following events will occur in substantially the following sequence:

- a. If they have not already been established, the New Registered Plans and the New Registered Accounts will be set up by the Replacement Fund Manager.

- b. All cash and short-term investments will be liquidated and transferred to the Transfer Fund.
- c. The Settlements will have been completed.
- d. The DIL Assets will be converted to cash by sale, demand, enforcement or non-renewal and such cash will be transferred to the Transfer Fund.
- e. From time to time, Distributions will be made by the Monitor from the Transfer Fund in accordance with Article 4 of the Plan.
- f. The Replacement Fund Manager will be responsible for all required reporting related to the Distributions, including all reporting required by Canada Revenue Agency.
- g. DIL will cease to operate.

7.2 Conditions to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions on or prior to the Completion Date, as the case may be:

- a. All applicable governmental, regulatory and judicial consents, orders and any and all filings with all governmental and regulatory authorities having jurisdiction, in each case to the effect deemed necessary or desirable for the completion of the transactions contemplated by the Plan or any aspect thereof shall have been obtained.
- b. The Restructuring Holdback shall have been funded in an amount sufficient to satisfy the Restructuring Costs.
- c. The Representative Action Holdback shall have been established in an amount sufficient to satisfy the anticipated out-of-pocket costs associated with the Representative Action.
- d. Arrangements for payment of the Unaffected Creditors, excluding any claims against Directors which are excluded from being compromised pursuant to section 5.1(2) of the CCAA, shall have been made in a manner satisfactory, to the Courts.
- e. DIL shall have taken all necessary corporate actions and proceedings to approve this Plan to enable DIL to execute, deliver and perform its obligations under this Plan and any agreements, indentures, documents and other instruments to be executed or delivered pursuant to, or required to give effect to, the terms of this Plan.
- f. This Plan shall have been approved by the Required Majority.
- g. The Sanction Order, in form and substance satisfactory to DIL and the Monitor, acting reasonably, shall have been granted by the Court and the Sanction Order as at the Completion Date shall be in full force and effect, not stayed or amended.
- h. The stay of proceedings under the Initial Order shall have been extended to at least the Completion Date and the Initial Order shall, as at the Completion Date, be in full force and effect, not stayed or amended after the date hereof (except with the consent of DIL and the Monitor acting reasonably).

7.3 Certificate

Immediately following the satisfaction of the conditions set out in Article 7.2 and the occurrence of the events set out in Article 7.3, the Monitor shall deliver to DIL a certificate stating that the Completion Date has occurred. Following the Completion Date, the Monitor shall file such certificate with the Court.

ARTICLE 8 RELEASES

8.1 General Releases

Subject to Article 8.2 below, on the Completion Date the Released Parties (and only the Released Parties) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor or other Person may be entitled to assert (other than for any Unaffected Creditors), including any and all Claims in respect of any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place prior to the Completion Date in any way relating to, arising out of or in connection with the Claims, the arrangement and restructuring provided for herein or otherwise, the business and affairs of DIL (whenever and however conducted) and in connection with the arrangement and restructuring provided for herein, the administration and/or management of this Plan, the CCAA Proceedings, any Claim that has been barred or extinguished by the Claims Procedure Order and all Claims arising out of such actions or omissions shall be forever waived and released, all to the full extent permitted by law. For greater clarity, but without otherwise limited the generality of the foregoing, the release set out in this Article 8.1 is not intended to release and shall not have the effect of releasing any co-obligator or any Person who is not a Released Party and specifically shall not release any joint obligator or any Person who is jointly or jointly and severally liable with a Released Party (a "Non-Released Person") and the Affected Creditor or other Person bound by this release (a "Releasing Person") shall retain the right to sue such Non-Released Person for any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which the Releasing Person may have had against a Released Party but for this Article 8.1 PROVIDED ALWAYS that this Article 8.1 may be relied upon and raised or pled by a Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought by a Non-Released Person respecting any action relating to the Claims released by this Article 8.1.

8.2 Limitations on Releases

Notwithstanding Article 8.1 of this Plan, the following claims are not released by this Plan:

- a. claims against the Directors set out in Section 5.1(2) of the CCAA;
- b. claims prosecuted by the Alberta Securities Commission or the British Columbia Securities Commission arising from compliance requirements of the *Securities Act* of Alberta and the *Financial Institutions Act* of British Columbia;
- c. claims made by the Superintendent of Financial Institutions arising from compliance requirements of the *Loan and Trust Corporations Acts* of Alberta and British Columbia;
- d. any Representative Action Claims that are advanced solely as part of the Representative Action;
- e. any D&O Insured Claim that is advanced solely as part of the Representative Action, subject to the following:
 - i. nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any such insurer in respect of the D&O Insurance; and
 - ii. DIL and the D&O Party(ies) shall make all reasonable efforts to meet all obligations under the D&O Insurance. The D&O Insurers shall be obliged to pay any loss payable pursuant to the terms and conditions of the D&O Insurance notwithstanding the releases granted to the Released Parties (including DIL and the D&O Party(ies)) under this Plan, and the D&O Insurers shall not rely on any provisions of the D&O Insurance to argue, or otherwise assert, that such releases excuse them from, or relieve them of, the obligation to pay any loss that otherwise would be payable under the terms of the D&O Insurance.

8.3 Sections That Do Not Apply

Pursuant to section 36.1 of the CCAA, sections 38 and 95 to 101 of the BIA shall not apply to DIL.

ARTICLE 9

PLAN SANCTION ORDER

If the Required Majority approves the Plan, DIL shall apply for the Plan Sanction Order. The Plan Sanction Order shall, among other things:

- a. Declare that the Plan is fair and reasonable.
- b. Declare that as of the Effective Date, the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected thereby are approved, binding and effective as set out herein upon DIL, all Affected Creditors and all other Persons affected by the Plan.

- c. Declare that the steps to be taken and the compromises and releases to be effected prior to the Completion Date are deemed to occur and be effected in the sequential order contemplated by Article 7.1 of the Plan on the Effective Date.
- d. Declare that, as of the Completion Date, the releases referred to in Article 8.1 and the other provisions of this Plan shall become effective in accordance with the Plan.
- e. Terminate and discharge the Administration Charge, the Critical Supplier Charge and the Directors' Charge on the Completion Date.
- f. Declare that as of the Completion Date DIL has been discharged and released from any and all Affected Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against DIL in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims.
- g. Discharge and extinguish all liens, mortgages, charges, security interests and other encumbrances including all security registrations against DIL, in favour of any Affected Creditor in respect of an Affected Claim.
- h. Discharge and extinguish all liens, including all security registrations against DIL, in favour of any Affected Creditor in respect of a Disputed Claim.
- i. Declare that any Affected Claims, in respect of which a proof of claim has not been filed by the Claims Bar Date shall be forever barred and extinguished.
- j. Declare that the stay of proceedings under the Initial Order is extended in respect of DIL to and including the Completion Date.
- k. Authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan.
- l. Declare that, subject to the performance by DIL of its obligations under the Plan, all obligations, or agreements to which DIL is a party shall be and remain in full force and effect, unamended, as at the Effective Date, unless repudiated or deemed to be repudiated by DIL pursuant to the Initial Order, and no party to any such obligation or agreement shall on or following the Completion Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or to otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:
 - i. Of any event which occurred prior to, and not continuing after, the Effective Date or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies.
 - ii. That DIL has sought or obtained relief or have taken steps as part of the Plan or under the CCAA.

- iii. Of any default or event of default arising as a result of the financial condition or insolvency of DIL.
 - iv. Of the effect upon DIL of the completion of any of the transactions contemplated under the Plan.
 - v. Of any compromises, settlements, restructurings or reorganizations effected pursuant to the Plan.
- m. Declare that upon completion by the Monitor of its duties in respect of DIL pursuant to the CCAA and the Orders, including, without limitation, the Monitor's duties in respect of the Claims Process and the distributions made by the Monitor in accordance with this Plan, the Monitor may file with the Court following the Completion Date a certificate of Plan termination stating that all of its duties in respect of DIL have been completed and thereupon the Monitor shall be deemed to be discharged from its duties as Monitor of DIL.
- n. Declare that DIL and the Monitor may apply to the Court for advice and direction in respect of any matter arising from or under the Plan.

ARTICLE 10
PROCEDURE FOR RESOLVING DISTRIBUTIONS TO
AFFECTED CREDITORS WITH DISPUTED CLAIMS

10.1 No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and to the extent it has become a Proven Claim.

10.2 Disputed Claims Reserve

On the Effective Date, DIL will pay to the Monitor those funds required to establish the Disputed Claims Reserve, which funds will be held by the Monitor until the Disputed Claims have either been admitted or finally disallowed.

10.3 Distributions After Disputed Claims Resolved

Affected Creditors with Disputed Claims shall complete Election Letters and deliver such Election Letters to the Monitor (as required) prior to the Creditors' Meeting, or attend the Creditors' Meeting and vote in person or by Proxy, and upon resolution of the Disputed Claims, the Monitor, shall make distributions from the Disputed Claim Reserve to each holder of a Disputed Claim which has become a Proven Claim in accordance with the provisions of the Plan. DIL or the Monitor shall not be required, however, to make distributions more frequently than as required under the terms of this Plan.

10.4 Balance of Reserves and Holdbacks

Any balance of the Disputed Claim Reserve after the resolution of the Disputed Claims will be paid to and form part of the Transfer Fund. Any balance of the Restructuring Holdback after payment of the Restructuring Claims will be paid to and form part of the Transfer Fund.

ARTICLE 11 GENERAL PROVISIONS

11.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan may be deemed to occur without any additional act of formality other than as may be expressly set out herein, each of the Persons affected hereto shall make, do, execute or cause to be made, all such further acts, deeds, agreements, assignments, transfers, conveyances, discharges, discontinuances of any suit or proceeding, assurances, instruments, documents, elections, consents or filings as may be reasonably required by DIL to implement the Plan.

11.2 Paramountcy

Without limiting any other provision hereof, from and after the Effective Date, in the event of any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Affected Creditor or other Persons affected by the Plan, and DIL as at the Effective Date, the terms, conditions and provisions of this Plan shall govern and take precedence and priority.

11.3 Waiver of Defaults

From and after the Effective Date, all Persons shall be deemed to have waived any and all defaults by DIL arising on or prior to the Effective Date in respect of any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in every contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral (except any defaults comprising or related to those Claims that are not released described in Article 8.2 of this Plan). Any and all notices of default, acceleration of payments and demands for payment under any instrument, or notices given under the CCAA, including without limitation, any notices of intention to proceed to enforce security, shall be deemed to have been rescinded and withdrawn.

11.4 Binding Effect

On the Effective Date, this Plan will become effective and be binding on and enure to the benefit of DIL, all Affected Creditors, the Directors and all other Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns. Each Affected Creditor will be deemed to have consented and agreed to all of the provisions of this Plan, in its entirety.

11.5 Compromise Effective for all Purposes

The payment, compromise or satisfaction of any Claim under this Plan, if sanctioned and approved by the Court, shall be binding upon the Affected Creditors and each of their heirs, executors, administrators, legal and personal representatives, successors and assigns, as the case may be, for all purposes.

11.6 Payment of Taxes

Notwithstanding any provisions of this Plan, each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental authority, including, without limitation of the foregoing, income, withholding and other tax obligations, on account of such distribution.

11.7 Modification of the Plan

Subject to the consent of the Monitor, DIL reserves the right to file any modification of or amendment to this Plan by way of a supplementary plan or plans of compromise or arrangement, or both, filed with the Court at any time or from time to time prior to the Creditors' Meeting, in which case any such supplementary plan or plans of compromise or arrangement, or both, shall, for all purposes, be and be deemed to be a part of and incorporated into this Plan provided no such amendment or modification that materially and adversely affects the rights or treatment hereunder of the Affected Creditors shall be so filed without first obtaining the approval of the Court. DIL shall give notice by publication on the Monitor's website, or otherwise, to all Affected Creditors with details of any modifications or amendments prior to the vote being taken to approve this Plan, as modified or amended. Subject to the foregoing proviso, DIL may propose an alteration or modification to the Plan at the Creditors' Meeting. After the Creditors' Meeting, DIL may at any time and from time to time vary, amend, modify or supplement the Plan if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature that would not be materially prejudicial to the interest of any of the Affected Creditors and is necessary in order to give effect to the substance of the Plan or the Sanction Order.

11.8 Notices

Any notice of other communication to be delivered hereunder must be in writing and reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail, facsimile or email addressed to the respective parties as follows:

a. If to DIL:

Bishop & McKenzie LLP
1700, 530 8th Avenue SW
Calgary, AB T2P 3S8
Attention: Francis Taman/Ksena Court
Fax: 403-263-3423
Email: Francis Taman FTaman@bmlp.ca
Ksena Court KCourt@bmlp.ca

b. If to an Affected Creditor, to the last known address (including fax number or email address) for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor, or in the absence of such Proof of Claim, to the last known address for such Affected Creditor set out in the books and records of DIL or such other address as the Affected Creditor may from time to time provide to the Monitor in accordance with this Article.

c. If to the Monitor:

Deloitte Restructuring Inc.
700 Bankers Court
850 2nd Street SW
Calgary, AB T2P 0R8
Attention: Vanessa Allen
Fax: 403-718-3681
Email: vanallen@deloitte.ca

Copy to:

Gowling Lafleur Henderson LLP
1600 421 7th Avenue SW
Calgary, AB T2P 4K9
Attention: Jeffrey Oliver
Fax: 403-695-3558
Email: jeffrey.oliver@gowlings.com

or to such other address as any party may from time to time notify the others in accordance with this Article. All such notices and communications which are delivered will be deemed to have been received on the date of delivery. All such notices and communications which are faxed or emailed will be deemed to be received on the date faxed or emailed if sent before 5:00 p.m. Calgary time on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such fax

or email was sent. Any notice or other communication sent by mail will be deemed to have been received on the third Business Day after the date of mailing.

11.9 Severability of Plan Provisions

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. In the event that any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, then at the election of DIL, notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

11.10 Non-Consummation

If the Sanction Order is not issued in respect of this Plan or the plans of arrangement filed by the other Applicants, this Plan shall be null and void in all respects, including (i) any settlement or compromise embodied in the Plan including the fixing or limiting of an amount and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (ii) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (a) constitute or be deemed to constitute a waiver or release of any Claims by or against DIL or any other Person; (b) prejudice in any manner the rights of DIL in any further proceedings involving DIL, including without limitation the right to assert any facts or defences it might otherwise have; or (c) constitute an admission of any sort by DIL or any other Person.

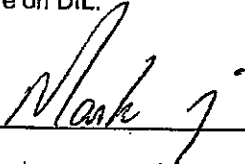
11.11 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless their Claims overlap or are otherwise duplicative.

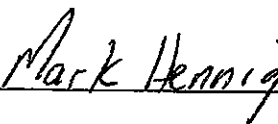
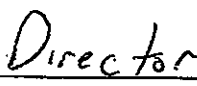
**ARTICLE 12
EXECUTION**

12.1 Execution

This Plan has been executed by DIL in the City of Calgary in the Province of Alberta effective November 21, 2015 and is binding and effective on DIL.



Legal representative of DIL

Name and title of legal representative of DIL

Schedule "1" – Election Letter

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT ELECTION LETTER
APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

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

Voting

I, _____ a creditor (or I _____, representative of _____, a creditor), in the above matter for the sum of \$ _____ hereby request the Monitor to record my vote respecting the District Investments Plan as made on the November 21, 2015 as follows:

(mark one only):

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

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

Dated at _____ this _____ day of _____, 201____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:

Deloitte Restructuring Inc., Monitor
700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Phone: (403) 267-1777 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca

Schedule "2" – Representative Action Letter

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT REPRESENTATIVE ACTION LETTER
APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

Representative Action Election (For District Investment Depositors Only)

I, _____ a creditor (or I _____, representative of _____, a creditor), hereby request the Monitor to record my election respecting the Representative Action as follows:

(mark one only):

Record my election TO PARTICIPATE in the Representative Action; or

Record my election NOT TO PARTICIPATE in the Representative Action.

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

IF YOU ELECT NOT TO PARTICIPATE IN THE REPRESENTATIVE ACTION, YOU WILL BE FOREVER BARRED FROM PURSUING ANY CLAIM AGAINST THE DIL, ITS CURRENT OR FORMER DIRECTORS, OFFICERS, TRUSTEES, EMPLOYEES, VOLUNTEERS OF DIL, OR MEMBERS OF ANY DULY CONSTITUTED COMMITTEE OF DIL OR ANY OF THE OTHER RELEASED PARTIES UNDER THE PLAN.

IF YOU ELECT TO PARTICIPATE IN THE REPRESENTATIVE ACTION, ANY PAYMENTS YOU ARE UNTITLED TO UNDER THE PLAN WILL BE SUBJECT TO THE REPRESENTATIVE ACTION HOLDBACK.

THIS ELECTION LETTER, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE MONITOR BY EMAIL, MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR BY NO LATER THAN 5:00 P.M. (CALGARY TIME) ON _____, 201__ OR SUCH LATER DATE AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE CREDITORS' MEETING HAS BEEN ADJOURNED TO. AFTER SUCH TIME, NO ELECTION LETTER CAN BE ACCEPTED BY THE MONITOR.

Dated at _____ this _____ day of _____,
201____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:

Deloitte Restructuring Inc., Monitor
700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Phone: (403) 267-1777 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca

Schedule "3" – Legal Description of Prince of Peace Development

Development, Harbour and Expansion Lands

PLAN 9712096

BLOCK 1

CONTAINING 22.29 HECTARES (55.08 ACRES) MORE OR LESS

EXCEPTING THEREOUT: SUBDIVISION 0311251

AREA: 1.90 HECTARES (4.70 ACRES)

EXCEPTING THEREOUT ALL MINES AND MINERALS

Manor

PLAN 0311251

BLOCK 4

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 1.9 HECTARES (4.7 ACRES) MORE OR LESS

Lake and Green Space

PLAN 9712096

BLOCK 2

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 12.88 HECTARES (31.83 ACRES) MORE OR LESS

Schedule "4" – Form of Proxy

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT PROXY
APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

I, _____ of _____, a creditor in the above matter, hereby appoint _____ of _____, (person you want to appoint) to be my proxyholder in the above matter, except as to the receipt of any distributions pursuant to this Plan (with or without) power to appoint another proxyholder in his or her place.

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

1. (mark one only):

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

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

and

2. Vote at his/her discretion and otherwise act for and on behalf of me with respect to any amendments or variations to the matters identified in the notice of the Creditors' Meeting and in this Plan, and with respect to other matters that may properly come before the Creditors' Meeting.

THIS PROXY, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE MONITOR BY EMAIL, MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR BY NO LATER THAN 5:00 P.M. (CALGARY TIME) ON _____, 201__ OR SUCH LATER DATE AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE CREDITORS' MEETING HAS BEEN ADJOURNED TO, OR DELIVERED BY HAND TO THE CHAIR OF THE CREDITORS' MEETING PRIOR THE COMMENCEMENT OF THE CREDITORS' MEETING. AFTER

COMMENCEMENT OF THE CREDITORS' MEETING (OR ANY ADJOURNMENT THEREOF), NO PROXIES CAN BE ACCEPTED BY THE MONITOR.

Dated at _____ this _____ day of _____, 201__.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:
Deloitte Restructuring Inc., Monitor
700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Phone: (403) 267-1777 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca

Schedule "5" – Notice of Opting Out

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT NOTICE OF OPTING OUT
APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

I, _____ a creditor (or I _____, representative of _____, a creditor), in the above matter hereby request Representative Counsel (or in the event that Representative Counsel is not retained, the Monitor) take notice that I shall no longer participate in the Representative Action.

I acknowledge that by signing this document, I am or the creditor is:

- a. waiving all rights as a participant within the Representative Action Claim(s);
- b. to be removed from the members of the Representative Action Class;
- c. not entitled to any further notice of or information regarding the Representative Action, save what is available on the public record;
- d. forever barred from participating in the Representative Action;
- e. not entitled to receive any recovery of any kind, including but not limited to a dividend or distribution under the Plan, that is payable out of proceeds recovered pursuant to the Representative Action; and
- f. not eligible to be a member of any "class" pursuant to the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) and *Class Proceedings Act*, S.A. 2003, c C-16.5, as amended by the *Class Proceedings Amendment Act, 2010*, c. 15. (Alberta), or any legislation of similar purpose or intent in any Canadian Province or Territory, or State of the United States.

THIS NOTICE, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE REPRESENTATIVE COUNSEL, OR IF THERE IS NO REPRESENTATIVE COUNSEL THEN TO THE MONITOR, BY MAIL, FACSIMILE TRANSMISSION OR COURIER, AND UPON THE DATE OF RECEIPT SHALL BE DEEMED ACCEPTED AND ENFORCEABLE.

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

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Name and Title of Signing Officer

Return to:
Representative Counsel

Or:

Deloitte Restructuring Inc., Monitor
700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Phone: (403) 267-1777 Fax: (403) 718-3681
Email: CalgaryRestructuring@deloitte.ca