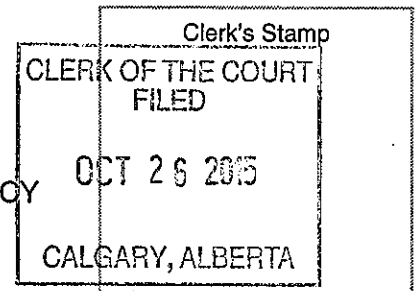


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



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 October 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 sale of the following lands:

PLAN 8722543
BLOCK C
EXCEPTING THEREOUT ALL MINES AND MINERALS
(the "District Office");

(b) an Order approving the transfer of the following lands to the Concordia Lutheran Church:

PLAN 7721180
BLOCK 8
LOT 19
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.547 HECTARES (1.35 ACRES) MORE OR LESS
ESTATE: LEASEHOLD, FOR A TERM OF 050 YEARS
COMMENCING ON THE 01 DAY OF JULY, 1980
(the "Concordia Leasehold Lands");

(c) an Order sealing my First Confidential Affidavit sworn October 23, 2015;

(d) an Order approving the return of funds to certain District Depositors who had a withdrawal from their accounts by way of electronic funds transfer ("EFT") between March 1, 2014 and the date of the Initial Order, the amount of those withdrawals, net of any amounts paid to those District Depositors during the same period;

(e) an Order amending the Order (Extend Stay, Approve Payments) that was granted by the Honourable Justice B.E.C. Romaine on August 28, 2015 (the "August Order") to permit the DIL Depositors who hold RRIFs or LIFs to transfer their pro-rata share of the DIL Transfer Funds to an alternative investment fund of their choosing;

(f) such further and other relief as this Honourable Court may allow.

DISTRICT OFFICE

4. The District is the owner of the District Office. Attached hereto and marked as **Exhibit "A"** is a copy of the title to the District Office.

5. On June 24, 2015, the District entered into a listing agreement for the sale of the District Office. The list price was set by the District at \$2.25 million after consultations with the realtor and the Monitor.
6. Attached hereto and marked as **Exhibit "B"** is a copy of the 2015 tax assessment for the District Office, which shows a tax assessed value of \$1.802 million.
7. The District has entered into a purchase and sale agreement respecting the District Office. A copy of the purchase and sale agreement respecting the District Office will be provided in the Fifth Confidential Affidavit and made available only to the Monitor and the Honourable Justice hearing the application. It is requested that the Fifth 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.
8. I am advised by representatives of the District that it requests that the Court approve the above purchase and sale agreement.
9. 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.
10. It is proposed that the net sale proceeds from the sale of the District Office 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.

CONCORDIA LEASEHOLD LANDS

11. The District is the registered owner of the Concordia Leasehold Lands. Attached hereto and marked as **Exhibit "C"** is a copy of the title to the Concordia Leasehold Lands.
12. The fee simple for this property is owned by the City of Edmonton. The property was originally leased by the City of Edmonton to Edmonton Bible Way House on July 10, 1980 (the "Lease"). Attached hereto and marked as **Exhibit "D"** is a copy of the Lease.
13. On June 11, 1986, with the approval of the City of Edmonton, the Lease was assigned by Edmonton Bible Way House to the District. Attached hereto and marked as **Exhibit**

“E” is a copy of the Assignment of Lease. The Lease and the Assignment of Lease are collectively referred to as the Lease.

14. I am advised by representatives of the District that the Concordia Lutheran Church (the “Concordia Congregation”) was established in 1986 and has occupied the Concordia Leasehold Lands since it was established.
15. I am advised by representatives of the District that in or about the time that the Concordia Congregation was established, it borrowed money from the CEF. Further funds were borrowed by the Concordia Congregation in later years. The Concordia Congregation has advised that some of the funds borrowed were used towards the Concordia Leasehold Lands. I am advised by representatives of the District that starting on February 1, 2002, the Concordia Congregation began to make regular payments towards the outstanding loan amounts, and it has continued to make regular payments since then.
16. The Concordia Congregation has asserted that it has a trust interest in the Concordia Leasehold Lands.
17. Particulars respecting the outstanding loan amount owed by the Concordia Congregation to the CEF (the “Loan Amount”) will be detailed in the Fifth Confidential Affidavit. The Fifth Confidential Affidavit will also provide further information respecting the value of the Concordia Leasehold Lands. The Fifth Confidential Affidavit will be made available only to the Monitor and the Honourable Justice hearing the application. It is requested that the Fifth Confidential Affidavit be sealed and that the terms of the Loan Amount and information respecting the value of the Concordia Leasehold Lands not be disclosed without further Order of this Court. The Applicants make this request so that information respecting the Loan Amount, which is personal to the Concordia Congregation, is not disclosed in a public document.
18. The Concordia Congregation has proposed to make payment of the Loan Amount and to release of any claim that it may have respecting the Concordia Leasehold Lands. In exchange, the District will transfer the Concordia Leasehold Lands to the Concordia Congregation, and provide an assignment of the Lease. The foregoing transfer and assignment would be subject to the City of Edmonton approving the assignment of the Lease.

19. I am advised by representatives of the District that it is requesting the Court to approve the transfer of the Concordia Leasehold Lands and an assignment of the Lease upon the Concordia Congregation making payment of the Loan Amount, and upon the City of Edmonton approving the assignment of the Lease.

TRANSFER TO DEPOSITORS AFFECTED BY EFTs

20. I am advised by representatives of the District that in March 2014, the District decided not to receive new lump sum deposits to or establish new accounts in the CEF. Funds did continue to be withdrawn from some Depositors' accounts who had signed up for their deposits to be made by EFTs.
21. From March 1, 2014 to the date of the Initial Order, \$159,070 was deposited to CEF accounts through EFTs, which affects about 90 people.
22. I am advised by representatives of the District that it would be fair and equitable to those District Depositors for the funds that were transferred by EFTs to be paid back to those District Depositors. The District has funds available in order to make these payments.
23. I am advised by the Monitor that the Monitor and the District Creditors' Committee are supportive of these payments being made. I am advised by representatives of the District that it is requesting that the Court approve these payments to those District Depositors.

AMENDMENT TO ORDER

24. In the August Order, the Court authorized DIL to transfer up to the \$15 million (the "DIL Transfer Funds") to GWL, where new registered accounts will be established for the benefit of the DIL Depositors.
25. I have been advised by GWL, through its agent Yellow Raincoat, that due to technical difficulties with GWL's software system for the RRIFs and Life Income Funds ("LIFs"), it cannot accept transfers into the new RRIF and LIF accounts until January 2016. So that these affected DIL Depositors will be able to have access to their funds at the same time as the other DIL Depositors, it is in their best interests for their Individual Pro-Rata Share of the DIL Transfer Funds to be transferred to an alternative registered account of their choosing prior to December 31, 2015. Future payments to the DIL Depositors pursuant to the plan of compromise and arrangement which will be put forward by DIL will still be made through GWL due to logistics.



LAND TITLE CERTIFICATE

S
LINC 0010 692 135
SHORT LEGAL 8722543;C

THIS IS EXHIBIT "A"
referred to in the Affidavit of
Cameron Sherban
Sworn before me this 23
Day of October, A.D., 2015
[Signature]
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

TITLE NUMBER
872 273 865

LEGAL DESCRIPTION
PLAN 8722543
BLOCK C
EXCEPTING THEREOUT ALL MINES AND MINERALS

Ksena J. Court
Barrister & Solicitor

ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF EDMONTON

REGISTERED OWNER (S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
872 273 865	10/11/1987			NIL

OWNERS

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

(DATA UPDATED BY: CHANGE OF NAME 102126325)

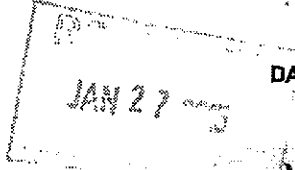
ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
872 273 855	10/11/1987	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF EDMONTON. "PART"
872 273 859	10/11/1987	EASEMENT "OVER BLOCK E"
872 273 863	10/11/1987	CAVEAT RE : EASEMENT CAVEATOR - THE CITY OF EDMONTON. OFFICE OF CITY SOLICITOR, CITY HALL, EDMONTON ALBERTA AGENT - DON J MANDERSCHIED

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).

 **THIS IS NOT
A TAX BILL**

 JAN 27

DATE OF MAILING: 26-JAN-2015

LUTHERAN CHURCH-CANADA THE ALBERTA/
BRITISH COLUMBIA DISTRICT,
7100 ADA BOULEVARD NW
EDMONTON AB T5B 4E4

**YOUR PROPERTY
IS ASSESSED AT
\$1,802,000**

This value is established by the City based
on local market conditions as of July 1, 2014.

2015 PROPERTY ASSESSMENT: AMENDED—ACCOUNT 3191905

ASSESSMENT DETAILS

Property Use 100% RELIGIOUS - OTHER (459) Religious Exempt From All Levies	Assessment Class	Status
		100%

THIS IS EXHIBIT "B"
referred to in the Affidavit of
Cameron Sherman
Sworn before me this *23*
Day of *October* A.D., 20 *15*
[Signature]
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

Ksena J. Court
Barrister & Solicitor

AMENDED ASSESSMENT SUMMARY

Remarks: Assessor Correction, Exemption Change
2015 Amended Assessment: \$1,802,000
2015 Previous Assessment: \$1,802,000
2015 Estimated Taxes: \$0
2014 Previous Taxes: \$970


These estimated taxes do not include 2015 budget increases. Refer to the back of this notice for more details.


PROPERTY DETAILS


Valuation Group
Special Purpose
Neighbourhood
Virginia Park
Account Owners
Lutheran Church-Canada The Alberta/British
Columbia District;

Property Type
Land And Improvement
Property Address
7100 Ada Boulevard NW
Legal Description
Plan:8722543 Block:C

School Support Declaration
Public 100%
Separate 0%
Undeclared 0%


Learn how assessment relates
to taxes and confirm assessment
details about your property.
Your Password: H2S26
edmonton.ca/assessment


Address concerns related to
your assessment or update
information about your property.
assessment@edmonton.ca
or call: **311 (780-442-5311)**


Learn more about the Assessment
Review Board complaint process or
file a formal complaint.
edmontonarb.ca
Deadline: 07-APR-2015 Fee: \$650

Are we addressing your assessment-related needs? Tell us about your experience.
edmonton.ca/assessment



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL
0014 301 832 7721180;8;19

THIS IS EXHIBIT "C"
referred to in the Affidavit of
Cameron Sherban
Sworn before me this 23
Day of October, 2015
[Signature]
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

TITLE NUMBER
862 134 252

LEGAL DESCRIPTION

PLAN 7721180
BLOCK 8
LOT 19
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.547 HECTARES (1.35 ACRES) MORE OR LESS

Ksena J. Court
Barrister & Solicitor

ESTATE: LEASEHOLD , FOR A TERM OF 050 YEARS
COMMENCING ON THE 01 DAY OF JULY , 1980

ATS REFERENCE: 4;24;51;35;N

MUNICIPALITY: CITY OF EDMONTON

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
862 134 252	27/06/1986	LEASE		\$450,000

OWNERS

THE LUTHERN CHURCH, MISSOURI SYNOD, ALBERTA AND BRITISH COLUMBIA DISTRICT.
OF C/O ROOM 35, 9912-106 ST
EDMONTON
ALBERTA

ENCUMBRANCES, LIENS & INTERESTS

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

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

772 104 708 08/06/1977 UTILITY RIGHT OF WAY
GRANTEE - THE CITY OF EDMONTON.
AS TO PORTION OR PLAN:7721182

TOTAL INSTRUMENTS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 9 DAY OF
OCTOBER, 2015 AT 04:22 P.M.

ORDER NUMBER: 29435101

CUSTOMER FILE NUMBER: 103007-003



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).

THIS IS EXHIBIT "D" referred to in the Affidavit of Cameron Sherban Sworn before me this 23 Day of October, 1960 A.D., 20 15
[Signature]
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

Ksena J. Court
Barrister & Solicitor.

DATED this day of A.D. 1960

BETWEEN:

THE CITY OF EDMONTON,
a Municipal Corporation,
(hereinafter called "the City"),

- and -

EDMONTON BIRLE WAY HOUSE,
a Society incorporated
under The Societies Act
of The Province of Alberta,
(hereinafter called "the Lessee"),

812607262

[Handwritten mark]

LEASE

File No. 12,317 DP

A. Kouys,
City Solicitor,
Law Dept.,
City of Edmonton,
8th Floor,
City Hall,
Edmonton, Alberta.
T5J 2R7

Jan 15 1961

[Handwritten signature]

THIS LEASE made the 10th day of July A.D. 1980.

BETWEEN:

THE CITY OF EDMONTON, a Municipal Corporation, (hereinafter called "the City").

- and -

EDMONTON BIRK WAY HOUSE, a Society incorporated under The Societies Act of The Province of Alberta, (hereinafter called "the Lessee").

12766-12721
Edm. Alta

1. Premises

In consideration of the payment of the rents and of the observance and performance of the stipulations, covenants and conditions hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed the City, being the registered owner of the following described lands, hereby leases and leases to the Lessee all the surface rights only in the following land situate in the Province of Alberta, namely:

Lot Nineteen (19), Block Eight (8), Plan 772-1180 (Mayokminia)

(hereinafter called "the demised land"),

and comprising One and Thirty-five Hundredths (1.35) acres, more or less, for the purpose of constructing and maintaining a church thereon.

2. (a) Term

To have and to hold the demised land for a term of Fifty (50) years from the first day of July, A.D. 1980 to be completed and ended on the 30th day of June, A.D. 2030, subject to sooner determination or to extension as hereinafter provided.

(b) General

- (i) Providing the Lessee duly and regularly pays the rents and performs all the covenants and provisions herein contained and maintains the demised land and improvements thereon in

good state of repair, the Lessee shall have the right to renew this lease by giving notice in writing to the City at least three (3) months prior to the expiration of the term, for a further period of ten (10) years subject to the terms and conditions herein except as to rent which shall be subject to negotiation at the time the Lessee by notice asks to renew this lease.

3. Rent

(a) Yielding and paying unto the City the following rent:

- (i) Fifty (50%) per cent of the lease fee of Eighty-one Thousand Dollars (\$81,000.00), being the sum of Forty Thousand, Five Hundred Dollars (\$40,500.00) upon the execution of this lease, receipt of which sum by the City is hereby acknowledged;
- (ii) Payment of the remainder of the lease fee shall be made through six (6) semi-annual payments of Six Thousand Seven Hundred and Fifty Dollars (\$6,750.00), together with interest on the outstanding balance of the remaining lease fee at the rate of Fifteen (15%) per cent per annum with the first semi-annual payment due and payable on the first day of January, A.D. 1981, provided that at any time the outstanding balance of the remaining lease fee may be prepaid to the City together with accrued interest to the date of such payment.

- (iii) In addition to the foregoing, the Lessee shall pay as rent on or before July 1st in each year until the Church is in use by the Lessee, a sum equal to the taxes levied on the demised land as if the same were subject to assessment and taxation.
- (iv) In addition to the foregoing, as additional rent, the Lessee shall pay to the City the amount of any local improvement charges assessed against the demised land through either a cash prepayment; or through payments amortized over a ten (10) year period at an interest rate of Fifteen (15%) per cent per annum and payable on the first day of July in each year of the period.
- (v) The Lessee will pay the rent reserved on the days herein specified at the office of the Real Estate and Housing Department of the City, without any deduction whatsoever.

4. Utilities

The Lessee will pay all water, electric light, telephone, sewer or gas rates levied or imposed in respect to the demised land.

5. Construction upon Demised Land

- (a) Within Six (6) months from the date of this lease, the Lessee shall commence construction of a church on the demised land, in substantial conformity with the plans and specifications hereto approved by the Development Officer of the City, and the Director of the Building Inspection Branch of the City Bylaw Enforcement Department. For the purpose of this sub-clause, "commence construction" shall mean

the completion of necessary excavation and the installation of footings.

- (b) In constructing the church, the Lessee shall comply with the provisions of the relevant City of Edmonton Zoning and Building Permit Bylaws, and with the provisions of The Alberta Uniform Building Standards Act and Regulations thereunder in effect at the time, and shall, not later than two (2) years from the date of the execution of this lease, have in the opinion of the City, acting reasonably, substantially completed the church in accordance with the plans and specifications approved by the City Development Officer and City Building Inspection Branch Director, unless the work is unavoidably delayed because of labour disputes, strikes, weather conditions or accidental disputes beyond the Lessee's control, of which the City shall be the sole judge.
- (c) After the foundations of the church have been installed, the Lessee will provide the City with a survey sketch prepared by an Alberta Land Surveyor showing the devised land properly staked together with the position of the church and appurtenances on the devised land and marking all relevant distances and dimensions which are required to determine whether City zoning and building requirements in respect to the location of the church have been complied with.
- (d) The Lessee will pay promptly all accounts and expenses incurred for labour performed upon and materials incorporated into the devised land as the same fall due, subject only to the provisions of The Builder's Lien Act of Alberta, and subject also to the provisions of Clause 7 of this lease.
- (e) In the event the church has not been substantially completed within the time, including extensions, provided for herein, the City may, subject to notice and the rights to be extended to any mortgages of which the City has notice, elect to declare this lease to be terminated and all rights and privileges granted hereunder shall be terminated and it shall be lawful for the City to enter upon

the devised land or any part thereof and to repossess the same as its former estate. In this event the City shall refund to the Lessee only those payments made by the Lessee pursuant to Clause 3 (a) (ii).

6. Discharge of Writs and Liens

The Lessee will immediately pay or discharge any writs of execution filed against the devised land for which it or its agents or employees are responsible, and also any Builder's Liens filed against the title to the devised land, provided that the Lessee may in good faith and by appropriate proceedings contest any charges registered against the devised land, provided it gives to the City, if requested, a full and sufficient guarantee in the form of a cash deposit equivalent to the claim, less any monies that the Lessee has paid into the Court of Queen's Bench. Should the Lessee fail to pay or discharge any writs, liens or charges registered against the title to the devised land and legal proceedings have been taken which successfully validate the said writs, charges or liens, the City may pay the said writs, charges or liens, secure the discharge thereof and require from the Lessee the immediate repayment of all sums paid by the City in securing such discharge.

7. Maintenance and Repair

The Lessee at its expense will at all times keep and maintain the devised land and improvements thereon in a good and substantial state of repair, and at its expense will manage, operate, maintain and keep the same in order, and in a tidy condition throughout; and at the expiration or sooner determination of this lease will yield up to the City quiet and peaceful possession of the devised land in a good and substantial state of repair, ordinary wear and tear and damage by fire, lightning, tempest and other unavoidable casualty excepted.

8. Inspection

- (a) The Lessee shall permit the agents of the City to enter upon the devised land at all reasonable times for the purpose of ascertaining that the provisions of this lease are being faithfully observed.

8. (b) The Lessee will at all times obey all orders, directions and requests made by municipal and other public authorities to carry out repairs, or affect changes to the demised land and improvements thereon in order that they will comply with fire, health, safety, zoning, building or any other requirement authorized by law.

(a) After written demand should the Lessee refuse or neglect to make repairs on the demised land, the City may make such repairs, and the City shall not be responsible for inconvenience or disturbance resulting therefrom. The Lessee shall pay, as additional rent, the cost of such repairs.

9. Church Use Only on Demised Land

(a) The Lessee will use the demised land solely for a church and will not permit to be done on the demised land anything which may render void or voidable any insurance policy or policies on the buildings on the demised land or anything which may be deemed a nuisance or which may be contrary to any Federal, Provincial or Municipal legislation or regulation.

(b) The Lessee shall not change the use of the demised land unless the prior written approval of the City has been obtained, and where necessary the appropriate land use and building approvals have also been obtained.

(c) The Lessee will not commit voluntary or permissive waste on the demised land.

10. Indemnification

The Lessee shall indemnify and save harmless the City from any liabilities, damages, claims, expenses or actions arising out of:

- (a) Any breach, violation or non-performance of any covenants, conditions or agreements in this lease set forth and contained on the part of the Lessee to be fulfilled, kept, observed and performed;
- (b) Any damage to property occasioned by the use and occupation of the demised premises or any part thereof;
- (c) Any injury to any person or persons, including death resulting at any time therefrom, occurring in or about the demised land;
- (d) Any damage to property belonging to the Lessee, or to employees, invitees, sublessees or licensees of the Lessee;

save and except liabilities, costs, damages, claims, expenses or actions arising from the negligent act or omission, or willful misconduct of the City, or agents with respect to which the City does hereby indemnify and save harmless the Lessee.

11. Insurance

At all times during the term of this lease, the Lessee shall keep the buildings and improvements on the demised land insured against loss or damage by fire, flood, explosion and other perils, and shall keep and maintain in force a public liability insurance policy, both policies in such form and amount as the City deems necessary.

12. Damage/Destruction of Premises

In the event that the church erected upon the demised land should be destroyed by fire or other calamity or by reason of any other occurrence become incapable of use as a church, then, unless the Lessee shall within sixty (60) days of the happening of any such event, give to the City written notice of its intention to rebuild, replace or reinstate the said building and actually carries such proposal through to completion in a manner and in such time as is satisfactory to the City, then the remaining term hereunder shall at the City's option be forfeited and determined and the City shall have the right to enter upon the demised land, and in any such case the insurance proceeds shall be distributed between the City and the Lessee.

the City's share to be determined in the following manner:

$$\frac{\text{Number of Years Elapsed in the Term}}{\text{Number of Years in the Lease}} \times \text{Total Insurance Proceeds}$$

provided that the City shall first be entitled to recover from the insurance proceeds any arrears in rent or other sums owing under this lease, and only the balance, if any, of the proceeds shall be distributed between the City and the Lessee as hereinbefore provided.

13. Branches and Remedies

(a) Insolvency of Lessee

If during the term of the lease any of the goods or chattels of the Lessee shall at any time be seized or taken in execution or attached by any creditor of the Lessee, or if the Lessee makes an assignment for the benefit of creditors, or becoming bankrupt or insolvent takes the benefit of any act that may be in force for bankrupt or insolvent debtors, or is the subject of an order winding up the Lessee, or the Lessee attempts to abandon or does abandon the demised land, then in every such case, any sums owing hereunder shall immediately become due and payable and the said term of the lease at the option of the City forthwith become forfeited and determined and the City may re-enter and take possession of the demised land as of its former estate.

(b) Non-payment of Rent

Whenever the rent hereby reserved shall be unpaid for forty-five (45) days after any of the days on which the rent should have been paid (although no formal demand shall have been made therefor) the City may terminate this lease and may re-enter and upon the demised land or any part thereof and repossess and enjoy as of its former estate, notwithstanding anything else contained to the contrary in this lease.

(c) Other Defaults

If the Lessee is at any time in default in the observance of any of its covenants contained in this lease agreement, other than the covenant requiring payment of rent, and if the City shall have served notice in writing upon the Lessee specifying the default and requiring the Lessee to rectify the same, and the Lessee fails to rectify the default within thirty (30) days after service of such notice, the City may in addition to any other remedy it may have cure the default itself at the Lessee's expense, and any sums expended or incurred by the City shall be deemed to be additional rent and shall on demand be forthwith paid by the Lessee, and if not so paid be treated in the same manner and be subject to the same remedies as non-payment of rent.

(d) Cumulative Remedies - Waiver

The remedies to which the City may resort under the terms of this lease are cumulative and are not intended to be exclusive of any other means of redress to which the City may lawfully be entitled in case of breach or threatened breach by the Lessee of any term or covenant of this lease. It is expressly agreed that any failure by the City to enforce either in part or in whole the rights and remedies available to it under this lease will not be deemed to be a waiver or acquiescence on the City's part, nor shall such failure preclude the City from enforcing such rights and remedies against the Lessee for any subsequent breach or non-observance.

14. Quiet Enjoyment

The City covenants that upon the Lessee performing and observing all the covenants and conditions herein contained to be performed and observed on its part, and upon the Lessee paying the rent hereby reserved the Lessee shall be entitled to quiet possession and enjoyment of the demised land without interference from the City or any person claiming through or by it.

15. Mortgagee's Rights

Upon demand by a Mortgagee or proposed Mortgagee of the leasehold interest granted hereunder, and upon written notice to the City of the date, amount secured, and repayment terms of the mortgage, and the address of the Mortgagee, the City shall enter into a form of leasehold mortgage agreement with the Mortgagee containing the standard provisions of such agreement, and without restricting the generality thereof, may include provisions that the lease shall not be terminated without notice to the Mortgagee and an opportunity given to it to rectify such default and also a provision that should foreclosure proceedings be brought, the landlord will at the request of the Mortgagee consent to the assignment of the lease pursuant to Court Order to a third party who will undertake to be bound by all the Lessee's covenants.

16. Assignment

- (a) The Lessee shall not assign or sublet all or any portion of the demised land without the prior consent in writing of the City.
- (b) Should the City decide to sell the demised land, the Lessee shall be given the first opportunity to enter into an Option to Purchase the demised land at a price to be subject to City Council approval. Should the demised land then be sold to the Lessee a sum calculated in the following manner shall be applied against the purchase price to the Lessee's credit:

Number of Years Lessee in Possession of Demised Land	x	40,500
50 years		

17. Notice

Any notice required to be given under this lease shall be in writing and may be delivered personally or by prepaid registered mail, and in the latter case, shall be deemed to have been given three (3) days following the date upon which it was mailed. The addresses for the parties

Murlew

→ 428 2831

for the purpose hereof shall be respectively:

The City: The Real Estate and Housing Department,
2nd Floor,
Centennial Building,
10015 - 103 Avenue,
Edmonton, Alberta. T5J 0M1

The Lessee: Edmonton Bible Way House,
11706 - 123rd Street,
Edmonton, Alberta. T5L 0J1

18. Arbitration

In the event of a dispute arising between the parties hereto as to the interpretation, application, operation or alleged breach of this lease or any of the covenants herein, such dispute shall be determined by arbitration in accordance with the Arbitration Act of Alberta.

19. Successors and Assigns

It is agreed that every proviso, covenant and agreement herein contained shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals duly attested to by their respective officers in that behalf the day and year first above written.

THE CITY OF EDMONTON

[Signature]
Mayor.

[Signature]
City Clerk.

EDMONTON BIBLE WAY HOUSE

[Signature]
[Signature]

APPROVED

As to form *[Signature]*

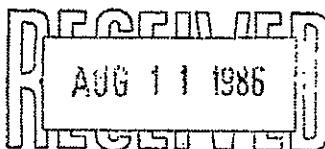
As to Content *[Signature]*
Head of Department

As to Principle *[Signature]*
City Commissioner



REAL ESTATE AND
SUPPLY SERVICES

5TH FLOOR, CENTENNIAL BUILDING
10015 - 103 AVENUE
EDMONTON, ALBERTA
T5J 0H1



August 8, 1986

REGISTERED

The Lutheran Church - Missouri Synod
Alberta and British Columbia District
35-9912-106 Street
Edmonton, Alberta
T5K 1C5

THIS IS EXHIBIT "E"
referred to in the Affidavit of
Cameron Sheehan
Sworn before me this *23*
Day of *October*, A.D., 20 *15*
K. Court
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

Ksena J. Court
Barrister & Solicitor

Dear Tenant:

Re: 35-9912-106 Street Edmonton, Alberta

We enclose herewith your executed copy of the Assignment of Lease covering the above mentioned property, to be retained for your records.

Sincerely,

RKL
R. K. Larson, Supervisor
Property Management Section
Civic Lands and Buildings Branch

RKL/1b

Encl.

THIS AGREEMENT MADE IN TRIPLICATE the 11th day of June, A.D. 1986.

BETWEEN:

EDMONTON BIBLE WAY HOUSE, of the City
of Edmonton, in the Province of Alberta

(hereinafter referred to as the "Assignor")

OF THE FIRST PART

- and -

THE LUTHERAN CHURCH - MISSOURI SYNOD,
ALBERTA AND BRITISH COLUMBIA DISTRICT,
of the City of Edmonton, in the
Province of Alberta

(hereinafter referred to as the "Assignee")

OF THE SECOND PART

ASSIGNMENT OF LEASE

WHEREAS pursuant to the terms of the Lease Agreement in writing made between the CITY OF EDMONTON, a Municipal Corporation, as Lessor, and the Assignor, a Society incorporated under the Societies Act of the Province of Alberta, as Lessee, dated the 10th day of July, 1980, the Lessor did lease to the Assignor all the surface rights only in the following leasehold land situate in the Province of Alberta, namely:

LOT NINETEEN (19)
BLOCK EIGHT (8)
PLAN 772-1180
CONTAINING 0.547 HECTARES AND COMPRISING (1.35 ACRES),
MORE OR LESS

EXCEPTING THEREOUT ALL MINES AND MINERALS

15,081

and consisting of Title Number 812007262 according to the terms of the Lease attached hereto and marked as Schedule "A".

AND WHEREAS the Assignor wishes to assign all its rights and responsibilities including the balance of the term of years under the said Lease Agreement and option to renew contained therein to the Assignee;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT:

1. In consideration of the sum of One (\$1.00) Dollar paid by the Assignee to the Assignor, the receipt of which is hereby acknowledged, the Assignor does hereby grant and assign to the Assignee all and singular the right, title, and interest of the Assignor in and unto the premises together with the residue unexpired of the term as granted in the Lease Agreement, and the right to any renewal thereof and all benefit and advantage to be derived therefrom to have and to hold unto the Assignee, subject to payment of the rent reserved under the Lease Agreement and observance and performance of all the Lessee's covenants and conditions in the said Lease Agreement;

2. The Assignor covenants with the Assignee that notwithstanding any act of the Assignor the said Lease is a valid and subsisting Lease Agreement and the Lessee's covenants and conditions therein have been duly observed and performed to the date hereof;

3. The Assignee hereby covenants and agrees to and with the Assignor that the Assignee shall and will indemnify and save harmless the Assignor from and against any and all claims, damages, actions and causes of action of any nature whatsoever which may arise

directly or indirectly out of or from the said Lease Agreement and of, from and against the observance and performance of the Lessee's covenants and agreements in the said Lease Agreement set forth;

THIS ASSIGNMENT shall enure to the benefit of the parties hereto, their executors, successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their corporate seals duly attested by the proper officers in that behalf the day and year first above written.

EDMONTON BIBLE WAY HOUSE

PER:

Jeff Dillbe
(c/s)

PER:

[Signature]

THE LUTHERAN CHURCH - MISSOURI
SYNOD, ALBERTA AND BRITISH
COLUMBIA DISTRICT

PER:

[Signature]
(c/s)

PER:

[Signature]

CONSENT TO ASSIGNMENT OF LEASE

THE CITY OF EDMONTON, a Municipal Corporation, the landlord of the premises known as all the surface rights only in the following leasehold land:

LOT NINETEEN (19)
BLOCK EIGHT (8)
PLAN 772-1180
CONTAINING 0.547 HECTARES AND COMPRISING (1.35 ACRES),
MORE OR LESS

EXCEPTING THEREOUT ALL MINES AND MINERALS

and leased to EDMONTON BIBLE WAY HOUSE by Lease dated the 10th day of July, A.D. 1980, which Lease contains a provision against assignment or subletting by the tenant without the landlord's consent thereto in writing, HEREBY CONSENTS to an assignment, in the form attached hereto, by EDMONTON BIBLE WAY HOUSE to THE LUTHERAN CHURCH - MISSOURI SYNOD, ALBERTA AND BRITISH COLUMBIA DISTRICT as of the 1st day of May, 1986, of the unexpired residue of the term of years granted by the said Lease. Save as aforesaid the covenant in the Lease against assignment and subletting without the landlord's written consent thereto shall remain in full force and effect.

The Landlord, for good and valuable consideration, hereby acknowledges that the said lease is in good standing and all rent required under subclauses 3 (a)(i) and 3 (a)(ii) thereof has been prepaid in full to the 30th day of June, 2030.

DATED the 30 day of June, 1986.

APPROVED

As to Form
As to Contents
City Solicitor
Head of Department

THE CITY OF EDMONTON

Per: _____ G. WEESE, GENERAL MANAGER
REAL ESTATE & SUPPLY SERVICES DEPT.
MAYOR
Per: _____
CITY CLERK

Executive Committee
Approval Date June 26, 1986

DATED THE 11th DAY OF JUNE, 1986

BETWEEN:

EDMONTON BIBLE WAY HOUSE, of the
City of Edmonton, in the Province of
Alberta

(hereinafter referred to as the
"Assignor")

OF THE FIRST PART

- AND -

THE LUTHERAN CHURCH - MISSOURI
SYNOD, ALBERTA AND BRITISH COLUMBIA
DISTRICT, of the City of Edmonton,
in the Province of Alberta

(hereinafter referred to as the
"Assignee")

OF THE SECOND PART

ASSIGNMENT OF LEASE

DUROCHER MACCAGNO
BARRISTERS AND SOLICITORS
SUITE 801, ESSO TOWER
10060 JASPER AVENUE
EDMONTON, ALBERTA
T5J 3R8

OUR FILE NO. 21,880CAW