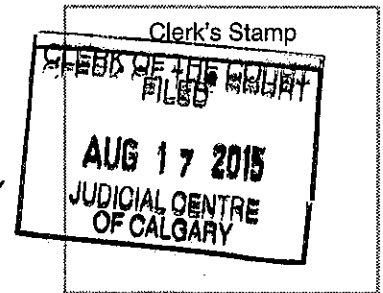


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



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 KURTIS ROBINSON
Sworn on August 17, 2015

I, KURTIS ROBINSON, of Airdrie, Alberta, SWEAR AND SAY THAT:

1. I am an Officer of the Applicants and I am authorized by all of the Applicants to depose this Affidavit and do so on their behalf. 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 sworn by myself and 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) granting an extension to the Stay Period in these proceedings under the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("CCAA") from the current expiry date of August 31, 2015 to October 30, 2015;
 - (b) adjourning the application to compel ARS Collection Agency of Canada Inc. operating as Fiserv and Fiserv Solutions, and any of its related corporations (collectively "Fiserv"), to permit the District and DIL to access, view and retrieve all records and information of the District and DIL that are in the possession or control of Fiserv, and to use any and all computer programs offered by Fiserv and currently used by the District or DIL in order to access, view and retrieve such records and information for the District and DIL *sine die*;
 - (c) seeking advice and direction with respect to the commissions payable on the Faith Lutheran School sale;
 - (d) authorizing Lutheran Church – Canada, The Alberta – British Columbia District Investments Ltd. ("DIL") to transfer funds from the DIL Depositors' current RRSP, RRIF, and TFSA accounts to new RRSP, RRIF, and TFSA accounts (collectively the "New Registered Accounts") to be established for the DIL Depositors with Great-West Life Assurance Company ("GWL");
 - (e) authorizing DIL to release personal information respecting the DIL Depositors to GWL and its agent Yellow Raincoat Benefit Consultants Inc. ("Yellow Raincoat")
 - (f) such further and other relief as this Honourable Court may allow.
4. I am advised by the Monitor that the Fifth Report of the Monitor will be finalized prior to the Application. I will review the Fifth Report of the Monitor and, if necessary, a supplemental Affidavit will be prepared to provide any additional information necessary in support of the within Application.

5. Since the date of the Initial Order, the Applicants have worked closely with the Monitor and have moved as quickly as circumstances have permitted to stabilize their operations, communicate with stakeholders, and put processes in place to further develop a viable restructuring plan to enable the Applicants to emerge from these proceedings.

COMMUNICATIONS WITH DEPOSITORS

6. The District has continued to post updates on the CCAA proceedings to its website at www.abcdistrict.ca. The District, in conjunction with the CRO, continues to answer calls and emails from Depositors and others who have questions about their accounts and the CCAA proceedings. On July 20, 2015, the CRO also sent out a communication to the Depositors with an update on the status of the CCAA proceedings.
7. The Monitor continues with its website which provides a current update of the Applicants' restructuring, as well as making available most of the filings and other related documents that the Applicants are using in these proceedings. The address of the Monitor's website is www.insolvencies.deloitte.ca.

STATUS OF RESTRUCTURING PLAN

8. The Restructuring Committee, the CRO, and the Monitor continue to meet on a weekly basis. A Plan of Compromise and Arrangement for the District (the "District Plan") is currently in draft form and has been provided to the District Creditors' Committee. The District Plan has been prepared in consultation with the Monitor and the CRO.
9. A Plan of Compromise and Arrangement for DIL (the "DIL Plan") is also currently in draft form and has been provided to the DIL Creditors' Committee. The DIL Plan has also been prepared in consultation with the Monitor and the CRO.
10. Separate Plans of Compromise and Arrangement for each of the other Applicants are in draft form and have been provided to the Monitor for comment. We have been provided with initial comments from the Monitor with respect to the Plan of Compromise and Arrangement for EMSS and which have been incorporated into the draft.
11. Portions of the District Plan are also dependent upon negotiations that are occurring between the DIL Creditors' Committee and the CEF Creditors' Committee to settle two outstanding issues. Once the Applicants have been advised as to the outcome of these

negotiations and have received further input from the Creditors' Committees, they will be in a position to finalize the plans.

12. The CRO continues to consult with several congregations that have mortgage financing or loans with the District and/or DIL. These congregations have been encouraged to find alternate financing.
13. It is expected that the Applicants will be in a position to apply for authorization to hold the meetings of creditors before the end of the next stay period.

CLAIMS PROCESS

14. The claims process was approved in the February 2015 Order. The Claims Bar Date was on April 20, 2015. The Monitor is responsible for administering the claims process. The Applicants assisted the Monitor in this process by providing the necessary statements and other information.
15. The Applicants understand that there are a few disputed claims that will need to be settled and that the Monitor is in the process of dealing with these disputed claims.

DISTRICT OFFICE MOVE

16. As of August 1, 2015, the District main office was moved to 7040 Ada Blvd, Edmonton, Alberta, T5B 4E3 (the "Seminary"). The District operations and the associated assets and records were moved to the Seminary but the assets relating to the Lutheran Historical Institute have not yet been moved (the "LHI Artifacts"). The costs involved for the District office to move are still being finalized. It is believed that most of this cost will relate to the transfer the LHI Artifacts, and the archival holdings and records..

RECORDS

17. The District and DIL use a banking system through Fiserv or its related corporations (collectively "Fiserv").
18. The District and DIL have the Depositors information, such as names, addresses, and claim balance, in a spreadsheet, but the transactional history for the Depositors accounts from 2008 to 2015 (the "Transactional History") is with Fiserv. The District and DIL do also have annual statements for the Depositors in PDF format.

19. With respect to Depositor records prior to 2008, the District and DIL have access to their older banking system on a limited basis.
20. Given the CCAA proceedings, the District and DIL feel that it is important to have continued access to the transactional histories of the Depositors.
21. The District and DIL have been in ongoing negotiations with Fiserv to have continued access to the current banking system and the Depositors records. An agreement in principal has recently been reached to facilitate permanent access to the Transactional History. The details of the agreement have yet to be finalized, but we believe that we can finalize the terms of the agreement in the next number of weeks.
22. The Monitor had also requested copies of records pertaining to the loans granted by the District and DIL respecting the Prince of Peace Development. Specifically, the Monitor requested the supporting invoices, and construction records.
23. In 1993, the District acquired the quarter section on which the Prince of Peace Development was built. Construction of the church and school in the Prince of Peace Development began shortly thereafter. Since acquiring the Prince of Peace Development in 2006, the ECHS and EMSS offices have moved approximately three times, and there have been numerous staff changes.
24. The Applicants have provided to the Monitor all records that have been located respecting the loans granted by the District and DIL for the Prince of Peace Development. The following steps have been taken to locate all material records relating to the loans:
 - (a) Staff have gone through boxes of documents that are located in storage at the Manor;
 - (b) Staff have gone through files at:
 - (g) the District office;
 - (ii) the ECHS office;
 - (iii) the EMSS office;
 - (iv) the EnCharis archive;

(v) Prince of Peace Church and School

(c) Inquiries have been made of some staff that were employed during the construction

(d) Inquires were made of contractors who worked on the project.

25. Through our inquires, we have been able to obtain some additional documents, but not all of the records can be located. Based upon the inquiries made thus far, it is likely that, before my move to Calgary to take over direct management of ECHS and EMSS, the records may have been destroyed by former staff members prior who may have believed that it was no longer necessary to keep the records as they were very old and the construction was completed. It is also possible that the records may have been lost or misplaced during one of the several moves made by ECHS. I do not believe that any records were destroyed in order to cover up or hide any information respecting the loans relating to the Prince of Peace development.
26. The Applicants will continue their efforts to locate these records and will provide them to the Monitor if they are located.

TRANSFER OF FUNDS TO DIL DEPOSITORS

27. As part of administering the accounts of the DIL Depositors, as of August 17, 2015, there is approximately \$18,404,314.94 held in cash and marketable securities. The DIL Depositors are the beneficial owners of these funds.
28. DIL would like to have up to \$15,000,000.00 of these funds transferred to the DIL Depositors. DIL will continue to hold the balance of these funds in order to complete the restructuring and to have available to finalize any settlement between the two Creditors' Committees should that be necessary. I am advised by the Monitor, that such transfer would be subject to the Office of the Superintendent of Bankruptcy's levy.
29. Great-West Life Assurance Company ("GWL") is prepared to act as a replacement fund manager for the DIL Depositors. New registered accounts, which would be the same type as the DIL Depositors' current registered accounts, would be set up with GWL, through its agent, Yellow Raincoat Benefit Consultants Inc. ("Yellow Raincoat"). Yellow Raincoat would contact the DIL Depositors and assist them in setting up the new registered accounts. In order to facilitate this process, DIL would provide the personal information of the DIL Depositors to Yellow Raincoat or GWL. DIL is seeking the

approval of the Court to release such personal information about the DIL Depositors that is requested by Yellow Raincoat or GWL in order to facilitate the transfer.

30. If the Court approves of this transfer, upon the GWL accounts being transferred, DIL would make a lump-sum transfer of the above amount to GWL. GWL would release the funds into the individual DIL Depositors' new registered accounts, on a pro-rata basis and also taking into account all of the required statutory minimum payments for RRIF holders and any Emergency Fund payments, once all of the required documentation is provided by the individual DIL Depositor.
31. Based upon approximately \$15,000,000 being transferred to GWL, it is our current understanding that GWL will complete all required Canada Revenue Agency paperwork, and there will be no additional charge associated with them doing so. GWL will charge the following fees:
 - (a) No set up or transfer fees;
 - (b) Withdrawal fee = \$50;
 - (c) Monthly administration fee – None, though, as with all RRSP/RRIF/TFSA accounts, some of the potential investment funds that may be chosen by the individual DIL Depositors when they set up their initial investments may have their own internal investment management fees, details of which we understand would be part of the disclosure material provided to the DIL Depositors at the time that they make those investment fund choices.
32. Once the funds are transferred to the individual DIL Depositors' new registered accounts, each DIL Depositor may proceed to deal with the funds as he or she chooses, which may include withdrawing the funds or transferring the funds to another institution.

REVELSTOKE PROPERTY

33. The District is the owner of the Revelstoke Property. It has entered into a purchase and sale agreement respecting these lands. A copy of the purchase and sale agreement respecting the Revelstoke Property will be provided in a Confidential Affidavit and made available only to the Monitor and the Honourable Justice hearing the application. It is requested that this 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.

34. The Revelstoke Property was listed for sale on December 8, 2014. The list price was based upon the recommendation of the listing realtor. Further particulars of the listing are provided in the Confidential Affidavit as mentioned above.
35. The District requests that the Court approve the above purchase and sale agreement.
36. The listing agreement for the Revelstoke Property was entered into on or about November 19, 2014. The District is requesting that the Court confirm that the listing realtor for the Revelstoke Property will be paid his commissions from the net sale proceeds in accordance with the listing agreement that was entered into by the District.
37. The Monitor and CRO are aware of the particulars of the above purchase and sale agreement.
38. It is proposed that the net sale proceeds from the sale of the Revelstoke Property 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.

UPDATE ON DIRECTORS' & OFFICERS' INSURANCE

39. The Applicants, through their general legal counsel, have continued to correspond with the insurer respecting the continuation of the Directors and Officers insurance coverage for the District. The insurer for the District advised on July 30, 2015 that it extended the coverage to August 31, 2015. Payment of the premium for this period in the amount of \$1,086.00 has been paid. Attached hereto and marked as **Exhibit "A"** is a copy of the Endorsement from the District's insurer dated July 30, 2015.
40. On July 27, 2015, the District was advised by the insurance broker that the insurer is prepared to continue to extend the insurance coverage until the CCAA proceedings are completed. Upon completion of the CCAA proceedings, the District will need to purchase a 12 month discovery policy to preserve coverage for any claims arising from the board of directors' past actions, and a new policy to cover the restructured organization.

41. Should the coverage not be further extended, the District can obtain run-off insurance under the policy which would continue in force with respect to claims up to August 1, 2015 for up to an additional year to permit the District to obtain replacement insurance.
42. The policy respecting ECHS and EMSS has been extended to April 1, 2016.

REPORT ON SALES

Chestermere Lands

43. On March 27, 2015, Justice Yamauchi authorized the sale of the lands that were owned by ECHS legally described as:

Meridian 4 Range 28 Township 24
Section 2
Portion of South West Quarter
Lying South of Right of Way RY331
Containing 40.9 Hectares (101 acres) more or less
Excepting thereout all mines and minerals
(the "Chestermere Lands").
44. The sale of the Chestermere Lands closed on June 19, 2015. Attached hereto and marked as **Exhibit "B"** is a copy of the Statement of Adjustments and Statement of Receipts and Disbursements.
45. As detailed in the Statement of Receipts and Disbursements at **Exhibit "B"**, Bishop & McKenzie LLP currently holds the net sale proceeds of \$7,898,866.47 in trust.
46. Paragraph 10 of the Approval and Vesting Order (Chestermere Lands) granted March 27, 2015 provided that the listing realtor and the realtor for the purchaser were to each be paid 1.5% commission from the purchase monies. These funds have been paid and are detailed in the Statement of Receipts and Disbursements at **Exhibit "B"**. Paragraph 10 also provided that an additional 1% commission was to be held in trust pending an agreement between the realtors and the Applicants as to its distribution or further Order of this Honourable Court.
47. The listing realtor and the realtor for the purchaser have agreed that the 1% commission held in trust can be released to the listing realtor, Norcal Realty and Management Corp. The Applicants have been asked to consent to the release as well and have sought comment from the Monitor with respect to this potential agreement. The Monitor has not

yet commented on this potential agreement. As detailed in the Statement of Receipts and Disbursements at **Exhibit "B"**, the balance of commissions remain held in trust.

Faith School Lands

48. On March 27, 2015, Justice Yamauchi authorized the sale of the lands that were owned by the District legally described as:

Plan 4592NY
Block 6
Lot 6
Excepting thereout all mines and minerals
Area: 1.63 hectares (4.03 acres) more or less
(the "Faith School Lands").

49. The sale of the Faith School Lands closed on June 30, 2015. Attached hereto and marked as **Exhibit "C"** is a copy of the Statement of Adjustments and the Statement of Funds Received and Disbursed.

50. Bishop & McKenzie LLP currently holds the net sale proceeds of \$3,595,645.54 in a trust account. Counsel who closed the transaction inadvertently wrote to the realtor releasing commissions. Half of those funds, approximately \$55,000.00, were paid to a third party realtor who represented the purchaser in the transaction. The balance of the funds were released to Mr. Harold Schmidt and his brokerage (the "Listing Realtor"), who was the listing realtor and who was a member of the District Board of Directors at the time the listing agreement.

51. Attached hereto and marked as **Exhibit "D"** is a copy of the summary prepared by the Listing Realtor of steps taken by him to market the property and the results of those efforts.

52. It had been intended that the question of commissions be dealt with at this application in any event. We are seeking advice and directions with respect to how to deal with the distribution of the commissions at this time.

223 Dayspring Bay

53. On March 27, 2015, Justice Yamauchi authorized the sale of the lands that were owned by ECHS legally described as:

Condominium Plan 9812469
Unit 25

And 71 undivided one ten thousandth shares in the common property
 Excepting thereout all mines and minerals
 (the "223 Dayspring Bay").

54. The sale of 223 Dayspring Bay closed on June 30, 2015. Attached hereto and marked as **Exhibit "E"** is a copy of the Statements of Adjustments and the Statements of Funds Received and Disbursed.
55. Bishop & McKenzie LLP currently holds the net sale proceeds of \$12,145.00 in trust.

Richmond Condo

56. On June 26, 2015, Justice Jeffrey authorized the sale of the lands that were owned by the District legally described as:

 Strata Lot 23 Section 27 Block 4 North Range 6 West
 New Westminster District Strata Plan NW49 together
 With an interest in the common property in proportion to the
 Unit entitlement of the strata lot as shown in Form 1
 (the "Richmond Condo").
57. The sale of the Richmond Condo closed on July 16, 2015. Attached hereto and marked as **Exhibit "F"** is a copy of the Statement of Adjustments and the Statement of Funds Received and Disbursed.
58. Bishop & McKenzie LLP currently holds the net sale proceeds of \$388,723.73 in trust.

FINANCIAL

59. The Applicants' cash flow reports (the "Cash Flows") are to be attached to the Monitor's Fifth Report. The Cash Flows have been prepared in consultation with the Monitor.

SUMMARY

60. I believe that the Applicants are working in good faith and with due diligence in these proceedings and believe it is within the best interests of the Applicants and their stakeholders to continue in these proceedings as outlined above.
61. The steps that the Applicants have taken since the Affidavit filed June 22, 2015 to further the development of the Plans of Compromise or Arrangement are as follows:

- (a) communicated with the Depositors, and the Applicants' other stakeholders regarding the CCAA process, plans that have been developed to date, and responded to other questions asked;
- (b) the Restructuring Committee met to discuss developing the restructuring plans, from both a financial and ministry perspective, and gathered information to consider how future operations should be conducted;
- (c) members of the Restructuring Committee, the CRO, and the Monitor met with the District Creditors' Committees to discuss various matters relating to the District Plan and with the DIL Creditors' Committee to discuss various matters relating to the DIL Plan;
- (d) the Restructuring Committee, in consultation with the Monitor and the CRO, developed a draft District Plan and a draft DIL Plan, which are currently under review by the CEF Creditors' Committee and the DIL Creditors' Committee, respectively;
- (e) the Restructuring Committee, in consultation with the Monitor and the CRO have begun preparing draft Plans of Compromise and Arrangement for EMSS, and ECHS;
- (f) cooperated with the Monitor and provided information necessary to proceed with the Claims Process;
- (g) communicated with congregations regarding Mission Remittances;
- (h) accounted for all Mission Remittances received and segregated 35% of the Mission Remittances received from congregations who have not directly sent funds to LCC;
- (i) the District Review Committee continued its review of the District's financial circumstances;
- (j) the CRO has consulted with and encouraged congregations to find alternate financing for their loans with the District and/or DIL;
- (k) closed the sale of the Richmond Condo, the Chestermere Lands, 223 Dayspring Bay, and the Faith School Lands;



ENCON Group Inc.
 500 - 1400 Blair Place
 Ottawa, Ontario K1J 9B8
 Telephone 613-786-2000
 Facsimile 613-786-2001
 Toll Free 800-267-6684
 www.encon.ca

Endorsement

Endorsement No.: 0014
 Standard Form: DONP41A
 Attached to and forming part
 of Policy Number: NP-428530

Policy Period Amendment

In consideration of an additional premium of \$1,086, it is agreed that Item 3 of the Declarations is amended to read as follows:

3. POLICY PERIOD: 01 January 2014 to 31 August 2015
 at 00:01 local time at the address
 shown above without tacit renewal

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.

Issued to: THE LUTHERAN CHURCH-CANADA,
 THE ALBERTA-BRITISH COLUMBIA DISTRICT
 and all other INSUREDS under this policy.

Effective Date: 01 August 2015, 00:01 local time

Executed and signed on behalf of the INSURERS by ENCON Group Inc., as duly authorized.

Dated: 30 July 2015

Jean F. Laurin, President
 Authorized Representative

THIS IS EXHIBIT "A" referred to in the Affidavit of
 Curtis Robinson
 Sworn before me this 17
 Day of August, 2015
 A COMMISSIONER FOR OATHS
 IN AND FOR THE PROVINCE OF ALBERTA

FRANCIS N.J. TAMAN
 BARRISTER & SOLICITOR

STATEMENT OF ADJUSTMENTS

VENDOR: Encharis Community Housing and Services
PURCHASER: City of Chestermere or Nominee
PROPERTY: 101 Acres more or less at W4M; R28; T24; S2 QSW
ADJUSTMENT AND POSSESSION DATE: June 19, 2015

	<u>Credit Purchaser</u>	<u>Credit Vendor</u>
Purchase Price		\$8,250,000.00
Tax adjustment for 2015 based on 2015 tax levy of \$143.92 x 170/365 = \$67.03 – 2015 property taxes to be paid by Vendor.	\$67.03	
CASH BALANCE DUE ON CLOSING:	\$8,249,932.97	
	<u>\$8,250,000.00</u>	<u>\$8,250,000.00</u>

NOTE: This Statement has been prepared based upon information provided to us and believed to be correct. However, its accuracy is not guaranteed. Any adjustments not contained in this Statement are to be made directly between the Vendor and the Purchaser.

Unless otherwise expressly provided in writing, the parties to the transaction shall adjust utilities account and the like services themselves.

The parties shall arrange for their own insurance or assignment of existing policy.

E. & O.E.

THIS IS EXHIBIT "B" referred to in the Affidavit of Kurtis Robinson
Sworn before me this 17 Day of August, A.D., 2015
[Signature]
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

FRANCIS N.J. TAMAN
BARRISTER & SOLICITOR

STATEMENT OF TRUST FUNDS RECEIVED AND DISBURSED

CLIENT: EnCharis Community Housing and Services

PROPERTY: Sale of SW-2-24-28-W4M, Chestermere, Alberta

Received from Brownlee LLP Cash to Close		\$ 8,249,932.97
Paid to Century 21 Power Realty 1.5% Commission & GST	\$ 129,937.50	
Paid to NorCal Realty & Mgmt Corp. 1.5% Commission & GST	\$ 129,937.50	
Bishop & McKenzie –Legal Fees andDisbursements	\$ 4,546.50	
Holdback – 1% Commission & GST per Order	\$ 86,625.00	
Balance of Funds	\$ 7,898,886.47	
Totals	\$ 8,249,932.97	\$ 8,249,932.97

BISHOP & MCKENZIE LLP
Barristers & Solicitors

E. & O. E.

STATEMENT OF ADJUSTMENTS

Vendor: Lutheran Church-Canada, The Alberta - British Columbia District
Purchaser: Beverly Heights Seniors Housing Ltd.
Property: 11515 36 Street, Edmonton
Brief Legal Description: 4592NY;6;6
Adjusted as of: June 30, 2015

	<u>Credit Purchaser</u>	<u>Credit Vendor</u>
<u>SALE PRICE</u>		\$3,700,000.00
<u>DEPOSIT</u>	\$250,000.00	
<u>REALTY TAXES</u>		
2015 total taxes:	30,112.39	
Vendor has paid:	30,112.39	
Vendor's share for 181 days:	14,932.45	
Credit Vendor:		15,179.94
<u>CASH TO CLOSE</u>	\$3,465,179.94	
	<u>\$3,715,179.94</u>	<u>\$3,715,179.94</u>

E. & O. E.

Any adjustments not contained in this statement are to be made directly between the Vendor and the Purchaser.

THIS IS EXHIBIT "C"
referred to in the Affidavit of
Kurtis Robinson
Sworn before me this 17
Day of August, 2015
COMMISSIONER
IN AND FOR THE PROVINCE OF ALBERTA

FRANCIS N.J. TAMAN
BARRISTER & SOLICITOR



1300 - 10020 101A Ave, Edmonton, Alberta T5J 3G2

Telephone: (780) 439-7171

Fax: (780) 439-0475

Email: banderson@prowsechowne.com

July 30, 2015

LUTHERAN CHURCH-CANADA,
THE ALBERTA - BRITISH COLUMBIA DISTRICT
7100 Ada Boulevard
Edmonton, Alberta T5B 4E4

Re: Your sale to Beverly Heights Seniors Housing Ltd.
11515 36 Street, Edmonton
4592NY;6;6
Our File No.: 64578

TRUST RECONCILIATION STATEMENT

	<u>PAID</u>	<u>RECEIVED</u>
Received from purchaser on closing - Beverly Heights Seniors Housing Ltd.		\$3,465,179.94
Received excess deposit from Real Estate Broker - Realty Executives North Star		133,450.00
Holdback for Property Taxes	\$30,112.39	
Paid legal fees and disbursements - Prowse Chowne LLP	2,984.40	
Paid to you following closing - Lutheran Church-Canada, The Alberta - British Columbia District	3,565,533.15	
	<u>\$3,598,629.94</u>	<u>\$3,598,629.94</u>


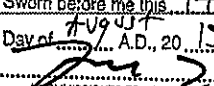
THIS IS OUR STATEMENT HEREIN

Prowse Chowne LLP


Baerach I. T. Anderson

BA:pk
E. & O. E.

- Listing – June 30, 2010 - \$3,475,000.
- Vacant Building & Land – Zoning: Urban Service(Institutional) + RF1(Res) + CSC (Commercial)
- Activity Good – Sept 16/10 – Remax – Pottage
 - Dec 7/10 – Remax – Cote
 - Sept. 14/10 – Remax Faxed - Parker
 - Jan 22/11 – All Nations Church Mtg
 - Feb 23/11 – Sable – Terrabain
- Major Inspection – Feb 11/11 (\$600,000+ Est Temporary Fix only)
- Decision – ABC District – March 15/11 - Demolish All Existing Buildings and structures in yard this year
- Offer – Downtown Islamic Association – March 17/11 - \$2,500,000.
 - A B C District – March 25/11 - \$3,150,000.
 - Downtown Islamic Assoc – Countered \$2,750,000.
 - A B C District – March 31/11 – Counter \$3,000,000.
 - Downtown Islamic Assoc – Counter \$2,850,000.
 - A B C Counter \$3,100,000 –
 - Downtown Islamic Assoc – April 9/11 - Counter final \$3,000,000.(Pending)
- Offer – Full Gospel All Nations – March 21/11 - \$2,000,000.
 - A B C District Counter Offer – March 25/11 - \$3,150,000.
 - Full Gospel – Not Proceeding
- Realty Exec. Polaris – Bostan – Back Up Offer – April 16/11 – Verbal only – Not accepted.
- Ranger Realty – Hyatt – Info re: Subdivision for 2 Acres – Not accepted by A B C District – Verbal
- Downtown Islamic Assoc – July 20/11 – Amended Offer to \$3,100,000 with inspection and showing to Church Group Sept.1/11.
- Downtown Islamic Assoc - No Condition Removal – Sept.28/11 – Deal Not Proceeding.
- Rob Jack – McMann Youth Assoc – Oct 19/11 -Info re: Building & Land needs for future – Price to high – not proceeding.
- A B C District – Demolition Start – Nov 1/11 – Total removal completed with inspection reports by D F Technical to A B C District.
- Realty Exec Polaris – Nord – Info future land only available soon – Nov 11/11
- New Listing – Dec. 23/11 - \$3,200,000. Due to clean site/no buildings etc (Vacant Land – As Is Condition)
- Parklane Homes – wants RF1 only – Residential – Re-zoning by Buyer? Price \$3,200,000. Verbal only @\$2,200,000 – Not in writing – no reply from A B C District.
- C-21 – Kalia – Jan 29/12 - Has Builder for RF1 only – Info shared. – Funding issue at current price.


 THIS IS EXHIBIT "D"
 referred to in the Affidavit of
 Kurtis S. Robinson
 Sworn before me this 17
 Day of August, A.D., 2015

 COMMISSIONER FOR CIVIL AND FAMILY JUSTICE
 IN AND FOR THE PROVINCE OF ALBERTA


- C D L – April 16/12 – Working with City – waiting approvals etc.
- A. Maser – July 16/12 – Investors Calgary/Vancouver – shared vacant info and price
- Derrick – June 15/12 – wants RF3 only – 2 acres only – Not option with A B C District
- C D L – July 18/12 – Status with City meetings re zoning changes.
- C D L – Aug 22/12 – Zoning RA 7 – With Seniors clause with Health related conditions talking with City for timing for 6 months & long possession – Wants Mtg – Agent to Agent
- Prism Developments – Zinick – Remax – Aug 24/12 – Offer options - Info for Rob Sanderson – Calgary – Verbal \$2,800,000 with list @ \$3,200,000 not accepted.
- C D L Homes – Greg C – Sept. 5/12 – Offer Mtg @ \$3,200,000 with conditions on Zoning + Sustainable Seniors Development to Mar. 8/13. A B C District approves re-zoning etc for this deal only as per C D L Homes and City discussions.
- C D L Homes – Nov 11/12 – Report to A B C District on status etc for community support and brochure advertising and proposed open house info in community.
- C D L Homes – Jan 15/13 – Open House for Neighborhood started in Community Hall
- C D L Homes – Jan 17/13 – Status report for A B C District – Possible delay for conditions due to issues with City re: roads and traffic pattern review, zoning, & neighborhood planning.
- C D L Homes – March 19/13 – City Edm mtg re; all aspects on site layout, and phased development due to timing etc. Delay conditions 60 days min, need extension in writing.
- C D L Homes – April 20/13 – Status info verbal with process in progress with City
- C D L Homes – April 29/13 - Status update from City – Delay conditions soon
- C D L Homes – May 3/13 – Extension from May 8 to July 8 for conditions due to timing with City Council
- C D L Homes – May 31/13 – Notice to A B C District regarding all C D L info going to Council June 17/13 for Zoning to R A 7 – Multi Family Low Rise, with “Supportive Community Provision”.
- C D L Homes – June 17/13 – City Council approval for R A 7 + S C P. Will need more time on conditions due to timing and development planning for new criteria.
- C D L Homes – July 5/13 – Amend conditions for funding and planning to Oct. 8/13
- A B C District – July 10/13 – Concern re grass maintenance and snow removal planning for future, verbal comments to C D L
- C D L Meeting - Sept. 25/13 – Greg, Lynne and A B C Agent, Harold; Reviewed C D L Partnership, Funding concerns and Condition Amendment needed to Nov.30/13 and Possession Amendment to confirm with Contract.
- C D L Homes – Oct. 8/13 – Amendments to Nov 29/13 for conditions
- C D L Homes – Nov. 18/13 – Meeting at C D L with Janice R from A B C District and Harold, together with Greg & Lynne from C D L; Reviewed future dates for Open House in neighborhood, need for Funding finalization for Partnership, the sign-up by future residents for 20 being the minimum number of rooms, and building needs and phased development for Area in NE Edm. C D L will not be able to proceed unless that criteria is met in advance of date amended.

- A B C District Mtg – Dec.6/13 – Instructed agent Harold to prepare New Listing.
- New Listing Info: Zoning now newly approved “RA 7” - Multi Family Low Rise Building With “Supportive Community Housing”, criteria for Health related Residence complex – Vacant property value has increased due to New Zoning with highest and best use for development. New Tax Assessment with City of Edmonton effective June 20/13, previous Zoning was Tax Exempt, with Urban Services and non-profit owners. New List Price is \$3,600,000.
- Bhullan contact – Dec. 18/13 – Wants RF 1 only – Single Family Res – not proceeding.
- Loris Realty – Luke – Dec. 18/13 – Info sent on new zoning etc. – no reply
- Seymore Pacific – Evan L – Dec. 19/13 – Updated zoning and details sent – no reply
- Broadstreet Properties Ltd, Vancouver – Jan. 15/14 – Wants RA 7 only, not Seniors And Health related – no reply
- City Edmonton – Jan. 20/14 – Sarah – Verify zoning etc on listing.
- Downtown Islamic – Kelly T – Jan. 20/14 – Status new zoning etc and price review
- Morbola, S – Feb. 1/14 – Wants RA 7 only – no reply
- City Edmonton Planning Dept Mtg – Feb. 05/14 – Harold – Reviewed Zoning and Supportive Community Housing and Neighborhood Overlay and Seniors impact – Any Zoning change would take min 4 months timing and Neighborhood circulation for acceptance. Updated Listing Feature Sheet to reflect New Zoning Details gained – Reported to A B C District – Feb. 6/14.
- Goebel, R – Remax – Feb. 10/14 – New zoning, status review in detail reviewed verbal only.
- All Seniors Care, Vancouver and Toronto – Feb. 14/14 – Contacted re possible interest – No interest at present time.
- Amica Mature Lifestyles – Feb. 21/14 – Sent info pkge details – No reply.
- Chartwell – Seniors Living – Feb. 21/14 – Sent info pkge details – No reply.
- Diversicare Seniors – Feb. 21/14 – Sent info pkge details – no reply.
- All Seniors Care – Feb. 21/14 – Sent updated info details – No reply
- A B C District – Janice R – Feb. 21/14 – Full info update on status on contacts and interest.
- Goebel, R – Remax – Mar. 10/14 – Update status on availability and new zoning – no reply.
- Downtown Islamic – Kelly T – Mar. 12/14 – Status on zoning with Supportive Community Housing criteria versus re-zoning options.
- Qualico Properties – Mar. 18/14 – Sent info on zoning and MLS info – Area and Neighborhood may not support financial costs to develop at present time – no reply
- C D L Homes – Lynne C – Mar. 21/14 – Info status and availability – verbal review.
- Amrit – April 7/14 – Wants trucking space – zoning not suitable.
- Tanner, C – Remax – April 11/14 – Sent full details on MLS and Zoning with Seniors, wants RA7 only, location review may not suit – No reply
- Mutchler, M – April 25/14 – Sent full details and MLS for possible client – No reply
- Derek S – Developer? May 29/14 – Sent MLS and zoning – Suitability? – No reply.

- Trikon Developments – June 22/14 – Sent MLS and zoning details – no reply.
- Downtown Islamic Assoc – July 7/14 – Follow up on A B C District to carry \$ etc. – Can't do!
- Habitat for Humanity – July 11/14 – Discussion re working with C D L Homes on joint venture and zoning details, further contact July 16/14 to clarify Seniors and Health info. No reply.
- C D L Homes – Lynne C – August 7/14 – Discussion on Habitat contact and need to wait for another year – No reply
- Martin Consultants, Calgary – Sept. 11/14 – Zoning and MLS review verbally.
- Dhaliwal – Oct. 6/14 – Info sent – No reply.
- C D L Homes – Greg C – Oct. 11/14 – Still looking and reviewing \$ funding – Search review info.
- Baragon – Nov. 4/14 – Info zoning etc discussed.
- Revolution Auto – Nov. 6/14 – Not suitable zoning or land size.
- Retirement Concepts, Vancouver – Nov. 6/14 – Dan Dibadj – Visit to site with Harold providing full details and reviewed, want for Health related Senior Living. Sent full details MLS, Zoning, Health related etc to Vancouver Head Office.
- Wetham, Erla – Realty Executives Polaris – Nov. 17/14 – Interested client for Land – Is good zoning and location reviewed on MLS and details with City.
- P P S L Offer – E. Wetham - Nov. 17/14 - Received and process reviewed verbally with A B C District, Janice and Harold. E. Wetham notified re: Multiple Offer status, Mtg Nov.20/14.
- Retirement Concepts Offer - Nov. 17/14 – Received and process reviewed verbally with A B C District, Janice and Harold. Retirement Concepts notified re: Multiple Offer status, Mtg Nov. 20/14.
- A B C District and Harold – Nov. 18/14 – Verbal review re: Multiple Offer situation and criteria for presentation Nov. 20/14 with Broker Involvement due to Harold representation.
- Broker Meeting- Harold & Gitzel – Nov. 19/14 – Multiple Offer status and review process etc for Nov. 20/14, due to representation.
- A B C District – Nov.20/14 – No changes rec'd on Offers. Processed 2 Offers with Broker Gitzel involved with process. Offer #1 chosen is P P S L; Offer #2 advised re: Back-up for Retirement Concepts. E. Wetham notified for P P S L in #1 position.
- E. Wetham – Polaris – Nov.20/14 – Info on Demolition, Land Rehab etc sent for details review.
- Shindel, B – Remax – Nov. 24/14 – Land status, Deal Pending notice.
- Sham – Wildrose Construction – Nov. 25/14 – Land status, R F 1 zoning wanted & Deal Pending.
- E. Wetham – Polaris – Nov.25/14 – P P S L Deposit \$ status review etc. with due date.
- A B C District, Janice R – Nov. 27/14 – Deposit \$ copy for file etc. and Contract copy delivered.
- Retirement Concepts – Nov.28/14 – Back Up process in place and details final Dec. 1/14. Contract copy to A B C District.
- E. Wetham – Polaris – Dec. 1/14 – Notified re: Back Up Offer in place and dates review requested for #1 Offer of P P S L to comply.
- Sukki – Remax – Dec. 15/14 – Land status, Deal Pending notice.
- Zruback, E – Remax – Jan. 1/15 – Land status, Deal Pending notice.

- Conditions date review, confirmed with E. Wetham, process proceeding.
- Shindle, Remax – Feb. 20/15 – Land status, Deal Pending notice.
 - A B C District – March 2/15 – Deal status for Government Approvals on support with Seniors Housing Zoning etc with buyer agent. E. Wetham confirmed announcements with Government scheduled for March 9/15.
 - A B C District – March 19/15 – Kurt, Janice and Harold Mtg re: Government Approval and timing etc with Conditions for April 30/15.
 - E. Wetham, Polaris – March 23/15 – Notice re: Government approval to proceed with development for P P S L, received by Buyer and agent March 19/15.
 - E. Wetham, Polaris – April 14/15 – Notified re: P P S L will be ready to remove conditions on time etc, however Government final Mtg with Buyer set for April 20/15. Harold notified verbally to A B C District, that this is just verbal from agent, will need in writing with second deposit to proceed, as of April 30/15, if final approval on April 20/15 from Government.
 - E. Wetham, Polaris – April 23/15 – Verbal notice that buyer meeting with Government was positive. Removal status in process, Condition form sent for signing and returning prior to April 30/15. Verbal notice to A B C District, Janice re above process started.
 - E. Wetham, Polaris – April 27/15 – Request Banking info for direct deposit etc with condition removal to follow. Info sent and confirmed.
 - E. Wetham, Polaris – April 30/15 – Direct deposit not possible from Vancouver to Edmonton, Bank Draft in process. Signed Condition form dated April 29/15 sent this date via email, with copy of Draft dated April 30/15 sent via email, to Harold @ Realty Executives NorthStar, Edmonton. Conditions removal form received via email is deemed accepted. Second deposit courier in process, received copy of Courier document.
 - May 1/15, Courier info received at Realty Executives NorthStar, Edmonton, containing second deposit to confirm deal completed, and property deemed sold. E. Wetham, Polaris, notified that deal completed as items received as required.
 - A B C District – May 1/15 – Notified that Conditions removed and second deposit received, copies sent to Janice R.
 - E. Wetham – May 1/15 – Harold requested all Buyer's Legal details for closing to be sent asap for conveyance to commence. Seller's legal info emailed to E. Wetham for Buyer's file.
 - May 1/15 – Harold notified Dan D @ Retirement Concepts that first offer was finalized and that all conditions were met and that their back-up offer will not proceed, and further that the property is now deemed sold.
 - Realty Executives NorthStar, Edmonton is responsible for Conveyance process and completion of deal with respective Legal representatives for both the Buyer and Seller. That process includes the approval and distribution of the respective Commissions payable as per Contract.

Respectively submitted to confirm transaction details for the sale of the A B C District Land as identified.


Harold C Schmidt, CRES, Associate Broker, Realty Executives Northstar, Edmonton, AB

STATEMENT OF ADJUSTMENTS

LANDLORD: ENCHARIS COMMUNITY HOUSING AND SERVICES
 LIFE RESIDENT: Donna Christensen and Harold Becker
 PROPERTY: CONDOMINIUM PLAN 9812469, UNIT 25
 223 Dayspring Bay, Calgary, Alberta T1X 1G3
 ADJUSTMENT AND POSSESSION DATE: June 30th, 2015

	<u>Credit Landlord (Purchaser)</u>	<u>Credit Life Resident (Vendor)</u>
Purchase Price		\$384,900.00
Surrender Fee 5% of Purchase Price	\$19,245.00	
Tax Adjustment - 2015 Property Taxes of \$1,864.90 x 181/365 = \$924.79		\$32.46
Vendor has paid	<u>\$957.25</u>	
Credit Vendor	\$ 32.46	
Condo Fees Adjustment for August of \$398.01 x 1/30 – paid by vendor		\$13.27
 CASH BALANCE DUE ON CLOSING TO LIFE RESIDENT	 \$365,700.73	
	<hr/> <u>\$384,945.73</u>	<hr/> <u>\$384,945.73</u>

NOTE: This Statement has been prepared based upon information provided to us and believed to be correct. However, its accuracy is not guaranteed. Any adjustments not contained in this Statement are to be made directly between the Landlord and the Life Resident.

Unless otherwise expressly provided in writing, the parties to the transaction shall adjust utilities account and the like services themselves.

The parties shall arrange for their own insurance or assignment of existing policy.

E. & O.E.

0.*

384,900.00+
 32.46+
 13.27+
 19,245.00-
 365,700.73*

TRUST ACCOUNT SUMMARY

CLIENT: EnCharis Community Housing and Services

PROPERTY: Surrender of Life Lease and Sale of 223 Dayspring Bay,
Calgary, Alberta T1X 1N8 to Scott

Received from Randal Jarvis Law Office – on behalf of Scott File 35,410-229		\$380,187.18
Received Deposit		\$ 5,000.00
To Encharis 5% of purchase price of \$384,900.00 = \$19,245.00 plus \$241.45 for Condo Documents	\$19,486.45	
To Felker-Dunbar Law on behalf of Surrenderer - Christensen/Becker	\$365,700.73	
Totals	\$385,187.18	\$385,187.18

BISHOP & MCKENZIE LLP
Barristers & Solicitors

E. & O. E.

TRUST ACCOUNT SUMMARY

CLIENT: EnCharis Community Housing and Services

PROPERTY: Surrender of Lease of 223 Dayspring Bay, Calgary, Alberta T1X 1G
Christensen/Becker
And Sale to Purchaser - Scott

Received Surrender Fee 5% of (Purchase Price) \$384,900.00 = \$19,245.00		\$19,245.00
Received Fees for Condominium Documentation		\$241.45
To Bishop & McKenzie LLP -- Heldback for Account on File 35,410-229 Sale to Purchaser - Scott	\$900.00	
To Bishop & McKenzie LLP -- Heldback for Account on File 35,410- 230 Surrender of Lease -- Christensen/Becker	\$700.00	
To EnCharis Community Housing & Services	\$5,741.45	
Transfer to EnCharis Restructuring File 103,007-003	\$12,145.00	
Totals	\$19,486.45	\$19,486.45

BISHOP & MCKENZIE LLP
Barristers & Solicitors

E. & O. E.

0.*

19,245.00+
241.45+
900.00-
700.00-
5,741.45-
12,145.00-
0.00*

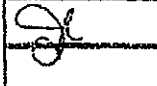
Chan Yue & Lee
Barristers & Solicitors - Notaries Public
SELLERS' STATEMENT OF ADJUSTMENTS

Seller: Lutheran Church-Canada, The Alberta-British Columbia District,
3041A
Buyer: Phillip Yan and
Annie Wai Man Lam
Civic: 23 - 9280 Glenallan Drive, Richmond, B.C., V7A 2S8
Legal(s): Strata Lot 23 Section 27 Block 4 North Range 6 West NWD Strata Plan
NW49
File Ref. No: 23718
Completion Date: July 14, 2015
Adjustment Date: July 16, 2015
Possession Date: July 16, 2015

	Debit	Credit
By: Sale Price	-	\$405,000.00
To: Commission owing to Re/Max Westcoast (including GST of \$731.25), payable on completion of transaction	\$15,356.25	-
By: Purchasers' Portion of 2015 Property Taxes paid by Vendor: Gross Taxes: \$1,693.06; Credit Vendor Jul 16 to Dec 31. 169/365 x \$1,693.06	-	\$783.91
By: Purchasers' Portion of 2015 discounter Utilities paid by Vendor. Credit Vendor Jul 16 to Dec 31. 169/365 x \$1,115.95	-	\$516.70
To: Holdback pending confirmation of payment by Seller of July 2015 strata fees \$319.80 + \$30.00 NSF charges	\$349.80	-
By: July 2015 strata fees paid by Seller \$319.80; Buyers' share - 16/31 days	-	\$170.56
To: Balance due on completion, payable to Lindsay Kenney LLP In Trust	\$390,765.12	-
Totals:	<u>\$406,471.17</u>	<u>\$406,471.17</u>

See next page attached hereto and forming a part of this Statement of Adjustments.

Initials



THIS IS EXHIBIT " F " referred to in the Affidavit of
Kurtis Robinson
Sworn before me this 17
Day of August, A.D., 2015
[Signature]
COMMISSIONER FOR
IN AND FOR THE PROVINCE OF ALBERTA

FRANCIS N.J. TAMAN
BARRISTER & SOLICITOR

E. & O.E.

Lindsay Kenney LLP
1800 – 401 West Georgia Street,
Vancouver, BC V5B 5A1

STATEMENT OF FUNDS RECEIVED AND DISBURSED

Date: July 28, 2015
Re: Sale of 23-9280 Glenallan Drive, Richmond, BC V7A 2S8 legally described Strata Lot 23 Section 27 Block 4 North Range 6 West NWD Strata Plan 9 (the "Property") from LUTHERAN CHURCH-CANADA, THE ALBERTA-BRITISH COLUMBIA DISTRICT (the "Seller") to PHILIP YAN and ANNIE WAI LAM (the "Buyers")
Our file: 20150451

	DEBIT	CREDIT
Net sale proceeds received from sale of 23-9280 Glenallan Drive, Richmond		\$390,765.12
To Lindsay Kenney LLP – on account of legal fees, disbursements and applicable taxes	\$2,041.39	
PAID to Bishop McKenzie LLP, in trust – net proceeds from sale and purchase	\$388,723.73	
Total	\$390,765.12	\$390,765.12

LINDSAY KENNEY LLP
E. & O.E.