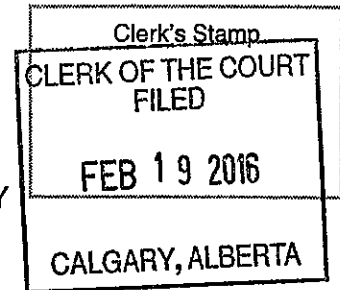


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



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

APPLICATION BY THE APPLICANTS

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: 403-263-3423

File: 103,007-003

NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

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

Date: MONDAY, FEBRUARY 29, 2016 – Commercial List
Time: 2:00 PM
Where: Calgary Courts Centre, 601 - 5th Street SW, Calgary, Alberta
Before Whom: The Honourable Justice B.E.C. Romaine in Chambers

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

Remedy claimed or sought:

1. An Order substantially in the form attached as **Schedule "A"**:
 - (a) declaring service of notice of this application and the supporting materials to be good and sufficient, and shortening the time for service, if necessary;
 - (b) sanctioning the Amended Amended Plan of Compromise and Arrangement of Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. ("DIL"), filed January 11, 2016 (the "DIL Plan");
2. such further and other relief as this Honourable Court may allow.

Grounds for making this application:

3. On January 11, 2016 the DIL Plan was filed for DIL.
4. Notices of a meeting of the Affected Creditors of DIL (the "Creditors' Meeting") were provided to Affected Creditors of DIL in accordance with the Meeting Order granted November 30, 2015.
5. The Creditors' Meeting of DIL was held on January 23, 2016 and the requisite majority of the Eligible Affected Creditors voted in favour of the DIL Plan.
6. The DIL Plan was filed with the intention of providing the greatest possible recovery for the Affected Creditors. If the Plan is sanctioned by this Honourable Court, DIL anticipates implementing the Plan upon all conditions precedent having been met.
7. Throughout these proceedings, there has been strict compliance with all statutory requirements and adherence to all previous Orders of this Honourable Court. The Applicants are not aware of any actions taken in these proceedings that were not authorized by the CCAA or that are in contravention of any Court Orders.
8. The Applicants continue to work closely with the Monitor and stakeholders. The Applicants have acted and continue to act in good faith and with diligence with respect to these CCAA proceedings.
9. The DIL Plan is fair and reasonable in the circumstances for the following reasons:
 - (a) Affected Creditors of DIL were classified into one class and are treated the same. The DIL Plan contemplates that new registered accounts will be set up for the

DIL Depositors and administered by the Replacement Fund Manager, which is Great-West Life Assurance Company. The establishment of the new registered accounts received Court approval by Order granted on November 5, 2015. The assets administered by DIL will be transferred to these new registered accounts.

- (b) The Monitor is supportive of the DIL Plan.
 - (c) The DIL Plan has been approved by the requisite majority of the Affected Creditors of DIL.
 - (d) The approval of the DIL Plan is in the public interest.
- 10. The Applicants continue to work closely with the Monitor and the Monitor approves of the proposed relief and supports this application.
 - 11. The Applicants are working in good faith and with due diligence in these proceedings and believe it is within the best interest of the Applicants and all stakeholders to continue in these proceedings as outlined above.

Material or evidence to be relied on:

- 12. Affidavit of Cameron Sherban sworn February 18, 2016;
- 13. Monitor's Ninth, Tenth and Twelfth Reports;
- 14. the pleadings and other materials filed herein; and
- 15. such other and further material as counsel may advise and this Honourable Court may permit.

Applicable rules:

Part 6 Division 1, Rule 13.5, Part 6 Division 4

Applicable Acts and regulations:

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

Any irregularity complained of or objection relied on:

None

How the application is proposed to be heard or considered:

In person

WARNING

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

A person may make an application for an order restricting publication only if a judge has authority to make such an order under an enactment or at common law.

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 SERVICE LIST

SERVICE RECIPIENT	EMAIL ADDRESS	PHONE/FAX	RECIPIENT STATUS
Deloitte Restructuring Inc. Attn: Jeff Keeble and Vanessa Allen 700-850-2 nd Street SW Calgary, AB T2P 3K4	jkeeble@deloitte.ca ; vanallen@deloitte.ca	PH: 403-267-1777 FX: 403-718-3681	Monitor
Gowling LaFleur Henderson LLP Attn: Jeffrey Oliver 1600-421-7 th Avenue SW Calgary, AB T2P 4K9	Jeffrey.oliver@gowlings.com	PH: 403-298-1000 FX: 403-263-9193	Counsel to Monitor
LCC Worker Benefits (pension plan) Janice Otto 503, 1780 Wellington Ave Winnipeg, MB R3H 1B3	LCCBenefits@element.ca	PH: 1-800-588-4226	Creditor NOTE – NOT SERVED AS PER REQUEST RECEIVED FROM LCC WORKER BENEFITS JULY 9, 2015

<p>McMillan Binch</p> <p>Attn: Adam Maerov and Marc-Elie Scott 1700-421-7 Ave SW Calgary, AB T2P 4K9</p>	<p>adam.maerov@mcmillan.ca; marc-elie.scott@mcmillan.ca</p>	<p>PH: 403-215-2752 FX: 403-531-4720</p>	<p>Counsel for Lutheran Church - Canada</p>
<p>Concentra Trust</p> <p>Attn: Dean Hutchison 1600-520-3rd Avenue SW Calgary, AB T2P 0R3</p>	<p>dhutchison@mlt.com</p>	<p>PH: 403-693-4305 FX: 403-508-4349</p>	<p>Counsel for Concentra Trust which is a secured creditor</p>
<p>Alberta Health Services</p> <p>Attn: Jill Curtis 10301 Southport Road SW Calgary, AB T2W 1S7</p>	<p>jill.curtis@albertahealthservices.ca;</p>		<p>Counsel for Alberta Health Services who is a contingent creditor</p>
<p>CEF Depositors</p> <p>Notice of Monitor's website address mailed by regular mail to last known address January 26, 2015 per Affidavit of Mailing filed February 4, 2015</p>			<p>Creditors of the District</p>
<p>CEF Creditors Committee</p> <p>Attn: Christopher Simard Bennett Jones 4500-855-2 Street SW Calgary, AB T2P 4K7</p>	<p>simardc@bennettjones.com</p>	<p>PH: 403-298-4485 FX: 403-265-7219</p>	<p>Counsel for CEF Creditors' Committee</p>
<p>Office of the Public Trustee</p> <p>Attn: Janice Elmquist Suite 900 444-7 Avenue SW Calgary, AB T2P 0X8</p>	<p>Janice.elmquist@gov.ab.ca</p>	<p>PH: 403-297-6541 FX: 403-297-2823</p>	<p>Representative of Minor CEF depositors</p>
<p>Borden Ladner Gervais LLP</p> <p>Attn: Robyn Gurofsky 1900-520-3rd Ave SW Calgary, AB T2P 0R3</p>	<p>rgurofsky@blg.com</p>	<p>PH: 403-232-9774 FX: 403-266-1395</p>	<p>Counsel for Vic Fisher and Elfie Fisher</p>
<p>Allan Garber Professional Corporation</p> <p>Attn: Allan A. Garber 108,17707-105 Avenue</p>	<p>allan@garberlaw.ca</p>	<p>PH: 587-400-9311 FX: 587-400-9313</p>	<p>Counsel for Sharon Sherman</p>

Edmonton, AB T5S 1T1			
DIL Depositors Notice of Monitor's website address mailed by regular mail to last known address January 26, 2015 per Affidavit of Mailing filed February 4, 2015			Account holders in DIL
DIL Creditors Committee Attn: Doug Nishimura Field LLP 400-604-1 st Street SW Calgary, AB T2P 1M7	dnishimura@fieldlaw.com	PH: 403-260-8500 FX: 403-264-7084	Counsel for DIL Creditors' Committee
McLeod Law LLP Attn: Brett Turnquist 300-14505 Bannister Road SE, Calgary, AB T2X 3J3	bturnquist@mcleod-law.com	PH: 403-873-3728 FX: 403-271-1769	Counsel for the Estate of Eileen Burton (former Village resident)
Bank of Montreal 10199-101 Street, Edmonton, AB T5J 3Y4			Secured creditor at PPR against ECHS, EMSS, and District
IOS Financial Services 2300 Meadowvale Blvd, Suite 200, Mississauga, ON L5N 5P9			Secured creditor at PPR against ECHS
Xerox Canada Ltd. 33 Bloor St. E. 3 rd Floor, Toronto, ON M4W 3H1			Secured creditor at PPR against EMSS
National Leasing Group Inc. 1525 Buffalo Place, Winnipeg, MB R3T 1L9			Secured creditor at PPR against EMSS

<p>Alberta Securities Commission</p> <p>Attn: Vi Pickering/Edward Asare-Quansah 600-250-5th Street SW Calgary, AB T2P 0R4</p>	<p>Edward.Asare-Quansah@asc.ca; Vi.Pickering@asc.ca</p>	<p>PH: 403-355-3889 FX: 403-297-2210</p>	
<p>ARS Collection Agency of Canada Inc. operating as Fiserv</p> <p>Attn: Scott H. Stephens Owen Bird Law Corporation Bentall 3, Suite 2900 595 Burrard Street PO Box 49130 Vancouver, BC V7X 1J5</p>	<p>sstephens@owenbird.com</p>	<p>PH: 604-691-7521 FX: 604-632-4447</p>	<p>Counsel for banking software provider</p>
<p>Attn: Errin Poyner Sugden, McFee & Roos LLP 700-375 Water Street Vancouver, BC V6B 5C6 and Attn: Kibben Jackson Fasken Martineau 2900-550 Burrard Street Vancouver, BC V6C 0A3</p>	<p>epoyner@smrlaw.ca kjackson@fasken.com</p>	<p>Ms. Poyner: PH: 604-687-7700 FX: 604-687-5596 Mr. Jackson: PH: 604-631-4786 FX: 604-632-4786</p>	<p>Counsel for group of Depositors</p>
<p>Encon Group Inc. c/o Marsh Canada Limited Attn: Michael Johnson 10180-101 Street NW, Suite 680 Edmonton, AB T5J 3S4</p>	<p>Michael.johnson@marsh.com</p>	<p>PH: 780-917-4852 FX: 780-429-1422</p>	<p>D&O Insurer for the District and DIL</p>
<p>Northbridge General Insurance Corporation c/o Westland Insurance Brokers Ltd. Attn: Ross Bucsis 24-8180 Macleod Trail SE Calgary, AB T2H 2B8</p>	<p>rbucsis@westlandinsurance.ca</p>	<p>PH: 403-640-0264 (x107) FX: 1-866-422-7990</p>	<p>D&O Insurer for ECHS and EMSS</p>

SCHEDULE "A"

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

Clerk's Stamp

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

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

DOCUMENT **ORDER (DIL Sanction Order)**

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: 403-263-3423

File No.: 103,007-003

DATE ON WHICH ORDER WAS PRONOUNCED: MONDAY, FEBRUARY 29, 2016
LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE B.E.C. ROMAINE

UPON THE APPLICATION of Lutheran Church – Canada, the Alberta – British Columbia District (the "District"), EnCharis Community Housing and Services ("DIL"), EnCharis Management and Support Services ("EMSS"), and Lutheran Church – Canada, the Alberta –

British Columbia District Investments Ltd. ("DIL") (collectively the "Applicants") for an Order sanctioning the Amended Amended Plan of Compromise and Arrangement of DIL filed January 11, 2016 (the "DIL Plan"); **AND UPON HAVING READ** the Application, and the Affidavit of Cameron Sherban; **AND UPON READING** the Reports of the Monitor; **AND UPON HEARING** counsel for the Applicants, counsel for the Monitor, and other interested parties; **AND UPON** this Honourable Court determining that the DIL Plan has the required support of the Affected Creditors, provides them with a more favourable recovery than they would otherwise receive and should be sanctioned; **AND UPON** having considered and being satisfied as to the fairness and reasonableness of the DIL Plan both substantively and procedurally, and the appropriateness of the transactions contemplated thereby and therein and in this DIL Sanction Order;

IT IS HEREBY ORDERED AND DECLARED THAT:

INTERPRETATION AND SERVICE

1. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the DIL Plan.
2. Service of notice of the application for this Order, and all supporting materials, as set out in the Affidavit of Charlene Everett respecting the Application filed February 19, 2016 is good and sufficient, and the time for notice hereof is shortened to the time actually given.
3. The dissemination of the DIL Plan and all accompanying materials to the Affected Creditors has been duly effected as described in the Affidavit of Service filed January 18, 2016 and in the Twelfth Report of the Monitor, and:
 - (a) service and delivery of the Meeting Order and all documents referred to therein is deemed good and sufficient and the time therefore is shortened to the time actually given;
 - (b) proper notice of the Creditors' Meeting was duly given to all Creditors entitled to vote at the Creditors' Meeting; and
 - (c) the Creditors' Meeting was duly convened and held, all in conformity with the CCAA and the Orders of this Honourable Court made in these proceedings.

SANCTION OF THE PLAN

4. The classification of creditors of DIL for the purposes of voting to approve the DIL Plan was fair and reasonable.
5. The DIL Plan has been agreed to and approved by the requisite majority of the Eligible Affected Creditors, achieving the Required Majority.
6. DIL has complied with the provisions of the CCAA and the Orders of this Honourable Court in these proceedings in all respects.
7. DIL has acted in good faith and with due diligence and the DIL Plan and all the terms and conditions of, and matters, transactions, corporate reorganizations and proceedings contemplated by the DIL Plan are fair, reasonable, not oppressive and are in the best interests of the Applicants and the Persons affected by the DIL Plan.
8. The DIL Plan is hereby finally and absolutely sanctioned and approved pursuant to the provisions of the CCAA and all terms, conditions, compromises and releases set forth in the DIL Plan are binding and effective on all Persons affected by the DIL Plan.

PLAN IMPLEMENTATION

9. DIL, the Monitor, and the CRO are hereby authorized and directed to take all actions necessary or appropriate, in accordance with the terms of the DIL Plan, to enter into, adopt, execute, deliver, implement and consummate the contracts, instruments, releases, all other agreements or documents to be created or which are to come into effect in connection with the DIL Plan and all matters contemplated under the DIL Plan involving corporate action of DIL and such actions are hereby approved and will occur and be effective as of the Effective Date in accordance with the DIL Plan, in all respects and for all purposes without any requirement of further action by directors or officers of DIL. Further, to the extent not previously given, all necessary approvals to take such actions shall be and are hereby deemed to have been obtained from the directors of DIL, including the deemed passing of any resolution or special resolution.
10. Upon the filing with the Court of the Monitor's Certificate in accordance with Article 7.3 of the DIL Plan, substantially in the form attached hereto as **Schedule "1"**, stating that the DIL Plan Completion Date has occurred, the DIL Plan and all associated steps, compromises,

transactions, conveyances, assignments, arrangements, releases and reorganizations shall be deemed implemented in accordance with their terms, and the Monitor shall be deemed to be discharged from its duties as Monitor of DIL.

11. Upon the Completion Date, the DIL Plan and all associated steps, compromises, transactions, conveyances, assignments, arrangements, releases and reorganizations effected thereby are hereby approved, binding and effective in accordance with the provisions of the DIL Plan, and shall enure to the benefit of and be binding upon DIL, all Affected Creditors and all other Persons affected by the DIL Plan.

CONVEYANCE OF THE DIL ASSETS

12. Upon the expiry of the appeal period respecting this Order, the sequence of events stated in Article 7.1 of the DIL Plan is authorized and approved.

13. The conveyance of the DIL Assets to the Replacement Fund Manager, further to and in accordance with the DIL Plan, be and is hereby authorized and approved.

14. DIL, the CRO, and the Monitor are hereby authorized and directed to execute all deeds, documents, and agreements, and to do all things reasonably necessary to carry out the terms of this Sanction Order.

15. Following the Effective Date and subject to the satisfaction of the conditions precedent contained in Article 7.2 of the DIL Plan:

(a) To the extent not already established, the New Registered Plans and the New Registered Accounts shall be created by the Replacement Fund Manager.

(b) The DIL Assets will be converted to cash by sale, demand, enforcement or non-renewal and such cash will be transferred to the Replacement Fund Manager in accordance with the DIL Plan.

16. Without limiting the generality of paragraph 14, DIL and the CRO are authorized and empowered, in respect of the DIL Assets, to execute and deliver:

(a) such additional, related and ancillary documents and assurances governing or giving effect to the conveyance of the DIL Assets, which, in DIL's or the CRO's discretion

are reasonably necessary or advisable to conclude the transactions contemplated in or in furtherance of the transfer of the DIL Assets and/or this Sanction Order; and

- (b) any and all instruments and documents in respect of the DIL Assets as may be required by the Registrar of the Land Titles Office of Alberta or deemed necessary by DIL, and the Registrar is hereby directed, notwithstanding section 191(1) of the *Land Titles Act (Alberta)* to effect registration of any such instrument or document so executed by DIL or its solicitors;

provided that if such document or instrument effects the sale of a DIL Asset or the compromise of a debt owed to DIL, then before executing such document or instrument, DIL shall obtain the approval of the Monitor and the DIL Creditors' Committee, or the Court.

17. On or after the Effective Date, the Monitor may discharge, or authorize the discharge of, any security registration or registrations in the Personal Property Registry or the Land Titles Office of Alberta as may be required to properly convey clear title of the DIL Assets in accordance with the DIL Plan.

DISTRIBUTIONS

18. Upon the Effective Date, DIL is hereby authorized and directed to make payments from the Transfer Fund to the Replacement Fund Manager as contemplated in Article 4.4(c) under the supervision of the Monitor.

19. Any balance of the following shall form part of the Transfer Fund and be paid to the Replacement Fund Manager:

- (a) the Disputed Claims Reserve after the resolution of the Disputed Claims;
- (b) the Restructuring Holdback after payment of the Restructuring Claims; and
- (c) the Operational Reserve after DIL ceases operations.

DISCHARGE OF EXISTING CCAA CHARGES

20. Upon the Completion Date, the Administration Charge, the Directors' Charge, and the Critical Supplier Charge, as defined in the Initial Order and amended by subsequent Orders in

the CCAA Proceedings, are fully and finally terminated, discharged and released with respect to DIL as of the Completion Date.

COMPROMISE OF CLAIMS AND EFFECT OF DIL PLAN

21. In accordance with the DIL Plan, upon the Completion Date the releases referred to in Article 8 and the other provisions of the DIL Plan shall become effective in accordance with the DIL Plan.

22. The Subcommittee shall be established in accordance with the Subcommittee Order granted on February 29, 2016 (the "Subcommittee Order").

23. On the Completion Date, all liens, encumbrances, charges, security interests and registrations in favour of Affected Creditors, including all registrations made in accordance with the *Personal Property Security Act*, the *Land Titles Act*, or similar legislation against the interests of DIL in favour of any Affected Creditor, other than in respect of an Unaffected Claim, shall be and are hereby deemed to be released, discharged and extinguished.

24. Upon receipt of a certified copy of this Sanction Order together with the Monitor's certificate contemplated in paragraph 10 of this Sanction Order, all registrars or similar government departments and land titles offices are hereby directed and required to give effect to the discharges contemplated by this Order. The directions contemplated by this Order are to be given full effect by all such registries and offices notwithstanding section 191(1) of the *Land Titles Act* (Alberta) or any similar provision contained in any other legislation of any jurisdiction.

25. All Claims proven in accordance with the Claims Process Order and the DIL Plan shall be final and binding on DIL and all Affected Creditors.

26. Without limiting the provisions of the Claims Process Order, an Affected Creditor that did not file a Proof of Claim (as defined in the Claims Process Order) by the Claims Bar Date in accordance with the provisions of the Claims Process Order and the DIL Plan, whether or not such Affected Creditor received notice of the claims process established by the Claims Process Order, except as otherwise permitted by an Order of this Court, shall be and is hereby forever barred from making a Claim against DIL and shall not be entitled to any distribution under the DIL Plan, and such Affected Claims are forever extinguished. Nothing in the DIL Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be

interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Process Order.

27. Each Affected Creditor is hereby deemed to have consented and agreed to all of the terms and provisions in the DIL Plan, in its entirety.

STAY OF PROCEEDINGS AND WAIVER

28. The stay of proceedings under the Initial Order, as extended from time to time in the CCAA Proceedings, shall be and is hereby extended in respect of DIL until the certificate contemplated in paragraph 10 of this Sanction Order has been filed with the Court.

29. Upon the Effective Date, and except to the extent either: (i) already disclaimed, repudiated or resiliated, or (ii) expressly contemplated by the DIL Plan or the Sanction Order, all agreements to which DIL is a party (including all equipment leases) shall be and remain in full force and effect, unamended as at the Effective Date, unless terminated or repudiated by DIL, and no Person who is a party to any such obligation or agreement shall, on or after the Effective Date, accelerate, terminate, rescind, refuse to renew, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise, or purport to enforce or exercise, any right (including any right of set-off, combination of account, dilution, buy-out, divestiture, forced purchase or sale option, or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of:

- (a) any event or events which occurred on or before the Effective Date and is not continuing after the Effective Date or which is or continues to be suspended or waived under the DIL Plan, which would have entitled any party thereto to enforce such rights or remedies (including defaults or events of default arising as a result of the insolvency of DIL);
- (b) DIL having sought or obtained relief or having taken steps as part of the DIL Plan or under the CCAA;
- (c) any compromises, arrangements, settlements, reorganizations, assignments or transactions effected pursuant to the DIL Plan or completed during the CCAA Proceedings;
- (d) any default or event of default arising prior to the Effective Date as a result of the financial condition or insolvency of DIL; or

(e) the effect upon DIL of the completion of any of the transactions contemplated under the DIL Plan or completed during the CCAA Proceedings.

30. Except for those Claims provided for by the Representative Action, the Subcommittee Order, and any other Claims that are not released by the DIL Plan, any and all Persons shall be and are hereby permanently stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including, without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against DIL, any Partially Released Party, or Released Representative in respect of all Affected Claims and any other matter which is released pursuant to this Sanction Order and the DIL Plan.

31. Except for those Claims provided for by the Representative Action, the Subcommittee Order, and any other Claims that are not released by the DIL Plan, from and after the Effective Date, all Persons shall be deemed to have waived any and all defaults of DIL then existing or previously committed by DIL, or caused by DIL, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in any agreements, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall excuse or be deemed to excuse DIL from performing its obligations under the DIL Plan. For greater certainty but without limiting the generality of the foregoing:

- (a) nothing herein shall be deemed to be a waiver of defaults by DIL under the DIL Plan and the related documents; and
- (b) each Affected Creditor shall be deemed on their own behalf and on behalf of their heirs, executors, administrators, successors and assigns, for all purposes:
 - (i) to have executed and delivered to DIL all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the DIL Plan in its entirety;
 - (ii) to have waived any default by DIL in any provision, express or implied, in any agreement or other arrangement existing between such Creditor and DIL that occurred on or prior to the Effective Date;

- (iii) to have agreement that if there is any conflict between the provision, express or implied, of any agreement (other than those entered into by DIL on, after, or with effect from, the Effective Date) and the provisions of the DIL Plan, then the provisions of the DIL Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and
- (iv) to have released absolutely and in their entirety, all Affected Claims in accordance with the provisions of the DIL Plan and this Sanction Order.

RELEASES

32. The releases set out in Article 8 of the DIL Plan shall be effective and binding on the Completion Date in accordance with the terms pursuant to the DIL Plan.

THE MONITOR AND THE CCAA PROCEEDINGS

33. Except as otherwise provided in this Sanction Order and the DIL Plan, the Monitor has satisfied all of its obligations respecting DIL and as required pursuant to the CCAA, the CCAA Proceedings, and the Orders made in the course of the CCAA Proceedings, and the Monitor shall have no liability in respect of any information disclosed in the CCAA Proceedings.

34. The Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein, shall be and is hereby authorized, directed and empowered to perform its functions and fulfill its obligations and necessary administrative functions under the DIL Plan, the Claims Process Order and this Sanction Order.

35. DIL is hereby authorized and directed to pay the accounts of the Monitor, its legal counsel, legal counsel to DIL, and the CRO, pursuant to the DIL Plan at such times and from time to time as appropriate.

GENERAL

36. Notwithstanding:

- (a) the pendency of the CCAA Proceedings and the declaration of insolvency made therein;
- (b) a bankruptcy or act of bankruptcy of any of the Applicants; or

(c) the provisions of any federal or provincial statute,

none of the transactions, payments, steps, releases or compromises made during the CCAA Proceedings or contemplated to be performed or effected pursuant to the DIL Plan shall constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions under any applicable law, federal, provincial or otherwise, nor shall they constitute conduct meriting an oppression remedy.

37. Upon the Effective Date, this Sanction Order shall have full force and effect in all Provinces and Territories in Canada and abroad and as against all Persons and parties against whom it may otherwise be enforced.

38. DIL, the Monitor, or the CRO may apply to this Court for advice and direction, or to seek relief in respect of any matter arising out of or incidental to the DIL Plan or this Sanction Order, including without limitation, the interpretation of this Sanction Order and the DIL Plan or the implementation thereof, and for any further Order that may be required, on notice to any party likely to be affected by the Order sought or on such notice as this Court orders.

39. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor, the CRO, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, the Monitor, as an officer of this Court, and the CRO, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants, the Monitor, the CRO, and their respective agents in carrying out the terms of this Order.

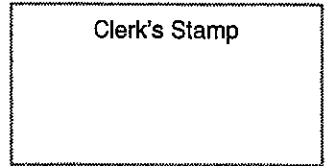
SCHEDULE "1"

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 **MONITOR'S CERTIFICATE (DIL)**

WHEREAS:

1. Pursuant to the Order of this Honourable Court dated January 23, 2015 (the "Initial Order") the Applicants filed for and obtained protection from creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.
2. Pursuant to the Initial Order, Deloitte Restructuring Inc. was appointed the Monitor of the Applicants (the "Monitor") with the powers, duties and obligations set out in the Initial Order, as amended from time to time.
3. Pursuant to the Order of this Honourable Court dated May 19, 2015, Kluane Financial Services Inc. was appointed Chief Restructuring Officer of the Applicants (the "CRO") with the powers, duties and obligations set out in that Order and in the Order of this Honourable Court dated March 6, 2015, as amended from time to time.
4. On January 11, 2016, DIL filed an Amended Amended Plan of Compromise and Arrangement under the CCAA dated January 11, 2016 (the "DIL Plan"), which has been sanctioned by this Honourable Court by Order dated February 29, 2016.
5. The CRO has advised the Monitor in writing that the conditions set out in Article 7.2 of the DIL Plan have been satisfied and that the DIL Plan is capable of being implemented.
6. Unless otherwise indicated herein, initially capitalized terms used herein have the meaning set out in the DIL Plan.

THE MONITOR HEREBY CERTIFIES that all conditions precedent set out in Article 7.2 of the DIL Plan have been satisfied and that the DIL Plan has, as of this date, been implemented.

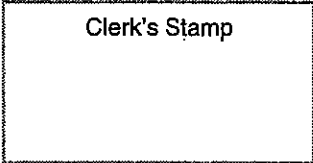
Dated at Calgary, Alberta, this _____ day of _____, 201__.

Deloitte Restructuring Inc., in its capacity as Court-appointed Monitor of Lutheran Church – Canada, the Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd.

Per: _____
Jeff Keeble, CA, CIRP, CBV
Senior Vice-President

SCHEDULE "B"

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 **ORDER (Subcommittee Order)**

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: 403-263-3423
File No.: 103,007-003

DATE ON WHICH ORDER WAS PRONOUNCED: MONDAY, FEBRUARY 29, 2016
LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE B.E.C. ROMAINE

UPON THE APPLICATION of Lutheran Church – Canada, the Alberta – British Columbia District (the "District"), EnCharis Community Housing and Services ("ECHS"), EnCharis Management and Support Services ("EMSS"), and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. ("DIL") (collectively, the "Applicants") for an

Order sanctioning the Amended Amended Plan of Compromise and Arrangement of DIL filed January 11, 2016 (the "DIL Plan"); **AND UPON HAVING READ** the Application and the Affidavit of Cameron Sherban; **AND UPON READING** the Reports of the Monitor; **AND UPON HEARING** counsel for the Applicants, counsel for the Monitor and other interested parties; **AND UPON NOTING** this Honourable Court having sanctioned the DIL Plan by Order of Justice B.E.C. Romaine granted February 29, 2016 (the "DIL Sanction Order"); **AND UPON** noting that the DIL Plan, as approved by the DIL Sanction Order, contains a Representative Action (as that term is defined by the DIL Plan); **AND UPON DETERMINING** that the granting of this Order would facilitate the implementation of the DIL Plan;

IT IS HEREBY ORDERED AND DECLARED THAT:

INTERPRETATION AND SERVICE

1. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the DIL Plan.
2. Service of notice of the application for this Order, and all supporting materials, as set out in the Affidavit of Charlene Everett filed February ---, 2016 is good and sufficient, and the time for notice hereof is shortened to the time actually given.

SUBCOMMITTEE

3. The DIL Committee shall, within a reasonable time from the date of this Order, appoint a Subcommittee from the Representative Action Class.
4. Prior to appointing the Subcommittee, the DIL Committee shall send out to all the DIL Depositors who have not filed a Representative Action Letter electing not to participate in the Representative Action or a Notice of Opting Out, an invitation to participate on the Subcommittee.
5. The size of the Subcommittee shall be between three (3) and five (5) members. The DIL Committee shall determine the size of the Subcommittee by majority vote of its members. The DIL Committee and may thereafter, from time to time, vary the size of the Subcommittee if they determine, acting reasonably, that such a change is necessary or desirable. The members of the Subcommittee shall be determined by majority vote of the members of the DIL Committee. At least one of the initial members of the Subcommittee shall be an existing member of the DIL Committee. All individuals being considered for inclusion in the Subcommittee shall be required to disclose any conflict of interest to the DIL Committee prior to beginning their tenure on the

Subcommittee and to the Subcommittee as such conflict becomes relevant during the course of their tenure.

6. Any person elected to the Subcommittee may later resign, or may be removed or replaced by a majority vote of the Subcommittee at any time, provided the Subcommittee acts reasonably in making such removal or replacement, provide always if it is impractical or impossible for the Subcommittee to replace one or more of its members, the DIL Committee may, by majority vote, replace such members.

7. Unless otherwise ordered by the Court and subject to paragraph 9 hereof, in order to be a member of the Subcommittee, an individual shall:

- (a) Be a DIL Depositor;
- (b) Not be a District Depositor (as that term is defined in the District plan of compromise and arrangement – the “District Plan”);
- (c) Not be in a conflict of interest with respect to the Representative Action, including, without limitation, being the parent, spouse or child of a Partially Released Party or serving on any District subcommittee established to or as a plaintiff in any action brought to pursue a Representative Action on behalf of the creditors under District plan of compromise and arrangement;
- (d) Not have elected in a Representative Action Letter not to participate in the Representative Action or in a Notice of Opting Out; and
- (e) Not be a Partially Released Party.

8. Notwithstanding paragraph 8 hereof, an individual may be a member of the Subcommittee if they are the committee, trustee or personal representative of an individual who is a DIL Depositor, provided that:

- (a) the individual otherwise qualifies under paragraph 8 hereof; and
- (b) the committee, trustee or personal representative qualifies under subparagraph 8 (b), (c) and (d).

9. The mandate of the Subcommittee shall include:
 - (a) taking reasonable steps to maximize the amount of funds that are ultimately available for distribution to the Representative Action Class under the Representative Action;
 - (b) conducting themselves substantially in accordance with the principles laid out in the charter document attached hereto as Schedule "1"; and
 - (c) serving in a fiduciary capacity to all the Representative Action Class with respect to the Representative Action.

10. The Subcommittee shall have the following duties and responsibilities:
 - (a) appointing Representative Counsel in accordance with the process set out in the DIL Plan;
 - (b) providing instructions to Representative Counsel;
 - (c) in consultation with Representative Counsel, appointing one or more Representative Plaintiffs;
 - (d) in consultation with Representative Counsel, providing information and updates with respect to the Representative Action to the Representative Action Class on a regular basis, taking into account solicitor client privilege and the need to keep certain information, including, without limitation, litigation strategy and settlement positions, confidential so as not to compromise the success of the Representative Action;
 - (e) work with the Representative Counsel and the Monitor to establish the amount of the Representative Holdback; and
 - (f) prior to the commencement of the Representative Action, to work with Representative Counsel, in consultation with the Monitor, to provide such information to the Representative Action Class, as it exists at that time, as they deem necessary or desirable, in their discretion, to permit the members of the Representative Action Class to determine if they wish to continue to participate in the Representative Action.

11. In carrying out its mandate, duties and responsibilities under the DIL Plan and this Subcommittee Order, the Subcommittee shall be entitled to take into account and rely upon the advice of Representative Counsel, including advice with respect to the risks and costs of taking any particular step or course of action, including the need to keep certain information, including, without limitation, litigation strategy and settlement positions, confidential so as not to compromise the success of the Representative Action.

REPRESENTATIVE COUNSEL

12. Without limiting the duties and professional responsibilities of Representative Counsel at law or pursuant to the rules and code of conduct of the applicable law society, Representative Counsel shall:

- (a) assist the Subcommittee in identifying one or more appropriate Representative Plaintiffs;
- (b) assist the Subcommittee and the Monitor in determining a reasonable and realistic Representative Holdback taking into account such matters Representative Counsel considers relevant including, without limitation, the number and types of Representative Actions which may be advanced and the form of retainer required by Representative Counsel;
- (c) prosecute the Representative Action on behalf of the Representative Action Class;
- (d) advise the Subcommittee with respect to any and all alternatives, including, without limitation, settlement and mediation and other forms of alternative dispute resolution;
- (e) take instructions with respect to the Representative Action from the Subcommittee; and
- (f) do all other things that legal counsel should do to advance the cause of their clients.

13. The Representative Counsel shall take instructions from the Subcommittee with respect to the Representative Action and for greater clarity, but without otherwise limiting the generality of the forgoing, the Subcommittee shall be deemed to be the client of the Representative Counsel with respect to the Representative Action with respect to privilege. Without limiting the

generality of the foregoing, Representative Counsel shall have no obligation to consult with nor take instructions from individual members of the Representative Action Class in connection with the Representative Action.

REPRESENTATIVE PLAINTIFF

14. Subject to paragraph 17 hereof, in order to be a Representative Plaintiff, an individual must:

- (a) Be a DIL Depositor;
- (b) Not be in a conflict of interest with respect to the Representative Action, including, without limitation, being the parent, spouse or child of a Partially Released Party or serving on any District subcommittee established to or as a plaintiff in any action brought to pursue a Representative Action on behalf of the creditors under District plan of compromise and arrangement;
- (c) Not have elected in a Representative Action Letter not to participate in the Representative Action, nor have served a Notice of Opting Out upon the Monitor or Representative Counsel; and
- (d) Not be a Partially Released Party.

15. Subject to paragraph 17 hereof, a Representative Plaintiff shall at all times be a member of the Subcommittee and, notwithstanding paragraphs 5 and 6 of this Subcommittee Order, should a Representative Plaintiff be appointed by the Subcommittee who is not already a member of the Subcommittee, such Representative Plaintiff shall upon appointment become a member of the Subcommittee.

16. Notwithstanding paragraphs 15 and 16 hereof, 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:

- (a) the Representative Plaintiff shall be deemed to include DIL;
- (b) paragraphs 16 and 18 of this Subcommittee Order shall not apply to DIL;
- (c) Representative Counsel shall have no obligation to take instructions from or report to DIL;

- (d) Section 241 of the *Business Corporations Act*, R.S.A. 2000, c. B-9 shall apply to such portion of the Representative Action;
- (e) the Subcommittee shall be entitled to give Representative Counsel instructions with respect to that portion of the Representative Action that involves DIL as Plaintiff and for greater clarity, but without otherwise limiting the generality of the foregoing, the Subcommittee shall be deemed to be the client of the Representative Counsel with respect to the Representative Action with respect to privilege; and
- (f) the Subcommittee may apply for advice and direction to clarify this Subcommittee Order and the DIL Plan with respect to DIL's participation in the Representative Action if they deem such advice and direction necessary or desirable.

17. 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.

18. The Representative Plaintiff shall be entitled to commence one or more proceedings as a part of the Representative Action with respect to the Representative Action Claims on behalf of the Representative Action Class.

19. The Subcommittee is hereby irrevocably appointed as true and lawful attorney of the Representative Plaintiff for all purposes related to or arising from the Representative Action, including, without limitation, providing instruction to Representative Counsel.

REPRESENTATIVE ACTION

20. The Subcommittee is hereby 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. For greater clarity, but without otherwise limiting the generality of the foregoing, should the Subcommittee determine, in consultation with Representative Counsel, that it is necessary or desirable to commence more than one Representative Action, the Subcommittee may commence more than one proceeding and all such proceedings shall be deemed to be part of the Representative Action for the purposes of the DIL Plan and this Subcommittee Order.

21. The Representative Action shall be governed by the terms of the DIL Plan, this Subcommittee Order 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. Notwithstanding the forgoing, should the Representative Action, or in the case that more than one Representative Action is filed by the Representative Counsel, one of the proceedings be commenced by the Representative Counsel on behalf of the DIL Depositors participating in the Representative Action under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) or *Class Proceedings Act*, S.A. 2003, c. C-16.5, as amended by the *Class Proceedings Amendment Act*, 2010, c. 15 (Alberta), such legislation shall be deemed to govern such Representative Action except to the extent such legislation is inconsistent with or modified by the DIL Plan, this Subcommittee Order or subsequent Order made within the CCAA Proceedings.

22. Subject to paragraph 25, the Representative Action shall be the sole recourse of any DIL Depositor with respect to a Representative Action Claim except if such DIL Depositor is also a District Depositor (as that term is defined in the District Plan), he or she may also participate in any representative action commenced pursuant to the District Plan. 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 except for any representative action commenced pursuant to the District Plan, if applicable. Without limiting the generality of the foregoing, but for greater clarity, those DIL Depositors who are deemed to be participating in the Representative Action, or those DIL Depositors who have elected not to participate in or to have opted out of the Representative Action, pursuant to paragraph 26 and 27, 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 in any other legal proceeding(s) other than the Representative Action except for any representative action commenced pursuant to the District Plan, if applicable.

23. Those DIL Depositors who elect not to participate in the Representative Action pursuant to paragraph 26 or who opt out of the Representative Action pursuant to paragraph 27:

- (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 with respect to any claim which was or could have been a Representative Action Claim in any other legal proceeding(s) other than the Representative Action except for any representative action commenced pursuant to the District Plan, if applicable.

24. Notwithstanding paragraph 24(d), should the District Plan not be sanctioned by the Court in the CCAA Proceedings or should the District Plan as sanctioned not contain a representative action, DIL Depositors who are also District Depositors shall be entitled to participate in any legal action which would have constituted a "representative action claim" (as that term is defined in the District Plan) under the District Plan in their capacity as a District Depositor.

25. Following the selection of Representative Counsel by the Subcommittee, the Monitor will provide to the Representative Action Class an estimate of the amount of the Representative Action Holdback together with information regarding opting out of the Representative Action, the name of Representative Counsel, the deadline for opting out of the Representative Action and the names of the Subcommittee members, which information will be posted on the Monitor's website.

26. 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" or the Notice of Opting Out form attached hereto as Schedule "3" and delivering the Representative Action Letter or Notice of Opting Out 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 Representative Action. DIL Depositors who fail to deliver the Representative Action Letter or Notice of Opting Out to the Monitor in accordance with this paragraph 27 shall be deemed to have elected to participate in the Representative Action.

27. A DIL Depositor who has elected to participate in the Representative Action may, at any time prior to the commencement of any Representative Action, opt out of the Representative Action by providing notice to the Representative Counsel, or in the event that Representative Counsel has not yet 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 "3". 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 incurred until the Sunday of the week in which the Notice of Opting Out was received by the Representative Counsel or the Monitor, as the case may be. 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.

28. On the application of the Subcommittee or any member of the Representative Action Class, the Court may extend the deadline for members of the Representative Action Class to opt out of the Representative Action.

29. Parties to a proceeding which is part of the Representative Action shall have the same rights of discovery under the Rules of Court of the jurisdiction in which such proceeding is commenced as they would in any other proceeding. Notwithstanding that a proceeding which is part of the Representative Action is brought in the name of the Representative Plaintiff, a defendant may, with the permission of the Court in such proceeding, discover other members of the Representative Action Class. In granting such permission, the Court may take into account such matters that the Court deems relevant to that determination and grant such permission on such terms and conditions as it deems appropriate.

30. The Subcommittee may apply for advice and direction with respect to any proceedings which are part of the Representative Action and the Court may make any Order it deems

appropriate to facilitate the prosecution of such proceeding as a part of the Representative Action.

31. Any documents produced by, received by, provided to or exchanged with or among the DIL Committee, its individual members or their counsel during the course of the performance of their duties as the DIL Committee shall not be producible in the Representative Action without the prior consent of the Monitor and further Order of this Court.

32. No member of the DIL Committee shall be compellable as a witness at discovery or trial or give testimony in the Representative Action with respect to any matters relating to or information, including without limitation, any documents, received during the course of the performance of their duties as members of the DIL Committee.

GENERAL

33. The Subcommittee shall have no obligation to consult with individual DIL Depositors in connection with the discharge of its duties under this Order.

34. Upon the Completion Date, this Sanction Order shall have full force and effect in all Provinces and Territories in Canada and abroad and as against all Persons and parties against whom it may otherwise be enforced.

35. DIL, the Monitor, the DIL Committee, the Subcommittee or the CRO may apply to this Court for advice and direction, or to seek relief in respect of any matter arising out of or incidental to the DIL Plan or this Subcommittee Order, including, without limitation, the interpretation of this Subcommittee Order and the DIL Plan and the implementation thereof, and for any further Order that may be required, on notice to any party likely to be affected by the Order sought or on such notice as this Court orders.

36. The Subcommittee and its members shall incur no liability or obligations in respect of the performance of their duties or in carrying out the provisions of this Order, save and except for liability arising out of breach of fiduciary duty, gross negligence or wilful misconduct.

37. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor, the CRO, the Subcommittee, the DIL Committee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, the Monitor, as an officer of this Court,

the CRO. The Subcommittee and the DIL Committee, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants, the Monitor, the CRO, the Subcommittee, the DIL Committee, and their respective agents in carrying out the terms of this Order.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "1"

**LUTHERAN CHURCH CANADA,
THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.**

CHARTER OF THE DIL SUBCOMMITTEE

BACKGROUND

Lutheran Church Canada, the Alberta – British Columbia District Investments Ltd. ("**DIL**") made an application pursuant to the *Companies' Creditors' Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") to reorganize its affairs for the benefit of its creditors (the "**DIL Depositors**"). An order was granted by the Court of Queen's Bench of Alberta (the "**Court**") on December 1, 2015 (the "**Order**") to approve the presentation of a Plan of Compromise and Arrangement as made on the November 21, 2015 and as amended on December 5, 2015 and on January 11, 2016 (the "**DIL Plan**") to DIL Depositors. A meeting of DIL Depositors was convened on January 23, 2016 in Calgary, AB (the "**Creditors Meeting**") to vote upon the DIL Plan.

At the Creditors Meeting, the DIL Plan was approved and passed by the DIL Depositors in accordance with its terms, and the Court was requested to sanction the DIL Plan. On February 29, 2016 the Court approved and sanctioned the DIL Plan and thus, the DIL Plan is to be implemented (the "**Sanction Order**").

Any defined term used in this Charter shall be as defined herein or, if not defined in this Charter, as defined in the DIL Plan.

ORGANIZATION

Pursuant to the DIL Plan, a Subcommittee has been established and authorized and enabled by the Subcommittee Order granted by Justice Romaine on February 29, 2016, to take any and all such steps as the Subcommittee deems necessary and desirable to commence and prosecute a legal action or actions undertaken in respect of any Representative Action Claims, which action(s) may be advanced as a class proceeding for the benefit of all the DIL Depositors who participate in the Representative Action in accordance with the terms of the DIL Plan (the "**Representative Action Class**"). The Subcommittee operates pursuant to the Sanction Order, the DIL Plan, any subsequent Order issued by the Court within the CCAA Proceedings or any direction from the Court regarding the CCAA Proceeding (collectively, the "**Governing Documents and Directives**"). This Charter shall be interpreted in the context of and governed by the terms of the DIL Plan and the Sanction Order. To the extent that there is any inconsistency between this Charter, the DIL Plan and the Sanction Order, the Sanction Order shall govern. To the extent that the Sanction Order is silent but there is an inconsistency between this Charter and the DIL Plan, the DIL Plan shall govern. This Charter shall also be subject to the terms of any subsequent Order of the Court in the CCAA Proceeding obtained with respect to the Subcommittee or the Representative Action.

PROCEDURES

All procedures and actions by the Subcommittee must be in accordance with the Governing Documents and Directives. Subject to the Governing Documents and Directives, the Subcommittee retains the responsibility for managing its own affairs, including selecting its Chairman, delegating duties to the Subcommittee members and determining committee member reimbursement, if any.

PURPOSE

The main purposes of the Subcommittee are to:

1. be the one group or entity to pursue any and all legal proceedings on behalf of the Representative Action Class.
2. assist in providing a streamlined and timely process for the Representative Action Class to pursue the Representative Action and prevent a situation where DIL Depositors are being contacted by multiple groups seeking to commence legal actions or where recoveries are complicated by multiple groups commencing legal action against the same parties;
3. choose legal counsel to represent the Representative Action Class in the Representative Action and to provide direction and instructions to the legal counsel selected by the Subcommittee on behalf of the Representative Action Class;
4. ensure that recoveries are maximized through cost control, budgeting and timely and efficient advancement of the Representative Action;
5. pursue all legal proceedings on behalf of Representative Action Class and make decisions regarding the Representative Action on behalf of the Representative Action Class; and
6. any other purpose indicated in the Governing Documents and Directives.

DUTIES AND RESPONSIBILITIES

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

1. all duties and responsibilities detailed in Article 5 of the DIL Plan and the Sanction Order;
2. choose a Chairman of the Subcommittee;
3. ensure that the legal documents and records regarding the Representative Action have been properly prepared, approved, maintained and kept in safekeeping;
4. act honestly, in good faith and with a view to the best interests of Representative Action Class and to exercise the care, diligence and skill that reasonable,

prudent people would exercise in comparable circumstances with regard to any Representative Action;

5. ensure that each member of the Subcommittee discloses all actual or potential conflicts of interest in relation to the Representative Action and recuses themselves from all discussion and votes which are related to such conflict which a reasonable person would believe could materially impair the exercise of independent judgment;
6. commit the time and energy necessary to properly carry out his or her duties as a Subcommittee member;
7. attend all regularly scheduled Subcommittee meetings, as applicable, in person or by telephone;
8. review in advance all meeting materials and otherwise adequately prepare for all regularly scheduled Subcommittee meetings;
9. review continuously the Subcommittee's strategies and their implementation in light of evolving conditions regarding the Representative Action;
10. make independent determinations and conclusions regarding the Representative Action and, accordingly, shall not be bound by any determinations or conclusions reached by any Representative Action Class who are not a member of the Subcommittee;
11. report at reasonable intervals to the Representative Action Class regarding the status of the Representative Action and the status of the Representative Action Holdback; and
12. to do or cause to be done all such other acts and things as they may consider necessary or advisable in order to carry out its duties and responsibilities.

MONITORING, REPORTING AND COMMUNICATION

The Subcommittee has the responsibility to:

1. monitor the Subcommittee's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
2. ensure and make regular assessments that the Subcommittee has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities to the extent not delegated and of the Subcommittee's effectiveness;
3. develop appropriate measures for receiving Representative Action Class' feedback.
4. take action when performance falls short of its goals and objectives or when other special circumstances warrant;

5. ensure the timely reporting of any other developments that have a significant and material impact on Representative Action Class in conjunction with Representative Counsel; and
6. report its findings and conclusions to Representative Action Class in a manner and at such times as Representative Counsel shall determine is consistent with the charge to the Subcommittee duties.

MEETINGS

The Chairman of the Subcommittee shall be responsible for developing the agenda and determining the time, place and frequency of Subcommittee meetings. Meetings of the Subcommittee will be conducted in accordance with the Governing Documents and Directives. Meetings of the Subcommittee can be conducted by telephone conference call, if appropriate. The Subcommittee shall establish its own procedures including the appointment of a chairing director and secretary, the establishment of a quorum for its meetings, the timing and place of its meetings and such other procedures as it considers necessary or advisable for meetings. The secretary shall be responsible for ensuring accurate minutes of all meetings are kept.

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 ARE OR THE CREDITOR IS:

- (a) WAIVING ALL RIGHTS AS A PARTICIPANT WITHIN THE REPRESENTATIVE ACTION CLAIM(S);
- (b) NOT ENTITLED TO ANY FURTHER NOTICE OF OR INFORMATION REGARDING THE REPRESENTATIVE ACTION, SAVE WHAT IS AVAILABLE ON THE PUBLIC RECORD;
- (c) FOREVER BARRED FROM PARTICIPATING IN THE REPRESENTATIVE ACTION;
- (d) 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

- (e) 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.

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, Alberta T2P 0R8

Telephone: 403-267-1777
Fax: 403-718-3681

Email: CalgaryRestructuring@deloitte.ca

Schedule "3" – 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, Alberta T2P 0R8

Telephone: 403-267-1777
Fax: 403-718-3681
Email: CalgaryRestructuring@deloitte.ca