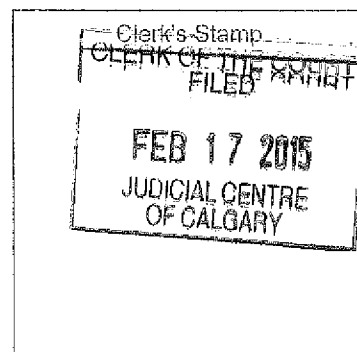


COURT FILE NO.: 1501-00955
COURT COURT OF QUEEN'S BENCH OF
ALBERTA IN BANKRUPTCY AND
INSOLVENCY
JUDICIAL CENTRE CALGARY



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 MONITOR DELOITTE
RESTRUCTURING INC.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Gowling Lafleur Henderson LLP
1600, 421 – 7th Avenue S.W.
Calgary, AB T2P 4K9
Telephone (403) 298-1000
Facsimile (403) 263-9193

File No. A135752

Attention: Jeffrey L. Oliver

NOTICE OF APPLICATION

Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as monitor (in such capacity, the "**Monitor**") 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**”), will make an application to a Justice presiding over the Commercial List on the day and time set out below:

Date: February 20, 2015
Time: 3:00 p.m.
Where: Calgary Court’s Centre
Before Whom: The Honourable Justice C.M. Jones (Commercial List)

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

Remedy claimed or sought:

1. An Order, substantially in the form attached as Schedule “A” hereto, *inter alia*:
 - (a) abridging the time for service and filing of this Notice of Application and its supporting materials;
 - (b) establishing two creditors’ committees, the “**District Creditors’ Committee**” and the “**DIL Creditors’ Committee**” (collectively, the “**Creditor’s Committees**”);
 - (c) prescribing the process by which the Creditors Committees shall be selected, as more specifically described in Schedule “A” hereto; and
 - (d) permitting the Creditor’s Committees to appoint representative counsel and, with court approval, financial advisors in these proceedings (collectively, “**Representative Professionals**”).
2. Such further and other relief as counsel may advise and as this Honourable Court may permit.

Grounds for making this application:

3. On January 23, 2015, the Applicants filed for and obtained protection from their creditors under the *Companies’ Creditors and Arrangement Act*, RSC 1985 c C-36. (the “**CCAA**”) pursuant to the Initial Order.
4. Pursuant to the Initial Order, Deloitte was appointed as monitor of the Applicants (the “**Monitor**”).
5. The Monitor supports the establishment of the Creditors Committees on the basis that:
 - (a) the Creditors Committees will permit the representation of the independent interests of the major stakeholders in this proceeding;

- (b) such stakeholders have expressed a desire to the Monitor to have further input into this restructuring;
 - (c) the input from such stakeholders through a Creditors Committee is required in order to provide guidance to the Applicants and the Monitor in relation to various matters.
6. The process by which the Creditors Committees will be established is fair and reasonable, and will allow for the representation of a diverse group of stakeholders through a democratic and transparent process.

Material or evidence to be relied on:

- 7. Pre-Filing Report of the Monitor, filed January 23, 2015;
- 8. The First Report of the Monitor, filed February 17, 2015; and
- 9. Such other material as counsel may submit and this Court may permit.

Applicable rules:

- 10. Rule 6.3 of the *Rules of Court*.

Applicable Acts and regulations:

- 11. *Companies' Creditors and Arrangement Act*, RSC 1985 c C-36.

Any irregularity complained of or objection relied on:

- 12. None.

How the application is proposed to be heard or considered:

- 13. In person.

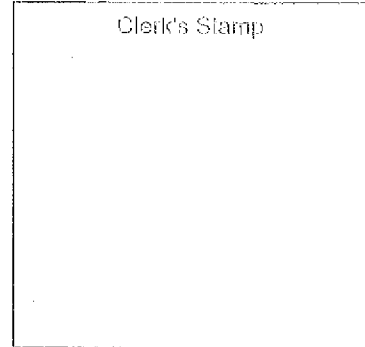
WARNING

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 time shown at the beginning of this 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.

SCHEDULE "A"

**Order
Rule 9.1**



COURT FILE NO.: 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**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Gowling Lafleur Henderson LLP
1600, 421 – 7th Avenue S.W.
Calgary, AB T2P 4K9
Telephone (403) 298-1000
Facsimile (403) 263-9193
File No. A135752
Attention: Jeffrey L. Oliver

DATE ON WHICH ORDER WAS PRONOUNCED: February 20, 2015

LOCATION AT WHICH ORDER WAS MADE: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice C.M. Jones

UPON THE APPLICATION of counsel for the Monitor, Deloitte Restructuring Inc., to seek the appointment of two Creditors' Committees; **AND UPON HEARING** counsel for the Monitor; **AND UPON HAVING READ** the Pre-Filing Report of the Monitor, filed January 23m 2015; **AND UPON HAVING READ** the First Report of the Monitor, filed February 17, 2015;

IT IS HEREBY ORDERED THAT:

1. All parties entitled to notice of this application have been served with notice of this application and that the time for service is hereby abridged such that service effected on the parties served with notice of this application shall be good and sufficient notice of this application.
2. Two creditors' committees, the "**District Creditors' Committee**" and the "**DIL Creditors' Committee**" (collectively the "**Creditors' Committees**") are hereby appointed in these proceedings to represent the interests of the investors in the Church Extension Fund of the District (the "**District Creditors**") and depositors in DIL (the "**DIL Creditors**"), respectively.
3. The District Creditors' Committee and the DIL Creditors' Committee shall act in the best interests of the District Creditors and DIL Creditors, respectively and shall take such necessary and appropriate actions as the Creditors' Committees deem fit from time to time.
4. As soon as practicable after the pronouncement of this Order, the Monitor shall post on its website instructions with respect to how District Creditors and DIL Creditors may participate in the appointment of the Creditors' Committees.

District Creditors' Committee

5. The District Creditors' Committee shall be composed as follows:
 - (a) the Monitor shall appoint a maximum of five (5) District Creditors to the District Creditors' Committee pursuant to the process set out herein:
 - (i) three (3) of the five (5) positions (the "**District Reserve Positions**") on the District Creditors' Committee shall, by no later than March 16, 2015, be appointed by the Monitor from the pool of District Creditors with three (3) of the ten largest known claims against the Applicants who are willing to serve on the District Creditors' Committee;
 - (1) in appointing District Creditors to the District Reserve Positions, the Monitor shall use reasonable efforts to ensure geographic representation by appointing District Creditors from both Alberta and British Columbia;

- (ii) the remaining two (2) of the five (5) positions (the “**District Vacant Positions**”) on the District Creditors’ Committee shall be appointed by the Monitor from the remaining pool of District Creditors pursuant to the following process:
 - (1) to be eligible for appointment to the District Vacant Positions (the “**District Potential Representatives**”), District Creditors must submit to the Monitor an application substantially in the form of the application form attached hereto as **Schedule A** (the “**District Application Form**”) accompanied by a minimum of two supporting nominations from other District Creditors substantially in the form of the nomination form attached hereto as **Schedule B** (the “**District Nomination Form**”) by no later than March 16, 2015;
 - (2) a list of the District Potential Representatives will be posted on the website maintained by the Monitor at www.insolvencies.deloitte.ca under the link entitled “Lutheran Church – Canada, The Alberta – British Columbia District et. al.” and sent to all District Creditors by regular mail or e-mail (if such method of communication is indicated as a preferred communication method by a District Creditor) by no later than March 31, 2015, with an invitation for all District Creditors to submit a voting letter substantially in the form attached here to as **Schedule C** (the “**District Voting Letter**”) indicating their top two choices for which District Potential Representatives should fill the District Vacant Positions;
 - (3) the District Voting Letter must be received by the Monitor by no later than 4:00 p.m. (MT) on April 14, 2015 in order for it to be considered; and
 - (4) the District Vacant Positions shall be appointed by the Monitor to the District Potential Representatives who receive the most District Voting Letters in support of their application for the District Vacant Positions by other District Creditors. The Monitor shall disclose the names of the parties appointed to the District Vacant positions in the manner prescribed by paragraph 22 of this Order.

6. The mandate of the District Creditors’ Committee shall include:

- (a) maximizing the amount that is ultimately available for distribution to the District Creditors pursuant to the Applicants’ plan of arrangement (the “**Plan**”);
- (b) consulting with, and providing advice to, the Applicants and the Monitor in a timely manner respecting the interests of the District Creditors; and
- (c) serving in a fiduciary capacity to all District Creditors.

DIL Creditors' Committee

7. The DIL Creditors' Committee shall be composed as follows:

- (a) the Monitor shall appoint a maximum of five (5) DIL Creditors to the DIL Creditors' Committee pursuant to the process set out herein;
 - (i) three (3) of the five (5) positions (the "**DIL Reserve Positions**") on the DIL Creditors' Committee shall, by no later than March 16, 2015, be appointed by the Monitor from the pool of District Creditors with three (3) of the ten largest known claims against the Applicants who are willing to serve on on the DIL Creditors' Committee;
 - (1) when appointing DIL Creditors to the DIL Reserve Positions, the Monitor shall use reasonable efforts to ensure geographic representation by appointing DIL Creditors from both Alberta and British Columbia;
 - (ii) the remaining two (2) of the five (5) positions (the "**DIL Vacant Positions**") on the DIL Creditors' Committee will be appointed by the Monitor from the remaining pool of DIL Creditors pursuant to the following process:
 - (1) to be eligible for appointment to the DIL Vacant Positions (the "**DIL Potential Representatives**"), DIL Creditors must submit to the Monitor an application substantially in the form of the application form attached hereto as **Schedule D** (the "**DIL Application Form**") accompanied by a minimum of two supporting nominations from other DIL Creditors substantially in the form of the nomination form attached hereto as **Schedule E** (the "**DIL Nomination Form**") by no later than March 16, 2015;
 - (2) a list of the DIL Potential Representatives will be posted on the website maintained by the Monitor at www.insolvencies.deloitte.ca under the link entitled "Lutheran Church – Canada, The Alberta – British Columbia District et. al." and sent to all DIL Creditors by regular mail or e-mail (if such method of communication is indicated as a preferred communication method by a DIL Creditor) by no later than March 31, 2015, with an invitation for all DIL Creditors to submit a voting letter substantially in the form attached here to as **Schedule F** (the "**DIL Voting Letter**") indicating their top two choices for which DIL Potential Representatives should fill the DIL Vacant Positions;
 - (3) the DIL Voting letter must be received by the Monitor by no later than 4:00 p.m. (MT) on April 14, 2015 in order for it to be considered; and

- (4) the DIL Vacant Positions will be appointed to the DIL Potential Representatives who receive the most DIL Voting Letters in support of their application for the DIL Vacant Positions by other DIL Creditors. The Monitor shall disclose the names of the parties appointed to the DIL Vacant Positions in the manner prescribed by paragraph 22 of this Order.
8. The mandate of the DIL Creditors' Committee shall include:
 - (a) maximizing the amount that is ultimately available for distribution to the DIL Creditors pursuant to the Plan;
 - (b) consulting with, and providing advice to, the Applicants and the Monitor in a timely manner respecting the interests of the DIL Creditors; and
 - (c) serving in a fiduciary capacity to all DIL Creditors.

Representative Professionals

9. The Creditors' Committees are each entitled to appoint representative counsel and, subject to Court approval financial advisors (collectively, "**Representative Professionals**") in these proceedings to represent the interests of each of the Creditors' Committees.
10. The remuneration of the Representative Professionals, including the manner in which such remuneration is secured and approved by this Honourable Court, shall be determined in a subsequent hearing.

Miscellaneous

11. The Creditor's Committees shall have no obligation to consult with individual District Creditors or DIL Creditors in connection with the discharge of its duties under this Order. This exception, as specifically provided for herein, shall not in any way otherwise reduce or limit the fiduciary obligations of the Creditors' Committees.
12. If appointed, Representative Professionals shall have no obligation to consult with individual District Creditors or DIL Creditors in connection with the discharge of their duties under this Order.
13. Subject to any further Order of the Court, and without limitation to any other right or protection in favour of the Creditors' Committees, the Creditors' Committees may apply to be discharged from their role at any time if the Creditors' Committees no longer wish to continue in such role.
14. Any member of the Creditors' Committees may resign or be replaced by the Monitor at any time, provided the Monitor acts reasonably in making such replacements. In the event of resignation or replacement, the Monitor shall adhere to the Creditors' Committees appointment process set out in this Order. This paragraph is without

prejudice to the Monitor's ability, acting reasonably, to determine that a vacancy on the Creditors' Committee created as a result of a resignation need to be filled.

15. The Creditors' Committees and/or Representative Professionals shall be permitted to communicate with the District Creditors and/or DIL Creditors by having their communications posted on the Monitors' website, provided that copies of such communications are also sent to such creditors by regular mail or by email in the event that a particular District Creditor or DIL Creditor indicated a preference for email communication.
16. The Creditors' Committees and/or Representative Professionals shall be at liberty and are hereby authorized, at any time, to apply to this Court for advice and directions in respect of its appointment, carrying out its duties as Creditors' Committees and/or Representative Professionals or varying the powers and duties of the Creditors' Committees and/or Representative Professionals, which shall be brought on notice to the Applicants, the Monitor and other interested parties, unless otherwise ordered by the Court.
17. The Creditors' Committees shall incur no liability or obligations in respect of the performance of their duties or in carrying out the provisions of this Order; and the Representative Professionals shall incur no liability or obligations in respect of the performance of its 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. For greater clarity and without otherwise limiting the generality of the foregoing, this limit of liability in no way limits or lessens the fiduciary duties of the Creditors' Committees to the District Creditors or the DIL Creditors, as the case may be.
18. No action or other proceeding may be commenced against the Creditors' Committees and/or Representative Professionals in respect of the performance of their duties under this Order without prior leave of the Court on at least seven (7) days notice to the Creditors' Committees and/or Representative Professionals, the Applicants and the Monitor.

19. Notice of this Order, lists of District Potential Representatives, the District Voting Letter, lists of DIL Potential Representatives, the DIL Voting Letter and a subsequent notice of the appointment of the Creditors' Committees and Representative Professionals (if any) shall be:

- (a) posted on the website maintained by the Monitor;
- (b) sent by ordinary mail to all District Creditors and DIL Creditors;

which mailing shall constitute good and sufficient notice of this Order, the lists, the District Voting Letter, the DIL Voting Letter and the appointment of Creditors' Committees and/or Representative Professionals.

Justice of the Court of Queen's
Bench of Alberta

SCHEDULE A

**APPLICATION FOR VACANT POSITIONS ON THE DISTRICT CREDITORS'
COMMITTEE**

Personal and Contact Information

Name: _____

Current Address: _____

City: _____ Province: _____

Postal Code: _____

Phone numbers: Day _____ Evening _____

Cell _____

E-mail address: _____

Other

Please describe any additional information you would like the Creditors of District to consider while voting on the composition of the District Creditors' Committee as described in the Order dated February 20, 2015 in Court of Queen's Bench Action No. 1501-00955:

I am:

- an individual who is a CEF Depositor;
- a pastor or elected representative of a congregation who is a CEF Depositor and who has been specifically authorized by that congregation to represent the congregation on the District Creditors Committee

Congregation Name: _____;

- an officer or director of a corporation which is a CEF Depositor and who has been specifically authorized by that corporation to represent the corporation on the District Creditors Committee

Corporation Name: _____;

- other authorized representative (please specify): _____

I _____ hereby acknowledge that neither I nor the congregation, corporation or other CEF Depositor who I am applying as representative of are a party to any contested action involving any 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.

Printed Name of Applicant

Signature of Applicant

SCHEDULE B

DISTRICT CREDITORS' COMMITTEE NOMINATION FORM

Nominee's name: _____

Home Address: _____

City: _____ Province: _____

Postal Code: _____

Phone numbers: Day _____ Evening _____

Cell _____

E-mail address: _____

I _____ hereby nominate the above mentioned nominee to be considered for an appointment to the District Creditors' Committee as described in the Order dated February 20, 2015 in Court of Queen's Bench Action No. 1501-00955.

Printed Name

Signature

SCHEDULE C

DISTRICT CREDITORS' COMMITTEE VOTING LETTER

Voter's name: _____

Home Address: _____

City: _____ Province: _____

Postal Code: _____

Phone numbers: Day _____ Evening _____

Cell _____

E-mail address: _____

I am:

- an individual who is a CEF Depositor;
- a pastor or elected representative of a congregation who is a CEF Depositor and who has been specifically authorized by that congregation to vote on behalf of the congregation with respect to the District Creditors Committee

Congregation Name: _____;

- an officer or director of a corporation which is a CEF Depositor and who has been specifically authorized by that corporation to vote on behalf of the corporation with respect to the District Creditors Committee

Corporation Name: _____;

- other authorized representative (please specify): _____

I _____ hereby vote in favour of the following District Creditors (as my first and second choices, respectively) to sit as members of the District Creditors Committee as described in the Order dated February 20, 2015 in Court of Queen's Bench Action No. 1501-00955:

1. _____

2. _____

Printed Name

Signature

SCHEDULE D

APPLICATION FOR VACANT POSITIONS ON THE DIL CREDITORS' COMMITTEE

Personal and Contact Information

Name: _____

Current Address: _____

City: _____ Province: _____

Postal Code: _____

Phone numbers: Day _____ Evening _____

Cell _____

E-mail address: _____

Other

Please describe any additional information you would like the Creditors of DIL to consider while voting on the composition of the DIL Creditors' Committee as described in the Order dated February 20, 2015 in Court of Queen's Bench Action No. 1501-00955:

I am:

- an individual who is a DIL Depositor;
- a pastor or elected representative of a congregation who is a DIL Depositor and who has been specifically authorized by that congregation to represent the congregation on the DIL Creditors Committee

Congregation Name: _____;

- an officer or director of a corporation which is a DIL Depositor and who has been specifically authorized by that corporation to represent the corporation on the DIL Creditors Committee

Corporation Name: _____;

- other authorized representative (please specify): _____
_____.

I _____ hereby acknowledge that I am not a party to any contested action involving any 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.

Printed Name of Applicant

Signature of Applicant

SCHEDULE E

DIL CREDITORS' COMMITTEE NOMINATION FORM

Nominee's name: _____

Home Address: _____

City: _____ Province: _____

Postal Code: _____

Phone numbers: Day _____ Evening _____

Cell _____

E-mail address: _____

I _____ hereby nominate the above mentioned nominee to be considered for an appointment to the DIL Creditors' Committee as described in the Order dated February 20, 2015 in Court of Queen's Bench Action No. 1501-00955.

Printed Name

Signature

SCHEDULE F

DIL CREDITORS' COMMITTEE VOTING LETTER

Voter's name: _____

Home Address: _____

City: _____ Province: _____

Postal Code: _____

Phone numbers: Day _____ Evening _____

Cell _____

E-mail address: _____

I am:

- an individual who is a DIL Depositor;
- a pastor or elected representative of a congregation who is a DIL Depositor and who has been specifically authorized by that congregation to vote on behalf of the congregation with respect to the DIL Creditors Committee

Congregation Name: _____;

- an officer or director of a corporation which is a DIL Depositor and who has been specifically authorized by that corporation to vote on behalf of the corporation with respect to the DIL Creditors Committee

Corporation Name: _____;

- other authorized representative (please specify): _____

I _____ hereby vote in favour of the following DIL Creditors (as my first and second choices, respectively) to sit as members of the DIL Creditors Committee as described in the Order dated February 20, 2015 in Court of Queen's Bench Action No. 1501-00955:

1. _____

2. _____

Printed Name

Signature