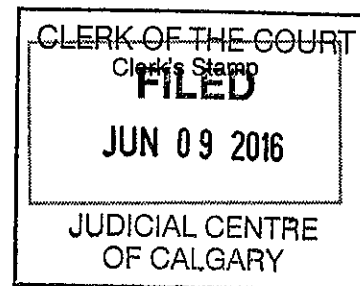


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



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 **APPROVAL AND VESTING ORDER
(Strathmore Lands)**

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

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

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

File No.: 103,007-003

DATE ON WHICH ORDER WAS PRONOUNCED: THURSDAY, JUNE 2, 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, EnCharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (collectively the "Applicants"); **AND UPON HAVING READ**

the Application, and the Affidavits 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;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of the application for this Order, and all supporting materials, as set out in the Affidavit of Suruchi Bhowmik respecting the Application filed May 24, 2016 is good and sufficient, and the time for notice hereof is shortened to the time actually given.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted by the Honourable Justice K.D. Yamauchi in this Action dated January 23, 2015 (the "Initial Order").

SALE OF LANDS

3. In this Order the following terms shall have the following meaning:
 - (a) "Beneficiaries of the Charges" means the beneficiaries of the Administration Charge, and the Directors' Charge;
 - (b) "Lands" means the lands legally described as:

PLAN 8010862
BLOCK 10
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.96 HECTARES (4.85 ACRES) MORE OR LESS
which is municipally known as 630 Westchester Road, Strathmore, Alberta;
 - (c) "Net Proceeds" means the proceeds from the sale of the Lands, less amounts required to pay all reasonable and ordinary closing costs, including without limitation goods and services and other applicable sales taxes, property taxes, commissions, and all other closing costs normally associated with a transaction of this nature including legal fees and disbursements;
 - (d) "Purchase and Sale Agreement" means the agreement in writing respecting the sale of the Lands from the District to the Purchaser dated April 28, 2016 which is

attached as Exhibit "B" to the Fifth Confidential Affidavit of Cameron Sherban sworn May 24th 2016;

- (e) "Purchaser" means the purchaser listed in the Purchase and Sale Agreement or such purchaser's nominee, as listed in the Solicitor's Letter.

4. The sale of the Lands to the Purchaser in accordance with the terms and conditions of the Purchase and Sale Agreement be and is hereby authorized and approved.

5. The District and the Monitor are hereby authorized and directed to execute all deeds, documents, and agreements, and to do all things reasonably necessary to complete the sale of the Lands and to carry out the terms of this Order.

6. Upon filing a certified copy of this Order (either with or without the Schedule) in the Alberta Land Titles Office together with a letter from the lawyer for the Applicants authorizing such registration (the "Solicitor's Letter") and subject to the terms of this Order, the Lands shall vest in the Purchaser, free and clear of any estate, right, title, interest, equity of redemption, and other claims of the parties, and any other charges, liens, encumbrances, caveats, or certificate of pending litigation registered against the Lands, and the Registrar of Land Titles in and for the Province of Alberta shall register the Lands in the name of the Purchaser subject to the reservations, provisos, exceptions, and conditions expressed in the original grants thereof from the Crown, and shall discharge all encumbrances except for:

- (a) 1561FM Restrictive Covenant;
 (b) 071 054 457 Easement.

The Registrar is hereby directed to register the Lands in the name of the Purchaser in accordance with this Order notwithstanding section 191(1) of the *Land Titles Act*.

7. Upon the Monitor delivering a certificate (the "Monitor's Certificate") to the Court in the form attached as Schedule "A" certifying that the sale of the Lands has closed substantially in accordance with the terms of the Purchase and Sale Agreement and all purchase monies due and owing in respect of such sale have been tendered to the District then:

- (a) the Lands shall be owned by the Purchaser, free of all estate, right, title, interest, rental, and equity of redemption of the District and all persons who claim by, through or under the District in respect of the Lands, other than any permitted encumbrances expressly set forth in the Purchase and Sale Agreement;

- (b) the District and all persons who claim by, through or under the District shall stand absolutely barred and foreclosed from all estate, right, title, interest, rental, and equity of redemption of the Lands and, to the extent that any such person remains in possession or control of any of the Lands, they shall forthwith deliver possession of same to the Purchaser or its nominee; and
- (c) the Purchaser shall be entitled to enter into and upon, hold and enjoy the Lands for its own use and benefit without any interference of or by the District, or any person claiming by or through or against the District on any of the Lands.

8. The District is authorized and empowered, in respect of the Lands, to execute and deliver:

- (a) such additional, related or ancillary documents and assurances governing or giving effect to the sale of the Lands, which in the District's discretion are reasonably necessary or advisable to conclude the transactions contemplated in or in furtherance of the purchase of the Lands and/or this Order; and
- (b) any and all instruments and documents in respect of the Lands as may be required by the Registrar of the Land Titles Office of Alberta or deemed reasonably necessary by the District, and the Registrar is hereby directed notwithstanding section 191(1) of the *Land Titles Act* to effect registration of any such instrument or document so executed by the District or its solicitors.

9. Upon the filing of the Monitor's Certificate, the Monitor may discharge, or authorize the discharge of, any security registration or registrations in the Personal Property Registry of Alberta as may be required to properly convey clear title of the Lands to the Purchaser.

10. Until further Order of this Honourable Court, Bishop & McKenzie LLP shall hold all Net Proceeds in trust and such Net Proceeds shall stand in the place and stead of the Lands transferred pursuant to this Order, and all claims of whatsoever nature or kind, including without limitation, all liens, claims, encumbrances, mortgages, proprietary claims, trust claims, lease claims, and other interests (the "Claims") shall attach solely to the Net Proceeds with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available when the Claims were attached to the Lands itself.

11. Notwithstanding paragraph 10 of this Order, the Monitor is authorized, in its sole discretion and as it deems necessary or appropriate, to direct that any or all of the Net Proceeds

be paid to valid and enforceable claims that exist in respect of the Net Proceeds; provided however, that adequate provision has been made for the Beneficiaries of the Charges.

12. Any provision made for the Beneficiaries of the Charges by the Monitor pursuant to paragraph 11 hereof shall be done with the consent of the Beneficiaries of the Charges and shall be without prejudice to any subsequent application to allocate Charges pursuant to paragraph 40 of the Initial Order.

13. Notwithstanding:

- (a) the pendency of these proceedings and the declaration of insolvency made herein;
- (b) any bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act* (the "BIA") in respect of any of the Applicants, and
- (c) the provisions under the BIA, or any other applicable federal or provincial legislation or common law,

the Purchase and Sale Agreement or any transaction contemplated hereby or coordinated therewith shall constitute legal, valid and binding obligations of the Applicants enforceable against them in accordance with the terms thereof, and neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to constitute settlements, fraudulent preferences, assignments, fraudulent conveyances, oppressive conduct, or other reviewable transactions under the BIA, or any other applicable federal or provincial legislation, or common law.

B. E. C. Romaine

Justice of the Court of Queen's Bench of Alberta

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 **MONITOR'S CERTIFICATE
(Strathmore Lands)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Cassels Brock & Blackwell LLP
10th Floor, 888-3rd Street SW
Calgary, Alberta T2P 5E9
Attn: Jeffrey Oliver
Phone: 403-298-1000
Fax: 403-263-9193

RECITALS

- A. Pursuant to an Order of the Honourable Justice K.D. Yamauchi of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated January 23, 2015, Deloitte Restructuring Inc. was appointed as the Monitor of the Applicants.
- B. Pursuant to an Order of the Court dated June 2, 2016 (the "Approval and Vesting Order (Strathmore Lands)"), the Court approved the agreement of purchase and sale made as of April 28, 2016 between the District and the Purchaser, as that term is defined in the Approval and Vesting Order (Strathmore Lands) and provided for the vesting in the Purchaser all of the District's right, title and interest in and to the Lands, as that term is defined in the Approval and Vesting Order (Strathmore Lands), which vesting is to be effective with respect to the Lands upon the delivery by the Monitor to the Purchaser of a

certificate confirming the payment by the Purchaser of the purchase monies for the Lands to the District.

THE MONITOR CERTIFIES THE FOLLOWING:

1. The Purchaser (or its nominee) has paid and the District has received the purchase monies for the Lands;
2. The sale of the Lands has been completed to the satisfaction of the Monitor; and
3. This Certificate was delivered by the Monitor at _____ on _____.

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.

Jeff Keeble CA, CIRP, CBV
Senior Vice-President