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Notice to depositors of the Lutheran Church – Canada, the Alberta – British Columbia District (the “District”), including the Church Extension Fund (“CEF”), Encharis Community Housing and Services (“ECHS”), Encharis Management and Support Services and the Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“DIL”, collectively the “District Group” or the “Applicants”)

As you are aware, the District Group obtained an Initial order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “CCAA”) on January 23, 2015. Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings (the “Monitor”). The purpose of this correspondence is to provide creditors with an update as to recent events in the CCAA proceedings for the District Group. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Fifth Report of the Monitor dated August 24, 2015 (the “Fifth Report”).

As previously reported, information on the CCAA proceedings can be accessed on the Monitor’s website at www.insolvencies.deloitte.ca under link entitled “Lutheran Church – Canada, the Alberta – British Columbia District et. al.” or can be requested from the undersigned via telephone at (403) 298-5955 or via email at vanallen@deloitte.ca.

Recent Court Proceedings

The most recent applications to the Court of Queen’s Bench of Alberta (the “Court”) were made on August 28, 2015 (the “August 28 Hearing”), at which time the Court approved the following relief:

- Extending the stay of proceedings (the “Stay”) until October 30, 2015;
- Approving the sale of lands located in Revelstoke, British Columbia (the “Revelstoke Lands”). The Monitor notes that the sale of the Revelstoke Lands failed to close as anticipated and, as such, the District Group is making a further application for Court approval of a subsequent offer on the Revelstoke Lands on September 14, 2015;
- Authorizing DIL to transfer up to \$15.0 million (the “DIL Distribution”) from the registered retirement savings plans (the “Registered Plans”) currently held by DIL to new registered retirement savings plans (the “New Registered Plans”) held by Great-West Life Assurance Company (“GWL”). The New Registered Plans will include the same types of accounts as the Registered Plans, including Tax Free Savings Accounts, accounts in Registered Retirement Savings Plans and accounts in Registered Retirement Income Funds;

- Authorizing DIL to release personal information respecting depositors of DIL to GWL and its agent, Yellow Raincoat Benefit Consultants;
- Sealing the Confidential Supplement to the Fifth Report and the Confidential Affidavit of Kurtis Robinson, sworn on August 17, 2015, both provided to the Court in advance of the August 28 Hearing;
- Authorizing the release of realtor commissions payable on the sale of vacant school lands (defined in the Fifth Report as the “Faith Lands”) located in Edmonton, Alberta; and
- Extending the claims bar date set out in the claim process that was approved by the Court on February 20, 2015 to allow ARS Collection Agency of Canada Inc., operating as Fiserv and Fiserv Solutions, to submit a proof of claim in the CCAA proceedings.

The Plans of Arrangement (the “Plans”)

The Monitor is continuing to support the District Group in their ongoing efforts to formulate their Plans in the CCAA proceedings. The Monitor has worked with the District Group in developing four draft Plans, one for each of the Applicants (the “Draft Plans”), which have been circulated among the Monitor, the Monitor’s legal counsel, the Applicants, the Chief Restructuring Officer, the Applicant’s legal counsel, the creditors’ committees for the District and DIL (the “Committees”) and the representative counsel for the Committees (the “Representative Counsel”). Several meetings have been held between variations of these parties related to the content of the Draft Plans and, although discussions are progressing, several matters remain outstanding. The Monitor reports as follows with respect to the outstanding matters and the District Group’s progress in developing the Draft Plans:

- The Committees are currently attempting to negotiate settlements with respect to two issues (as further described in the Fifth Report), which will impact the realization to the District’s depositors and to DIL’s depositors.
- The Representative Counsel are reviewing potential claims against the current and former directors and officers of the District Group (the “D&O Claims”) as well as known third party claims (the “Third Party Claims”) and are considering the available options to realize on the D&O Claims and the Third Party Claims in order to provide additional recovery to depositors pursuant to the Plans.
- While the Plans are being formulated, the District is making ongoing efforts to realize on assets, where such realizations are consistent with the intention and proposed course of action set out in the Draft Plans. The Applicants are currently pursuing the sale of the following District-owned real estate properties, subject to District Committee and Court approval:
 - The District’s former head office in Edmonton, Alberta, which was listed for sale in June 2015 for \$2.25 million;
 - Lands in Elkford, Alberta, which were listed for sale in May 2015 for \$375,000; and
 - Lands in St. Albert, Alberta (the “St. Albert Lands”), the sale of which was approved by the Court on March 27, 2015 but for which the corresponding transaction failed to close. The District is currently reviewing its options with respect to the St. Albert Lands.

- The Applicants are working with those congregations who hold loans and mortgages to facilitate the repayment of those loans and mortgages.
- The Applicants will be moving forward to complete the DIL Distribution, subject to receipt of a tax opinion from the Monitor's legal counsel with respect to any impact that the DIL Distribution may have for DIL depositors. Additional correspondence will be sent to DIL depositors only in that regard.

Process and timeline

The Monitor anticipates that, on or prior to the expiry of the Stay, the Applicants will be making an application to the Court for an Order (the "Meeting Order") including the following relief:

- Accepting the Plans for filing; and
- Authorizing the District Group to present the Plans to the creditors of each of the Applicants and to seek approval of the creditors for each of the Applicants' Plans in conjunction with the terms of the Meeting Order and the Plans.

In consultation with the Applicants, the Monitor has developed the attached action items and proposed timeline from when the Plans are filed until such time as they are approved by the Court.

Should you have additional questions, please contact the undersigned at 403-298-5955.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as the 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. and not in its personal or corporate capacity



Per: Vanessa Allen, B. Comm, CIRP
Vice-President

Timeline and action items following the filing of a plan

Action	Timing
Meeting Order is granted.	As soon as practicable and no later than October 30, 2015.
Information packages for the creditors/ depositors of the Applicants (the "Creditor Packages") will be posted to the website.	Within 2 business days following the Meeting Order being granted.
<p>The Creditor Packages will be mailed to all known creditors/ depositors of the Applicants, whose claims have not been disallowed pursuant to the claims process. The Creditor Packages will include the following:</p> <ul style="list-style-type: none">• The Plan for the relevant Applicant;• The Monitor's report on the Plan for the relevant Applicant;• The Meeting Order;• An information summary describing the key elements of the Plan for the relevant Applicant;• An information summary describing how depositors/ creditors can participate in the process set out in the Meeting Order;• For the District, an election form for creditors/ depositors to elect to participate in one of two available options, which are anticipated to be available under the Plan; and• A voting letter and proxy.	Within 14 days following the Meeting Order being granted.
CRO to hold various information sessions with creditors/ depositors.	Between 19 and 45 days after the Meeting Order is granted.
<p>Meetings for the purpose of voting on the Plan (the "Meetings") to be held as follows:</p> <ul style="list-style-type: none">• Two meetings for the creditors/ depositors of the District to be held simultaneously in Edmonton, AB and Kelowna, BC, which are anticipated to be linked via video conference;• Two meetings for the creditors/ depositors of DIL to be held simultaneously in Edmonton, AB and Kelowna, BC, which are anticipated to be linked via video conference; and• Two concurrent meetings for ECHS and EMSS.	Between 45 to 55 days after the Meeting Order is granted.
Assuming the Plans are approved at the Meetings, the Applicants will apply for Court approval of the Plans.	Within 15 days following the Plans being approved at the Meeting or, if the Courts are not available, as soon as practicable thereafter.