

February 2, 2015

Notice to holders of RRIFs in Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“District Investments”)

Pursuant to District Investments proceedings under the *Companies’ Creditors Arrangement Act (Canada)* (the “CCAA”) there is a stay of proceedings in place that affects all redemptions, transfers or interest payments to depositors, with the exception of required statutory minimum payments for RRIF holders which are to be continued to be made in the ordinary course.

As part of the CCAA proceeding, District Investments will be reviewing their options with respect to presenting a plan of arrangement (“Plan”) to their creditors, including the holders of RRIFs. At present the details of any Plan are not yet known.

In reviewing the assets held within District Investments, it is currently anticipated that selected loans will not be collectible. These include two loans made to Encharis Community Housing and Services totaling approximately \$7.7 million, which are secured by a registered mortgage (the “ECHS Mortgage”) against selected properties within the Prince of Peace development. The ECHS Mortgage is registered in second position behind a mortgage to Lutheran Church – Canada, the Alberta – British Columbia District (the “District”). Because the value of the property subject to the ECHS Mortgage appears to be insufficient to repay the mortgage in favour of the District, it is not anticipated that District Investments will recover anything under the ECHS Mortgage.

The Monitor is currently reviewing the remaining loans held within the District Investments fund. In the meantime, however, the Monitor understands that District Investments has reduced the face value of the investments, which in turn reduces the statutory required minimum payments to RRIF holders, by 24%. The reason for this is to ensure an equitable distribution to the depositors within District Investments. Based on the information reviewed by the Monitor, the Monitor is satisfied that this adjustment is reasonable.

We note that, the ultimate recovery to the depositors within District Investments, including the holders of RRIFs, is uncertain at this time and will be determined at a later point in the CCAA proceedings.

For those who require payments from their RRIFs above the statutory minimum payments, an emergency fund has been established and applications can be obtained by contacting District Investments or accessing the website set up by the District for depositors at www.abcdistrict.ca using the login information that was previously provided.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as the Court-appointed Monitor of Lutheran Church – Canada, the Alberta – British Columbia District, 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