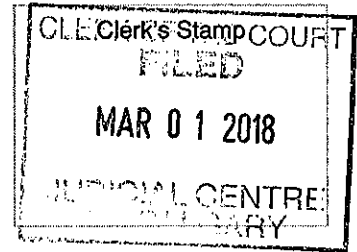


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



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

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Fasken Martineau DuMoulin LLP**
First Canadian Centre
3400, 350 – 7th Avenue S.W.
Calgary, AB T2P 3N9

Attention: Travis Lysak / Hannah Roskey
Phone: (403) 261-5350
Facsimile: (403) 261-5351
File No.: 307842.00003

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: March 8, 2018
Time: 11:00 a.m.
Where: Calgary Courts Centre, 601 – 5th Street S.W., 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. The Applicants, the Lutheran Church – Canada, the Alberta – British Columbia District (the “**District**”), Encharis Community Housing and Services (“**ECHS**”), Encharis Management and Support Services (“**EMSS**”), and the Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“**DIL**”) (together, the “**Applicants**”), seek the following relief:
 - (a) an Order, substantially in the form attached as Schedule “A”:
 - (i) declaring service of this Application and the supporting materials to be good and sufficient, and shortening the time for service, if necessary; and
 - (ii) approving the Settlement Agreement with the Prince of Peace Church and School (the “**POP Church and School**”), attached as Exhibit “B” to the Affidavit of Cameron Sherban sworn March 1, 2018;
 - (b) an Order, substantially in the form attached as Schedule “B”:
 - (i) declaring service of this Application and the supporting materials to be good and sufficient, and shortening the time for service, if necessary; and
 - (ii) approving the sale of the lot located in the Prince of Peace Village with a municipal address of 285011 Luther Rose Boulevard, Rocky View County (the “**Parsonage Lot**”) for \$50,000 (the “**Purchase Price**”) to Limetwig Homes Inc. (the “**Purchaser**”); and
 - (c) such further and other relief as this Honourable Court may allow.

Grounds for making this Application:

Settlement with the Prince of Peace Church and School

2. The District and the POP Church and School have reached an agreement with respect to amounts owed to the District by the POP Church and School pursuant to two unsecured loans, which have a combined total outstanding balance of \$11,324,690.80, inclusive of interest in the amount of \$3,509,344.78 accrued to February 28, 2018 (the “**Indebtedness**”).
3. As part of this agreement:
 - (a) the POP Church and School agrees:
 - (i) to pay the District the lump-sum amount of \$40,000;
 - (ii) to transfer to Sage Properties Corp. (“**Sage**”), for cancellation, the shares in Sage that the POP Church and School received pursuant to the Plan of Compromise and Arrangement of the District (the “**District Plan**”); and
 - (iii) as of December 19, 2017, to forgo any further distributions that the POP Church and School may have been or may be entitled to under the District Plan;
 - (b) the District agrees:
 - (i) in recognition of the transfer of the POP Church and School buildings to Sage, the amount of the Indebtedness is reduced by \$4,654,022; and
 - (ii) to release the POP Church and School from all claims relating to the remaining face value of the Indebtedness and any remaining interest owed on the Indebtedness.
4. The settlement terms agreed to between the POP Church and School and the District have been approved by the Monitor and the District Creditors’ Committee.

Sale of the Parsonage Lot

5. The Parsonage Lot is a vacant lot in the Prince of Peace Village of which ECHS is the registered owner.
6. Concentra Trust, in trust for DIL, held two Mortgages and had registered two Caveats re: Assignment of Rents and Leases on the Parsonage Lot. These Mortgages and Caveats re: Assignment of Rents and Leases were recently assigned to the District.
7. The Parsonage Lot has been marketed by RE/MAX Len T. Wong & Associates Real Estate (“RE/MAX”) since February 2016. RE/MAX has had substantial difficulty in selling the Parsonage Lot, as described in the Affidavit of Cameron Sherban.
8. On February 6, 2018, the Purchaser offered to purchase the Parsonage Lot for the Purchase Price. As of February 12, 2018, the Purchaser provided notice that its conditions of the purchase of the Parsonage Lot were unilaterally waived or have been satisfied.
9. The Monitor, the District Creditors’ Committee, and the DIL Creditors’ Committee are supportive of this Application for the sale of the Parsonage Lot to the Purchaser for the Purchase Price.

Material or evidence to be relied on:

10. The Affidavit of Cameron Sherban, sworn March 1, 2018;
11. The pleadings and other materials filed herein; and
12. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

13. Part 6, Division 1, Rule 13.5.

Applicable Acts and regulations:

14. *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

Any irregularity complained of or objection relied on:

15. None.

How the Application is proposed to be heard or considered:

16. Before the Honourable Madam Justice B.E.C. Romaine in Chambers.

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.

Schedule "A"

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF
ALBERTA IN BANKRUPTCY
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Clerk's Stamp

IN THE MATTER OF THE
COMPANIES' CREDITORS
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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 **Fasken Martineau DuMoulin LLP**
First Canadian Centre
3400, 350 – 7th Avenue S.W.
Calgary, AB T2P 3N9

Attention: Travis Lysak / Hannah Roskey
Phone: (403) 261-5350
Facsimile: (403) 261-5351
File No.: 307842.00003

Date on which Order was pronounced: March 8, 2018
Location where Order was pronounced: Calgary, Alberta
Name of Justice who made this Order: Madam Justice B.E.C. Romaine

Schedule "A"

UPON HEARING the Application of the Lutheran Church – Canada, the Alberta – British Columbia District (the “**District**”), Encharis Community Housing and Services (“**ECHS**”), Encharis Management and Support Services (“**EMSS**”), and the Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“**DIL**”) (together, the “**Applicants**”); **AND UPON REVIEWING** the Affidavit sworn by Cameron Sherban in support of the Application; **AND UPON HEARING** submissions from counsel for the Applicants;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of the Application for this Order, and all supporting materials respecting the Application, filed March 1, 2018, is hereby declared to be good and sufficient, and no other person is required to have been served with notice of the Application for this Order, and the time for service of the Application for this Order is abridged to the time actually given.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Affidavit of Cameron Sherban, sworn March 1, 2018.
3. The terms of settlement between the District and the POP Church and School are hereby approved, and the execution of the Settlement Agreement between the District and the POP Church and School is hereby approved, with such minor amendments as may be deemed necessary by the District and the POP Church and School. The District is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation of the Settlement Agreement, which is attached to this Order as Schedule “A”.
4. In accordance with the Settlement Agreement, Sage is hereby directed to cancel the shares held in Sage by the POP Church and School upon being served with a filed copy of this Order.

The Honourable Madam Justice B.E.C. Romaine

Schedule "B"

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY
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DOCUMENT **ORDER**

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Date on which Order was pronounced: March 8, 2018
Location where Order was pronounced: Calgary, Alberta
Name of Justice who made this Order: Madam Justice B.E.C. Romaine

Schedule "B"

UPON HEARING the Application of the Lutheran Church - Canada, the Alberta - British Columbia District (the "**District**"), Encharis Community Housing and Services ("**ECHS**"), Encharis Management and Support Services ("**EMSS**"), and the Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. ("**DIL**") (together, the "**Applicants**"); **AND UPON REVIEWING** the Affidavit sworn by Cameron Sherban in support of the Application; **AND UPON HEARING** submissions from counsel for the Applicants;

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1. Service of notice of the Application for this Order, and all supporting materials respecting the Application, filed March 1, 2018, is hereby declared to be good and sufficient, and no other person is required to have been served with notice of the Application for this Order, and the time for service of the Application for this Order is abridged to the time actually given.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Affidavit of Cameron Sherban, sworn March 1, 2018.
3. The purchase of the Parsonage Lot by the Purchaser is hereby approved, and the execution of the Purchase Contract between ECHS and the Purchaser is hereby approved, with such minor amendments as may be deemed necessary by ECHS and the Purchaser. The Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation of the Purchase Contract, which is attached to this Order as Schedule "A".
4. The Monitor will file with the Court a Monitor's Certificate confirming that the terms of the Purchase Contract have been fully performed.
5. Upon being presented with a filed copy of the Monitor's Certificate, the Registrar of the Land Titles Office of Alberta is hereby directed to, notwithstanding section 191 of the *Land Titles Act* (Alberta):
 - (a) cancel the Mortgages bearing Registration Numbers 111 319 853 and 111 319 855 on the Certificate of Title to the Parsonage Lot;

Schedule "B"

- (b) cancel the Caveats re: Assignment of Rents and Leases bearing Registration Numbers 111 319 854 and 111 319 856 on the Certificate of Title to the Parsonage Lot; and
- (c) cancel the existing title to the Parsonage Lot and issue a new title in the name of Limetwig Homes Inc., having an address at Bay 5, 3515 27 Street N.E., Calgary, AB, T1Y 5E4.

The Honourable Madam Justice B.E.C. Romaine