

December 1, 2016

Dear Shareholder,

On behalf of the Board of Directors, we are pleased to report that effective October 31, 2016 the Prince of Peace real estate assets were transferred to SAGE Properties Corp. ("SAGE"). This marks an important milestone in the effort to return value to ABC District depositors who are now the shareholders of SAGE.

The assets now under SAGE governance and management are on one site located along the TransCanada Highway (16th Avenue N.E.) at Garden Road in Rocky View County, just outside of Calgary, Alberta and consist of the following:

- Prince of Peace Manor – a 159-room senior's assisted living facility;
- Prince of Peace Harbour – a 32-room memory care facility;
- Prince of Peace Lutheran School which is currently leased to Rocky View Schools;
- More than 60 acres of surplus undeveloped land. SAGE was created to take custody of the assets that were not easily liquidated through the CCAA restructuring process. We have assembled a team with the knowledge, skills and expertise to maximize the value of these assets and get liquidity to shareholders in a responsive manner. The Board is committed to transparency, accountability, and corporate governance while representing your ownership interest in SAGE. The Board of Directors of SAGE and the executive team are aligned to the following priorities:
 1. Ensuring the continued safety and wellbeing of the residents, students and staff at our facilities;
 2. Supporting the value of SAGE's assets with the ongoing identification and remediation of property and maintenance issues;
 3. Evaluating and pursuing opportunities to increase the value of the assets through activities such as vacancy reduction, subdivision and zoning, and utility optimization;
 4. Attracting qualified purchasers that will attribute the highest value to the assets for a possible sale;
 5. Pursuing opportunities to create future liquidity (i.e. cash) for all shareholders.

The Board and Management are working diligently to ensure your interests are properly represented. There is much work to do and critical activities have been initiated. We look forward to keeping you abreast of the work as it unfolds, on your behalf, as a shareholder of SAGE.

SAGE is working on an option to facilitate the purchase and sale of shares. While this work continues, we will keep you informed of any opportunities that arise for you to sell your shares. Should you wish to buy or sell shares please contact us at (403) 478-9661 or info@sageproperties.ca.

The significance of the events leading to the formation of SAGE Properties Corp. and the resultant impact on each of you is not lost on us. We acknowledge and thank you for your continued patience as we work through the early days of this new company. It is our intention to



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present you with the best possible information and options when we meet at the first shareholders meeting this February. Until then we will provide you with regular updates.

Thank-you. We look forward to meeting you in February 2017.

Sincerely yours,

Harvey Schott
Chairman
SAGE Properties Corp.

Scott McCorquodale
Chief Executive Officer
SAGE Properties Corp.