



September 4, 2020

Dear Shareholder,

Thank you for your patience during these uncertain times and we apologize for the delay in providing this update. Unfortunately, COVID has resulted in uncertainties and delays with the accomplishment of Sage's mandate, however, we do continue to make progress and are pleased to give you the following update:

A. Annual General Meeting ("AGM")

Sage is required to hold an AGM within 15 months of its last meeting which was held on September 19, 2019. Unfortunately, with the current COVID restrictions, we will be unable to hold an in-person meeting. As such, a virtual AGM, will be held on November 28, 2020. An information circular with details of the meeting, including the audited financial statements for the year ended March 31, 2020 will be mailed out no later than November 6, 2020.

B. Sage Mandate Update

Divestiture of Sage Assets

For your information, the following chart provides an overview of the process for the sale of the Prince of Peace Harbour & Manor:

1. Broker is hired to market the property.
2. Interested parties submit a letter of intent ("LOI") to purchase assets. Upon Sage's acceptance of a LOI, non-disclosure agreements are signed, and potential purchasers perform due diligence on assets.
3. Parties negotiate terms for the purchase and sale agreement.
4. The Sage board approves and executes the purchase and sale agreement with a successful party. The sales will be conditional on approval by the shareholders.
5. A special meeting of the shareholders is held to review and approve the purchase and sale agreement. An information circular is mailed out with the details of the transaction no later than 21 days prior to the meeting. *
6. If approved by shareholders, the sale is completed, and the asset is transferred to purchasers.
7. The Board redeems shares of Sage and distributes cash to shareholders.

* Note: Shareholder approval is required for the sale of the Harbour & Manor as it represents over 2/3 of Sage's assets.

Divestiture of Sage Assets (continued)

The Sage board engaged KPMG Corporate Finance in August 2019 to commence a broad divestment process for Sage's assets. The process has resulted in interested purchasers who have signed letters of intent and we are currently working with those parties to determine whether we can reach mutually agreeable terms and conditions. Unfortunately, the COVID pandemic has resulted in much uncertainty



and a more complicated environment in which to sell the assets. At this stage, there is no guarantee that the work being done will result in the sale of the assets, however, the board is working diligently to complete a sale as quickly as possible. We apologize for not being able to be more specific, but such details must remain confidential until final purchase sale agreements are obtained with successful parties.

Utilities – Water Pipeline Construction

Over the past few months, discussions have been held between Rocky View County (“RVC”) and various stakeholders (i.e. Sage, Prince of Peace Village, and Amar Developments) regarding the RVC construction of a water pipeline starting from the Conrich Reservoir and Pump Station and terminating at the Prince of Peace community. We are very excited regarding the progress of these discussions and RVC council will review administration’s proposal to construct the water pipeline this fall. The proposal outlines each stakeholder’s proposed contribution and makes Sage’s contribution to the construction of the pipeline a viable option to get water service to Prince of Peace community. The current proposal details that the pipeline will most likely be built in summer of 2021. Sage is also working with RVC to transition operation of the sewer and water services at the POP site to RVC once the site is connected to County water system.

Subdivision

On March 5, 2020, Sage submitted a revised subdivision proposal to RVC. Once subdivision is approved by RVC, Sage will be required to meet subdivision conditions and submit a development agreement to RVC. The timeline to complete subdivision is as follows:

- September 2020 - Engineering drawings for the proposed road and estimates submitted to RVC.
- Sept 24, 2020 – Subdivision presented to the Municipal Planning Committee (“MPC”) for conditional approval.
- October 2020 - endorsement package completed and submitted to RVC administration (minimum 21 days after conditional approval.)
- November 2020 - final approval by the MPC and/or County Administration
- December 2020 – registration of sub-division at land titles is complete and separate titles are created for each the Harbour & Manor, School and Bare Lands.



Environmental Reclamation

Sage is pleased to report that the reclamation has been done and has been approved by Alberta Environment. The outstanding environmental issues have been resolved to the satisfaction of Alberta Environment. This was a condition that RVC required prior to subdivision consideration.

Prince of Peace Harbour and Manor ("POP") COVID Update

The board would like to thank Verve and the POP management team for the successful operation of POP Harbour & Manor during this COVID pandemic. Our staff have done an excellent job ensuring the health and safety of our residents. To date, we have not had any cases of COVID in our facility.

Thank you again for your continued support. We look forward to speaking to you at our AGM later this fall.

Sincerely yours,

(signed) "Sandra Jory"
Sandra Jory, CPA, CA
Board Chair
SAGE Properties Corp.