

November 16, 2020

Dear Shareholder:

**2020 Annual General Meeting (the “AGM”)**

The AGM will be held on Saturday November 28, 2020 at 1:00 PM (MST) in a virtual only format via live audio webcast online at <https://web.lumiagm.com/413563630>. This webcast will be accessible on any device that can connect to the internet (phone, tablet, computer etc.). **To participate and vote during the meeting, shareholders MUST log in to the meeting.** However, if internet access is unavailable, a dial-in number has been set up for the meeting, however, shareholders will not be able to vote, comment or ask questions if they call into the meeting. The dial-in details for LISTEN ONLY participation is as follows:

**Phone number:** 1-855-703-8985

**Meeting ID:** 933 7235 7070

**Passcode:** 643356

As always, we encourage shareholders to participate by voting their Instrument of Proxy prior to the AGM or through participation by logging into the meeting. **The Instrument of Proxy must be received by Alliance Trust Company no later than Thursday November 26, 2020 at 1:00 pm MST by:**

- Internet vote using the 12 digit control number located at the bottom of the Form of Proxy at [www.alliancetrust.ca/shareholders](http://www.alliancetrust.ca/shareholders)
- Email to [inquiries@alliancetrust.ca](mailto:inquiries@alliancetrust.ca)
- Facsimile to 403-237-6181
- Mail to Alliance Trust at #1010, 407 – 2<sup>nd</sup> Street SW, Calgary, Alberta T2P 2Y3

**Notice of Optional Redemption**

This notice was mailed to all shareholders on November 3, 2020. We have received many questions regarding the redemption notice and have put together the attached “Frequently Asked Questions” document that we hope will be helpful. In addition, management will review the redemption notice and acceptance notice form at the AGM, walk through how to complete forms and be able to answer questions that shareholders may have at that time.

**Prince of Peace Harbour and Manor**

On November 3, 2020, the Manor was put on Covid-19 Outbreak due to 3 staff members testing positive for Covid-19. All residents of the Manor and staff were tested; Sage can report that, as of today, no residents nor additional staff have tested positive for Covid-19 since the outbreak was declared.

On November 13, 2020, the Harbour was put on Covid-19 Outbreak to due to 1 staff member testing positive for Covid-19. All Harbour residents and staff were tested; Sage can report that the results for the residents have come back as negative for Covid-19. For the Harbour staff, as of today, most of the test results have come back as negative; management is waiting on the remainder of the staff test results.



## Notice of Redemption - Frequently Asked Questions (“FAQS”)

The affected staff have had mild symptoms so far and are recovering at home. Management would like to take this opportunity to commend the team members at Prince of Peace Manor and Harbour and at Verve for their dedication and hard work in responding to both outbreaks and keeping the residents and fellow team members safe and healthy.

I am sorry that I will not get to see you at the AGM this year but thank you in advance for your participation “online”.

Sincerely yours,

Sandra Jory, CPA, CA  
Board Chair  
Sage Properties Corp.



## Notice of Redemption - Frequently Asked Questions (“FAQS”)

### ***Q1: What is the purpose of the redemption? Do I have to redeem my shares?***

**A:** The board recognizes that each shareholder’s needs for liquidity are different and wanted to provide the opportunity for shareholders to have access to cash should they require it. Therefore, the redemption is at the option of the shareholders, which means that a shareholder does NOT have to redeem their shares. If a shareholder chooses to not redeem any shares, they can choose to do nothing at this time and they do NOT need to submit “Schedule A: Form of Redemption Acceptance Form”.

### ***Q2: Is this my last chance to redeem shares? Will there be future redemptions of shares? When will this happen?***

**A:** No. As the assets of Sage are sold and cash becomes available, the board will be doing further redemptions. However, we cannot guarantee the timing of the sale of the assets and future redemptions or the price at which such redemptions may be done.

### ***Q3: On October 31, 2020, I received a “Final Distribution Statement” from Deloitte. Why is the “Share Distribution” value on the statement different from the number of shares on my Sage Direct Registration System Advice (the “DRS” statement)?***

**A:** Your Sage DRS statement shows the number of shares that you own. When the shares were issued in October 2016, it was at a value of \$1 per share. Subsequent to this, approximately 400,000 of Sage shares were cancelled. This effectively meant that the shares, on issuance were worth \$1.0078, which is what is reflected on the Deloitte statement. For example, if you were issued 10,000 Sage shares in October 2016:

- Sage DRS Statement: 10,000
- Deloitte Statement “Share Distribution”: 10,077

### ***Q4: How did the Sage Board determine a share value of \$.65 per share?***

**A:** The board of directors performed an extensive review of the value of the underlying assets of Sage (i.e. the Bare lands, Harbour & Manor and the School) and applied a discount to this value based on the estimated time to complete the sales and estimated rate of return a 3<sup>rd</sup> party investor would expect if they were to purchase Sage shares today. The share price of \$.69/share was reduced by the estimated financing and redemption costs of \$.04 per share (\$.69 per share less \$.04 = \$.65/share).

### ***Q5: Will the value of Sage’s shares increase in the future?***

**A:** The board is working diligently on Sage’s mandate which is to maximize the value of Sage assets for the benefit of its shareholders. While it is the board’s hope that we will be able to secure a higher share value in the future, we are unable to provide any guarantee what the future share value will be.

### ***Q6: How is Sage getting the money for the redemption?***

**A:** Sage is using cash on hand, generated from operating profits, together with a mortgage in the amount of \$4.5M to fund the redemption.



## Notice of Redemption - Frequently Asked Questions (“FAQS”)

**Q7: Is this a dividend?**

**A:** The share redemption is not anticipated to result in a dividend.

No T5 slip (or other tax slip) will be issued by Sage. It is the responsibility of shareholders to report the redemption for tax purposes, if required. Please note that the Paid-Up Capital per share is \$1.

**Q8: I would like to redeem just the minimum number of shares (i.e. fewest shares possible). How do I fill out Page A-1 of the Form of Redemption Acceptance Notice?**

**A:** If you wish to redeem just the minimum number of shares of 17.15%, you leave the last column blank or strikethrough as follows:

| DESCRIPTION OF CLASS A COMMON SHARES TO BE REDEEMED |   |  |  |  |
|---|---|--|--|--|
| DRS Advice Number(s) <sup>1</sup>                   | Names in which Registered (please fill in exactly as names(s) appear(s) on DRS Advice(s)) | Total Number of Class A Common Shares Evidenced by DRS Advice <sup>2</sup> | Maximum Number of Class A Common Shares Elected to be Redeemed |  |
| 123   | Joe Smith   | 10,000   | ----- OR<br>LEAVE BLANK  |  |

<sup>1</sup> 3 digit account number on top right corner your Direct Registration System (“DRS”) Advice Share statement

<sup>2</sup> Total shares as per bottom right corner of your DRS statement.

In this example, the shareholder will receive a check for \$1,114.75 and after the redemption will own 8,285 shares (10,000 shares minus 1,715 shares redeemed). The minimum redemption amount will be paid as a “Block A” Redemption.

**Q9: Can I redeem 100% of my shares? If I wish to redeem the maximum number of shares (i.e. 100% of my shares) how do I fill out Page A-1 of the Form of Redemption Acceptance Notice?**

**A:** We cannot promise that a shareholder will be able to redeem 100% of their shares. The amount of cash that will be available for additional redemption shares or “Block B redemptions”, will depend on how many shareholders chose to redeem at this time. However, if you would like to try to redeem 100% of your shares, should the cash become available, you would complete the form as follows (using our example of Joe Smith above who owns 10,000 shares)

| DESCRIPTION OF CLASS A COMMON SHARES TO BE REDEEMED |   |  |  |  |
|---|---|--|--|--|
| DRS Advice Number(s) <sup>1</sup>                   | Names in which Registered (please fill in exactly as names(s) appear(s) on DRS Advice(s)) | Total Number of Class A Common Shares Evidenced by DRS Advice <sup>2</sup> | Maximum Number of Class A Common Shares Elected to be Redeemed |  |
| 123   | Joe Smith   | 10,000   | 10,000   |  |

<sup>1</sup> 3 to 4-digit Account Number on top right corner your Direct Registration System (“DRS”) Advice Share statement

<sup>2</sup> Total shares as per bottom right corner of your DRS statement.

In this example, the minimum amount a shareholder will get in cash for the Block A Redemption is \$1,114.75 (17.15% of shares owned x \$0.65). However, should there be additional cash be available for redemption, the shareholder would receive additional cash for the Block B Redemption.

### **Q10: How do I fill out the “Form of Redemption Acceptance Notice” (3 pages)?**

**A: Page A-1** – Ensure you complete each column in the table as follows:

- **DRS Advice number** – this is the 3 to 4-digit account number on the top right corner of your Direct Registration System (“DRS”) share advice. This is the statement that details the number of shares that you own.
- **Name of the Account** – please use the name of the account holder as per your “DRS” share advice statement
- **Total Number of Class A Common Shares Evidenced by DRS Advice** – please use the number of shares as per the DRS statement
- **Maximum Number of Class A Common Shares Elected to be Redeemed** (See also FAQs Q7 for further guidance)
  - If you only want to do the minimum amount of redemption (i.e. Block A redemption) leave this column blank or strike it through.
  - If you hope to redeem more than the minimum amount of 17% of your shares, should cash be available, complete how many shares you would hope to redeem in total. For example, if you own a total of 10,000 shares would like to redeem, at the most 5000 shares, you enter 5,000 in this column.

**Page A-2** – Leave Block A and Block B blank unless:

- Block A and Block B only need to be completed if a shareholder wants to issue the payment to a person that is not the shareholder. For example, an executor of an estate wants the cheque issued in his/her name. The Signature Guarantee on page A-3 would also have to be completed.
- Call Alliance Trust for assistance if you think you need to complete page A-2
- **Block C** – check the first box to confirm you are a resident of Canada for tax purposes

**Page A-3** - Signature page needs to be fully completed with all requested information on the right-hand side

- Shareholder signature is required - If the form is for a corporation or a not-for-profit organization (i.e. church) have a director or officer sign here.
- You will need to complete the left hand side of the form and require a “Signature of Guarantor” if you are signing on behalf of a Shareholder (for example if there is a power of attorney in place). Most shareholders will not have to complete this section.
- Call Alliance Trust for assistance if you think you need a Signature Guarantee

Still have questions? Email us at [info@sageproperties.ca](mailto:info@sageproperties.ca) or call us at 403.478.9661. You can also contact Alliance Trust Company at [inquiries@alliancetrust.ca](mailto:inquiries@alliancetrust.ca) or at 403.237.6111.

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# ONLINE ASSEMBLY GENERAL MEETING GUIDE 2020

## Attending the AGM electronically

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This year we will be conducting a virtual AGM, giving you the opportunity to attend the AGM online, using your smartphone, tablet or computer.

You will be able to view a live webcast of the meeting, ask the board questions and submit your votes in real time.

Simply go to <https://web.lumiagm.com/413563630> in your web browser (not a Google search) on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge and Firefox. Please ensure your browser is compatible by login early.

PLEASE DO NOT USE INTERNET EXPLORER

If you have voting rights, select “I have a login” and enter your username and password. If you don’t, select “I am a guest” and fill in the form.

**You will be able to log into the site from 12:45pm, 28th November 2020.**

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## NAVIGATION

When successfully authenticated, the info screen will be displayed. You can view company information, ask questions and watch the webcast.

If you would like to watch the **webcast** press the broadcast icon.



If viewing on a computer, the webcast will appear at the side automatically once the meeting has started.



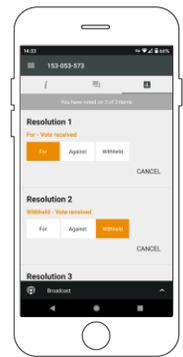
## VOTING

Once the voting has opened, the resolutions and voting choices will be displayed.

To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received.

**For - Vote received**

To change your vote, simply select another direction. If you wish to cancel your vote, please press Cancel.



## QUESTIONS

Any voting member attending the meeting is eligible to ask questions.

If you would like to ask a question, select the messaging icon.



Messages can be submitted at any time during the Q&A session up until the Chair closes the session.

Type your message within the chat box at the bottom of the messaging screen.

Once you are happy with your message click the send button.

Questions sent via the Lumi AGM online platform will be moderated before being sent to the Chair.

