



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 3rd 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.



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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) ¹	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 ²	Maximum Number of Class A Common Shares Elected to be Redeemed	
123	Joe Smith	10,000	----- OR LEAVE BLANK	

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

² 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) ¹	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 ²	Maximum Number of Class A Common Shares Elected to be Redeemed	
123	Joe Smith	10,000	10,000	

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

² 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 or call us at 403.478.9661. You can also contact Alliance Trust Company at inquiries@alliancetrust.ca or at 403.237.6111.