

March 7, 2017

Dear Shareholder:

On behalf of the SAGE Properties Corp. (SAGE) Board of Directors (Board) and staff, we are pleased to provide you with an update on the following items:

SHAREHOLDER MANDATE MEETING

SAGE was incorporated in August 2016 and took possession of certain assets of the Lutheran Church ABC District Church Extension Fund (CEF) on October 31, 2016. As part of the Companies' Creditor's Arrangement Act (CCAA) process, the by-laws of SAGE were crafted to ensure the shareholders get the opportunity to vote on the mandate of SAGE. In the months following incorporation of SAGE, management has been working determinedly to explore all viable commercial options available to maximize the value of SAGE's assets and ultimately return capital to shareholders. The work management has performed to understand SAGE's assets has been extensive and we are learning and gathering new information each day. Using this information, together with their professional real estate expertise, management has identified several options for the future of SAGE and the Board is currently reviewing these in detail. The goal of the Board during this review process is to ensure there is enough information available to:

1. Comprehensively present to shareholders each of the options that has been identified and determined to be reasonable to consider, and
2. Provide a recommendation from the Board to shareholders on what we believe is the option most likely to maximize the value the assets of SAGE and ultimately return capital to shareholders.

Once the Board completes this review, management and the Board will be preparing an extensive report that will outline the following:

1. The costs expected for each option;
2. Time period to execute each option;
3. The expected impact each option will have on the value of the assets and;
4. The potential risks associated with each option.

SHAREHOLDER MANDATE MEETING (CONTINUED)

This report, also known as an information circular, will be sent out to shareholders in April 2017 with the shareholder meeting scheduled on Friday May 26, 2017 and shareholders will be notified of meeting details in the information circular. If you are unable to attend this meeting in person, there will be an opportunity for you to vote by either selecting a proxy to attend the meeting on your behalf or by mail. It is important to note that SAGE's By-law 8.11 require a participation rate of the majority of shareholders (i.e. greater than 50% of the outstanding shares) at this meeting to achieve quorum and so we strongly encourage that ALL shareholders participate in the vote. If we do not meet this quorum requirement, the meeting will need to be called again at a later date at an additional expense to SAGE.

BOARD UPDATES

There have been some changes to composition of the Board and most notably, Sandra Jory, CPA, CA has stepped in to the role of Board Chairman. You might recall that SAGE's by-laws require that 50% of the Board must consist of either CEF Depositors or nominees of CEF Depositors. Sandra has been

nominated by St. Peter's Lutheran Church in Leduc where she is a member. Prior to sitting on SAGE's Board, Sandra was a member of the Creditor Committee during the CCAA process. Because Sandra has been involved from the start, she has an appreciation for the length of time this process has taken and the costs and the frustrations involved. Sandra and the Board of SAGE are committed to ensuring:

1. SAGE will operate in the most cost effective method possible;
2. SAGE will provide regular communication and be accountable to its shareholders;
3. SAGE's Board and Management will work hard to earn your trust.

In this regard, we have heard from shareholders and recognize there is still much uncertainty and many questions with respect to SAGE. In an attempt to address these questions we have attached a frequently asked questions (FAQ) document. If you do have any questions or concerns that this document does not address you are welcome to contact us at (403) 478- 9661 or by email info@sageproperties.ca

We will endeavor to keep shareholders updated on our progress in a timely manner and we will mail out regular updates. We are also looking at other opportunities to communicate regularly with our shareholders.

BOARD VACANCIES

There is currently one vacancy on the Board. The Board is seeking to supplement the existing complement of expertise with a new member who has a background in one or more of the following areas: commercial real estate, investment real estate, corporate finance, real estate asset management, corporate governance and medium to large business experience. The Board is interested in hearing from the shareholder community with names of any individuals who are interested in protecting the interests of shareholder, excellent board governance and providing business expertise. If you have someone you would like to nominate, or if you are interested yourself, please contact our Board chair, Sandra Jory at sandra.jory@sageproperties.ca

Thank-you and we look forward to updating you again soon. Sincerely yours,

Signed "Sandra Jory"

Sandra Jory, CPA, CA, B.Comm.

Interim Board Chairman
SAGE Properties Corp.

Signed "Scott McCorquodale"

Scott McCorquodale, BA, MBA

Chief Executive Officer
SAGE Properties Corp.

Frequently Asked Questions

Q: I received a letter saying I had shares in SAGE Properties Corp (SAGE). What does this mean?

A: In January 2015, the Lutheran Church ABC District Church Extension Fund (CEF) was insolvent and

the deposits were frozen. CEF sought creditor protection under the Companies' Creditor's Arrangement Act (CCAA) and a plan of compromise was approved by the majority of depositors. The plan was sanctioned by the court in August 2016. SAGE was created as a part of this plan to take custodianship of the assets that were not easily liquidated through the CCAA restructuring process. SAGE was incorporated in August 2016 and shares of SAGE were issued to certain of the depositors of the CEF.

Q: What is SAGE's relationship to the Deloitte (CCAA Monitor) and Kluane & Partners (Chief Restructuring Officer (CRO))?

A: There is no relationship between SAGE, the Monitor, and CRO. SAGE is a wholly independent and self-determining corporation.

Q: What is SAGE's relationship to Lutheran Church – Canada (including synod or Districts)?

A: There is no relationship between SAGE Properties and Lutheran Church – Canada. SAGE is a wholly independent and self-determining corporation.

Q: What is SAGE's involvement in the representative action?

A: SAGE is a new company and has no relationship with the representative action group.

Q: What assets are currently owned and being managed by SAGE?

The assets now under SAGE 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;
 - Vacant land (approx. 86 acres).
- Q: When did the transfer of assets into SAGE take place? A: Monday, October 31, 2016. Q: What has happened since the assets were transferred into SAGE? A: SAGE corporation took ownership and control of the remaining assets of District and the management team and Board of Directors (the Board) went to work on familiarizing themselves with the assets, performing due diligence, and developing a plan to prepare for the special shareholder meeting where shareholders will vote on the mandate or plan for SAGE.

Q: Will SAGE Properties be receiving more assets?

A: No. If you have any questions about other assets of the CEF or DIL please contact Deloitte at (403) 267-1899 or calgaryrestructuring@deloitte.ca

Q: What is SAGE's purpose?

A: SAGE is a private corporation based in Calgary, Alberta. SAGE's focus is to maximize the value of its assets for the benefit of shareholders.

Q: I'm comfortable with my shares in SAGE, but I'm uneasy because I don't know anyone at the company or anything about it. Who manages and operates SAGE?

A: SAGE is being run by Chief Executive Officer Scott McCorquodale and Chief Financial Officer Tony

Chin. Mr. McCorquodale brings 20+ years of professional experience specializing in the sales of investment real estate and Mr. Chin is a CPA, CA with expertise in privately owned companies. Their work is overseen by the Board, at least 50% of whom are nominees of shareholders. The first shareholders meeting will be an excellent opportunity to meet both management and the board of directors.

Q: Who is currently on the Board of Directors for SAGE?

A: Shareholder nominees: Sandra Jory (Interim Chairman), Stephen Nielsen, and Myron Yurko.
Shareholder: Murray Warnke.
Chief Executive Officer: Scott McCourquodale.

As of the date of this letter the Board has one vacancy.

Q: Are the members of the Board compensated for their work?

A: Not currently. To date, Board members who are not employees of SAGE have only been compensated for expenses incurred to attend Board meetings (mileage, meals etc.). The Board is contemplating the payment of directors to compensate them fairly for their time spent and to ensure that SAGE is able to attract and retain Board members with the necessary skills and experience for SAGE to achieve its objective of maximizing the value of its assets for the benefit of its shareholders. The Board has hired a compensation consultant to assist it in determining a director compensation model that is appropriate given SAGE's size and particular circumstances.

Q: When is the first shareholder meeting?

A: A special meeting of the shareholders will be held on May 26, 2017. Notice of the meeting will be sent by mail to shareholders in April 2017. While an earlier date had been contemplated, there is significant preparation work to be done to explore various opportunities for shareholders to consider. The Board determined that this was the earliest timeframe that could be scheduled in order to ensure that SAGE has sufficient information to present to shareholders with respect to the options to be presented.

Q: What is the purpose of the special meeting of the shareholders?

A: Shareholders will get to vote on the commercial options available to SAGE to attempt to maximize the value of the assets of SAGE for the benefits of shareholders.

Q: In addition to this special meeting will SAGE hold an annual general meeting?

Yes SAGE is required to hold its first annual general meeting no later than 18 months after its incorporation date of August 26, 2016. At its annual general meeting SAGE must present audited financial statements, hold a vote on the election of directors and hold a vote to appoint the auditors of SAGE

Q: I want to sell my shares. What are my options?

A: SAGE is required to maintain a database of shareholders who are interested in selling their shares. If you wish to sell your shares please contact us at (403) 478-9661. Any shareholder who requests that their name be added to the database will have the option to sign a consent to release their personal



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information to potential purchasers. Under SAGE's articles of incorporation which were set out as part of the CCAA process, SAGE's Board is required to approve all transfer of shares. Although SAGE certainly has no intention to prevent anyone from selling their shares if they wish to do so, any sale of shares will be required to comply with all applicable securities and other laws. As SAGE is a private company, there are more legal restrictions on selling and buying shares, which may make it difficult for the Board to approve any potential sale of shares unless the seller and purchaser have provided evidence that they have complied with all such legal requirements.

Q. I want to purchase shares? How do I find shareholders who interested in selling?

A: Shareholders who wish to sell their shares are placed on a database maintained by SAGE and only shareholders who consent to release their personal information can be contacted. Please contact us at (403) 478-9661 for further information if you are interested in purchasing shares. Under SAGE's articles of incorporation which were set out as part of the CCAA process, SAGE's Board is required to approve all transfer of shares. Although SAGE certainly has no intention to prevent anyone from buying shares if they wish to do so, any purchase of shares will be required to comply with all applicable securities and other laws. As SAGE is a private company, there are more legal restrictions on selling and buying shares, which may make it difficult for the Board to approve any potential purchase of shares unless the seller and purchaser have provided evidence that they have complied with all such legal requirements.

Q: Where can I get more information?

A: We are committed to providing regular updates and we will report to our shareholders at regular intervals. Our goal is to return phone calls to shareholders within 2 to 3 business days. The Board is also looking at alternatives to provide regular updates and answer shareholder questions.

You can also reach us as follows:

SAGE Properties Corp
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(403) 478-9661 info@sagproperties.ca