

August 3, 2017

Dear Shareholder,

On behalf of the board and management of Sage Properties Corp. (“**SAGE**” or the “**Company**”) we are pleased to provide you with an update on recent activities and developments at SAGE.

Health Quality Council of Alberta (“HQCA”) Supportive Living Survey Results

We are pleased to share the positive results of the Supportive Living Survey conducted by the HQCA, which ranked SAGE’s Prince of Peace Manor and Harbour 2nd and 3rd, respectively, by family members of the residents of 25 separate facilities in the Calgary area. We are extremely pleased with these results and would like to recognize the excellent efforts of our operator, Verve Senior Living. [Click here](#) to see the CBC article on the Supportive Living Survey.

Update from May 26, 2017 Special Shareholder Meeting (the “May Meeting”)

Thank you again to all of the shareholders who participated in selecting a mandate for the future of SAGE. The majority of shareholders (67%) who voted at the May Meeting selected Commercial Option B which calls for the future sale of some or all of the assets of SAGE or the Company as a whole after subdivision of SAGE properties and emancipation of shared services, without incurring debt in excess of the debt limit in SAGE’s Articles of Incorporation. Since the meeting, SAGE has taken steps to deliver on this mandate, including undertaking:

- A detailed legal review of SAGE’s utilities, to ensure that SAGE is establishing the proper operations and accounting for the various water/sewer utilities systems that service SAGE’s properties and our neighbors’ properties. This review will help SAGE develop a plan for the future operations of the water/sewer utilities.
- A phase 1 environmental assessment on SAGE’s properties to outline any site environmental liabilities.
- Continuing to refine and develop our long-term strategic plan to execute Commercial Option B to maximize value for shareholders.

Annual Meeting of SAGE Shareholders (the “Annual Meeting”)

The Annual Meeting is expected to be held on Friday, September 29, 2017 at the Prince of Peace site. The purpose of the Annual Meeting is to:

1. receive and consider SAGE’s financial statements for the fiscal period ended March 31, 2017, together with the report of the auditors (the “**Financial Statements**”);
2. elect the Board of Directors; and
3. appoint the auditors of SAGE and authorize the directors to fix their remuneration as such.



Suite 115 1925 – 18 Ave. NE
Calgary, AB T2E 7T8
(P) 403 478 9661

The Financial Statements, along with a formal notice of the Annual Meeting and the accompanying management information circular and form of proxy is expected to be mailed to each shareholder of SAGE in early September 2017.

If you are unable to attend this meeting in person, there will be an opportunity for you to vote by proxy by mail, fax or online. You will also be able to select a proxy (who does not need to be a shareholder) to attend and vote at the Annual Meeting on your behalf. **It is important to note that SAGE's By-laws require a majority of shareholders of SAGE (i.e. shareholders representing at least 50% of the issued and outstanding shares of SAGE) be present in person or represented by proxy at the Annual Meeting to achieve quorum so we strongly encourage ALL shareholders to participate by attending the Annual Meeting or by submitting a proxy by mail, fax or online.** If we do not meet this quorum requirement, the Annual Meeting will need to be called again at a later date at an additional expense to SAGE.

In preparation for the election of directors at the Annual Meeting, we have been conducting interviews to fill the one vacancy we currently have on the board of directors. The Board is seeking to supplement its existing complement of expertise with a new member who has proficiency in one or more of the following areas: commercial/investment real estate, real estate development, utilities and/or large company board experience. We would like to thank shareholders who brought forward candidates who were part of this interview process.

SAGE Newsletters

In an effort to reduce mailing costs, SAGE will be posting all updates using electronic communication, both by email and by posting the information on our website. If you have not already done so please contact Laura Hristow at info@sageproperties.ca to confirm your email address. If you prefer to receive a paper copy of updates please contact SAGE at 403-478-9661. Please note that formal notices of meetings, communications and information circulars will continue to be sent out by regular mail.

We look forward to seeing you at the upcoming Annual Meeting. **As discussed, the Annual Meeting requires the participation of greater than 50% of the shareholders of SAGE to achieve quorum, so your participation is both welcome and necessary.** If you have any questions, please contact SAGE at 403-478-9661 or by email at info@sageproperties.ca

Sincerely yours, (signed)

(signed) "Sandra Jory"

Sandra Jory, CPA, CA
Chairman of the Board
Sage Properties Corp.