



December 17, 2018

Dear Shareholder,

On behalf of Sage Properties Corp. (“SAGE”) and the Board of Directors (“Board”) of Sage, we are pleased to provide you with an update on our recent activities over the past few months.

FINANCIAL RESULTS FOR PERIOD ENDED SEPTEMBER 30, 2018

Please find attached SAGE’s unaudited interim financial statements, including notes, for the six-month period ended September 30, 2018 for information purposes. Please be advised that these statements have not been audited or reviewed by SAGE’s auditors and are subject to change. The March 31, 2019 year-end financial statement audit will be performed by MNP LLP and will be presented to SAGE’s shareholders at the 2019 Annual General Meeting.

STRATEGIC PLAN

Management and the Board of SAGE have outlined the overall mission, vision, values, goals, and priorities for SAGE in a strategic plan. The strategic plan helps management and the board to focus on key priorities and action steps need to achieve SAGE’s mandate. A summary of the strategic plan at October 2018 has been enclosed for your information.

STRATEGIC PLAN UPDATES:

A. PRINCE OF PEACE LUTHERAN SCHOOL – SCHOOL PROPERTY DISPOSAL – NOTICE OF PUBLIC CONSULTATION

On Wednesday November 14, 2018, Rocky View Schools (“RVS”) held its first public meeting to discuss the future of the Prince of Peace Lutheran School. This meeting is the first step in the RVS two month consultation process. Sage’s Board Chair and Management attended this meeting and we encourage all stakeholders to participate in the RVS consultation process. The times and dates for the consultations can be found by visiting <http://www.rockyview.ab.ca/consultation>.

Discussions continue with RVS for the purchase and/or ongoing lease of the School. SAGE is committed to working towards a solution with RVS and is willing to explore every opportunity to keep the School open for the mutual benefit of all stakeholders.

B. SUBDIVISION

SAGE submitted a formal application for subdivision to Rocky View County (“RVC”) on March 29, 2018. SAGE received comments back from RVC and is working through the conditions specifically related to the waterline construction and the Master Site Development Plan. SAGE is expecting to submit the final subdivision application to Council for approval within the next coming months. Once the final subdivision approval is received by RVC, SAGE will then be required to meet subdivision conditions and submit a development agreement to RVC.

C. UTILITIES OWNERSHIP AND VILLAGE NEGOTIATIONS

SAGE submitted a formal application to the Court of Queen’s Bench of Alberta this past spring, requesting that two easements related to the water utility be removed and replaced with a new easement written to better reflect the reality of SAGE’s utilities ownership and obligations as a service provider. Prior to the April 17, 2018 court hearing, the Village condominium board chair filed documents opposing the application to remove the easements. On April 17, 2018, the court hearing was adjourned by Justice Romaine to allow for further discussions to take place between SAGE and the Village with the hope that a resolution on issues raised could be reached. SAGE and the Village condo board have met regularly over this past summer and fall and are still working towards a resolution on outstanding issues.

D. ALBERTA UTILITIES COMMISSION (AUC) – RULE 11 WATER APPLICATION

In November 2018, SAGE completed and submitted its draft water application to the AUC for preliminary review and feedback under the AUC’s Rule 11 Process (for more details see <http://www.auc.ab.ca/Shared%20Documents/rules/Rule011.pdf>). The purpose of the application under Rule 11 is to assist SAGE with setting its future water rates in a cost effective manner.

DIRECTOR COMPENSATION

SAGE is committed to establishing and maintaining competitive compensation for its Board and employees. The Board has completed work on a final draft of a new Director Compensation policy and expects to approve the final policy in January 2019.

The board and employees would like to wish you very Merry Christmas! If you have any questions, please contact Sage at 403-478-9661 or by email at info@sageproperties.ca

Yours truly,

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