



January 31, 2022

Dear Shareholder,

On behalf of Sage Properties Corp ("Sage"), please see the below update:

**A. Agreement for Sale – Prince of Peace Harbour & Manor**

Sage is disappointed to announce that the closing for the Sale of the Prince of Peace senior living facilities to Yarrow will not occur on February 1, 2022, as originally anticipated. The closing of the transaction was conditional on, among other things, the transfer of sewer and water utility services to Rocky View County. The transfer of the sewer and water utility services is delayed due to incomplete construction of the Conrich Waterline. While the majority of the waterline construction is complete, there are two sections still under construction. The board of directors and management are currently working with Rocky View County to determine timing for the transition of the utility and the impact on closing for the Sale of Prince of Peace Manor & Harbour to Yarrow. We will update the shareholders on the status of the transaction as soon as possible.

**B. Prince of Peace Harbour and Manor ("POP") COVID Update**

POP is currently in its fifth outbreak of COVID-19. Thankfully, the outbreak is contained and the management team, despite staffing challenges, is managing well at this point. We are grateful that most residents have had their third vaccine boosters and that the outbreak cases are primarily staff at this time. Thank you to the wonderful staff at Prince of Peace for the care and diligence provided to our residents.

**C. Sale – Bare Lands**

The sale of Prince of Peace Bare Lands closed successfully on December 15, 2021 and proceeds from the sale were applied to the existing term loan.

**D. Anticipated Sage Wind-up Timeline**

As noted above, there is significant uncertainty on the closing of the sale of the Prince of Peace senior care facilities. Sage will provide an update on the status of the transaction and impact, if any, on the wind-up timeline as soon as possible.

The board of directors and management thank you for your continued support and patience as we work through these issues. If you have any questions, please feel free to contact us at (403) 478-9661 or by email at [info@sageproperties.ca](mailto:info@sageproperties.ca)

Sincerely yours,

Sandra Jory, CPA, CA  
Executive Board Chair  
SAGE Properties Corp.