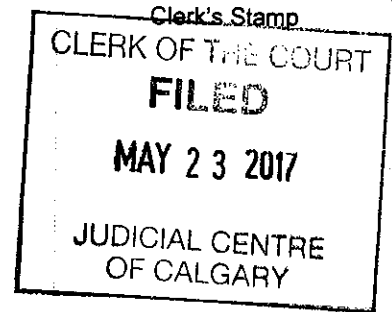


COURT FILE NUMBER 1501 – 00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTER CALGARY
IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
C. c-36, as amended



APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA-BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH-CANADA, THE ALBERTA-BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

DOCUMENT **AFFIDAVIT OF GEORG BEINERT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT GEORG BEINERT
BOX 1614, FAIRVIEW, ALBERTA T0H 1L1
Email: beinert2017@gmail.com

AFFIDAVIT OF GEORG BEINERT

Sworn on May 23, 2017

I, Georg Beinert, of Fairview, Alberta

SWEAR AND SAY THAT:

1. I am a significant shareholder of Sage Properties Corp. ("Sage"). I hold 215,513 shares in Sage. I have paid attention to the activities of Sage, as my shareholding interests represent a significant portion of my savings (now 'assets').
2. Around December 22, 2016 and thereafter a Mr. Robert Rice, from Sandton Capital Partners from the USA had established an Unlimited Liability Corporation and was phoning SAGE shareholders, offering to purchase their shares at a very low (about 33

cents on the dollar) price.

3. In the Sanction Order Reasons for Decisions of the Honourable Madam Justice B.C.E. Romaine (filed August 2, 2016) in paragraph 22 she states:

[22] The articles of incorporation for NewCo will be created to include the following provisions, **which are intended to provide additional protection for affected creditors:** c) NewCo would establish a mechanism to **join those NewCo shareholders who wished to purchase NewCo shares with those NewCo shareholders** who wished to sell them;

4. This protection mechanism was understood by shareholders to mean that they could sell shares among each other and that NewCo would safeguard that mechanism. However, somehow Mr. Robert Rice obtained shareholder information which gave him the ability to bypass this protection mechanism and to 'cold call' significant shareholders. Also, shareholders who enquired about selling their shares had their information passed to Mr. Robert Rice, contrary to the protection mechanism described. This put a pressure on other shareholders who were not contacted and created an environment of fear and panic and that was not one of 'orderly liquidation', as some shareholders were tempted to 'jump ship' at the first opportunity.
5. Mr. Rice began entering into written sales agreements with a number of shareholders. There had been no meeting held for the shareholders, and there was no management discussions on the matter so that shareholders could make an informed decision about their shares (as was SAGE's obligation according to Bylaw 8.6 and 12). This situation caused distress to me and many shareholders.
6. Furthermore, the question remains unanswered as to how and when did Robert Rice gain his due diligence information that he needed to give him the confidence to establish his company for the purpose of buying shares.
7. Mr. McCorquodale stated to me "I don't know" when I asked him this question in my January 25, 2017 phone conversation with him. I would think that, as CEO, it would certainly be Mr. McCorquodale's business 'to know' this kind of information.
8. I also phoned Sandra Jory and asked her when and how Robert Rice got his information. She indicated that Robert Rice and the CRO had been in communication with each other some time mid-CCAA proceedings. The feedback that I received from other shareholders caused me to believe that SAGE management had been having significant discussions with Robert Rice, lasting to approximately mid-April 2017. There is very little mentioned about this matter in the Management Information Circular, and what is mentioned is short and vague. I am left wondering what SAGE's legal costs in all of this was.
9. Of alarming concern to me was the fact that Mr. Robert Rice was 'cold-calling' significant shareholders. It remains unanswered as to who gave this confidential information to Mr.

Robert Rice. Mr. McCorquodale suggested to me that this information might have been found from a public site. This would suggest that SAGE shareholder's private and confidential information is available on a public site, which I do not believe.

10. Sandra Jory, the Chairman of the Sage Board of Directors, on a recent CEF forum post, suggested that Robert Rice may have found his information by using the CEF Depositor list (on the Monitor's site) and using the internet 411 directory. It is difficult to imagine that a distressed asset buyer would be able to determine which 1000 names from a list of 2600 were those of the shareholders, and which of those 1000 names were the significant shareholders. It is difficult to imagine that Mr. Robert Rice would spend significant time searching the 411 directory, even if he were able to discern the significant shareholders from a list of 2600 names. I believe that Mr. Rice was given the confidential shareholder information by Sage or its advisors.
11. SAGE has taken issue with my Dissident actions and has responded against me using false and grossly misleading allegations, and expressing half-truths amounting to calumny, as is evidenced especially in their answers to Q11 in their May 20, 2017 email of 'Frequently Asked Questions'.
12. As events unfolded with Sage, I had mounting concerns. First, a shareholder meeting had not been called within 180 days of the Effective Date, as required by article 12.1 of Sage's bylaws. A copy of relevant portions of Sage's Bylaws is attached as **Exhibit "1"** to my Affidavit.
13. I communicated my concerns to the Monitor. This is the Monitor's response from the 27th Report dated April 17, 2017:
 23. The bylaws of Sage affixed to the District Plan required that Sage call a shareholder meeting (the "Shareholder Meeting") within six months of the "Effective Date" of the District Plan. The Monitor understands that the Shareholder Meeting has recently been called for May 26, 2017, which is not within that six month period. The Monitor has received several inquiries about this issue, in particular from a member of the District Subcommittee. The Monitor is advising the Court of this issue, but in the absence of further Court direction, does not intend to take any further steps in relation to this delay. As Sage is not a party to the District Plan (as it did not exist when the District Plan was created), the Monitor is of the view that it does not have standing to pursue the issue with Sage. Rather, Sage was bound to hold such a Shareholder Meeting under that time line pursuant to its corporate bylaws. As those are corporate obligations, shareholders of Sage have various legal rights available to them to require that Sage comply with its legal obligations under its bylaws. Further, as the District does not control Sage, in the view of the Monitor the late holding of such a meeting does not constitute a default under the District Plan. In the circumstances, the Monitor has encouraged Sage shareholders to continue to take up issues directly with Sage, **and to undertake whatever steps they deem necessary in order to assert their rights as shareholders.** (Emphasis added.)

14. Second, Sage shareholders received no financial information, even though the Monitor indicated to the creditors that this would happen. In the Monitor's First Report to the ABC District Creditors dated March 28, 2016, the Monitor stated this at para. 39:

“Newco Management would also be tasked with providing regular financial reporting, including statements and annual reports with management discussion and analysis.”

15. By email dated March 21, 2017, I requested the Monitor's assistance concerning the lack of financial reporting. I received no response from the Monitor or their legal counsel. Copies of the emails are attached as **Exhibit “2”** to this my Affidavit.

16. The shareholder list that was used was a list that I have, and I believe that I have used it appropriately and prudently, especially given the circumstances. Sage's lawyer Mr. Ted Brown asserts that Allan Garber's actions conflict with some of his Class Plaintiffs. This is false, as the actions are my actions and not Allan Garber's actions. Further, there is no conflict.

17. I find it hypocritical that SAGE gives no care about how confidential shareholder financial information may have been obtained by Mr. Rice while in the same instant being adversarial toward a shareholder making contact with all other shareholders. My contact with fellow shareholders was done nobly and in good faith.

18. SAGE has made it difficult and inconvenient for me to obtain information from SAGE, having the majority of my communication passed by the office of SAGE's lawyer. The responses that I have received do not give me confidence that SAGE is interested in communicating with me in an open and meaningful way. I am being left out of communications that I would otherwise receive in the normal course as a shareholder. I was excluded from a mass email sent to Sage shareholders.

19. I received the Sage Management Circular on May 3, 2017. It was sent to me Sandra Jory.

No Election of Board Directors

20. The first thing I noticed was on page seven, when we were told there would be no election of the Directors. This was extremely troubling. Three of the original directors appointed within the CCAA proceedings had resigned by mid-December. No explanations were given. The Board appointed two new Directors to achieve board quorum.

21. None of the Directors have been elected by the shareholders. The election of the Board was something that I and many other shareholders had anticipated at the first meeting, as required by article 3.5 of the Bylaws (Exhibit “A”). I studied the *Business Corporations Act* myself and s. 106 made it very clear that the directors are to be elected at the first meeting. A copy of s. 106 of the *Business Corporations Act* is attached as **Exhibit “3”** to

this my Affidavit.

22. I understand that Sage is of the view that they do not need to have an election of the Directors, since they are calling a “special meeting” of the shareholders.
23. The Fifth Amended Plan of Compromise and Arrangement filed June 10, 2016 stipulates at s. 7.1 (iii) that the meeting of shareholders is to be a “**general meeting.**” Attached as **Exhibit “4”** to this my Affidavit is the relevant portion of the District Plan.

No Disclosure of Officer Compensation

24. I also noticed that there was disclosure in the Management Circular about what the Directors are being paid, but nothing about what the Officers were being paid. I am aware that in any corporation of this nature, even non-voting shareholders are entitled to know what the Officers are being paid.
25. In the Management Circular, Sage stated that after the meeting, “the Board will review and consider the appropriate form of compensation to be awarded to the officers of the Corporation based on the commercial option approved at the Meeting.” Sage did not indicate which commercial options will result in higher or lower management salaries.
26. Sage refused requests to disclose the compensation being paid to the senior officers. Attached as **Exhibit “5”** to this my Affidavit is a letter dated April 18, 2017 I received from Mr. and Mrs. Kembel, who are Representative Action class members. It indicates that on December 9, 2016 they called the Sage office in Calgary inquiring how much Sage’s employees were being paid. They received no answer. I am informed by Mr. Kembel and do believe that this information is true.
27. Attached as **Exhibit “6”** to this my Affidavit is email correspondence between Lorraine Giese and Sandra Jory, Chair of the Sage Board of Directors, indicating that salaries would not be disclosed until the annual general meeting. I found Sandra Jory’s response to be very disturbing.
28. Sage’s non-disclosure contradicts the “transparency, accountability and corporate governance” we were promised in their letter to the shareholders dated December 1, 2016, attached as **Exhibit “7”** to my Affidavit.
29. I have since learned that Mr. McCorquodale (the CEO) is being paid \$240,000 per year as the CEO plus another \$20,000 as a Director, plus possible further amounts if he is the chair of a Board Committee. Mr. Chin, the CFO, is being paid \$192,000.00 per year.
30. The Chief Restructuring Officer is Kluane Partners.
31. Mr. McCorquodale, a Board Member and the Sage CEO, was a member of the Kluane Partners “engagement team.” An excerpt from the Kluane Partners Restructuring Proposal showing his qualifications is attached as **Exhibit “8”** to this my Affidavit.

32. Mr. Tony Chin, the CFO for Sage, also has ties to Kluane Partners. His “Zoom” profile indicates that he was a “Senior Associate” of Kluane Partners prior to July 17, 2016. A copy of Mr. Chin’s profile is attached as **Exhibit “9”** to this my Affidavit.
33. Kluane Partners and Sage Properties share the same office space in Calgary: #410, 505-8th Ave. S.W., Calgary, AB T2P 1G2.

Resolutions to diminish shareholder protection

34. As 'first order of business' to the shareholders, SAGE's Management and Board are seeking to remove some of the four protection mechanisms that were added to the court Sanctioned Plan as provisions which are intended to provide additional protection for affected creditors.
35. Of high importance to me are the Sanction Order **Reasons for Decisions of the Honourable Madam Justice B.C.E. Romaine** (filed August 2, 2016) in paragraph 22 where the she states:

[22] The articles of incorporation for NewCo will be created to include the following provisions, **which are intended to provide additional protection for affected creditors:**

- a) NewCo assets may only be pledged as collateral for up to 10% of their fair market value, subject to an amendment by a special resolution of the shareholders of NewCo;
 - b) a redemption of a portion of the NewCo shares would be allowed upon the sale of any portion of the NewCo shares with those NewCo shareholders who wished to sell them;
 - c) NewCo would establish a mechanism to join those NewCo shareholders who wished to purchase NewCo shares with those NewCo shareholders who wished to sell them;
 - d) a general meeting of the NewCo shareholders will be called no later than six months following the effective date of the plan for the purpose of having NewCo shareholders vote on a proposed mandate for NewCo, which may include the expansion of the Harbour and Manor seniors' care facilities, the subdivision and orderly liquidation or all or a portion of the NewCo assets or a joint venture to further develop the NewCo assets
36. I found it disturbing and unthinkable that SAGE would challenge the stated provisions of the **Honourable Madam Justice B.C.E. Romaine** and seek to remove these items of shareholder protection, asking shareholders to give up their powers for the sake of convenience for the board and for management. These bylaw-change resolutions, especially when viewed together with the nature and time-line of SAGE's proposed

commercial options, could expose the shareholder demographic to undesirable risk, prolongation of time to financial returns, and loss of protection through the loss of information transparency.

Commercial Options

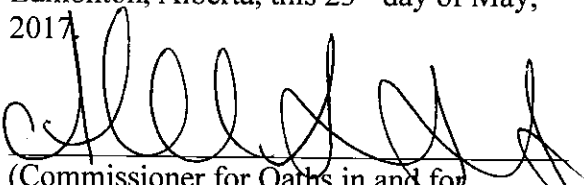
37. I also noted that three commercial options were presented, all on an advisory basis. A fourth opinion should have been presented: “none of the above.”
38. Sage proposed commercial Option “B”, which is to pursue the sale of Sage’s assets after subdivision and “emancipation of services.” According to Sage, this process could take up to three years to complete, and there is no guarantee that subdivision will be successful. An extract from the Management Circular with respect to Option “B” is attached as **Exhibit “10”** to this my Affidavit.
39. I believe that there was a more prudent 'first approach' that SAGE could and should take in the interests of its shareholder demographic, especially since so many of the shareholders are elderly. The 'option' that I proposed to be put forward as a resolution was a slightly modified, very reasonable and sensible 'best effort' initial and immediate approach to seek maximization of value toward possible liquidation for the benefit of the shareholders. It provided the ability to test the current commercial real estate market, to gain potential competitive offers, and to present those offers for consideration to the shareholders. It was also a defined approach that gave allowance for approaching a secondary option if the proposed option was found unsuitable. This form of option was not available within SAGE's option set.
40. When SAGE's proposed commercial options are weighed together with insufficient financial performance information, and long time-lines related to each option, there comes a great concern that SAGE's option choices favour those who are collecting very lucrative salaries, with an unknown effect on the returns to the shareholders.

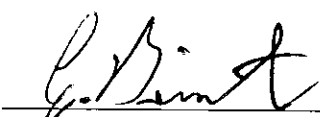
Dissident Proxy Circular

41. Because the Monitor, in it's 27th report, encouraged me (as I am directly referred to in paragraph 23), as a significant shareholder, to “undertake **whatever steps [I] deem necessary** in order to assert [my] right as shareholder[s],” I have undertaken the activities described throughout this affidavit.
42. I decided to send out a Dissident Proxy Circular. I found out about this concept from my own research. I initiated and prepared the Dissident Proxy. I am bearing the cost of this Dissident Proxy save for others who may wish to help me financially. A copy of the Dissident Proxy Circular is attached as **Exhibit “11”** to this my Affidavit.
43. My actions to launch a Dissident Proxy Circular and Form were my initiative as a shareholder. This action was mobilized after receipt and review of the Management Information Circular that brought great dismay to me upon reading it.

44. Not only was this information difficult to follow, I found that it painted a very negative picture and was ambiguous. I found that it greatly lacked the supportive numbers that are needed to help determine action impacts on share value. I saw that this information would be unsuitable for many, and my concern was regularly confirmed in my later conversations with fellow shareholders, especially the elderly.
45. I used shareholder contact names, which would be the same names on SAGE's Records list. I had confirmed with SAGE if there had been any share transactions, and I was advised by SAGE that there had been none.
46. The list in my possession was for my use to contact people. The financial information in my list is of confidential nature, and I have kept that information completely confidential.
47. I told Mr. Garber what I wanted to do, and that I needed a receiving office for the proxies. Alliance Trust Company indicated they would not receive the dissident proxies. Due to shortness of time and the need for a receiving office, I asked Mr. Garber if they could be mailed to his office. He agreed. He also drafted the Resolutions at my request to reflect my intentions.
48. In my Dissident Proxy Circular, I present a very reasonable initial approach and a balanced new Board.
49. My proposal to remove the four current Board members is not a malicious move. This proposal was not made lightly. The proposal was made with the need for continuity in mind. It is for this reason that Mr. Scott McCorquodale was not proposed for replacement.
50. I have provided a slate of Director Nominees that reflects a reasonably broad spectrum of experience and representation. Four of the five proposed Directors are significant shareholders. A fifth proposed Director is considered a 'Depositor Nominee'. All members of this proposed slate share a concern for the entire shareholder community.
51. Of greater concern were time frames that were proposed for the various options. Due to the elderly demographic of the shareholders I believe that the promoted Option B was unsuitable as a first approach. I believe that the proposed selection of Option B was highly speculative, and that it was not the most suitable first choice, as it provided no assurance of increased value, but only prolonged the time to possible liquidation, and that, at an unknown cost with the ultimate arrival at an unknown share value.
52. In order to protect Sage shareholders from distressed asset buyers, my resolution calls for Sage to pursue through "all reasonable means" the sale of the assets of the Corporation. Further, the Board is to present to shareholders for their approval only an offer "which the Board of Directors determines represents the best opportunity to maximize the value of the Corporation's assets."

53. My concern was motivated by the fact that in the past, Sage had met on several occasions with Mr. Robert Rice, and yet apparently was not willing to meet with commercial realtors.
54. SAGE's response to me after my Dissident Proxy Circular is that no business will be allowed at the shareholder meeting other than what the Management Information Circular states. This is not what I and many other shareholders expected. We were told that Sage was our company, and that we were the owners of it.
55. I reject the assertions from whatever party is conveying the suggestion through the Monitor that the proposed slate of Director Nominees represents a District Subcommittee effort. This is a frivolous and fanciful construct and bears no substance in reality. It must be mentioned that I am the only one on the slate that is a member of the District Subcommittee. One member of the slate began on the District Subcommittee but was eliminated after a thorough check for potential conflict of interest in the RA before the application efforts began. Another member of the slate was on the District Subcommittee but resigned, before the application process was complete, to pursue other interests. Neither of these two people were after those times involved in any capacity on the District Subcommittee or with its activities.
56. The effectiveness of my efforts has been significant to the point that SAGE management has sought every means possible to suppress my efforts and is running to elicit the help of the Monitor, with SAGE fabricating a fictitious and vile suggestion that what I am doing is an instrument for the benefit of the District Subcommittee. I wholly reject such suggestion as being vile, foul, vulgar, detestable, and reprehensible. I state this most graciously. I am a shareholder and I am asserting my right as a shareholder and for ALL my fellow shareholders.
57. I have done the best that I can, with the little that I have, with consideration for all my fellow shareholders. I am firmly of the view that my two proposed resolutions are in the best interests of all shareholders.
58. Sage asked me to cease and desist from soliciting proxies, which I did immediately. I felt it advisable to indicate this to the shareholders. A copy of my letter is attached as **Exhibit "12"**.

SWORN BEFORE ME at)
)
 Edmonton, Alberta, this 23rd day of May,)
 2017)
)
 (Commissioner for Oaths in and for)
 the Province of Alberta)



 Georg Beinert

ALEANA SORENSEN
 A Commissioner for Oaths
 in and for Alberta
 My Commission Expires Mar. 2, 2019

By-Law No. 1

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PART 10 - REGISTRATION AND TRANSFER

PART 11 - NOTICES

CERTIFICATE

This is Exhibit "1" referred to in the
Affidavit of
Georg Beibert
Sworn before me this 23 day
of May A.D., 2017
[Signature]
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

PART 1 - INTERPRETATION

1.1 Definitions - In the by-laws of the Corporation, including this by-law, unless the context otherwise requires:

- (a) "Act" means the *Alberta Business Corporations Act*, as amended from time to time, and any supplementary or replacement statute in force from time to time, as amended from time to time;
- (b) "articles" means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution and articles of revival as the case may be of the Corporation, and includes an amendment to any of them;
- (c) "Board" means the board of directors of the Corporation;
- (d) "by-laws" means this by-law and all other by-laws of the Corporation from time to time in force;
- (e) "Corporation" means the corporation named in this by-law;
- (f) "director" means a director of the Corporation;
- (g) "District Depositors" has the meaning ascribed to that term in Section 1.1 of the Plan of Compromise and Arrangement for the Lutheran Church-Canada, The Alberta-British Columbia District, approved by order of the Court of Queen's Bench of Alberta dated the ___ day of _____, 2016 and filed under court file number 1501-00955;
- (h) "extraordinary business" means any one or more of the following actions:

- (i) submitting to the shareholders any question or matter requiring approval of the shareholders;

- (ii) filling a vacancy on the Board or in the office of auditor;
- (iii) issuing securities or shares;
- (iv) declaring dividends;
- (v) purchasing, redeeming or otherwise acquiring shares issued by the Corporation;
- (vi) paying a commission for the sale of shares of the Corporation;
- (vii) approving a management proxy circular;
- (viii) approving any financial statements that are required to be placed before shareholders at an annual meeting; or
- (ix) proposed adopting, amending or repealing by-laws;

- (i) words and expressions defined in the Act shall have the same meanings when used in the by-laws, unless specifically defined in the by-laws;
- (j) words importing number shall include both the plural and the singular and words importing gender shall include the masculine, feminine and neuter genders.

1.2 Invalidity of any Provision - The invalidity of any provision of the by-laws shall not affect the validity of the remaining provisions of the by-laws.

1.3 Conflict of Provisions - If any of the provisions of the by-laws are in conflict with the provisions of the Act, a unanimous shareholder agreement or the articles then the provisions of the Act, the unanimous shareholder agreement or the articles shall prevail.

1.4 Headings - The headings used in the by-laws and Table of Contents are inserted for convenience of reference and shall not affect the construction or interpretation of the by-laws.

PART 3 - DIRECTORS

3.1 Number of Directors - Subject to the provisions of the articles or of a unanimous shareholder agreement, the number of directors constituting the Board shall be determined from time to time by ordinary resolution of the shareholders.

3.2 Qualification - No person shall be qualified to be a director if that person is less than 18 years of age, is not an individual, has the status of bankrupt or is disqualified under the Act, but a director need not be a shareholder.

3.3 Residence Requirement - The Board and any committees of the Board shall, in all cases, have the minimum number of resident Canadian directors required by the Act.

3.4 District Depositors Board Representation - At least one half of the directors must be District Depositors.

3.5 Election and Term - The shareholders shall, by ordinary resolution at the first meeting of shareholders and at each succeeding annual meeting, elect directors to hold office for a term expiring at the close of the next annual meeting of the shareholders following the election; provided that if an election of directors is not held at a meeting of shareholders, the incumbent directors continue in office until their successors are elected.

If a meeting of shareholders fails to elect the number or the minimum number of directors required by the articles by reason of the disqualification or death of any candidate, the directors elected at that meeting may exercise all the powers of the Board if the number of directors so elected constitutes a quorum.

3.6 Ceasing to Hold Office - A director ceases to hold office:

- (a) upon death;
- (b) upon resignation, in which event such resignation becomes effective at the time a written resignation is sent to the Corporation or at the time specified in the written resignation, whichever is later;
- (c) upon removal from office in accordance with the provisions of the Act; or
- (d) upon disqualification.

3.7 Removal of Directors - Subject to the provisions of the articles or of a unanimous shareholders agreement,

the shareholders of the Corporation may by ordinary resolution at a special meeting remove any director or directors from office.

3.8 Vacancies - Subject to the provisions of a unanimous shareholder agreement, a vacancy created by the removal of a director may be filled by an ordinary resolution of shareholders passed at the meeting at which the director was removed, and if not so filled may be filled by the Board. A quorum of directors may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure to elect the number or minimum number of directors required by the articles.

3.9 Remuneration of Directors - Subject to the articles or any unanimous shareholder agreement, the Board of the Corporation may fix the remuneration of the directors, officers and employees of the Corporation.

3.10 Powers of the Board -

- (a) The Board shall manage or supervise the management of the business and affairs of the Corporation.
- (b) Subject to any restrictions contained in the Articles, the Board may, without authorization of the shareholders:
 - (i) borrow money on the credit of the Corporation;
 - (ii) issue, reissue, sell or pledge debt obligations of the Corporation;
 - (iii) subject to the provisions of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation by any person; and
 - (iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation owned or subsequently acquired, to secure any obligation of the Corporation.
- (c) Notwithstanding any restrictions on the delegation of extraordinary business, the Board may by resolution delegate the powers referred to in subsection **3.10(b)** of these by-laws to a director, a committee of directors or an officer of the Corporation.

PART 12 - SPECIAL REPORT TO THE SHAREHOLDERS

2.1 Not less than 75 days and not more than 180 420 days from the effective date of the plan of compromise and arrangement of Lutheran Church-Canada, the Alberta-British Columbia District, as amended, the Corporation shall send notice of a special meeting of the shareholders of the Corporation, in accordance with these by-laws, at which the Board of the Corporation shall report to the shareholders on all reasonable commercial options available to the Corporation for achieving the Corporation's Business (as defined in the articles), such options to include, but not be limited to, the following:

- (a) an orderly liquidation of some or all of the assets comprising the Prince of Peace Development (the "Corporation's Assets");
- (b) subdivision of some or all of the Corporation's Assets; and
- (c) the further development of some or all of the Corporation's Assets.

12.2 For each option presented under Section 12.1, the board of directors of the Corporation shall include in its report an estimate of:

- (a) the costs involved;
- (b) the time period required;
- (c) the expected impact on the value of the Corporation's Assets;
- (d) the risks associated with such option structures or processes providing for shareholder liquidity; and
- (e) the recommendations of the board of directors of the Corporation.

12.3 For greater certainty, holding a special meeting of the shareholders to report to the shareholders on all reasonable commercial options available to the Corporation for achieving the Corporation's Business (as defined in the articles) does not constitute an addition, change or removal of any of the restrictions on the business contained in the articles.

Financial Reporting of NewCo (Sage)

Georg_ <alternate1517@gmail.com>
Mar 21

to vanallen
Hello Vanessa,

The First Monitor's Report to the Creditors of the Lutheran Church Canada, dated March 28, 2016, on page 16, paragraph 39 under the NewCo subtitle, it states:

"NewCo Management would also be tasked with providing regular financial reporting, including quarterly statements and annual reports with management discussion and analysis."

To date, we shareholders have received NO financial information from Sage, and my requests for financial information from Sage have been deflected.

Furthermore, Sage is in default, as it has missed its obligation to the shareholders to hold a first shareholders meeting within six months of the effective date. (refer to paragraph 40)

What does the Monitor propose to do about this?

Georg Beinert

Georg_ <alternate1517@gmail.com>
Mar 21

to josithole, bcc: Allan
Hello Joseph,

I did not realize that Vanessa was away.

Please answer the following email for me.

Your prompt reply will be appreciated.
Thank you.

This is Exhibit " 2 " referred to in the
Affidavit of
Georg Beinert
Sworn before me this 23 day
of May A.D. 2017
Allan Josithole
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Sithole, Joseph (CA - Alberta) <josithole@deloitte.ca>
Mar 23

to me
Hi Georg,

We are aware of the planned date for the shareholders meeting, and this matter is being discussed with legal counsel.

We may need to report this matter to the court, and assess if this is a significant change. We will know more on our next steps shortly.

Regards,

--

Joseph Sitholé, CA
Senior Associate | Restructuring Services
D: (587) 293 3203 | F: (403) 718 3681
josithole@deloitte.ca | deloitte.ca

Georg _ <alternate1517@gmail.com>
Apr 4

to Joseph, Allan, Sharon, Dianne, bill, Laurie
Hello Joseph,

On March 21, 2017 I forwarded my request for information to you. You only responded to part of my question. I had written:

The First Monitor's Report to the Creditors of the Lutheran Church Canada, dated March 28, 2016, on page 16, paragraph 39 under the NewCo subtitle, it states:

"NewCo Management would also be tasked with providing regular financial reporting, including quarterly statements and annual reports with management discussion and analysis."

To date, we shareholders have received NO financial information from Sage, and my requests for financial information from Sage have been deflected.

Furthermore, Sage is in default, as it has missed its obligation to the shareholders to hold a first shareholders meeting within six months of the effective date. (refer to paragraph 40)

What does the Monitor propose to do about this?

It has been two weeks and the Monitor has not yet responded regarding my concern about the financial

reporting.

Please respond immediately. I will expect your reply by the end of the business day, Wednesday, April 5, 2017.

Awaiting your immediate reply.
Georg Beinert

Sithole, Joseph (CA - Alberta) <josithole@deloitte.ca>
Apr 5

to Jeff, me, Allan, Sharon, Dianne, bill, Laurie
Hello Georg,

We are going to have our legal counsel, Jeffrey Oliver, reply to your specific inquiries contained in this email and your previous emails. You will hear from him shortly.

Regards,

--
Joseph Sitholé, CA
Senior Associate | Restructuring Services
D: (587) 293 3203 | F: (403) 718 3681

Business Corporations Act, RSA 2000, c B-9

Current version: in force since Jun 13, 2016

Link to the latest
version: <http://canlii.ca/t/81qq>

Stable link to this
version: <http://canlii.ca/t/52rht>

Citation to this version: Business Corporations Act, RSA 2000, c B-9, <<http://canlii.ca/t/52rht>> retrieved on 2017-05-22

Currency: Last updated from the Alberta Queen's printer on 2017-05-16

BUSINESS CORPORATIONS ACT

Chapter B-9

This is Exhibit 3 referred to in the
Affidavit of
Georg Bevert
Sworn before me this 23 day
of May A.D., 2017
Alle S. S.
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Part 1 Interpretation and Application

Definitions

1 In this Act,

- (a) “affairs” means the relationships among a corporation, its affiliates and the shareholders, directors and officers of those bodies corporate, but does not include the business carried on by those bodies corporate;
- (b) “affiliate” means an affiliated body corporate within the meaning of section 2(1);
- (c) “Alberta company” means a body corporate incorporated and registered under the *Companies Act* or any of its predecessors;
- (d) “articles” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution and articles of revival and includes an amendment to any of them;
- (e) “associate”, when used to indicate a relationship with any person, means

(2) Subsection (1) does not apply to a body corporate to which a certificate of amalgamation has been issued under section 185 or 187 or to which a certificate of continuance has been issued under section 188.

(3) An incorporator or a director may call the meeting of directors referred to in subsection (1) by giving not less than 5 days' notice of the meeting to each director, stating the date, time and place of the meeting.

(4) A director may waive notice under subsection (3).

1981 cB-15 s99

Qualifications of directors

105(1) The following persons are disqualified from being a director of a corporation:

- (a) anyone who is less than 18 years of age;
- (b) anyone who
 - (i) is a represented adult as defined in the *Adult Guardianship and Trusteeship Act* or is the subject of a certificate of incapacity that is in effect under the *Public Trustee Act*,
 - (ii) is a formal patient as defined in the *Mental Health Act*,
 - (iii) is the subject of an order under *The Mentally Incapacitated Persons Act*, RSA 1970 c232, appointing a committee of the person or estate, or both, or
 - (iv) has been found to be a person of unsound mind by a court elsewhere than in Alberta;
- (c) a person who is not an individual;
- (d) a person who has the status of bankrupt.

(2) Unless the articles otherwise provide, a director of a corporation is not required to hold shares issued by the corporation.

(3) At least 1/4 of the directors of a corporation must be resident Canadians.

(4) Repealed 2005 c8 s21.

(5) A person who is elected or appointed a director is not a director unless

- (a) the person was present at the meeting when the person was elected or appointed and did not refuse to act as a director, or
- (b) if the person was not present at the meeting when the person was elected or appointed,
 - (i) the person consented to act as a director in writing before the person's election or appointment or within 10 days after it, or
 - (ii) the person has acted as a director pursuant to the election or appointment.

(6) For the purpose of subsection (5), a person who is elected or appointed a director and refuses under subsection (5)(a) or fails to consent or act under subsection (5)(b) is deemed not to have been elected or appointed a director.

RSA 2000 cB-9 s105;2005 c8 s21;2008 cA-4.2 s121

Election and appointment of directors

106(1) At the time of sending articles of incorporation, the incorporators shall send to the Registrar a notice of directors in the prescribed form and the Registrar shall file the notice.

(2) Each director named in the notice referred to in subsection (1) holds office from the issue of the certificate of incorporation until the first meeting of shareholders.

- (3) Subject to subsection (9)(a) and section 107, shareholders of a corporation shall, by ordinary resolution at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, elect directors to hold office for a term expiring not later than the close of the next annual meeting of shareholders following the election.
- (4) If the articles so provide, the directors may, between annual general meetings, appoint one or more additional directors of the corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual meeting of the corporation.
- (5) It is not necessary that all directors elected at a meeting of shareholders hold office for the same term.
- (6) A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following the director's election.
- (7) Notwithstanding subsections (2), (3) and (6), if directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected.
- (8) If a meeting of shareholders fails to elect the number or the minimum number of directors required by the articles by reason of the disqualification or death of any candidate, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum.
- (9) The articles or a unanimous shareholder agreement may provide for the election or appointment of a director or directors
- (a) for terms expiring not later than the close of the 3rd annual meeting of shareholders following the election, and
 - (b) by creditors or employees of the corporation or by a class or classes of those creditors or employees.

1981 cB-15 s101;1983 c20 s11

Cumulative voting

107 If the articles provide for cumulative voting,

- (a) the articles shall require a fixed number and not a minimum and maximum number of directors,
- (b) each shareholder entitled to vote at an election of directors has the right to cast a number of votes equal to the number of votes attached to the shares held by the shareholder multiplied by the number of directors to be elected, and the shareholder may cast all those votes in favour of one candidate or distribute them among the candidates in any manner,
- (c) a separate vote of shareholders shall be taken with respect to each candidate nominated for director unless a resolution is passed unanimously permitting 2 or more candidates to be elected by a single resolution,
- (d) if a shareholder votes for more than one candidate without specifying the distribution of the shareholder's votes among the candidates, the shareholder is deemed to have distributed the votes equally among the candidates for whom the shareholder voted,
- (e) if the number of candidates nominated for director exceeds the number of positions to be filled, the candidates who receive the least number of votes shall be eliminated until the number of candidates remaining equals the number of positions to be filled,
- (f) each director ceases to hold office at the close of the first annual meeting of shareholders following the director's election,
- (g) a director may not be removed from office if the votes cast against the director's removal would be sufficient to elect the director, and those votes could be voted cumulatively, at an election at which the same total number of votes were cast and the number of directors required by the articles were then being elected, and

CLERK OF THE COURT
FILED
JUN 10 2016
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

DOCUMENT FIFTH AMENDED PLAN OF COMPROMISE AND ARRANGEMENT OF LUTHERAN CHURCH-CANADA, THE ALBERTA-BRITISH COLUMBIA DISTRICT

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985 c. G-36 AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND , LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.
DATED June 10, 2016

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Bishop & McKenzie LLP
1700-530-8th Avenue SW
Calgary, Alberta T2P 3S8

403-237-5550 (phone)
403-263-3423 (fax)

Attention: Francis N. J. Taman/Ksena J. Court
File No.: 103007-003

This is Exhibit " 4 " referred to in the Affidavit of
Georg Beiser
Sworn before me this 23 day
of May A.D., 2017
Cherise
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

In the event that the Plan is not agreed to, accepted and approved as set out herein, the Sanction Order is not granted or the conditions set forth in Article 7.2 are not satisfied or waived in accordance with the terms of this Plan, this Plan shall automatically terminate and in which case the District shall not be under any further obligation to implement this Plan.

6.12 Court Assistance

The District reserves the right to seek the assistance and/or direction of the Court regarding any matters relating to this Plan, including the resolution of any disputes arising between the Monitor and any other parties.

ARTICLE 7

CONDITIONS PRECEDENT AND PLAN IMPLEMENTATION

7.1 Sequence of Events

Following the Effective Date, the following events will occur in the following sequence:

- a. The District's bylaws and handbook shall be amended in accordance with Article 4.3 and as permitted by the Sanction Order.
- b. The Convenience Payments will be made, as set out herein.
- c. Distributions will be made from the Payment Pool to those Affected Creditors with Proven Claims as set out herein.
- d. NewCo shall be incorporated under the *Alberta Business Corporations Act*. The initial Articles and initial By-Laws of NewCo shall be materially in the form of Articles and By-Laws attached as Schedule "E" with such changes as may be authorized by the District Committee, which state and may include amongst other matters:
 - i. that NewCo cannot incur indebtedness of more than 10% of its net asset value and the assets of NewCo may only be pledged as collateral up to 10% of the fair market value of the assets of NewCo as determined at the Effective Date, subject to amendment by a special resolution of shareholders;
 - ii. that a pro-rata share redemption will be allowed upon the sale of any portion of the property located within the Prince of Peace Development that is over \$5.0 million in net sale proceeds, and that the total value of the share redemption would be 90% of the net sale proceeds of the property;
 - iii. that NewCo will establish a mechanism allowing the sale of the NewCo Common Shares to those other shareholders who wish to purchase them, subject to shareholders conforming to a prospectus exemption contained in National Instrument 45-106 Prospectus and Registration Exemptions;

- iv. that a general meeting of shareholders of NewCo will be called no later than 6 months following the Effective Date with the purpose of having a proposed mandate of NewCo voted on by the shareholders, and to discuss the considerations of the board of directors of NewCo regarding their recommendations of the mandate to the shareholders; and
- v. the dissent rights to protect the rights of minority shareholders.

In addition, the Bylaws of NewCo will require that at least 50% of the Board of Directors be District Depositors or their nominees.

Upon the advice of its legal and accounting consultants and with the approval of the Monitor, NewCo may cause a wholly owned subsidiary corporation to be incorporated to carry out the operations of the seniors care facilities on the Prince of Peace Development.

- e. A contractual relationship will be entered into between NewCo and NewCo Management related to the operation of NewCo and the optimization of the value of the Prince of Peace Development. The Prince of Peace Development shall be transferred from ECHS and EMSS to NewCo free and clear of any encumbrances, charges, security interests or Claims and the Registrar of the Alberta Land Titles Office will be directed to cancel the existing certificates of title to the Prince of Peace Development and issue a new certificate of title in the name of Newco.
- f. A tax planned transaction will see, as its end result NewCo Common Shares being distributed to each Resident Affected Creditor in an amount equal to the Resident Affected Creditor's Pro Rata Portion of the NewCo Common Shares.
- g. Upon conclusion of the Representative Action, any funds remaining in the Representative Action Pool following payment from the Representative Action Pool of such amounts payable in accordance with this Plan and the Sanction Order will be distributed on a pro-rata basis to the District Depositors who remain part of the Representative Action Class.

7.2 Conditions to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions on or prior to the Effective Date, as the case may be:

- a. All applicable governmental, regulatory and judicial consents, orders and any and all filings with all governmental and regulatory authorities having jurisdiction, in each case to the effect deemed necessary or desirable for the completion of the transactions contemplated by the Plan or any aspect thereof shall have been obtained.
- b. The Restructuring Holdback shall have been funded in an amount sufficient to satisfy the Restructuring Costs.
- c. The Representative Action Holdback shall have been established in an amount sufficient to satisfy the anticipated out-of-pocket costs and the indemnity provided in Article 5.7 associated with the Representative Action.

APR.
Nov. 18, 2017

Mr. Allan Garber and District Sub Committee Members

First let me Thank you and the sub-committee members for initiating this action on behalf of the depositors ,who have been so greatly affected by the actions that have taken place up to this point. A special thanks to Georg Beinert for his excellent presentation to the court in the original action last year.

For your information I would like to tell you about my inquiries to Directors of Sage Properties.

I phoned Sage Properties @ 403 478-9661 in Calgary on Dec.9,2016.First I spoke with a lady but I did not get her name. I asked her if the employes of Sage were getting paid, and if so ,how much were they being paid. I also asked her who the employees were appointed by. She could not, or would not answer. I also asked her what is the price of Sage shares today and how was the share price arrived at originally. She would not answer that and after my insistence she turned me over to Scott McCorquodale. Scott also would not or could not answer the same questions. He asked several times if I had a question for him. I replied that I had several questions but they are choosing not to answer them. Scott then told me that I should hire a financial consultant .

These are the people that are supposed to be working for us the depositors, and yet are so secretive and arrogant.

I am also enclosing an article from the Globe and Mail of June 9, 2016 regarding some of Deloittes past dealings. I hope this is of some help to you

Vernon and Elizabeth Kembel
vkembel@telus.net
(604)856-8800

This is Exhibit " 5 " referred to in the
Affidavit of
Georg Beinert
Sworn before me this 23 day
of May A.D., 20 17
Chloe J. Steen
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

From: Lorraine Giese <pinnapearl@yahoo.ca>
Sent: May 12, 2017 12:55:15 PM
To: Sandra Jory
Subject: sandra.jory@sageproperties.ca

Thanks for letter

Been trying to email you but it won't go

I have some questions for you

#1 who invited sage speakers to our School meeting at St Matthews in Stony Plain ?

#2 How much is Scott MCorquodale getting paid ?

#3 How much is Tony Chin getting paid ?

Please reply as soon as possible

Lorraine Giese

Larry and I are share holders and large ones we feel we have a right to know.

On May 12, 2017, at 1:53 PM, Sandra Jory <sandra.jory@sageproperties.ca> wrote:

Hi Lorraine

Thank you for the email. In response to your questions:

#1. One of our board members, Stephen Nielsen is a member St. Mathews and has been speaking with your council president (I believe). I will also be attending the meeting so hopefully we will get the opportunity to meet.

#2 & #3 We are not disclosing detailed financial information of this kind until after our financial statement audit is completed. There will be salary disclosures included with the audited financial statements presented at our annual general meeting this fall.

If you have any other questions you are welcome to speak to me at St. Mathew's this Tuesday or feel free to give me a call at 780-686-2441.

Will you be attending the shareholder meeting?

Warm regards,

Sandra

This is Exhibit * 6 * referred to in the
Affidavit of
_____Georg Beyer_____
Sworn before me this 23 day
of May A.D., 2017
_____Alli S. S._____
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta



December 1, 2016

Dear Shareholder,

On behalf of the Board of Directors, we are pleased to report that effective October 31, 2016 the Prince of Peace real estate assets were transferred to SAGE Properties Corp. ("SAGE"). This marks an important milestone in the effort to return value to ABC District depositors who are now the shareholders of SAGE.

The assets now under SAGE governance and 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;
- More than 60 acres of surplus undeveloped land.

SAGE was created to take custody of the assets that were not easily liquidated through the CCAA restructuring process. We have assembled a team with the knowledge, skills and expertise to maximize the value of these assets and get liquidity to shareholders in a responsive manner. The Board is committed to transparency, accountability, and corporate governance while representing your ownership interest in SAGE.

The Board of Directors of SAGE and the executive team are aligned to the following priorities:

1. Ensuring the continued safety and wellbeing of the residents, students and staff at our facilities;
2. Supporting the value of SAGE's assets with the ongoing identification and remediation of property and maintenance issues;
3. Evaluating and pursuing opportunities to increase the value of the assets through activities such as vacancy reduction, subdivision and zoning, and utility optimization;
4. Attracting qualified purchasers that will attribute the highest value to the assets for a possible sale;
5. Pursuing opportunities to create future liquidity (i.e. cash) for all shareholders.

This is Exhibit " 7 " referred to in the
 Affidavit of
 _____ Georg Borner _____
 Sworn before me this _____ 23 _____ day
 of _____ May _____ A.D., 20 17

 A Notary Public, A Commissioner for Oaths
 in and for the Province of Alberta

The Board and Management are working diligently to ensure your interests are properly represented. There is much work to do and critical activities have been initiated. We look forward to keeping you abreast of the work as it unfolds, on your behalf, as a shareholder of SAGE.

SAGE is working on an option to facilitate the purchase and sale of shares. While this work continues, we will keep you informed of any opportunities that arise for you to sell your shares. Should you wish to buy or sell shares please contact us at (403) 478-9661 or info@sageproperties.ca.

The significance of the events leading to the formation of SAGE Properties Corp. and the resultant impact on each of you is not lost on us. We acknowledge and thank you for your continued patience as we work through the early days of this new company. It is our intention to present you with the best possible information and options when we meet at the first shareholders meeting this February. Until then we will provide you with regular updates.

Thank-you. We look forward to meeting you in February 2017.

Sincerely yours,



Harvey Schott
Chairman
SAGE Properties Corp.



Scott McCorquodale
Chief Executive Officer
SAGE Properties Corp.

LUTHERAN CHURCH – CANADA - ALBERTA – BRITISH COLUMBIA DISTRICT



Chief Restructuring Officer Proposal

2/20/2015

By:

**kluane
partners**

This is Exhibit " 8 " referred to in the
Affidavit of
Georg Beiner
Sworn before me this 23 day
of May A.D., 2017
[Signature]
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

THIS IS EXHIBIT " B " referred to in the Affidavit of
Kurtis Robinson
Sworn before me this 19
Day of March, A.D., 2015
[Signature]
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

**FRANCIS N.J. TAMAN
BARRISTER & SOLICITOR**

Jon Brookshaw - Engagement Associate

Jon is an employee of Kluane Partners and is an experienced controller and has been responsible for managing internal accounting systems, month-end reporting, financial/cash flow forecasting and providing financial and statistical information to both management and operations at a variety of clients. Jon has also previously held the position of internal auditor and designed new audit procedures. Jon enjoys fishing and holds a Bachelor of Business Administration/Accounting from Acadia University where he specialized in IFRS reporting, audit, and systems analysis. Jon graduated with distinction from the Accounting program and is currently pursuing his CPA designation.

Within the LCCA engagement Jon will be responsible for maintaining all cash forecasts and creditor schedules while working closely with the Monitor to ensure accurate financial reporting to the Courts and creditors. Jon will also be assisting Cam and Charles in maintaining constant communication with respect to the plan with all parishioners.

Scott McCorquodale MBA – Special Engagement Advisor – Real Estate

An experienced real estate broker and investor Scott's experience in maximizing the value of investment product will be critical throughout the decision making process. Whether the final decision is to maintain ownership or sell the District's position, Scott's knowledge of the market and potential purchasers will be invaluable. Scott is a former Partner at Colliers International and has sold in excess of \$1.5 billion of real estate over the past thirteen years. Scott has extensive experience in the marketing process and valuation of senior care facilities, educational facilities and retail buildings.

Kluane Team

In order to maximize value, Kluane Partners also maintains a number of dedicated and enthusiastic Associates, who assist with clerical, bookkeeping and other tasks to ensure a seamless engagement.

Tony chin zoom profile text extract only

This profile was last updated on 2016-07-17 .

Is this you? Claim your profile.

Wrong Tony Chin?

Tony Chin

Senior Associate

Kluane Partners Inc

HQ Phone: (403) 970-0449

Get ZoomInfo Grow

This is Exhibit " 9 " referred to in the Affidavit of

Georg Beinhart

Sworn before me this 23 day of May A.D., 2017

[Handwritten signature]

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

After completing the subdivision and development projects that the Board determines are advisable and feasible under Commercial Option B, management and the Board will then consider and determine a reasonable course of action to maximize the proceeds to be received by Shareholders from the sale of some or all of the assets of the Corporation or the sale of the Corporation as a whole. Such course of action would likely involve Sage engaging the services of a financial advisor, commercial real estate advisor, or other selling agent to assist the Corporation in identifying and approaching potential counterparties who may want to pursue such a transaction.

To the extent that potential purchasers make offers to buy some or all of the assets of the Corporation or the sale of the Corporation as a whole, management and the Board together with their legal and financial advisors (if any) will assess such offers to determine whether to enter into definitive agreements to complete such transactions. Management and the Board will pursue such offers if the Board determines that the offers represent the best opportunity to maximize the value of the assets comprising the Prince of Peace Development for the benefit of Shareholders.

As noted under "*Commercial Option A - Sale of the Corporation or of the Assets of the Corporation without any Subdivision or Further Development*" a transaction involving the sale of all of the assets of the Corporation or the sale of the Corporation as a whole could be structured in a number of different ways each of which would ultimately require the approval of the Shareholders. In addition, any potential sale of any of the individual properties forming part of the Prince of Peace Development may require Shareholder approval to the extent that such property represents substantially all of the assets of the Corporation. For instance, if the Corporation intends to sell the Harbour and the Manor such assets may meet the test under the ABCA for a sale of substantially all of the assets of the Corporation and therefore require approval of Shareholders holding not less than two-thirds of the votes cast in respect of the resolution to approve such transaction. There is no guarantee that Shareholders will provide such approval(s) in the future and as such Sage may ultimately be unable to complete the sale of the properties pursuant to Commercial Option B.

If the Corporation is able to sell some but not all of the assets of the Corporation, the Corporation would still be required to continue to manage the properties not sold and Shareholders would not achieve full liquidity.

Time Frame

Under Commercial Option B, Sage would be focused on attempting to subdivide the properties, emancipate the shared services and complete any other development projects it determines to pursue in as timely a manner as possible in order to achieve liquidity for Shareholders on a quicker time frame than under Commercial Option C. Sage estimates that it would take up to thirty-six months to complete Commercial Option B. There is no guarantee that Sage will be able to subdivide the assets comprising the Prince of Peace Development, find a counterparty, or counterparties, with which to complete such transactions or that it will be able to secure reasonable terms from such counterparty, or counterparties, if Sage is provided a mandate to complete Commercial Option B.

Costs Involved

Over the course of the time frame noted above, the costs involved, based on preliminary estimates received and prepared by Sage, in completing Commercial Option B may range

This is Exhibit "10" referred to in the Affidavit of
George Beinhart
Sworn before me this 23 day
of May A.D., 2017
[Signature]
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

SAGE Properties Corp. (SAGE) - Dissident Proxy Circular

Edmonton, May 4, 2017 SAGE shareholder Georg Beinert and shareholder Bill Mulder, as Concerned Shareholders of SAGE, are circulating this Dissident Proxy Circular (the "Dissident Proxy Circular") and a form of Dissident Proxy (the "Dissident Proxy") in respect of their solicitation of Dissident Proxies for the Special Meeting (the "Meeting") of Shareholders of SAGE convened for 12:00 p.m. (Edmonton time) on May 26, 2017 at the Executive Royal Hotel Edmonton Airport located at 8450 Sparrow Drive, Leduc, Alberta.

The Dissident Proxy Circular proposes that:

- Four of the Directors of SAGE, namely: Sandra Jory, Steven Nielsen, Myron Yurko, and Murray Warnke be removed;

- A different slate of shareholder nominees be elected as Directors of SAGE, namely: Judy Kruse, Georg Beinert, Wiley Hertlein, Garry Garrett and Clifford Friesen;

- The shareholders vote to APPROVE the following Special Resolution:

"BE IT RESOLVED by the shareholders (the "Shareholders") of Sage Properties Corp. that:

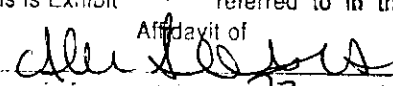

i) Sage pursue through all reasonable means a transaction to sell all or substantially all of the assets of the Corporation, or alternatively the Corporation as a whole, without first pursuing any subdivision or development work;

ii) An offer which the Board of Directors determines represents the best opportunity to maximize the value of the Corporation's assets shall be presented to the Shareholders for their approval;

iii) If no offers are received which in the opinion of the Board of Directors represent the best opportunity to maximize the value of the Corporation's assets, then Sage shall pursue Commercial Option "B" contained in the management information circular of the Corporation dated April 21, 2017.

- The shareholders vote to DEFEAT the special resolutions to amend the Articles and By-Laws of SAGE, proposed by Management and in particular, the following proposed resolutions:

- a. The Redemption Provisions Amendment
- b. The Quorum Requirement Amendment
- c. The Database Requirement Amendment
- d. The Debt Limit Amendment

This is Exhibit "11" referred to in the
Affidavit of

Sworn before me this 23 day
of May A.D., 2017

A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

To vote in favour of these proposals as business and resolutions of the Meeting,

please sign and promptly return the enclosed form of Dissident Proxy

In the Dissident Proxy Circular, Messrs. Georg Beinert and Bill Mulder declare their opinion,

- with the substantial majority of the SAGE shareholders being elderly;
- with the collapse of the LCC-ABC District CEF having caused financial hardship for many of SAGE's shareholders;
- with SAGE having failed or neglected to actively test the commercial real estate market or openly promote the sale of SAGE's assets;
- with SAGE CEO having brushed off commercial real estate option potentials, contrary to its court sanctioned Mandate, contrary to its December 1, 2016 letter to shareholders, and contrary to Bylaw sections 7.1 and 12.1;
- with SAGE having exposed its shareholders to a distressed asset buyer without first testing the real estate market, without shareholder mandate, and without providing management discussion to the shareholders, contrary to the Sanction Order and contrary to Bylaw sections 8.6 and 12;
- with SAGE having defaulted on its court sanctioned mandate and Bylaw section 12.1 to hold a shareholder's meeting by February 26, 2017;
- with SAGE advising that it will not hold an election of Directors at the first meeting of the shareholders, contrary to Bylaw section 3.5 and s. 106 of the *Business Corporations Act*;
- with SAGE not having provided complete, suitable and timely financial statements or information for shareholder considerations according to the court sanctioned mandate;
- with SAGE not having informed its shareholders of the resignation of four key Directors and the reasons therefor;
- with SAGE having provided incomplete and/or misleading information in its March 7, 2017 update to shareholders;
- with SAGE recommending commercial option B to subdivide while at the same time advising that there is no assurance that SAGE will be able to subdivide;
- with SAGE having proposed amendments to SAGE Articles and Bylaws that diminish shareholder power; and
- with SAGE having proposed an 'Advisory Resolution' to free itself from being bound by shareholder votes;

that SAGE's Board, from the effective date of August 26, 2016 and its operations commencement date of November 1, 2016, has not carried out its duties in good faith nor served the interests of all shareholders despite the Board's having full understanding of its avowed mandate according to the District Plan, and that SAGE's Board is now in a position of non-confidence.

and further, that Sage pursue through all reasonable means a transaction to sell all or substantially all of the assets of the Corporation, or alternatively, the Corporation as a whole, without first pursuing any subdivision or development work.

Messrs. Georg Beinert and Bill Mulder encourage all SAGE Shareholders to review and act upon their Dissident Proxy Circular and welcome inquiries to Georg Beinert at (780) 835-8722 or by email at beinert2017@gmail.com and to Bill Mulder at (604) 536-3169 or by email at mulderbill@hotmail.com .

**FORM OF DISSIDENT PROXY
FOR HOLDERS OF CLASS A COMMON SHARES
in SAGE PROPERTIES**

For the Special Meeting of SAGE Properties to be held on Friday, May 26, 2017

I (name) _____ of (location) _____,

being a shareholder of Sage Properties Corp. (“Sage”) hereby appoint **Georg Beinert or**
_____ as my proxy, with full power of substitution, to attend
and act and vote for me and on my behalf at the special meeting of the shareholders of Sage to be
held on Friday, May 26, 2017 and to any adjournment thereof and at every poll that may take
place in consequence thereof (the “Meeting”).

I hereby revoke any proxies previously given.

Dated _____

Signature of shareholder

Print name of shareholder

Notes:

1. If the shareholder is a corporation, this Instrument of Proxy must be signed by its duly authorized officer.
2. Persons signing this Instrument of Proxy as executors, administrators, trustees etc. should so indicate.
3. To be effective, this Instrument of Proxy must be received by Allan Garber, lawyer, no later than 12:00 noon Edmonton time on May 24, 2017 at #108, 17707 – 105 Avenue, Edmonton, Alberta T5S 1T1, by email alee@garberlaw.ca, or by facsimile (587) 400-9313.
4. This blank form of Dissident Proxy may be copied for your convenience.

BIOS OF PROPOSED SAGE BOARD MEMBERS

Wiley Hertlein has lived in Calgary, AB since 1960 and is a retired banker. He holds depth of experience with the financial aspects of business. In his career, Wiley was directly involved in over 80 files which required significant oversight and intervention due to financial stress. As a long term resident of Calgary, Wiley has valuable perspective of the growth areas in the Calgary area, and he is also aware of the development and market potentials that exist. He is a devout member of the Lutheran Church. Wiley has already shown a commitment to fellow shareholders in making a dedicated effort to seek out potential interests for the shareholder's property.

Judy Kruse lives in Edmonton, AB and serves at a university. She has solid understanding of governance and has experience in policy procedures and legislation. Judy was raised in the Lutheran Church and has raised her children in the Lutheran Church and Christian faith also. She lives out her Christian convictions displaying an exceptionally high degree of integrity. Seeking to do what is right, even at the risk of personal sacrifice, is a passion that Judy displays openly. She is warm and insightful in all her communications. Being a fellow shareholder, her heart understands the plight of many shareholders. Judy brings a focused urgency to see the best outcome for all shareholders.

Garry Garrett lives in the Rocky Mount House, AB area and is a retired businessman. Over a period of 37 years Garry built a company in the oilfield industry, starting from the ground up to a size of 40 employees. He understands the hard work, dedication and determination that is required in achieving goals. Garry also has experience in condo unit development. He has served for 12 years on the Board of a local Credit Union. Garry loves time with his family and grandchildren. He is active as a fellow Christian in the Lutheran Church. Garry has a very 'no nonsense' approach to matters that are of importance, and he has a firm resolve to see the best outcome for his fellow shareholders.

Cliff Friesen lives in Rocky Mountain House, AB and is an experienced financial and operational manager with a solid track record of accomplishments with small to medium size companies. Twenty-five years of experience in the service side of the construction, petroleum and mining industry in both office and field. He holds a CMA, B.COMM, and CPA, and has ten years management consulting experience. Cliff is a dedicated member of the Lutheran Church and has served for 13 years as Treasurer. He involves himself in many Christian volunteer organizations both locally and internationally. Cliff brings with him many years of Director, Board and Chairman experience across a variety of public, private, and service society concerns.

Georg Beinert lives in the Fairview, AB area and his first passion is his family. He holds a range of certificates in the trades, technologies, and university level Sciences. Georg has experience in project engineering and project management of extreme environment equipment. He has a very keen attention to detail. Georg has 8 years experience on an advisory council with 2 years as Chair. He involves himself in many volunteer opportunities and enjoys team-work environments. Georg is a shareholder and a Christian, and has a firm resolve to see the best outcome for his fellow-shareholders.

**RESOLUTION OF THE SHAREHOLDERS OF
SAGE PROPERTIES CORP.**

“BE IT RESOLVED by the shareholders (the “Shareholders”) of Sage Properties Corp. (the “Corporation”) that:

- 1) Sandra Jory, Steven Nielsen, Myron Yurko and Murray Warnke be removed as Directors of the Corporation.
- 2) The following persons are hereby elected as Directors of the Corporation to hold office until the first annual meeting of the Corporation or until he/she cease to hold office or are removed from office pursuant to the Alberta *Business Corporations Act*.

Judy Kruse
Georg Beinert
Wiley Hertlein
Garry Garrett
Clifford Friesen

RESOLUTION OF THE SHAREHOLDERS ON COMMERCIAL OPTIONS

“BE IT RESOLVED as a Special Resolution of the shareholders of Sage Properties Corp. (the “Corporation”) that:

- i) Sage pursue through all reasonable means a transaction to sell all or substantially all of the assets of the Corporation, or alternatively the Corporation as a whole, without first pursuing any subdivision or development work;
- ii) An offer which the Board of Directors determines represents the best opportunity to maximize the value of the Corporation’s assets shall be presented to the Shareholders for their approval;
- iii) If no offers are received which in the opinion of the Board of Directors represent the best opportunity to maximize the value of the Corporation’s assets, then Sage shall pursue Commercial Option “B” contained in the management information circular of the Corporation dated April 21, 2017.

May 12, 2017

Dear Fellow SAGE shareholders, and (for many of you) dearest brothers and sisters in Christ,

It is with sincere regret that I inform you that SAGE Properties Corp. has indicated that it will not recognize or accept what was put forward as the Dissident Proxy.

It has been my pleasure to communicate directly with many of you. Having learned from each conversation of how many of you have endured through your losses, I am blessed to know that my efforts have provided a breath of fresh air and a glimmer of hope into your lives. Your expressions of thanks and appreciation have been an encouragement to help keep me going. I am honoured to know that you have been encouraged by my efforts. I have poured hundreds of hours into this concern and had hoped for a far better way going forward. I believe that the proposals that I put forward to you are the best and most sensible way. My concerns and convictions on this matter have not changed.

However, as I have now been threatened with legal action for expressing my concerns and convictions and for proposing what many believe to be a very realistic way forward, I must give consideration to my wife and children and to protect for them the little that remains. Also, due to the shortness of time, I am not able to personally manage a reasonable legal counter-response. The activities to arrive at this point have already been quite exhausting. Since many of you may now be wondering what to do, I provide my perspective by way of information and not advice:

If you choose to participate in the shareholder meeting, I recommend that you attend the meeting 'in person'. If you choose to participate 'by proxy', you are at liberty to choose someone you trust to carry your proxy on your behalf. You will only be allowed to use SAGE's proxy form.

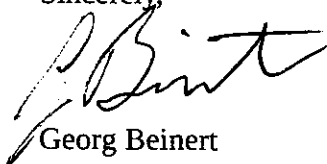
If I were to vote, I would prefer to vote on an amended commercial option A only, with no second choice option. That means that motions would have to be made to make the vote binding, and that the wording be made similar to what I had proposed in the Dissident Proxy Circular. I would also raise the point that this meeting is a 'special meeting' and that all the resolutions that SAGE has proposed are, by Bylaw 8.5, considered to be 'special business' and therefore may require a 2/3's majority vote in order to pass. If I were to vote, I would choose to DEFEAT the remaining four resolutions on SAGE's proxy.

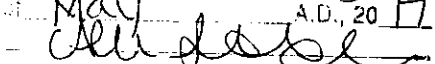
If I was to have already sent in a proxy as per SAGE's form and advice, I would send a follow-up letter to revoke that proxy.

I would be in favour of having full discussions at this meeting, but adjourning the meeting until the Annual General Meeting without transacting any business.

These are what I would choose to do. I am not providing to you any advice. What you do is your choice. Your fellow shareholders will be affected by your choice. Please act wisely.

Sincerely,


Georg Beinert

This is Exhibit "12" referred to in the
Affidavit of
Georg Beinert
Sworn before me this 23 day
of May, A.D., 2017

A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta