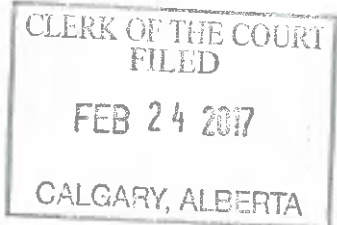


COURT FILE NUMBER 1501 – 00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTER CALGARY

Clerk's Stamp



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

Allan Garber Professional Corporation
Barrister and Solicitor
Suite 108, 17707 105 Avenue
Edmonton, AB T5S 1T1
Attn: Allan A. Garber
Tel: (587) 400-9310
Fax: (587) 400-9313
File No. 212-3AAG

AFFIDAVIT OF GEORG BEINERT

Sworn on February 20, 2017.

I, Georg Beinert, of Fairview, Alberta

SWEAR AND SAY THAT:

1. I am the Chair of the District (CEF) Subcommittee established by the CEF Subcommittee Order filed in this action on August 5, 2016. I am authorized by Subcommittee to bring this Application. I have personal knowledge of the matters herein deposed to unless stated to be based on information and belief, in which case I believe the same to be true.

2. Prior to the establishment of the District (CEF) Subcommittee, Depositors in the Church Extension Fund, and especially those who are now Representative Action ("RA") class members, had expressed to me and continue to express to me concerns that the Sage (NewCo) Property Corp shares are incorrectly valued.
3. Recovery for the Depositor's claims is to be achieved through four means: the \$5,000.00 convenience payment, the sale of non-core assets, the receipt of shares according to the fair valuation of the core assets (NewCo), and in the recovery through litigation in the RA.
4. If the Sage (NewCo) shares are incorrectly overvalued, this negatively affects the recovery margin that is available to the RA class.
5. In November 2016, the District (CEF) Subcommittee determined that it was necessary to seek an independent appraisal to address this concern.
6. In November of 2016 we requested the Monitor's Colliers/CWCP appraisal and the related Ernst & Young review.
7. The Colliers/CWCP appraisals were provided to our counsel on January 4, 2017 by Mr. Jeffrey Oliver, counsel for the Monitor.
8. Ernst & Young provided an opinion on the reasonableness of the Colliers/CWCP appraisals. Requests have been made for the Ernst & Young opinion, but it has not been disclosed. To this date, almost 3 months after our request, we still have not been provided the Ernst & Young review, despite numerous requests for it.
9. The Colliers/CWCP appraisal consists of two appraisal components (one for that Harbour and Manor, and one for the School and Lands) which amount to a singular 'appraisal for valuation'. The dates of this appraisal information are outside of the range that is normally accepted in a Fair Market Value consideration relating to the valuation date of the Sage Property shares. Some significant information/components that have been identified as being material to the valuation of the properties are completely missing from the appraisal package.
10. To perform our fiduciary duty to the RA class, the Subcommittee engaged Avison Young to conduct an appraisal of the Sage (NewCo) Properties. Our goal was to have the appraisal done within 3 months of the share valuation date to respect Fair Market Value considerations. Therefore our appraisal is time sensitive.
11. On February 2, 2017, our appraiser, Avison Young, was denied access to the Sage Properties for purposes of performing an appraisal, and he was directed to Sage's lawyer, Mr. Ted Brown, but no contact information was provided. A copy of the email sent by Avison Young is attached as **Exhibit "A"** to my Affidavit.

12. By email dated February 7, 2017, our counsel, Mr. Garber, forwarded to Mr. Ted Brown a list of the information required by Avision Young. A copy of the email and the information requested by Avision Young is attached as **Exhibit "B"** to my Affidavit.
13. Through our legal counsel, we have communicated numerous times with Mr. Ted Brown to seek access to the Sage Properties for the purpose of an independent appraisal. We have been opposed and denied access unless there is a court order. Copies of correspondence between Mr. Garber and Mr. Brown are attached as **Exhibit "C"** to my Affidavit.
14. In November of 2016, I received a letter dated November 4, 2016, from the Monitor. It was postmarked November 10, 2016 and I received it on November 17, 2016. In the letter, Deloitte attached an "Interim Distribution Report" which indicates that my Net Claim after the Convenience Payment of \$5,000.00 is \$376,228.18. A copy of the November 4, 2016 letter from Deloitte and the "Interim Distribution" Report is attached as **Exhibit "D"** to my Affidavit. According to Deloitte, the value of the NewCo (Sage) shares represents 57% of my total claim after receipt of the convenience payment.
15. The shares have a purported base value of \$1 dollar per share. I received a statement from Alliance Trust Company dated November 15, 2016 showing that I own 215,513 shares having a book face value of \$215,513.00. Attached to the statement was an undated letter from Sage indicating that I could have my name listed on a database of Sage shareholders who wish to sell their shares. A copy of the Statement and letter is attached as **Exhibit "E"** to my Affidavit.
16. All shareholders received a letter from Sage dated December 1, 2016 indicating that effective October 31, 2016, all Prince of Peace real estate assets had been transferred to Sage Properties Inc. The letter indicated that should I wish to buy shares or sell my shares in Sage, I could call (403) 478-9661. This is the Sage telephone number. A copy of the December 1, 2016 letter from Sage is attached as **Exhibit "F"** to my Affidavit.
17. Bolstering our concern and urgency to have an independent appraisal conducted is a very low share purchase offer that was made to a significant shareholder representative, Mr. Laurie Schutz, who is also a member of the Subcommittee.
18. I am advised by Mr. Laurie Schutz and do believe that about December 20, he left a telephone message at the Sage Properties phone number, indicating that he was interested in selling shares. No one answered the phone, so Mr. Schutz left a message with Sage.
19. Nobody from Sage Properties contacted Mr. Schutz. Instead, Mr. Schutz was contacted directly by Mr. Robert (Bobby) Rice from Sandton Capital Partners, a company located in the US which, according to its website, specializes in providing capital to purchase 'distressed-assets' or 'under-performing' companies.
20. I am advised by Mr. Laurie Schutz and do believe that on December 22, 2016, he received a follow-up email to his phone conversation with Bobby Rice in which a share

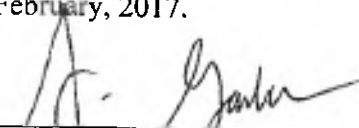
purchase offer was expressed. This offer was made by Bobby Rice, from Sandton Capital Partners. Mr. Rice stated that Sandton's wholly owned company 'Prince of Peace Investments ULC' had share purchase agreements ready for Sage shareholders to sign. He offered to buy Mr. Schutz's shares in Sage for an amount that was 1/3 of the face value of the shares that were issued to the shareholder. A copy of the email from Mr. Rice to Mr. Schutz is attached as **Exhibit "G"** to my Affidavit.

21. Prince of Peace Investments ULC was incorporated in British Columbia on December 22, 2016 and was registered extra-provincially in Alberta on January 3, 2017. Copies of the Alberta corporate search and the BC corporate search are attached as **Exhibit "H"** to my Affidavit.
22. The low offer by Mr. Rice and Sandton Capital Partners and their wholly owned Prince of Peace Investments ULC calls into question the 'fair' share valuation that Depositors were led to believe was part of their recovery when they voted in favour of the Plan of Compromise and Arrangement.
23. If the shares are, in fact, only worth 1/3 of the value that they were issued at, then the recent share valuation at time of share issue is seriously problematic.
24. On January 17, 2017, in a conversation with Cardelle Szego, communications person at Sage Properties, she told me that there was only one buyer for Sage shares. I believe that this "one buyer" is Bobby Rice from Sandton Capital Partners/Prince of Peace Investments ULC.
25. On Jan 25, 2017 I phoned Sage Properties. I asked Sage CEO Scott McCorquodale about Bobby Rice. Scott McCorquodale told me that he did not know how Bobby Rice had obtained shareholder information. When I asked who provided information about shareholders and about Sage Properties to Bobby Rice, Scott said "I don't know" and then promptly hung up the phone.
26. In my Jan 25, 2017 conversation with Sandra Jory, Sage BOD Chair, she told me that she had been in a telephone meeting with Bobby Rice in early January and that she was going to be meeting with him in the following week. Sandra Jory told me that she knew that Bobby Rice and the CRO (Chief Restructuring Officer) had communicated with each other on at least one occasion about half way through the CCAA proceedings.
27. I am concerned that the Sage Properties management and BOD are entertaining an interest that is in conflict with the Sage share valuation, and that their opposition to our request for an appraisal is not in the interest of maximizing the recovery for the shareholders, and is not in the best interests of the Depositors/Shareholders.
28. If the Sage shares are worth less than the dollar face value per share, then the depositors should be able to recoup the shortfall in the Representative Action.

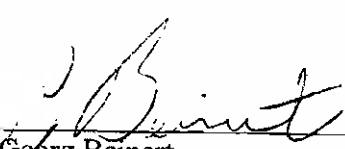
29. The Sage BOD is planning to hold a shareholders meeting in March to advise shareholders of 'options' to vote on. I believe that the shareholders deserve proper information regarding the valuation of their shares. Therefore, our request is urgent and time-sensitive.
30. I make this Affidavit in support of an Application for an Order directing Sage Properties Corp. to provide Avison Young with immediate access to the Prince of Peace Properties and the information they require which is identified in Exhibit "B" to this my Affidavit.

SWORN BEFORE ME at)

Edmonton, Alberta, this 20th day of)
February, 2017.)



(Commissioner for Oaths in and for)
the Province of Alberta))



Georg Beinert)

Exhibit “A”

Allan Garber

From: Allan Garber
Sent: February 3, 2017 11:13 AM
To: 'Max Findlay (Avison Young)'; Georg _
Subject: RE: Prince of Peace

This is unfortunate. I will write to Mr. Brown.

Allan Garber
Barrister & Solicitor

108, 17707 – 105 Avenue NW
Edmonton, AB T5S 1T1
Telephone (587) 400-9310
Fax (587) 400-9313
Email allan@garberlaw.ca

Note: This email address is not a valid address for service pursuant to Rule 11.21 of the Alberta Rules of Court. If you need to serve legal documents on Allan A. Garber, as lawyer of record, please do so by courier, recorded mail or fax.

From: Max Findlay (Avison Young) [mailto:Max.Findlay@avisonyoung.com]
Sent: February 2, 2017 11:40 AM
To: Georg _ <alternate1517@gmail.com>
Cc: Allan Garber <allan@garberlaw.ca>
Subject: RE: Prince of Peace

Allan/Georg,

I had a telephone conversation with Scott at Sage Properties today, and he indicated that he was unable to cooperate with gaining access to the project or providing any background data. He indicated that their lawyer was Ted Brown at BDP and all inquiries would need to be vetted by him. Scott was unable to provide any contact info for Mr. Brown. I will need some direction on how you would like to proceed.

Max Findlay, AACI, P.App.
Commercial Appraiser
max.findlay@avisonyoung.com

Avison Young
Suite 802, 1039 – 17th Avenue SW
Calgary, AB T2T 0B2

T 403.228.4001
ext.262

F 403.245.3426

avisonyoung.com

**AVISON
YOUNG**

**REAL ESTATE
SERVICES**

This is Exhibit "A" referred to in the
Affidavit of
Georg Beinert
Sworn before me this 20 day
of February A.D. 20 17
Garber
A Notary Public & Commissioner for Oaths
in and for the Province of Alberta

Allan A. Garber
Barrister and Solicitor

Exhibit “B”

Allan Garber

From: Allan Garber
Sent: February 7, 2017 8:19 AM
To: Ted Brown
Cc: Allan Garber
Subject: Fwd:
Attachments: image001.jpg; ATT00001.htm; image002.jpg; ATT00002.htm; image003.png; ATT00003.htm; image004.png; ATT00004.htm; image004.png; ATT00005.htm; image005.png; ATT00006.htm; image006.jpg; ATT00007.htm; Data Required.docx; ATT00008.htm

Here is the information that Avison Young requires.

Allan Garber

Sent from my iPhone

Begin forwarded message:

From: "Max Findlay (Avison Young)" <Max.Findlay@avisonyoung.com>
Date: February 7, 2017 at 7:35:24 AM MST
To: Allan Garber <allan@garberlaw.ca>
Cc: Georg _ <alternate1517@gmail.com>

Allan/Georg,

Good morning.

I have attached a short summary of the background information I require to move the projects forward. Please keep me in the loop as far as availability goes.

Cheers

Max Findlay, AACI, P.App.
Commercial Appraiser
max.findlay@avisonyoung.com

Avison Young
Suite 802, 1039 – 17th Avenue SW
Calgary, AB T2T 0B2

T 403.228.4001
ext.262

F 403.245.3426

avisonyoung.com

This is Exhibit "B" referred to in the
Affidavit of
Georg Beinert
Sworn before me this 20 day
of February, A.D. 2017
A. Garber
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Allan A. Garber
Barrister and Solicitor

DATA REQUIRED

In order to carry out this assignment we would request the following information be provided as soon as possible:

SENIORS HOUSING

1. Contact name and number to arrange an inspection of the premises;
2. Three year operating history (and current budget if available) with income and expenses reflected on a departmental basis;
3. Current rent roll; and
4. Marketing brochure including suite plans and current asking rents.

SCHOOL/CHURCH FACILITY

1. Contact name and number to arrange an inspection of the premises; and
2. Real Property Report or floor plans indicating building area;

Exhibit “C”

ALLAN GARBER
Barrister & Solicitor

#108, 17707 105 Avenue
Edmonton, Alberta T5S 1T1



February 6, 2017

Our File #: 212-3 AAG

Via Fax: (403) 260-0332

Burnet, Duckworth & Palmer LLP

525 8 Ave SW #2400,
Calgary, AB T2P 1G1
Tel (403) 260-0298
Fax: (403) 260-0332
Email: ebb@bdplaw.com

Attention: Ted Brown

This is Exhibit "C" referred to in the
Affidavit of
George Belmont
Sworn before me on the 30th day
of February 2017
A. Notary Public
in and for the Province of Alberta

Re: Prince of Peace Village/Sage Properties

Allan A. Garber
Barrister and Solicitor

Thank you for your letter of February 6, 2017. The facts of the matter are quite simple.

My clients are for the most part elderly. They relied on their deposits in the CEF to fund their retirement and to provide for their care. Many of them have lost everything with the collapse of the CEF.

A substantial component of the "recovery" of their losses is supposedly in the form of shares in NewCo, now Sage Properties. The shortfall in what they recover either by way of receiving shares in Sage or the sale of non-core assets is to be recovered in class action litigation against the officers and directors of the ABC District and others responsible for the losses. The higher the notional value of their shares, the less they can recover in litigation.

The Plan of Compromise and Arrangement was approved on the basis that that the shares in Sage had a certain value. Within months of the shares being issued, some of my clients have received offers to purchase their shares for **one-third of their face value**. Something is terribly wrong here. It seems that the shares have been over-valued, which of course limits the amount my clients can seek to recover in litigation.

My clients have been given the appraisals which were commissioned by the Monitor, Deloitte. They want a second opinion. If it turns out that the shares are worth less than what was indicated by the appraisals commissioned by Deloitte, they want to be able to go to court and challenge the appraisals.

Telephone: (587) 400-9310
Fax: (587) 400-9313
Email: allan@garberlaw.ca
www.garberlaw.ca

In the events leading up to the sanction of the CEF Plan of Compromise and Arrangement, concerns were expressed about the value of the Sage shares. The pathetic offers which have been tendered to date certainly bolster those concerns.

Avison Young are highly respected appraisers. Concerns about their work “negatively impacting the residents of the Harbor and Manor” or “interfering with the operations of Sage” are absolutely groundless.

Sage will be exposed to legal liability only if they choose not to co-operate. Please provide me with your favorable response by the end of this week, failing which the whole story will be presented to the court.

Yours truly,

Allan Garber Professional Corporation

Per:

Allan A. Garber

AG/as

Cc: Georg Beinert

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: Edward B. Brown
Direct Phone: (403) 260-0198
Direct Fax: (403) 260-0132
ebb@bdplaw.com

Assistant: Taylor McKinney
Direct Phone: (403) 260-0132
Our File: 74569-3

Via Email and Facsimile

February 13, 2017

Allan Garber Professional Corporation
108, 17707 – 105 Avenue
Edmonton, AB T5S 1T1

Attention: Allan A. Garber

Dear Sir:

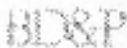
Re: Prince of Peace Development/Sage Properties Corp.

We thank you for your letter dated February 6, 2017.

Sage Properties Corp. (**Sage**) sympathizes with the situation that your clients find themselves in as a result of the collapse of CEF. Sage understands your clients' motivation to maximize their recovery of any shortfall after they have recovered as much as possible from the sale of any non-core assets and their shares in Sage have been properly accounted for.

As part of your clients' efforts to mitigate their losses, you have asked Sage to give Avison Young internal access to Sage's properties so that it can prepare a second opinion as to the value of those assets. Sage does not principally oppose putting additional information about the value of its properties before the Court. However, Sage's Management and Board of Directors have a duty to ensure that any cooperation it gives your clients does not have a negative impact on the business of Sage, the value of Sage's assets, or result in it becoming involved in any of the ongoing or future litigation.

As such, Sage must proceed in a cautious and prudent manner in relation to your request for internal access to its properties. To that end, Sage reiterates its request that you provide us with any Court Order or other legal document that gives your clients the right to obtain access to Sage's properties. If your clients do not yet have any such documents, we advise that Sage will not substantively oppose an application for a Court Order granting Avison Young access to Sage's properties for the purpose of obtaining a second opinion. However, Sage believes that your clients' application must be served upon all interested parties (including all of the parties to the related ongoing litigation). All of those parties should have the opportunity to make submissions to the Court regarding the propriety of your client's request. This will ensure that Sage cannot be criticized by any of those parties at a later date for providing such access and insulate Sage from becoming a party to the ongoing litigation. Further, at that application, Sage will make submissions to ensure that your clients' access to its property is provided in the least intrusive manner, at times and in ways that are convenient to Sage, and in a manner that absolves it of any liability for the actions of



BURNET, DUCKWORTH & PALMER LLP

February 13, 2017
Page 2

your clients' appraisers. We believe that this would be a simple and straight forward application that will not be overly costly. Further, this approach ensures that all interested parties have the ability to make submissions to the Court.

Please contact me if you have any questions with respect to Sage's position that your clients request for internal access to its properties be done through the Court on notice to all potentially interested parties.

Regards,

BURNET, DUCKWORTH & PALMER LLP



Edward B. Brown

EBB/tlh

Exhibit “D”

Deloitte.

This is Exhibit "D" referred to in the Affidavit of
George Belhert
20 day
of *Feynag* A.D. 2017
Allan A. Garber
Barrister and Solicitor
Commissioner for Oaths
in and for the Province of Alberta
Deloitte Restructuring Inc.
700, 850 – 2nd Street S.W.
Calgary AB T2P 0R8
Canada
Tel: 587-298-3203
Fax: 403-718-3681
www.deloitte.ca

November 4, 2016

Notice to the creditors of Lutheran Church – Canada, the Alberta – British Columbia District (the "District")

As you are aware, the District obtained an Initial Order under the *Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended* (the "CCAA") on January 23, 2015 (the "Filing Date"). Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings. Information on the CCAA proceedings can be accessed on Deloitte's website at www.insolvencies.deloitte.ca under the link entitled "Lutheran Church – Canada, the Alberta – British Columbia District et. al." (the "Monitor's Website").

On August 2, 2016, the Court granted an Order sanctioning the District's plan of compromise and arrangement (the "District Plan").

A new company, known as Sage Properties Corp. ("NewCo"), has been formed pursuant to the District Plan and shares in NewCo (the "NewCo Shares") will be distributed to Eligible Affected Creditors as set out in the District Plan (the "NewCo Share Distribution"). Additional information regarding NewCo will be provided by NewCo following the NewCo Share Distribution.

Attached is a statement indicating the value of the NewCo Shares that will be issued to you or such person as you designate (the "Statement"). For clarity, the Statement does not provide any representations or warranties whatsoever, including but not limited to, the amount that will ultimately be payable to Eligible Affected Creditors pursuant to the District Plan. In addition, the value of the NewCo Shares reflected in the Statement represents their estimated value as at the date that the NewCo Shares are issued and does not provide any representations or warranties, including but not limited to, the following:

1. The realizable value of the NewCo Shares or any value that may be attributed to the NewCo Shares at any point in the future;
2. Any cash recoveries that may be generated by the NewCo Shares over time through the payment of dividends, the redemption or resale of NewCo Shares or otherwise; and
3. The ability of Eligible Affected Creditors to dispose of the NewCo Shares now or in the future. As noted in the Monitor's First Report to the Creditors of the District, dated March 28, 2016 (the "Creditor's Report") any future sales or transfers of the NewCo Shares would be subject to trading restrictions under applicable securities legislation.

If the NewCo Shares are to be distributed to an Eligible Affected Creditor, who is a minor ("Minors") or through the estate of a deceased Eligible Affected Creditor ("Estates"), we refer you to the correspondence that was previously issued to you dated August 16, 2016 (the "August 16 Letter"). The August 16 Letter outlines additional documentation that must be provided prior to distributions, including the NewCo Shares, being made to Minors or Estates pursuant to the District Plan.

The NewCo Shares were issued effective October 31, 2016. You will receive confirmation that the NewCo Shares have been issued to you by way of a statement from Alliance Trust Company which is anticipated to be sent to you via regular mail on or around November 14, 2016.

Eligible Affected Creditors would have previously received cash distributions in the amount of the lesser of their proven claim or \$5,000 (defined in the District Plan as the Convenience Payment) as well as a pro-rata distribution from the proceeds from the sale of the District's assets outside of the District's mortgage on properties owned by ECHS within the development known as the Prince of Peace (the "Non-Core Assets"). Additional distributions from the sale of the Non-Core Assets will be available as the sale of the remaining Non-Core Assets is completed. Pursuant to the District Plan, distributions will be made each time the quantum of funds held in trust from the liquidation of the Non-Core Assets, net of applicable holdbacks, reaches \$3.0 million.

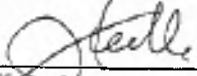
All creditors would have previously received the Creditor's Report. "Schedule 5" of the Creditor's Report includes a memorandum prepared by Gowlings WLG Canada LLP with respect to the tax implications of the District Plan for Eligible Affected Creditors (the "Tax Opinion"). Eligible Affected Creditors can refer to the Tax Opinion and are encouraged to consult with their own tax advisors regarding any questions regarding the tax implications of the District Plan.

If you have any questions, please contact Joseph Sithole at 1-587-293-3203.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as the Court-appointed Monitor 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. and not in its personal or corporate capacity



Jeff Keeble, CPA, CA, CBV, CIRP, LIT
Senior Vice-President

Enclosure



Deloitte Restructuring Inc.
700, 850 – 2nd Street S.W.
Calgary AB T2P 0R8
Canada

Tel: 403-298-5955
Fax: 403-718-3681
www.deloitte.ca

November 4, 2016

In the matter of the Companies' Creditors' Arrangement Act, R.S.C. 1985 c. C-36 as Amended
And in the matter of the Plan of Compromise or Arrangement of Lutheran Church – Canada, the
Alberta –British Columbia District (the "District")

INTERIM DISTRIBUTIONS

GEORG BEINERT


Amount of Claim

| | | |
|---------------------------------------|----|------------|
| Net claim (after Convenience Payment) | \$ | 376,228.18 |
|---------------------------------------|----|------------|

NewCo Share Distribution

| | | |
|--------------------------|----|------------|
| NewCo Shares (Valuation) | \$ | 215,513.95 |
|--------------------------|----|------------|

Less:

| | | |
|---------------------------|----|-------------------|
| Payments (Emergency Fund) | \$ | <u> </u> |
|---------------------------|----|-------------------|

| | | |
|-------------------------------------|--|---------|
| Net NewCo Shares (Number of Shares) | | 215,513 |
|-------------------------------------|--|---------|

| | | |
|---|--|-----|
| Percentage of net claim (after Convenience Payment) paid by the NewCo Share Distribution | | 57% |
|---|--|-----|

| | | |
|--------------------------|---|---------------|
| NewCo Share recipient(s) | — | GEORG BEINERT |
|--------------------------|---|---------------|

Previous Distributions (see Note 4)

| | | |
|---------------------|----|----------|
| Convenience Payment | \$ | 5,000.00 |
|---------------------|----|----------|

| | | |
|---------------------------|----|-----------|
| Initial Cash Distribution | \$ | 45,828.32 |
|---------------------------|----|-----------|

Notes:

1. On January 23, 2015 (the "Filing Date"), the District, Encharis Community Housing and Services, Encharis Management and Support Services and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (collectively the "District Group") obtained an Initial Order (the "Initial Order") from the Court of Queen's Bench of Alberta (the "Court") under the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended* (the "CCAA"). Deloitte Restructuring Inc. was appointed as Monitor in the CCAA proceedings.

Notes (cont'd):

2. On August 2, 2016, the Court granted an Order sanctioning the District's plan of compromise and arrangement (the "District Plan"), declaring that the District Plan is fair and reasonable and declaring that the District Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected by the District Plan are approved, binding and effective upon those creditors affected by the District Plan (the "District Sanction Order").
3. The proven claims of Eligible Affected Creditors are as established by the claims process that was approved by the Court pursuant to an Order granted on February 20, 2015. The proven claims are net of the following amounts that were paid during the CCAA proceedings:
 - a. The refund of amounts held in the District's mileage reserve fund, as approved by the Court pursuant to an Order granted on March 27, 2015; and
 - b. The refund of electronic fund transfers that were collected from Eligible Affected Creditors between April 7, 2014 and the date of the Initial Order, as approved by the Court pursuant to an Order granted on November 5, 2015 and amended on June 3, 2016.
4. Pursuant to the District Plan, Eligible Affected Creditors have already received the following distributions:
 - a. Payment for the lesser of \$5,000 or the total amount of their claim (the "Convenience Payment(s)"); and
 - b. A cash distribution (the "Initial Cash Distribution(s)") from the sale of the District's assets, outside of the District's mortgage on properties owned by ECHS within the development known as Prince of Peace (the "Non-Core Assets").
5. Pursuant to the District Plan, Eligible Affected Creditors are entitled to participate in a distribution (the "NewCo Share Distribution") of shares in a new company (the "NewCo Shares") to be formed pursuant to the District Plan ("NewCo"). The NewCo Share Distribution is based on the amount of each Eligible Affected Creditor's proven claim after deducting the Convenience Payment. Share Distributions have been rounded down to the nearest dollar.
6. All of the Convenience Payments, the Initial Cash Distributions and the NewCo Share Distribution were/ will be paid net of any amount that was previously paid pursuant to the emergency fund that was implemented prior to the Filing Date and approved by the Court as part of the Initial Order (the "Emergency Fund").
7. Additional distributions from the sale of the Non-Core Assets will be available as the sale of the remaining Non-Core Assets is completed. Pursuant to the District Plan, distributions will be made each time the quantum of funds held in trust from the liquidation of the Non-Core Assets, net of applicable holdbacks, reaches \$3.0 million.
8. Eligible Affected Creditors are referred to the Monitor's First Report to the Creditors of the District dated March 28, 2016 (the "Creditor's Report"). In particular, paragraphs 34 to 43 of the Creditor's Report include information regarding NewCo with paragraphs 41 to 43 containing specific information regarding the liquidity of the NewCo Shares, the risk factors associated with investments such as the NewCo Shares and the general business risks to which NewCo may be subject.
9. This statement is being provided for your records to advise you of the value of the NewCo Shares that will be issued to you pursuant to the NewCo Share Distribution.
10. Please refer to Deloitte Restructuring Inc.'s correspondence, dated November 4, 2016 which contains additional information.
11. This statement does not provide any representations or warranties whatsoever, including the amount that will ultimately be payable to Eligible Affected Creditors pursuant to the District Plan. In addition, the value of the NewCo Shares reflected in this statement represents their value as at the date that the NewCo Shares are issued and does not provide any representations or warranties whatsoever, including as to the following:
 - a. The realizable value of the NewCo Shares or any value that may be attributed to the NewCo Shares at any point in the future;
 - b. Any cash recoveries that may be generated by the NewCo Shares over time through the payment of dividends, the redemption or resale of the NewCo Shares or otherwise; and
 - c. The ability of Eligible Affected Creditors to dispose of the NewCo Shares now or in the future. As noted in the Creditor's Report, any future sales or transfers of the NewCo Shares would be subject to trading restrictions under applicable securities legislation.

Exhibit “E”



SAGE PROPERTIES CORP.

ALLIANCE
 TRUST COMPANY
 1010, 407-2nd Street SW,
 Calgary, Alberta T2P 2Y3
 403.237.6111
 www.alliancetrust.ca

ACCOUNT NUMBER: 955

STATEMENT DATE: 15 NOV 2016

GEORG BEINERT



Brokers: to process deposits correctly through CDSX, enter the Holder Account Number preceded by 'DRS' e.g. DRS-1234 in the certificate number field.

SAGE PROPERTIES CORP. - DIRECT REGISTRATION SYSTEM (DRS) ADVICE

| Transaction Date | Transaction Description | Shares Issued or Withdrawn | Running Balance |
|------------------|-------------------------|----------------------------|-----------------|
| | BEGINNING BALANCE | | 0 |
| 10/31/16 | ISSUE SECURITIES | 215,513 | |

This is Exhibit **E** referred to in the Affidavit of **Georg Beinert** signed on **20 February 2017** of **February 2017**
 A Notary Public, A Commissioner for Oaths in and for the Province of Alberta
Allan A. Garber
 Barrister and Solicitor

| CERTIFICATE SHARE | BOOK ENTRY SHARE | TOTAL SHARE |
|-------------------|------------------|-------------|
| 0 | 215,513 | 215,513 |

IMPORTANT INFORMATION RETAIN FOR YOUR RECORDS

This advice is your record of the securities transaction affecting your holdings recorded on the books of the Issuer as part of the book-based Direct Registration System (DRS). It is neither a negotiable instrument nor a security. You can transfer or sell your book-based DRS holdings by presenting this advice to your broker along with written instructions/stock power of attorney. If the Issuer's incorporating documents and governing legislation entitle security holders to receive certificates representing their holdings, this advice is also a non-transferable written acknowledgement of your right to receive such a certificate in respect of your holdings.

The assets in your account on the books of the Issuer are part of the Direct Registration System. Such assets are not deposits of Alliance Trust Company and are not insured by the Canada Deposit Insurance Corporation or any other Government agency.

The shares represented by this certificate have rights, privileges, restrictions and conditions attached thereto and the Company will furnish to a shareholder, on demand and without charge, a full copy of the text of (a) the rights, privileges, restrictions and conditions attached to each class authorized to be issued and to each series in so far as the same have been fixed by the directors; and (b) the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series.



Dear Shareholder:

Sage Properties Corp. ("**Sage**"), by its transfer agent Alliance Trust Company, is pleased to enclose herewith a direct registration statement representing your Class A common shares in the capital of Sage ("**Shares**").

As a shareholder of Sage you are entitled to, at your request, have access to and/or have your name listed on a database of Sage shareholders who wish to sell their Shares (the "**Database**").

For further information or assistance in accessing the Database or listing your Shares on the Database, please contact Andreas Schwabe, Director of Communications of Sage by email at andreas.schwabe@sageproperties.ca or by telephone at (780) 915-7715.

Kind regards,

(signed) "*Scott McCorquodale*"

Scott McCorquodale
Chief Executive Officer
Sage Properties Corp.

Exhibit “F”



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 "F" referred to in the
Affidavit of
Georg Beigent
dated and sworn to on 20... 2016
on February 20, 2017
Allan A. Garber
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Allan A. Garber
Notary and Solicitor

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.

Exhibit “G”

From: Robert Rice

Sent: Thursday, December 22, 2016 4:21 PM

To: [REDACTED]

Subject:

Mr. Schutz,

Thank you for the call today. Per our discussion, we are providing liquidity to current shareholders of Sage Properties Corp. who wish to sell their shares. I am offering to purchase the approximately 862,000 shares of Sage Properties Corp. for \$280,000 CDN (to the extent the share number, once confirmed, changes a bit the offer price may vary slightly as well). The buying entity is our wholly owned company, Prince Of Peace Investments ULC, and we can close the transaction in very short order. We are working with a number of other shareholders and, as a result, have sale agreements ready should you choose to move forward with a transaction.

I look forward to hearing from you and am happy to discuss at any time.

Sincerely,
Bobby Rice

Robert C. Rice
Sandton Capital Partners, LP
Tel: (310) 100-3980
Fax: (310) 861-0629
Email: rrice@sandtoncapital.com
www.sandtoncapital.com

... This email and any attachments may contain confidential and privileged information. If you are not the intended recipient, please notify the sender immediately by return email, delete this email and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal. Unless otherwise stated, opinions expressed in this email are those of the author and are not endorsed by the author's employer. This email is not intended to constitute legal, tax or accounting advice, or investment recommendations. Any projections, market outlooks or estimates in this email are forward looking statements, are based upon certain assumptions and should not be construed to be indicative of the actual events which will occur. Other events which were not taken into account may occur and may significantly affect returns or performance of an investment. Past performance does not necessarily predict future results.

This is Exhibit "G" referred to in the
Affidavit of
George Beiner
Sworn before me this 20 day
of February, A.D. 2017.
A. Garber
A Notary Public, a Commissioner for Oaths
in and for the Province of Alberta

Allan A. Garber
Barrister and Solicitor

Exhibit “H”

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2017/01/31
 Time of Search: 01:06 PM
 Search provided by: KVP REGISTRATION SERVICES

Service Request Number: 26459097
 Customer Reference Number: GEN00560035

Corporate Access Number: 2120139346
 Legal Entity Name: PRINCE OF PEACE INVESTMENTS ULC

Legal Entity Status: Active
 Extra-Provincial Type: Other Prov/Territory Corps
 Registration Date: 2017/01/03 YYYY/MM/DD
 Date Of Formation in Home Jurisdiction: 2016/12/22 YYYY/MM/DD
 Home Jurisdiction: BRITISH COLUMBIA
 Home Jurisdiction CAN: 1101369

Primary Attorney:

| Last Name | First Name | Middle Name | Firm Name | Street | City | Province | Postal Code |
|-----------|------------|-------------|------------------------------|-------------------------------|---------|----------|-------------|
| BENTLEY | ROSS | | BLAKE, CASSELS & GRAYDON LLP | 855 - 2 STREET SW, SUITE 3500 | CALGARY | ALBERTA | T2P4J8 |

Head Office Address:

Street: SUITE 2600, THREE BENTALL CENTRE, 595 BURRARD STRE
 City: VANCOUVER
 Province: BRITISH COLUMBIA
 Postal Code: V7X1L3
 Country: CANADA

Other Information:

Filing History:

| List Date (YYYY/MM/DD) | Type of Filing |
|------------------------|---|
| 2017/01/03 | Register Extra-Provincial Profit / Non-Profit Corporation |

This is Exhibit "H" referred to in the Affidavit of
 George Baird
 sworn to and filed in
 the Court of Queen's Bench
 of Alberta
 on February 20, 2017
 at Calgary, Alberta
 A Notary Public and Commissioner for Oaths
 in and for the Province of Alberta

Allan A. Garber
 Barrister and Solicitor

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.





BC Company Summary

For
PRINCE OF PEACE INVESTMENTS ULC

Date and Time of Search: February 01, 2017 11:46 AM Pacific Time
Currency Date: November 24, 2016

ACTIVE

Incorporation Number: BC1101369
Name of Company: PRINCE OF PEACE INVESTMENTS ULC
Recognition Date and Time: Incorporated on December 22, 2016 03:26 PM Pacific Time
Last Annual Report Filed: Not Available

In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
SUITE 2600, THREE BENTALL CENTRE
595 BURRARD STREET, P.O. BOX 49314
VANCOUVER BC V7X 1L3
CANADA

Delivery Address:
SUITE 2600, THREE BENTALL CENTRE
595 BURRARD STREET, P.O. BOX 49314
VANCOUVER BC V7X 1L3
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
SUITE 2600, THREE BENTALL CENTRE
595 BURRARD STREET, P.O. BOX 49314
VANCOUVER BC V7X 1L3
CANADA

Delivery Address:
SUITE 2600, THREE BENTALL CENTRE
595 BURRARD STREET, P.O. BOX 49314
VANCOUVER BC V7X 1L3
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Korvyakov, Dimitri

Mailing Address:
16 W. 46TH STREET
NEW YORK NY 10036
UNITED STATES

Delivery Address:
16 W. 46TH STREET
NEW YORK NY 10036
UNITED STATES

Last Name, First Name, Middle Name:

Nurick, Rael

Mailing Address:

16 W. 46TH STREET
NEW YORK NY 10036
UNITED STATES

Delivery Address:

16 W. 46TH STREET
NEW YORK NY 10036
UNITED STATES

Last Name, First Name, Middle Name:

Rice, Robert

Mailing Address:

3500 WEST OLIVE AVENUE
SUITE 300
BURBANK CA 91505
UNITED STATES

Delivery Address:

3500 WEST OLIVE AVENUE
SUITE 300
BURBANK CA 91505
UNITED STATES

NO OFFICER INFORMATION FILED
